



# Somerset House Trust

Report and financial statements for the year ended 31 March 2024

Somerset House Trust

# Annual Report & Financial Statements for the year ended 31 March 2024

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**Annual Report & Financial Statements for the year ended 31 March 2024****Legal and Administration Details**

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|                                  |  |
|----------------------------------|--|
| <b>Registered Office</b>         | Somerset House<br>Strand<br>London<br>WC2R 1LA |
| <b>Registered Charity number</b> | 1063640  |
| <b>Company Number</b>            | 03388137 incorporated in England and Wales     |

**Directors (Trustees):**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

|                              |   |                       |
|------------------------------|---|-----------------------|
| Gail Rebuck                  | Chair of Board of Trustees<br>Chair of Nominations & member of Remuneration Committee |                       |
| Sophie Turner Laing          | Deputy Chair of Board of Trustees<br>Member of Nominations & Remuneration Committee   |                       |
| Alix Burge                   | Member of the Audit & Risk Committee  |                       |
| Martine D'Anglejan-Chatillon |   |                       |
| Jennifer Duvalier            | Chair of Remuneration & member of Nominations Committee                               |                       |
| Brian Eno                    |   | Resigned 6 Dec 2023   |
| Carol Fairweather            | Chair of the Audit & Risk Committee   | Resigned 6 Dec 2023   |
| Paul Goswell                 |   |                       |
| Melanie Hall                 | Member of Audit & Risk Committee  |                       |
| Asif Kapadia                 |   | Appointed 25 Sep 2024 |
| Dawid Konotey-Ahulu          | Member of Nominations & Remuneration Committee  |                       |
| Elliott Linger               |   | Appointed 24 Jan 2024 |
| Monica Monajem Isfahani      | Member of Audit & Risk Committee  | Resigned 2 Jul 2024   |
| Jonathan Newhouse            |   |                       |
| Helen Protheroe              |   | Appointed 25 Sep 2024 |
| Melanie Smith                | Member of Audit & Risk Committee  | Resigned 25 Jun 2023  |
| Jessica Tamsedge             |   | Appointed 27 Sep 2023 |
| Peter Williams               | Chair of Audit & Risk Committee   | Appointed 27 Sep 2023 |

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#### Executive Team

|                   |   |
|-------------------|---|
| Jonathan Reekie   | Director                                      |
| Diana Spiegelberg | Deputy Director                               |
| Samantha Gilburd  | Chief Operating Officer and Company Secretary |

#### Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

#### Banker

National Westminster Bank PLC  
38 Strand  
London  
WC2N 5JB

#### Solicitors

Charles Russell Speechlys  
5 Fleet Place  
London  
EC4M 7RD

Bates Wells & Braithwaite London LLP  
10 Queens Street Place  
London  
EC4R 1BE

YESS Law (Your Employment Settlement Service Limited)  
South Wing, Somerset House  
Strand  
London  
WC2R 1LA

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## Report of the Board of Trustees

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### CHAIR'S FOREWORD

2023/24 was an exceptional year for Somerset House with many records broken and aspirations achieved but at the time of writing we are in the early stages of recovering from a fire that damaged the upper floors and roof where South Wing and West Wing meet.

Total visitors to the site, at 2.9m people, returned to pre-Covid levels for the first time, marking an important milestone as we build towards Somerset House at 25 next year.

Visitor numbers were aided by two major ticketed exhibitions: The Missing Thread: Untold Stories of Black British Fashion, which attracted almost 20,000 visitors, and *CUTE* our most successful exhibition ever, achieving over 122,000 visitors. *CUTE* was curated in-house and surpassed all expectations by the end of its run in April with much interest from potential partners to tour the show internationally.

Skate, with over 166,000 visitors continues to be our most popular event and this year also achieved a sales record. It continues to successfully attract a broader audience to Somerset House giving us opportunities to raise awareness of our wider work and programme.

With commercial hires also achieving record breaking sales, our total income surpassed the £24m milestone. These strong performances enabled us to set aside funds for essential capital expenditure and to support enhancement of the programme for 2025.

Our onsite community of cultural innovators continues to drive artistic and social innovation, leveraging the power of arts to make change across the whole of society. It fuels our artistic programme, with 96 residents featured in the programme including solo shows by Studios' artists Sonya Dyer & Libby Heaney, the exhibition Makerversity: Designing for the Real World celebrating 10 years of Makerversity, our onsite community of makers, and the London Battle in our courtyard in partnership with, residents, Dance Umbrella. What happens here really does not happen anywhere else.

Our onsite community is also integral to our work to support the widest possible span of creative talent, with 43 residents working with us to deliver our flagship career development initiatives. In the last year, we supported 66 early-stage, black-led creative business through our Black Business Residency, which recently helped Somerset House rank 105 in Europe's Leading Start-Up Hubs in the Financial Times. We hosted 3,300 young people across a range of inclusive talent engagement events, including two Upgrade Yourself festivals and our year-long Upgrade Yourself Industry Placements where we partner with residents to offer 5 young people in-depth experience across two 6-month rotations. Almost 40% of our artists benefited from supported schemes including bursaries, residencies and fellowships and c17% of Exchange members were in receipt of bursaries throughout the year, with 30% of those being alumni of the Black Business Residency. We are also trialling a new supported scheme to enable artists to make the leap from our subsidised Studios to their own workspace.

As custodians of an historic building in the heart of London, our work to improve the site and our offer to the public also continued. The cleaning of the stonework, alongside maintenance works, on both the Embankment façade of the South Wing and the Lancaster Place façade of the New Wing completes the restoration of the stonework to its original glory. Thanks to generous support from the Edmond J. Safra Foundation, we were able to renew the façade lighting in the Edmond J. Safra Fountain Court, increasing energy efficiency in the process. At the end of the year, we parted company with our longstanding food and beverage operator. The funds from that exit have been set aside to enable us to develop a variety of new food and drink offers across the site, including covering lost income during the transition period. When complete, alongside renewing our outdoor seating and improving key public areas, we will have an offer which further builds the attraction of Somerset House and befits the Home of Cultural Innovators.

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The fire was on Saturday 17 August 2024 at around midday. London Fire Brigade and the Somerset House team on site responded magnificently and thankfully all staff, residents and visitors were kept safe. The London Fire Brigade investigation into the cause continues and we await their report in due course.

We are relieved to report that the damage was largely contained to an area where the West and South Wings meet on the upper floors. As soon as the London Fire Brigade left the site, we were able to allow our cultural innovators back into their workspaces in the New Wing, just 3 days after the fire. We reopened our exhibitions and public spaces a week after the fire, and over the following week were able to bring back the rest of our residents. The Trust holds insurance for such events and the long process of rebuilding is now underway.

Although 2023/24 was a very successful year, we now must contend with the post-fire rebuild and it would be remiss not to mention that chill economic winds are appearing for 2024/25, with noticeable business caution impacting both office leasing and commercial hires and the cost-of-living crisis continuing to impact demand for ticketed events. Simultaneously we have ambitious plans for 2025, to mark the 25<sup>th</sup> birthday of Somerset House, supported by a big focus on strategic communications. Our reserves position will enable us to maintain our ambitions, weather any short-term economic softening and to continue to offer free events and exhibitions throughout the year, including our largely free programme throughout August. However, we continue to carefully monitor the economic environment to ensure we are taking all actions needed.

The team at Somerset House deliver with gusto and dedication year after year while continuing to evolve and reinvent. Now they face an unplanned rebuilding project in addition to rising economic pressures and delivering our 25<sup>th</sup> birthday plans. I am exceedingly grateful to them, our resident community, my fellow trustees and to all our supporters and partners, including the Department for Culture, Media & Sport.

**Gail Rebuck**

Somerset House Trust

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### Report of the Board of Trustees

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#### OUR MISSION AND PURPOSE

The Somerset House Act was passed in 1984 with the intention to develop Somerset House as a home for the arts. Somerset House Trust was established in 1997 as a charitable company. Since then, the Trust has gradually recovered all the spaces of Somerset House covering over 6 acres and over 590,000 sq./ft of Grade 1 listed heritage space across 5 buildings.

Our charitable object is:

To advance the education of the public by the provision of a centre for arts in Somerset House in London, including in particular (but without limitation) promoting and maintaining certain parts of Somerset House for the benefit of the local community and international community as a public building and as an example of English national heritage.

In pursuit of this we have turned Somerset House into the home of cultural innovators, connecting creativity and the arts with wider society. We host a collision of worlds and harness the power of our people, programme and place to:

- Drive artistic and social innovation
- Develop the widest possible span of talent
- Leverage the power of arts to make change across the whole of society

To achieve this our strategic objectives, focus on:

- Creating a distinctive cross disciplinary programme
- Maintaining the heritage and public enjoyment of our site
- Nurturing our creative community
- Revitalising our sustainable business model

#### PUBLIC BENEFIT

Somerset House is a Public Benefit Entity. In shaping the objectives for the year and planning the Trust's activities, the trustees have considered the Charity Commission's guidance on public benefit.

It is our policy for our site and many of our spaces and activities to be free or pay-what-you-can. Where we charge, in setting ticket prices and concessions, trustees considered the accessibility of the site to all members of the public, whatever their means.

We continue to improve access to our events. This year saw the introduction of relaxed sessions at our headline *CUTE* exhibition with significantly reduced capacity, lowered audio-visual levels and other adaptations enabling visitors with neurodiverse needs to explore the exhibition in a calm and comfortable environment.

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The site was open with free access to the public every day except Christmas day, with free exhibitions and displays for 351 days of the financial year, including three major free courtyard installations. Summer in the Courtyard, in August 2023, provided a space for Londoners of all ages to enjoy the fountains and events and performances from the city’s grassroots communities, much of it free.

**Channel**, our dedicated online space enabled audiences anywhere free access to specially commissioned digital works, and insights into artistic process, featuring many artists based at Somerset House Studios.

Our Inclusive Talent Engagement programme gave free learning and career opportunities to 3,319 young people in person, ranging from attendance at events providing access to practitioners to year-long London Living Wage paid placements with the Trust and other resident organisations based at Somerset House.

### DISTINCTIVE CROSS DISCIPLINARY PROGRAMME

As the home of cultural innovators, our cultural programme celebrates the unique interplay between our onsite creative community, our Grade 1 listed heritage site and our position at the meeting point of artistic and social innovation.

Our programming objectives focus on:

- Impact** Producing distinctive, cross disciplinary and critically successful cultural projects.
- Platform** Work that foregrounds the building, our creative community or less familiar voices
- Audience** Work that actively attracts, engages and diversifies audiences and communities

This year featured two major, ticketed exhibitions for the first time since Covid, *The Missing Thread* and *CUTE*.

Key results were:

| Measure   | Result | Target | Comment  |
|---|--------|--------|--|
| Total programme visitors (exhibitions and events) | 382k   | 354k   | Results bolstered by record attendance for <i>CUTE</i>                                 |
| Free days of exhibitions / installations          | 351    | 350    |  |
| Online cultural programme audience                | 959k   | 675k   | Total views /listens for new releases of online cultural content across all platforms. |

Our overall in-person programme attendance (at exhibitions and ticketed events) of 382,000 was above our target of 354,000, largely driven by record *CUTE* attendance. Meanwhile, the public could visit and see an exhibition or installation almost every day of the year for free.

Our home-grown programme continues to develop. We presented 15 site-specific projects throughout the year, covering a range of commissions, installations and performances with almost 100 residents featured in our programme. Our focus on representation continues with over 220 artists featured who are under-represented in terms of ethnicity, well above our target of 130.



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#### Programme Highlights

This year saw the presentation of two major ticketed exhibitions *The Missing Thread: Untold Stories of Black British Fashion* and *CUTE*.

Curated by **Harris Elliott, Andrew Ibi, and Jason Jules** – who together form the **Black Orientated Legacy Development Agency (BOLD)** – *The Missing Thread* charted the work of often-overlooked Black designers amongst the creative and socio-political contexts in Britain since the 1970s. The exhibition finished with a focused look at the archive, work, influence and legacy of the late designer, Joe Casely-Hayford OBE. During the run of the exhibition, Casely-Hayford was honoured with a posthumous Special Recognition Award and scholarship in his name from the British Fashion Council. Headline sponsorship by Morgan Stanley supported the exhibition and enabled a range of accompanying activity including a public programme, publication, online content, and accessible ticketing schemes.

*CUTE* opened in early 2024 with a huge amount of positive press, influencer and public attention, and Sanrio as headline sponsor. The exhibition sold out on many dates and ultimately finished in April 2024 as the best attended exhibition ever at Somerset House with over 122,000 visitors. Curated in-house by Senior Curator Claire Catterall and organised into thematic sections exploring the different ways of looking at the cuteness phenomenon, the exhibition also featured a Hello Kitty archive and disco, games arcade, installation by musician Hannah Diamond, and several new commissions by Somerset House artists. *CUTE* has attracted interest globally and is expected to tour next year.

Two *Pay-What-You-Can* exhibitions of a smaller scale were presented in the Terrace Rooms this year. **Black Venus: Reclaiming Black Women in Visual Culture** was curated by **Aindrea Emelife** and featured over 40 works by 18 Black women and non-binary artists. Working mainly through photography, the exhibition celebrated and explored representations of Black femininity in light of three historical Venus archetypes.

**Makerversity** celebrated their 10-year anniversary and tenure as a Somerset House resident with the exhibition ***Makerversity: Designing for the Real World***. The exhibition was curated by co-founder and current Director **Paul Smyth** and featured innovative prototypes, disruptive products and projects, and a live laboratory of cross-disciplinary collaborations, all working across topics such as sustainable materials, ethical AI, and pollution reduction.

For the third Morgan Stanley commission for an emerging artist, we invited **Theresa Weber** to make a site-specific piece that was presented in the Stamp Stairs. ***Cycles of Unmasking*** was a multi-layered fabric work that extended four storeys down the stairwell. Inspired by organic forms and colours and Caribbean Carnival, the sculpture reflected on Somerset House's imperial architecture and history with the sea.

The centrepiece of the Studios programme was a film and sculptural installation, ***Three Parent Child***, by Studios artist **Sonya Dyer** which reimagined the history and radical potential of human space travel, exploring the intersections between scientific enquiry and science fiction. Sonya's commission was developed following initial R&D support with King's College London researchers and cell scientists.

In partnership with VIVE Arts, a new virtual reality commission from Studios artist and quantum physicist **Libby Heaney** drew on the artist's own experience with personal grief and sudden loss, to explore the non-binary and non-local qualities of quantum physics. This immersive installation invited audiences to connect deeply with emotions by exploring the meaning of existence in both the physical and virtual realms, and enjoyed a sell-out run in February.

For this year's access-all-areas party AGM, Somerset House Studios invited three artists to curate different spaces in the building. Collaborating with many artist peers, **Joe Namy** presented ***Disguise as Dancefloor***, **Akinola Davies Jr.**

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curated an evening of music, spoken word and live drums in dialogue and **Rosa-Johan Uddoh** presented *Ye Olde Performance: An Audience With The Horrid Sisters*, a three-act live performance.

Somerset House Studios' experimental sound, music, and performance series, *Assembly*, returned for the first time in four years with series of new commissions, collaborations, and live premieres, many of which have been developed in residence at the Studios. The 2024 programme featured a new partnership with the Roberts Institute of Art, and a number of works will travel internationally to festivals including *Rewire* in the Hague, CTM Festival in Berlin, and Edinburgh Art Festival.

As ever the Edmond J. Safra Fountain Court was our main stage. The **Summer Series with American Express** in July showcased a wealth of contemporary music talent with many highlights, including Gabriels, Alison Goldfrapp and Olivia Dean. The event was very positively received, with many sold-out nights and total attendance of over 36,000, up 12% on 2022.

In October to launch *Dance Umbrella*, a Somerset House resident, we co-presented *London Battle*, a Hip Hop takeover of our iconic courtyard with live dance, workshops, DJs and a big party, curated by Jade Hackett.

**SKATE** continues to be our most popular event, bringing family and friends together with the backdrop of our special building. We continue to offer other programming around Skate, with *Skate Lates* featuring a curated line-up of contemporary DJs, artists and collectives. This year we attracted over 166k visitors, a slight reduction on last year's record number, and we continue to enhance accessibility including wheelchair access to all sessions, a mobiloo for disabled customers for select sessions and reduced capacity sessions for anyone who would benefit from being in a more relaxed environment.

Our major new Spring commission was *Bamboo as Method* by Hong-Kong based artist **Zheng Bo**. The installation took the form of a large-scale bamboo garden, providing a green place for contemplation and an invitation to visitors to sketch the leaves of ten different locally-sourced bamboo species. Throughout the run of the commission, thousands of drawings were completed on biodegradable paper, and these were later composted, completing a cycle of creativity and ecology. On Earth Day, Bo led all-day drawing sessions for the public, and presented a talk on their work.

Throughout the year, we continued to prioritise young, new and diverse audiences, through programming and ticketing initiatives. These included free access for under-25s to Somerset House and the Courtauld Gallery at Morgan Stanley Lates events, as well as Community Ticket initiatives for *The Missing Thread* & the *Vogue Ball*.

### Partner Programme Highlights

Our programme included a number of highlights developed with and by regular partners. In 2023/24, these included the annual games festival *Now Play This*, as part of the London Games Festival, which explored the theme of Love through independent games and interactive exhibits.

*Collect*, the Crafts Council's leading international fair for contemporary craft and design also returned, celebrating its 20<sup>th</sup> year, Photo London showcased Martin Parr as Master of Photography in the Embankment Galleries as part of its successful public programme at the fair whilst the contemporary African art fair *1-54* hosted its 11<sup>th</sup> edition at Somerset House, with 62 international exhibitors across 31 countries, the largest number of countries to date.

Once again, young people's creativity (13-16 year olds) from around the nation was showcased in the annual summer exhibition staged by the National Saturday Club. This year, the work of 1,800 members from 94 clubs was presented for free in the Embankment Galleries.

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### Programming plans for 2024-25

For our programme for 2024-25 we will continue to provide a platform for artists and creative minds from within the Somerset House community while also bringing attention to voices that are often underrepresented in the arts community. The building and its history will continue to be a source of inspiration for works presented here. We open the year with the conclusion of *CUTE* and a new Somerset House Studios exhibition, *Points of Return*, presenting the work of three early career visual artists: enorê, Leila Dear and Ufuoma Essi, developed as part of an 18-month residency supported by the Jerwood Foundation. In June, *The Lore of LOVERBOY* exhibition celebrates 10 years of club to catwalk with longstanding Studios' artist and international fashion powerhouse Charles Jeffrey LOVERBOY. In September, Studios' artist Imran Perretta will present a new exhibition combining sound, performance, poetry and moving image and in the autumn, in *Making a rukus!*, we invite visitors to explore the playful, radical and disruptive world of the rukus! federation. We then move into a year of celebration of Somerset House at 25, with a major exhibition of creative responses to soil.

### HERITAGE AND PUBLIC ENJOYMENT OF OUR SITE

Preserving our Grade I listed building and making it open to a large public is central to our charitable objectives. We aspire to be an exemplar in how we combine management of our historic site with a relevance that attracts cultural innovators and offers an engaging visitor experience. This year we continued to focus our efforts on three primary areas:

**Conservation** – Protecting and renewing the site and enhancing our sustainability.

**Welcoming destination** - Creating a welcoming, memorable, and safe destination.

**Heritage** - Bringing to life the heritage and history of the site.

We set ourselves targets across these areas:

| Measure  | Result | Target | Comment  |
|--|--------|--------|--|
| Major urgent maintenance items   | 0      | 0      |  |
| Positive visitor experience based on interaction with VE and Security staff (% audience members surveyed agreeing this is good or very good) | 83%    | 75%    | Surveys of those visiting Summer Series, Skate, <i>CUTE</i> (including Relaxed Sessions), Now Play This and Assembly.                                    |
| Introduce two key priority recommendations from Access Audit   | 2      | 2      | We introduced Relaxed Sessions for both <i>CUTE</i> and Now Play This, along with sensory exhibition packs.  |
| RIDDOR reportable accidents  | 1      | 0      | A team member was injured while closing a gate leading to 12 days off work. The team were retrained & the local authority did not open an investigation. |
| Historical Highlights tour attendance  | 2,321  | 3,300  | We are improving marketing to raise awareness of the tours   |

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#### Conservation

We carried out conservation works in line with the programme endorsed by our external surveyor in the most recent quadrennial report, which dictates proper care and maintenance for the estate. The works were carried out on New, South, and West Wings, and included cleaning of the stonework, stone repairs and repointing, protecting sculptures and architectural features, alongside repair and redecoration of woodwork.

#### Welcoming destination

We have continued to make improvements to our visitor experience and delivered in-house training for all Visitor Experience staff focusing on customer service, engagement, and service recovery, empowering the team to resolve issues with minimal escalation. Similarly, we are also delivering updated customer service training for the Security team, ensuring a high standard of service. During the busy month of August, we had Welcome Hosts onsite every day to meet and greet our visitors.

The Access Action Group has continued to focus on making improvements for d/Deaf and disabled visitors to Somerset House. The group identified 5 key priorities for improvements, which led to developing access event profiles, accessible language guide, and improvements to communications online and pre-event. In addition, the Visitor Experience team completed Embracing Neurodiversity training and a group within the team were trained to be Sighted Guides to further develop a core team with specialist skills. We implemented Access Hosts on key events such as Summer Series and introduced Exhibition Access Packs including sensory aids, ear defenders, and large print guides. Relaxed Sessions now form a core part of our exhibitions programming with two sold out sessions for *CUTE* which received positive survey feedback for welcome, staff engagement, and pre-event communications. We commissioned a full Access Audit of all publicly used spaces and have identified our next priorities for action.

#### Food and Beverage

Our lease with food and beverage operator, Restaurant Associates, came to an end in March 2024. We took this as an opportunity to bring on board a mix of new food and beverage partners to position Somerset House as an exciting and distinctive food destination for residents and public alike, supporting our position as the home of cultural innovators. This is a major focus for the next year.

We will be partnering with operators who are aligned with our overall vision, whose proposition and exceptional customer service can make Somerset House an even more appealing place to work, to visit and gather with family, friends and colleagues.

#### Heritage

Historical Highlights Tours continue to be a core offer to enable visitors to have a deeper understanding of the history of Somerset House and visit areas of the building not usually publicly accessible. These include the Lightwells and the Deadhouse. We review and update the tour regularly to ensure we are communicating the current programme and uses of Somerset House. In 2023/24 we welcomed over 2,300 guests and consistently receive 5\* reviews on Trip Advisor.

With the kind support of the Edmond J. Safra Foundation, we have completed phase one of our new architectural lighting. The new digitally controlled lighting covers the courtyard facades of the West, South, and East Wings and produces twice as much light as the old system, highlighting the building's architectural features and allowing a full range of dynamic colour settings to be used for our events.

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#### Heritage and public enjoyment - the year ahead

During 2024-25, we will complete our final major façade cleaning work, moving into a routine maintenance cycle. We aim to significantly improve the overall visitor experience with a number of improvements to the site. As part of a plan to refurbish the Salt Stair, we will improve access between the River Terrace and the Edmond J. Safra Fountain Court for visitors using wheelchairs. We will replace and increase furniture in the courtyard, upcycling our existing furniture to improve facilities on the River Terrace. We hope to have several new food and beverage operators onsite with the first, Café Petiole, open in May 2024. We have also commissioned work to improve wayfinding, with budgets and timing of works to be determined once the review is complete.

#### OUR CREATIVE COMMUNITY

As the home of cultural innovators, we are home to a large community of artists, makers, technologists, inventors, change-makers and start-ups, including charities, social enterprises, B Corps and established businesses operating in and supporting the creative industries.

This community, which is described at the end of this section, both contributes to and reflects our creative purpose. It is also a key component of Somerset House's funding model, providing a regular income stream in the form of rental, service charges, membership and other payments which support Somerset House Trust in delivering its charitable objectives.

Our objectives in this area focus on:

|                                     |  |
|-------------------------------------|--|
| <b>Offer</b>                        | Strengthen our inspirational workspace offer                                 |
| <b>Connections &amp; Engagement</b> | Raise the profile of the community and power up community connections        |
| <b>Representation</b>               | Promote career pathways at multiple levels that address under-representation |

This year we continued to focus on rebuilding our creative community, which remains impacted by hybrid working models and economic challenges. Our flexible workspace options, terms and opportunities enable residents to move within the community, supporting them as they grow or enabling them to downsize where needed. During the year, we started work to improve common areas for our office residents, focused on building connections with sector specialist events and supported residents to run more of their own events.

Our Inclusive Talent programmes, aimed at tackling under-representation in the sector, are supporting the next generation of creative talent with access to development opportunities. Our onsite community is a key part of this programme, multiplying our impact by providing expertise and opportunities that Somerset House alone could not, with over 40 residents involved in supporting our programme. We've provided over 150 durational opportunities for talented individuals including bursaries and residencies, the Black Business Residency and our young people's programmes.

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## Report of the Board of Trustees

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Key results were:

| Measure   | Result | Target | Comment   |
|---|--------|--------|---|
| Occupancy   | 92%    | 96%    | Churn amongst our creative enterprise residents remains elevated with hybrid working models and cost pressures impacting demand for office space. |
| Recommend SH as a workspace                             | 96%    | 96%    | 2023 all-resident survey  |
| Black Business Residency participants                   | 66     | 40     | Cohort sizes above target but reduced year on year to increase level of one-to-one support and programme impact                                   |
| Young people with durational talent opportunities       | 35     | 20     | Creative Industry Placements and Makerversity Residency programme   |
| of whom reporting increased confidence in career skills | 87%    | 75%    |   |
| Creative industry placement alumni working in sector    | 100%   | 80%    | 4 of the 5 participants secured work within the Somerset House community  |

### Offer

Occupancy rates remained level from the previous year, with 9% of our space vacant as of 31 March 2024. The continuation of hybrid working patterns, while reducing demand for dedicated offices, positively impacted the growth of our Exchange co-working membership. During the year, we were joined by 14 new office residents, 360 new Exchange members and 11 new artists.

We continued to adapt our space and facilities to support hybrid and flexible working patterns and facilitate new pathways between our workspaces.

Our Resident Support Programme saw over 1,800 attendees across a range of events including business advice clinics, targeted discipline-led networking events, special interest groups, community wide socials and cultural programme engagement.

Somerset House Studios artist development initiatives offered the artist community a range of support focused on funding, publicity, legal advice, music studio inductions plus sessions on writing and artist headshots, with 66 artists engaging with this programme over this time. Alongside, 40 community building events included open studios, skill sharing sessions, artist presentations, socials and screenings, plus a range of offsite field trips offering exclusive behind the scenes access, and the introduction of a Somerset House Studios choir.

### Connections & Engagement

Members of our onsite creative community have made positive contributions across our Inclusive Talent Engagement programmes. During 2023-2024 the Inclusive Talent Engagement team collaborated with 43 residents, Studios artists, Black Business Residency and Exchange members for the delivery of our flagship career development initiatives: Upgrade Yourself Creative Industry Placements, Festivals & Takeovers and Makerversity Residencies and Taster Days, with over 3,300 young people participating in person. A unique feature of our onsite community is our

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ability to offer durational opportunities to young people by working in partnership with our resident community to deliver a year-long placement with experience gained across 2 organisations.

We continued to strengthen our relationship with Westminster Kingsway College in delivering Makerversity Residencies and Taster days engaging with fifty 16–30-year-olds thanks to support from the Kusuma Trust

### Representation

Addressing under-representation in the arts and creative industries workforce is a key priority. Highlights in 2023/24 included:

- The further refinement of our Black Business Residency programme, delivered in partnership with DOES Ltd and sponsored by Morgan Stanley with 66 participants across three cohorts during the year, 19 graduates moving onto an Exchange bursary and a developing alumni network.
- In addition to mentoring, masterclasses and free workspace, Black Business Residency members participated in a wide range of Somerset House activity, including running workshops during our August courtyard programme and stocking product in The Missing Thread exhibition shop.
- Somerset House Exchange provided a further 122 bursary memberships (including 29 to alumni of our Black Business Residency) at discounts of up to 75% to individuals who have been historically marginalised and may face barriers in terms of access and opportunity in the creative and cultural sector.
- A total of 27 Somerset House Studios artists were on supported programmes during the year and we offered the largest number of bursary opportunities to-date. Funds raised at our Young Talent Fund fundraiser enabled us to support early-career visual artists and artists experimenting across music and sound. Being able to offer bursaries over this period has met a real need within the artistic community, particularly for those at early career stages of their practice.
- All of our Creative Industry Placement participants, all of whom are under-represented within the sector, secured further opportunities either within the Trust or our resident community.

### Our Anti-Racism and Inclusion Work

Our Anti-Racism Taskforce continued to inform our thinking in our focus on making Somerset House a more inclusive place. Progress against our original pledge points is interwoven throughout the different strategic objectives in this annual report.

In 2023/2024 the focus shifted to supporting maintenance of internal SHT processes including recruitment processes and continuing to offer feedback and guidance around anti-racism issues in various contexts such marketing, press and programming. There has also been a phase of exploring and formalising how inclusion action groups, for example our Access Group, at Somerset House interact and work together to deliver both social and operational outputs. We know we have more work to do if we are to become as representative and inclusive as we aspire to be and we are bringing onboard dedicated resource to help us to better understand our current state and work with us to determine priorities with a particular focus on our own workforce in the year ahead.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

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## OVERVIEW OF OUR CULTURAL INNOVATORS

At 31 March 2024, Somerset House was home to over 600 creative organisations and artist collectives:

- 101 Somerset House Studios artists and their teams in over 15,000sq ft of studio space
- Almost 300 creative-tech and maker members from 88 different organisations at Makerversity which provides workspaces and specialist workshops across c18,000 sq ft
- 702 members from 365 small businesses in our creative co-working space Somerset House Exchange, including our Black Business Residency businesses
- 125 creative enterprises occupying 198 offices across c83,000 sq ft of lettable space.

### Somerset House Studios

Across 2023/24 Somerset House Studios supported 114 individuals, welcoming 11 new artists to the community. Over this period, 27 out of a total of 70 artists were on supported programmes (38.6%).

Our Music & Sound residency concluded with 3 artists premiering new work in Assembly, with a further 4 artists supported through Bursaries, all resourced by the Young Talent Fund. 14 artists were supported through the one-to-one programme over this period, a programme which pairs individual donors with artists. 3 new early-career visual artists were selected for the second cohort of our Jerwood Somerset House Studios Residency.

Our inaugural Fellowship partnership with UAL Creative Computing Institute concluded with a new online commission for Channel, paving the way for an expanded year-long Creative Technologies Fellowship which will culminate with new work in G31 in 2024.

The Donna Lynas Residency was introduced, offering a pioneering 3-year residency for an artist at a key moment in their career developed in partnerships with Wysing Arts Centre, South London Gallery and Modern Art Oxford in memory of the Curator who was widely known as a long-term supporter of artist development, coming at a critical moment in terms of conversations around artist pay and the sustainability of artists' careers in the longer-term.

Berlin's CTM Festival joined Goethe-Institut London as partners on our international residency, supporting a Berlin-based artist to be in London to develop new work for Assembly and touring to CTM Festival in 2024.

Studio 48 moved under Exchange management, reducing the footprint of Somerset House Studios by 1,995 sq. ft. with Exchange pathway bursaries allowing 12 Studios residents to remain at Somerset House in the longer term.

The Somerset House Studios public programme (see earlier in this report) welcomed an audience of around 12,000 to the building, a significant reduction in previous years due to the temporary closure of the G31 project space.

### Makerversity

Makerversity is a pioneering community of nearly 300 creatives based at Somerset House, with 88 businesses working at the intersection of design, engineering and digital practice, developing groundbreaking solutions for the world's biggest challenges, including climate change, health and inequality.

For its 10-year anniversary, Founder and Director Paul Smyth curated an exhibition in Somerset House Terrace Rooms *Designing for the Real World* from November until February. Showcasing award-winning projects and ongoing research on topics like sustainable materials, customisable product design, ethical AI and pollution reduction.



Somerset House Trust

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Central to the exhibition was Makerversity's ethos of designing with a social purpose to solve present problems for a better future.

In addition to hands-on, supported free sessions and residencies ranging from 1-6 weeks in duration, there were programmes around London Design Festival and International Women's Day, with learning programmes for young people in partnership with Westminster and Kensington & Chelsea councils and The Princes Trust.

Space improvements were a focus and included reusing machines and materials from the exhibition to create new Maker Bay studios and a Robotics Workshop, and a new Material Exploration Workshop, combining Lab and Kitchen equipment, supporting teams such as Fibe, CQ Studio, Scarlett Yang, Sages, BioMatters and Medusa.

20% of memberships continued to be free through initiatives including Makers with a Mission residencies and Under 25s.

#### Creative Enterprises – office residents

On 31 March 2024, we had 125 resident organisations occupying 76,000 sq ft of office space. The majority (68%) are commercial businesses, with the remainder being charities or not for profit, and 8% are B Corps certified or pending certification. The largest category of residents operates in Social Impact & Change (14%) followed by Creative Agencies (13%) and Writing/Publishing (12%). With a focus on rebuilding the community, we welcomed 14 new residents during the year. Our flexible offer remains an advantage, enabling us to support 15 organisations to upsize, 9 residents to downsize and 8 to move between workspaces.

Resident success stories include Hubbub winning Charity Times 2023 charity of the year and Dance Umbrella presenting London Battle, a festival of Hip Hop dance battles, workshops and day party.

#### Somerset House Exchange including Black Business Residencies– shared workspace

2023/24 saw Somerset House Exchange maintain high levels of new members, with 360 new joiners across the year. Our 702 members comprised 365 individual organisations and 71 freelancers with 122 bursary recipients. Exchange was listed in Financial Times Europe's Leading Start-Up Hubs 2024.

#### Our creative community - the year ahead

Our priority is to continue to rebuild our community of cultural innovators, aiming to restore occupancy levels close to pre-Covid levels, with a focus on promoting pathways to address under-representation, continuing to evolve our offer to meet changing needs and building connections across the community. The next few years will see investment in our facilities and spaces to ensure that our offer meets the needs of a community of cultural innovators.

### STRENGTHEN OUR SUSTAINABLE BUSINESS MODEL

We are largely self-funded, reliant on generating income to enable delivery of our charitable purpose including maintaining our heritage site and delivering our cultural programme. We are focused on ensuring our operations can support the Trust and its work, while also ensuring our practices are efficient and sustainable.

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Report of the Board of Trustees**

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We have three primary focus areas:

|  |   |
|--|---|
| <b>Income</b>                          | Grow a reliable and sufficient income stream                |
| <b>Efficiency &amp; Sustainability</b> | Reduce wastage, costs, duplication and carbon footprint     |
| <b>People</b>                          | Promote the inclusion, wellbeing & resilience of our people |

Key results were:

| Measure   | Result      | Target     | Comment  |
|---|-------------|------------|--|
| Staff turnover (permanent, core staff)  | 26.1%       | 20%        | Turnover has remained elevated though slightly below 2022-23   |
| Racial diversity of core staff, incl at least doubling leadership team representation | 21%         | 26%        | Despite not achieving our overall target, which was stretching, we made significant progress including doubling our leadership representation. |
| Core staff costs as % of income   | 26.2%       | 27%        |  |
| Total underlying unrestricted income  | £23m        | £21.1m     | Most income lines were at or above budget, ignores one-off lease surrender.  |
| Heating project savings:<br>- Gas (kWh)<br>- CO2 (tonnes)                             | 633<br>115  | 731<br>134 | Reduction %s in line with target but absolute saving below plan due to revised base data.  |
| Draft decarbonisation plan  | In progress | Complete   | Nearing completion with external consultancy to provide a comprehensive, prioritised plan.   |
| 5 Major process/system improvements by April 2024                                     | 2           | 5          | Impacted by early setbacks on resourcing. See below for more details   |

**Income**

We had a strong year for income with most lines ahead of budget. Highlights were sales records for our headline exhibition, *CUTE*, for Skate and for commercial hires, with an increase in brand activations contributing to the latter.

We felt the impact of the writers' strike, with a decline in location filming shoots which we bolstered with photo shoots. We are now seeing filming enquiries return.

The Edmond J. Safra Fountain Court and River Terrace continued to be a popular summer space for hires, and we were delighted to win 'Best Venue with Outside Space' in the London Venue & Catering Awards 2023.

Above-target rental voids mean that we missed our budget for rental income, though this was partly mitigated by increase demand for memberships of our shared workspace, Exchange.

Income from fundraising and partnerships was in line with the budget target, with particularly strong performance in brand partnerships, notably for Skate and *CUTE*, and income from trusts and foundations.

See the end of this section for a review of our financial performance.

Somerset House Trust

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#### Efficiency & Sustainability

Sustainability highlights this year include:

- Upgrading our architectural lighting system, consuming half the power and producing twice the light of our old system
- Replacing over 500 light fittings with low power consumption LED models.
- Our cloud-controlled heating solution, implemented in 2022, has saved an estimated 115 tonnes of carbon this year.
- Partnering with infrastructure consultancy firm AECOM to develop a prioritised decarbonisation roadmap, which will guide us in determining where best to invest our resources to reduce our carbon emissions.
- Changing heating systems in the SKATE exchange and SKATE Lounge, following recommendations from an independent review by Hope Solutions.

To enhance our organisational efficiency, we implemented a new digital applicant tracking system, greatly improving the hiring process for our team and applicants. We have also rolled out a new cloud-based board management solution, to simplify meeting administration. Although we are behind target on system improvements, this is partly due to a decision to replace 2 key organisational platforms. We have tendered and selected both a new finance system and a new events management system. These two systems will provide a significant capability boost to our internal planning and operations activities. We have a pipeline in place for further improvements.

#### People

The year to March 2024 was another one of high attrition at 26.1%, albeit a small improvement from last year's 27%. The ongoing vacancies meant that our workforce continued to experience high workload levels during the year. However, our new recruitment system streamlined the recruitment process significantly and supported managers in successfully appointing to all vacancies.

We restored our salary review process to an annual cycle in April 2024. To mitigate the 18-month period between our last salary review in October 2022 (bought forward from April 2023), we paid eligible members of staff 2 x £500 non-consolidated cost of living payments in April and October 2023. The 8% London Living Wage increase for hourly paid workers was implemented on 1st April 2023 (followed by a 10% increase for 2024/25, implemented on 1st April 2024).

During the last quarter of 2023-24, we commissioned the services of an independent pay and reward consultancy to undertake a salary benchmarking project to ensure we can attract and retain key talent. Data was obtained for the Performing Arts and Heritage sectors and private, public and not-for-profit organisations, enabling us to understand market comparators. We introduced new salary bands and, where necessary, revised salaries for each role in the organisation on 1st April 2024 which will benefit career development and progression for our people.

Recruiting diversity into the Trust continued to improve during this period including 3 key senior appointments and we are committed to building on the work we have already achieved via our Anti-Racism Taskforce and Access Action Group. However, we recognise that we have more to do if we are to truly represent the communities we serve. We are appointing a Diversity and Inclusion Project Manager in 2024/25 who will support us in developing a 3-5 year roadmap to progress our work in this important area.

Somerset House Trust

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**Our sustainable business model – the year ahead**

We will continue building sustainable working practices and income streams and driving towards lowering our environmental impact.

With salary benchmarking implemented for the new financial year, we will focus on leadership development and developing our work in diversity and inclusion, aiming to reduce our staff turnover and build on our work to be an inclusive employer.

We will go live with new Finance and our Event Management systems. These systems will greatly improve our internal collaboration and planning, particularly around events, while also allowing us to more easily draw insights.

With the support of our external partner, we will finalise and begin implementation of prioritised decarbonisation and energy efficiency initiatives. Although it may not be fully delivered within the year, we will complete the planning for the next phase of our new architectural lighting to the North Wing, further reducing energy consumption.

**FINANCIAL REVIEW**

Our objective is to ensure the Trust is financially sustainable with sufficient funding to support the delivery of its charitable impact and purposes over the long term.

Performance against our key financial measures is set out below:

|   | <b>2023/24</b> | <b>2022/23</b> |               |
|---|----------------|----------------|---------------|
| <b>INCOME:</b>                            | <b>£'000</b>   | <b>£'000</b>   | <b>Change</b> |
| Rent & Service charges (leases)           | 10,546         | 10,073         | 5%            |
| F&B Lease Surrender                       | 1,600          | -              | 0%            |
| Cultural & Public Events                  | 6,049          | 4,736          | 28%           |
| Concessions & Venue Hire                  | 4,311          | 3,853          | 12%           |
| Other Unrestricted                        | 2,044          | 1,835          | 11%           |
| Restricted                                | 960            | 689            | 39%           |
| <b>Total Income</b>                       | <b>25,510</b>  | <b>21,187</b>  | <b>20%</b>    |
| <b>SURPLUS before Depreciation</b>        | <b>3,704</b>   | <b>1,621</b>   | <b>129%</b>   |
| <b>FREE RESERVES (excl Designation)</b>   | <b>1,954</b>   | <b>3,476</b>   | <b>-44%</b>   |
| <b>CASH BALANCE ( excl rent deposits)</b> | <b>12,103</b>  | <b>14,303</b>  | <b>-15%</b>   |
| <b>FTE Employees</b>                      | <b>114</b>     | <b>108</b>     | <b>6%</b>     |

Somerset House Trust

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## Report of the Board of Trustees

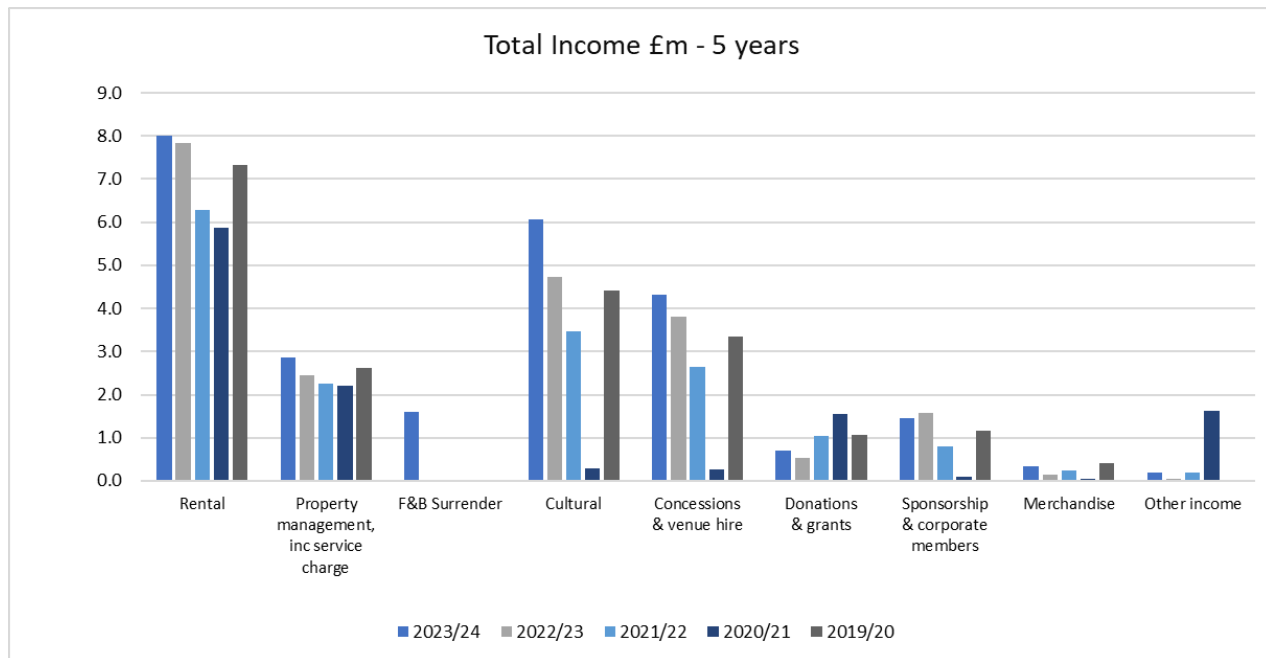
Excluding the one-off receipt of a £1.6m lease surrender premium resulting from changes to our onsite food and beverage provision, income was almost £24m, an underlying growth of £2.8m or 13%. We saw growth across most lines, bolstered by the success of the *CUTE* exhibition. Rent and service charge income grew by 5%. To support our residents, who continue to adapt to hybrid working patterns and economic pressures, annual price increases were only applied to service charges reflecting our higher cost base.

Due to the good financial result for the year, Trustees decided to designate funds to ensure we can meet our ambitions over the coming years:

- Site Works and Capital - £2.3m to fund core capital plans for a 2-year period, improvements to resident areas and restoration of the Salt Stair which will grant public access for the first time and improve access between the River Terrace and Courtyard for visitors using wheelchairs.
- Programming Reserve - £1.2m, this is a new reserve created to enhance our programme for 2025 when we will celebrate our 25<sup>th</sup> birthday
- Food & Beverage Reserve £1.5m - the full amount for the surrender premium less related costs has been designated to support the transition to new operators, covering void periods, marketing and legal costs and capital works.

For 2024/25, we have budgeted a deficit, before depreciation, of £0.8m, reflecting ongoing conservation and building improvement works, an enhanced exhibitions programme for 2025, strengthening our team and inflationary pressures on salaries. Income is budgeted to be £23.2m reflecting organisational activity.

### Total Income and Expenditure (unrestricted & restricted)

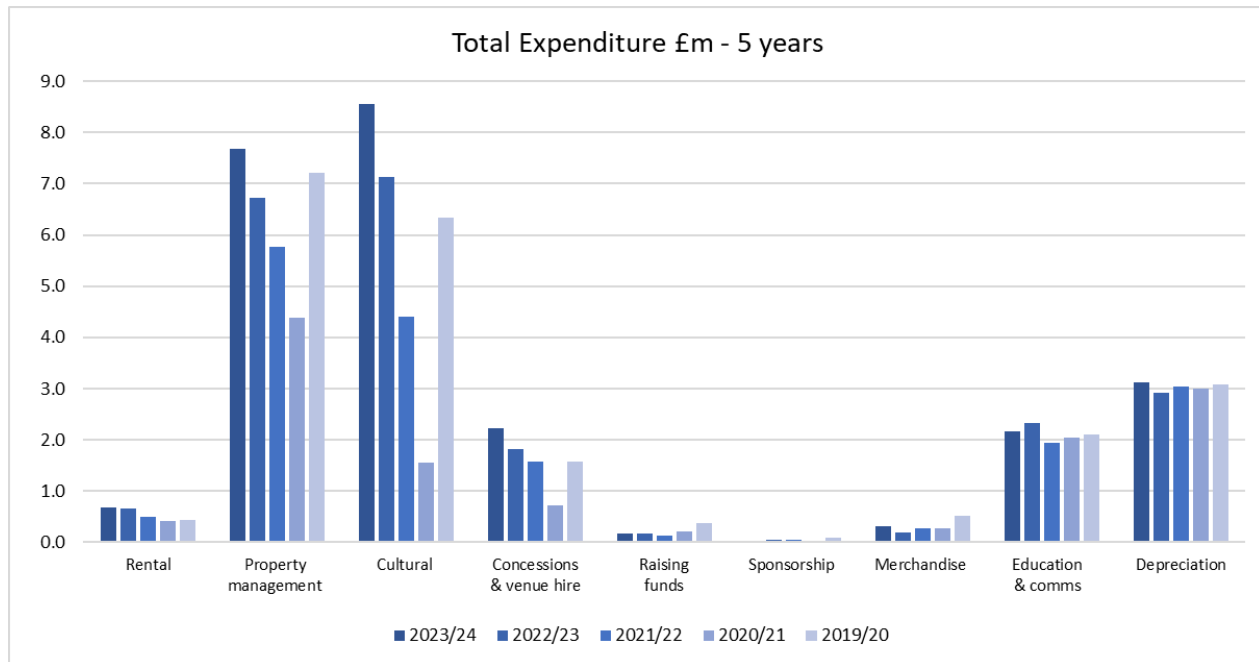


Our largest income lines are all now back above pre-Covid levels. Our cultural programme income was bolstered by both the success of *CUTE* and a second ticketed exhibition, *The Missing Thread*. Property management income grew faster than rental income as Trustees opted to only apply price increases to service charges for 2023/24. We continue to have ambitions to increase our fundraised income and are adding resources in 2024/25 to boost capacity.

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As income increased so did our cost base, with the building and the cultural programme continuing to represent the main elements of our expenditure. Within the expenditure categories above, total staffing costs increased by 6% to £6.7m in the year driven by a return to a full cultural programme. Two major, ticketed exhibitions drove higher overall spending on the programme. We spent £7.7m on property management & conservation (2022/23: £6.7m) with a further £0.6m of planned spend delayed to 2024/25.

We continued to take a cautious approach to budgeting, including a contingency within our budget, as much of our income performance is not clear until the second half of the year.

The Trust continues to pay a peppercorn rent to DCMS in respect of the leasehold.

### Funds

Total funds increased by £0.6m to £80.1m (2022/23: £1.4m decrease to £79.5m). See Reserves section for further detail.

The total funds position is expected to reduce annually by the material depreciation charges relating to the headlease and leasehold improvements. The total depreciation charge for the year was £3.1m (2022/23: £3.0m). The total value of fixed assets before depreciation is £121.8m, including the property lease from DCMS, which was valued at £65m in 2009 and is depreciated over 116 years, and leasehold improvements of £51.9m which are depreciated over 10 to 25 years. The depreciation cost is charged to the designated fixed asset fund which matches the value of the Trust's fixed assets.

### Cash Flow and Liquidity

Total cash decreased during the year to £14.6m, a net outflow of £1.8m. The reduction in cash was due to the repayment in full of the outstanding balance on a CBILS loan of £3.7m, given adequate cash balances and rising interest rates.

The cash balance includes rental deposits of £2.5m (2022/23: £2.4m). Cash from operating activities was £2.6m (2022/23: £3.4m) which funded, in addition to the CBILS repayment, capital expenditure of £0.6m (2022/23:

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£1.0m) and finance lease payments of £0.2m (2022/23: £0.3m), with the final finance lease payment completing in April 2024. Despite strong financial performance, cash from operating activities is below 2022/23 mainly due to timing with Easter impacting rent payments due on the last day of the year and differences in timing of paid exhibitions and on-sale dates for Summer Series.

#### Fixed Assets

Capital expenditure for the year to 31 March 2024 was £0.6m (2022/23: £1.0m). Additions for the year included architectural lighting, electrical metering and ongoing plant replacement.

#### Reserves

The Charity's reserves fall into two main categories: restricted funds which may be legally used only for specified purposes and unrestricted funds which may be used for any of the Trust's charitable purposes.

Restricted funds remained at £0.2m at 31 March 24 (2022/23: £0.2m)

Unrestricted funds are allocated between designated and free reserves.

Designated reserves include:

- The fixed asset reserve - a permanent designated fund matched to fixed assets, recognising that these assets are largely illiquid and cannot be readily realised as cash. This reserve totalled £70.8m on 31 March 2024 (2022/23 £73.3m). The reduction of £2.5m reflects the depreciation of the headlease and leasehold improvements, offset by additions during the year.
- The designated site works reserve - for heritage, sustainability, improvements to public realm and resident areas and core capital works, was £4.5m at the end of the year. During the year, £0.4m was spent, with the largest expenditures being on Courtyard lighting and the cleaning of the New Wing façade on Lancaster Place, and Trustees designated a further £2.3m to fund short-term capital plans
- A new programming reserve of £1.2m was established to enhance the programme for 2025, when we celebrate our 25<sup>th</sup> birthday.
- A new food and beverage reserve of £1.5m was established, funded by a one-off lease surrender payment. This will be used cover costs, including temporary lost income, of transition to multiple new operators.

The remaining unrestricted funds are free reserves that are not held as fixed assets or designated for other purposes and can be used at the trustees' discretion for any of the Charity's purposes. Trustees may also choose to revise reserve designations at any time. At the end of 2023/24, free reserves were within our target range of £1-2m at £2m (2022/23: £3.5m), the change reflecting the in-year performance and designations discussed above. Trustees are comfortable with level of reserves which afford the Trust a degree of capacity to commit in advance to capital and programming expenditure which was, until recently, not possible.

The Trust adopts a risk-based approach to determine an appropriate level of free reserves to act as a safeguard against unforeseen events, while recognising that there is a duty to apply charitable funds to the objects of the charity within a reasonable timeframe. The reserves policy is reviewed annually, with the overall position considered regularly at board meetings.

Trustees reviewed the reserves policy and decided to maintain the reserves target range at £1m to £2m in line with the previous year. This decision took into consideration the following factors:

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- To achieve an appropriate balance between not tying up funds unnecessarily and a temporary buffer to overcome financial difficulties, providing 3-6 months of headroom to respond to a financial shock.
- The Trust benefits from the protective effects of a degree of assured rental income through some longer leases, typical 6-month notice periods on leases and rental deposits.
- Operating within a range affords flexibility for the Trust to ensure funds are spent wisely while adopting appropriate caution during times of uncertainty.
- Annual budgets include contingencies which provide a further buffer if required
- The Trust has a cashflow-positive operating model with rents paid in advance and deposits paid for both rentals and venue hires. This, together with the recently designated site works reserve, means that cash tends to be consistently ahead of free reserves, offering a further liquidity buffer.

As described above, free reserves at March 2024 were at the upper level of the target at £2.0m. Trustees are comfortable that reserves are appropriate

### Going Concern

As indicated above, it was a financially strong year for the Trust with most income lines ahead of budget, leading to underlying income growth of 13% year on year, ending the financial year to 31 March 2024 with above-target reserves and a strong cash position. This will enable the Trust to endure deficits in 2024/25 and 2025/26 as we invest for success and move forward as an organisation.

Externally, inflationary pressures appear to have stabilised. Although recessionary measures have eased, competition remains high, hybrid working continues to change demand for workspaces and there is discernible caution amongst both business customers and the general public in committing to forward expenditure.

Underlying income for 2024/25 is budgeted to be below 2023/24 at £23.2m. Many key risks remain year on year resulting from uncertain economic conditions and increased market competition affecting most income streams, in particular:

- Pace of filling rental voids and level of churn of resident base (remained at 8% at end of March 2024, in line with March 23)
- Demand for our ticketed events and commercial hires
- Ability to secure sponsorship

Our cost base in 2024/25, at £27.2m will exceed that of 2023/24. Much of the increase is funded from designated reserves, with key drivers being:

- Investment in programming for Somerset House \ Birthday year
- Increased staff costs resulting from increased headcount, benchmarking and annual pay award and impact of London Living Wage
- Improvements to public and resident spaces
- Conservation and building improvement spend

If we were not able to achieve our income target, we would seek to reduce our discretionary cost base to offset all or part of the deficit vs plan to ensure our model remains sustainable in the short term.



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Trustees assessed the financial position of the Trust throughout the year with regular reviews of forecasts covering multiple years. These forecasts assume the Trust continues to pay a peppercorn rent to DCMS in respect of the leasehold, which was re-confirmed in 2021/22 for a further five years. Trustees continue to believe the Trust has a robust and diversified operating model with opportunities to build income. However, with the current economic environment, they recognise the need to adopt a cautious approach ensuring there is sufficient flexibility in plans to respond to any external shocks.

Trustees have re-assessed the financial position at the date of this report and concluded that existing cash reserves are likely to be sufficient to enable the Trust to continue to trade as a going concern for the remainder of the current financial year and the duration of the next financial year. As such, they were satisfied that Somerset House Trust can continue operating for the foreseeable future and that there are no material uncertainties to this going concern position and therefore accounts have been prepared on the basis that it is a financially viable organisation.

### Post-Balance Sheet Events

On 17 August 2024, a fire on the upper floors of Somerset House, where the West and South Wings meet, was attended by several London Fire Brigade crews. The fire was formally declared extinguished on 19 August. The public programme resumed the following week and within 2 weeks, residents in directly affected buildings were able to return. Works are ongoing to address immediate impacts, and we are planning works to reinstate the areas damaged by the fire. The Trust holds insurance for such events, with a minimal excess. It is too early to confirm the costs of the potential damage cost or any lost revenue, however we are working closely with our insurers on the matter. The Trustees have filed a Serious Incident Report with the Charities Commission.

## STRUCTURE AND GOVERNANCE

Somerset House Trust was established in 1997. It is a private company limited by guarantee without share capital and is also a registered charity. The Trust is governed by its Memorandum and Articles of Association. The Trust has been granted a 128-year lease of Somerset House (from 29 September 1997 to 24 December 2125) by The Secretary of State for the Environment (now Ministry of Housing, Communities & Local Government), managed by the Department for Culture, Media and Sport. Under the terms of the lease, the Trust may rent out offices and studio space, creating an on-going revenue stream.

Commercial activities are undertaken by the Trust's wholly owned subsidiary, Somerset House Enterprises Limited, which gifts its profit for the year to the Trust. For financial year 2023/24, the total profits of the subsidiary amounted to £3.3m (2022/23 £3.5m).

The Trustees of Somerset House Trust, who are both its Members and Directors, have overall responsibility for the Trust. They are unpaid. Trustees have delegated operational management to an Executive team which was restructured during to year elevate certain roles which previously formed part of the senior management team. The Director, Deputy Director, and Chief Operating Officer attend Trustee Board meetings but are not entitled to vote. Trustees retain decision-making over the approval of strategic plans and the annual budget, funding decisions, staff remuneration, major projects and contracts, key policies, and any variation to the governing documents, with delegations contained in a regularly reviewed Schedule of Delegation.

Trustees normally meet six times a year to review Trust activities and provide guidance to the Executive team with one longer meeting to consider and agree longer term strategy and plans.

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Trustees have adopted the Charity Governance Code. Governance and board effectiveness reviews were completed during the 2022-23 and work is ongoing on agreed recommendations to maintain high governance standards.

The Trustees are supported by two committees:

**Audit and Risk Committee** – this committee regularly reports to and advises the Board of Trustees on matters related to financial reporting, external audit, internal controls, policies and reviewing, in detail, the Trust’s risk register twice a year. The committee also has oversight of governance processes.

**Nominations and Remuneration Committee** – this committee advises the Board of Trustees on Trustee membership, board effectiveness and on matters of remuneration, with oversight of executive pay and structure and overall Trust remuneration policy.

The Board is also supported by working parties, on an as-needed basis, made up of Trustees with skills in relevant areas.

Trustees are appointed based on relevant skills and experience, identified through regular reviews of the Board’s skills matrix.

Trustees are initially appointed for a period of three years with the potential for a second term. In exceptional circumstances, and when the Board of Trustees are satisfied that it is in the Trust’s best interests to do so, they may be re-appointed for a third consecutive term of up to three years.

An induction programme is provided for new Trustees to ensure that they are briefed on the Trust’s objectives, strategy, and activities. New Trustees meet with the Executive team and have access to other members of staff as required to gain an understanding of the organisation.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in place throughout 2023/24 and continues to apply.

## FUNDRAISING

We are grateful to all the individuals, trusts, foundations, and corporate partners who have supported our activity over the last year, enabling us to continue to deliver our ambitious programme, and to maintain the building, in support of our charitable objects. We are particularly grateful to our major partner Morgan Stanley, which as well as continuing its generous support of the Black Business Residency, and a further series of free Lates events in the courtyard, was the headline sponsor for *The Morgan Stanley Exhibition: The Missing Thread*.

We were delighted to be able to undertake a crucial upgrade to the lighting system in the courtyard with the support of a generous grant from the Edmond J. Safra Foundation. A significant grant from the Kusuma Trust supported the exhibition *Makerversity: Designing for the Real World*, and the associated learning programme for young people. The artist development programme at Somerset House Studios was reestablished thanks to support from the Garfield Weston Foundation, and we continued to give targeted support to Studios artists through the One-to-One scheme. We are also grateful to many others, including the Warburg Pincus Foundation for their continued support of our creative careers programme, those individuals that supported our exhibition *Black Venus*, and our valued Supporters’ Court patrons.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Report of the Board of Trustees

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Somerset House works within the guidelines outlined within the Fundraising Regulator's Code of Fundraising Practice and is a member of the Chartered Institute of Fundraising. We are committed to treating our donors with the highest level of care and respect. This includes:

- Acknowledging donations swiftly and responding to all correspondence in a timely manner.
- Respecting privacy and only releasing details of donations when we have consent or if disclosure is required by law.
- Complying with all domestic and international legislation, including GDPR legislation and the Data Protection Act 2018.
- Communicating with all supporters and potential supporters within the parameters of applicable legislation and our privacy policy.
- Never putting pressure on individuals to donate, and never cold calling or collecting money in the street, which also helps to ensure we are not fundraising from those who would be deemed vulnerable within the Fundraising Regulator's Code.
- Ensuring all donations, when undesignated, will be used for such purposes as Somerset House Trust judges appropriate in support of Somerset House's charitable objects.
- Ensuring, where the gift is restricted, Somerset House Trust applies the gift to the purpose originally intended.

Our Board of Trustees has oversight of our Fundraising Strategy and plans. Our Gift Acceptance Policy provides a framework for flagging any potential gifts that should be reviewed by our Board of Trustees before acceptance, and it was updated in December 2022.

We received no complaints about our fundraising practices in 2023/24 (2022/23: none).

## VALUING VOLUNTEERS

In 2023/24 we had 69 active volunteers who contributed 3,658 hours of their time, an average of 53 hours each, in visitor facing positions on our information desk and supporting tours. Volunteers continue to be a key asset to Somerset House with many volunteers supporting us for over 10 years. We celebrated their ongoing contribution with a tea party in March 24.

## RISK MANAGEMENT

Somerset House Trustees regularly examine the major strategic and operational risks the Charity faces, including mitigating actions to reduce each risk to a level the Board considers acceptable. The risk register is maintained by the Executive and senior management team and reviewed in detail by the Audit and Risk Committee twice a year and at least annually by the wider Board of Trustees. In addition, risk is always considered by the board when setting annual budgets and longer-term plans.

The principal risks currently facing the organisation are the economic environment, the risk of increased activism due to world events affecting both our community and funders, the resilience of our team in a challenging operating environment and the continued challenge of climate change.

The Trust's operating model is self-financing. Income from residents, commercial hires and the cultural programme fund the running costs of the Trust, continued renovation and upgrading of the site and investment in the cultural

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Report of the Board of Trustees

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programme. Apart from restricted and designated funds, income and surpluses are not ringfenced and may be applied to meet any of the Trust's expenditure requirements.

With the market remaining competitive and businesses and consumers continuing to adapt to the higher cost, lower growth environment, the Trust's financial focus continues to be protecting and, where possible, growing income to maintain appropriate levels of reserves and cash. Stretch targets are set for income, but not fully reflected in budgets and contingencies are also held within budgets to mitigate financial risks.

The Trust is able to manage financial risks in the short to medium term due to available reserves and cash, and the ability to schedule and deprioritise some elements of expenditure combined with the cushioning impact of lease notice periods, deposits and advance payments of office rental. Designation of reserves enables the Trust to plan expenditure, with regular reviews to ensure plans remain appropriate. Longer term plans are regularly updated to inform decision making on expenditure commitments, with major commitments only made once the source of funding is reasonably certain.

The other key risks and mitigations are listed below:

*Staffing capacity, resilience and wellbeing:* This area still has an elevated risk profile. Staff concerns about global events which can affect their work are coupled with the challenge of capacity to deliver, exacerbated by higher staff turnover and the recent fire which has further added to workloads. People's expectations of work and their employer continue to change. During the next year, we are putting in place leadership and management training programmes and improving organisational planning and prioritisation to manage workload.

*Cyber security:* During the year we again achieved Cyber Essentials certification and used penetration testing and multiple security reviews to identify areas for improvement on an ongoing basis. Staff training forms the cornerstone of our cyber security strategy with regular testing and updates to ensure awareness of threats remains high. We will conduct a review, supported by our internal auditors, during 2024/25 to ensure lessons from the recent British Library incident have been taken on board.

*Major disaster or infrastructure damage:* As a large, architecturally significant Grade 1 listed estate, right in the heart of London, major disaster causing significant infrastructure damage and loss of business is another key risk faced by the Trust. This risk was brought into sharp focus in recent weeks with a fire affecting the upper floors where the West and South Wings meet. We are extremely grateful to our staff and the London Fire Brigade who ensured the impact was not much greater, with the site effectively evacuated, the fire quickly brought under control and normal operations across the site rapidly resumed. The Trust insures against material damage to the building, and resulting loss of business, and against major plant failure. Long term work is required to fully assess the impact of climate change on the site, but current preventative actions are helping to reduce the more immediate risk of rainwater flooding.

*Security, Health and Safety:* The security, health and safety of the millions of people who visit us every year, and those who work onsite, is a key priority and risk focus for the Trust. We employ a professional security firm who occupy the site 24/7, monitoring CCTV, fire alarms, intruder alarms, access control systems and are a central point of contact for anyone working at or visiting Somerset House, as well as the first response for any site emergencies.

Terrorism remains an elevated threat in the UK and we must be vigilant and prepared at all times. We maintain regular contact with key local and national bodies and have a dedicated Counter Terrorism Security Advisor to ensure we are aware of and responding to risks as they arise. We are working with our partners to ensure readiness for the implementation of the new Protect Duty.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Report of the Board of Trustees

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All events are risk-assessed, as was the recent re-occupation of the site following the fire. We work with external experts where required to ensure all necessary health and safety precautions are taken. We carry out regular inspections and maintenance of key building elements, plant, and facilities to ensure statutory compliance and that we are providing a safe environment. Accident and Incident reports, together with any recommended or resulting actions, are reviewed by the Board of Trustees at least once a year.

*Impact of activism:* This is an increasingly challenging area with increasing dissatisfaction at how governments and organisations are responding to world events. An increased risk of activism has the potential to affect the Trust's reputation and income with artists, donors and sponsors all increasingly mindful of choices. We mitigate these risks through risk-assessments where necessary, ongoing dialogue with our onsite community, by sponsor and donor due diligence and regular environmental sustainability reviews with actions to reduce our impact.

### PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trust's policies for executive pay are aligned with those for all staff.

The pay for all staff, including key management personnel, is reviewed annually considering inflation, the Trust's financial performance and benchmarking information to ensure that packages and benefits remain competitive and affordable.

The Nominations and Remuneration Committee has delegated authority from the board to review and set the pay arrangements for key management personnel (the Director, Deputy Director and Chief Operating Officer). The committee also maintains oversight of executive team pay.

In October 2022, all salaried staff were awarded the higher of £1,400 and a 3% increase. This applied throughout financial year 2023/24, with the next salary review taking place in April 2024. While the Trust transitioned back to its normal annual April pay review cycle, and to reflect the significant challenges posed by inflation well above the pay award, all eligible staff were given a £500 (pro-rata) cost of living allowance in both April 2023 and October 2023.

### LOOKING AHEAD

Our approach of preparing for the worst and hoping for the best for several years continues to serve us well. Our incredible team mobilised effectively to protect the public and residents when the fire broke out and then to quickly restore near-normal operations. With a record-breaking year on many fronts and a forthcoming celebration of our 25<sup>th</sup> birthday in 2025, we are excited about the future.

Our ambitious and inclusive programming and visitor experiences increasingly reflect the depth of talent we have onsite.

We have achieved our objective of refilling our programme pipeline, with 2025 fully mapped out and work underway to develop plans for 2026.

We have more work to do to rebuild our community, adapting to the changing needs of office users, with a programme of investment to ensure our spaces reflect the home of cultural innovators. We seek to continue to grow our income and strengthen our teams. We are mindful that the current economic climate could impact the achievement of these objectives.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Report of the Board of Trustees

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Working closely with Trustees and all senior management, our strategic objectives for the coming years remain unchanged. However, we refined priorities during the year as part of a phased plan and we will update on progress in future reports. These priorities were to:

- Enhance core programme and inclusive talent activities
- Strengthen our reach
- Improve visitor and resident experience
- Develop our full digital strategy
- Build our organisational capacity and capability

We are continuing our efforts to improve the sustainability of our site, with our immediate focus being physical improvements to address energy efficiency to be identified as part our decarbonisation review.

As the home of cultural innovators, we feel confident about the future and inspired by the creativity and innovation which is embedded across Somerset House's resident community of artists, makers and creative enterprises. Artistic and social innovation is at the heart of many of their practices and is central to our public programme, offering solutions and fresh perspectives on some of the biggest issues of our time. Realising the full potential of our creative community and delivering the most impactful public programme based on our underlying "*step inside, think outside*" is therefore top of our priority list.

At the time of writing, restoring the damage to our beautiful building has added a further priority and we are reviewing our prioritisation to ensure that we can manage the additional workload in recovering from the fire.

We are hugely grateful to our staff who, once again, have displayed tenacity, creativity, and an ability to go above and beyond throughout the year. We have a strong base to build from and we remain positive about the potential and relevance of the Somerset House model combining an inspirational building, inclusive creative talent, an exciting community, and an ambitious public programme. As the home of cultural innovators, we are confident that, together, we can continue to build this exciting new model. What happens here, happens nowhere else.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Report of the Board of Trustees

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Somerset House Trust for the purposes of company law) are responsible for preparing the report of the Board of Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, the Charities (Accounts and Reports) Regulations 2018 and the Trust Deed. 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.

Financial statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charitable company's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Disclosure of information to the auditor

In the case of each Trustee in office at the date the report of the Board of Trustees is approved:

- so far as the Trustee is aware, there is no relevant audit information of which the group and charitable company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information.

Approved by the Board and signed on their behalf on 25 September 2024

DocuSigned by:  
  
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**Peter Williams**

Chair of the Audit and Risk Committee

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Independent Auditor's report to the Trustees of Somerset House

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#### Opinion on the financial statements

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 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.

We have audited the financial statements of Somerset House Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated 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 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).

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

#### Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve 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 Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial



Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Independent Auditor's report to the Trustees of Somerset House

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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. 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 themselves. 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.

#### Other Companies Act 2006 reporting

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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

- adequate 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 Directors' 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 directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Independent Auditor's report to the Trustees of Somerset House

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In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 Group or 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance (including the Audit & Risk Committee); and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, Companies act 2006, Charities Act 2011, Fundraising Regulations and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Independent Auditor's report to the Trustees of Somerset House

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- Enquiry with management and those charged with governance (including Audit & Risk Committee and internal auditors) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, in particular the useful economic lives of tangible fixed assets and recoverability of debtors.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Jill Halford*

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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

25 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Consolidated Statement of Financial Activity (incorporating an income and expenditure account)

|   |         | Unrestricted funds |                | Restricted funds | Total         | Total          |
|---|---------|--------------------|----------------|------------------|---------------|----------------|
|   |         | General            | Designated     |                  | 2023/24       | 2022/23        |
|   | Notes   | £'000              | £'000          | £'000            | £'000         | £'000          |
| <b>Income from:</b>                                     |         |                    |                |                  |               |                |
| <i>Grants, donations and gifts</i>                      |         | 66                 | -              | 628              | 694           | 540            |
| Donations, grants and legacies                          | 2       | 66                 | -              | 628              | 694           | 540            |
| Charitable activities                                   |         |                    |                |                  |               |                |
| <i>Property management and conservation</i>             |         | 4,146              | -              | 312              | 4,458         | 2,438          |
| <i>Cultural and public events</i>                       |         | 6,049              | -              | 6                | 6,055         | 4,742          |
| <i>Public education and communication</i>               |         | 0                  | -              | -                | 0             | -              |
| <i>Rental income</i>                                    |         | 8,000              | -              | -                | 8,000         | 7,838          |
| Other trading activities                                |         |                    |                |                  |               |                |
| <i>Concessions and venue hire</i>                       |         | 4,311              | -              | -                | 4,311         | 3,853          |
| <i>Merchandise income</i>                               |         | 349                | -              | -                | 349           | 149            |
| <i>Sponsorship and corporate membership</i>             |         | 1,440              | -              | 14               | 1,454         | 1,577          |
| Investments   |         | 189                | -              | -                | 189           | 50             |
| Other Income  |         | -                  | -              | -                | -             | -              |
| <b>Total income</b>                                     |         | <b>24,550</b>      | <b>-</b>       | <b>960</b>       | <b>25,510</b> | <b>21,187</b>  |
| <b>Expenditure on:</b>                                  |         |                    |                |                  |               |                |
| <b>Raising funds</b>                                    | 3       | 161                | -              | -                | 161           | 180            |
| Charitable activities                                   |         |                    |                |                  |               |                |
| <i>Property management and conservation</i>             |         | 7,234              | 2,692          | 337              | 10,263        | 9,632          |
| <i>Cultural and public events</i>                       |         | 8,082              | -              | 472              | 8,554         | 7,130          |
| <i>Public education and communication</i>               |         | 2,117              | -              | 54               | 2,171         | 2,315          |
| <i>Rental costs</i>                                     |         | 685                | 556            | -                | 1,241         | 1,261          |
| Other trading activities                                |         |                    |                |                  |               |                |
| <i>Concessions and venue hire</i>                       |         | 2,232              | -              | -                | 2,232         | 1,786          |
| <i>Merchandise costs</i>                                |         | 306                | -              | -                | 306           | 197            |
| <i>Sponsorship and corporate membership</i>             |         | 5                  | -              | -                | 5             | 54             |
| <b>Total expenditure</b>                                | 3,4,5,6 | <b>20,822</b>      | <b>3,248</b>   | <b>863</b>       | <b>24,933</b> | <b>22,555</b>  |
| <b>Tax charge</b>                                       | 7       | -                  | -              | -                | -             | -              |
| <b>Net income/ (expenditure)</b>                        | 8       | <b>3,728</b>       | <b>(3,248)</b> | <b>97</b>        | <b>577</b>    | <b>(1,368)</b> |
| Transfers between funds                                 | 16      | (5,250)            | 5,325          | (75)             | -             | -              |
| <b>Net movement in funds</b>                            |         | <b>(1,522)</b>     | <b>2,077</b>   | <b>22</b>        | <b>577</b>    | <b>(1,368)</b> |
| Fund balances brought forward at 1st April 2023         | 16      | 3,476              | 75,854         | 207              | 79,537        | 80,905         |
| <b>Fund balances carried forward at 31st March 2024</b> | 16      | <b>1,954</b>       | <b>77,931</b>  | <b>229</b>       | <b>80,114</b> | <b>79,537</b>  |
| <b><u>Prior period reconciliation of funds</u></b>      |         |                    |                |                  |               |                |
| <i>Fund balances brought forward at 1st April 2022</i>  |         | 3,280              | 77,233         | 392              | 80,905        |                |
| <i>Net movement in funds</i>                            |         | 196                | (1,379)        | (185)            | (1,368)       |                |
| <i>Fund balances carried forward at 31st March 2023</i> |         | 3,476              | 75,854         | 207              | 79,537        |                |

All of the above results are derived from continuing activities and there are no other gains or losses other than those stated above. The notes on pages 39-57 form part of these financial statements.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Consolidated and Charity Balance Sheet

|   | Notes | Group<br>2023/24<br>£'000 | Group<br>2022/23<br>£'000 | Charity<br>2023/24<br>£'000 | Charity<br>2022/23<br>£'000 |
|---|-------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                                     |       |                           |                           |                             |                             |
| Tangible fixed assets                                   | 11    | <b>70,769</b>             | 73,284                    | <b>70,769</b>               | 73,284                      |
| <b>Current assets</b>                                   |       |                           |                           |                             |                             |
| Stocks  |       | <b>70</b>                 | 49                        | <b>49</b>                   | 49                          |
| Debtors   | 13    | <b>6,319</b>              | 3,298                     | <b>10,823</b>               | 6,810                       |
| Cash at bank and in hand                                |       | <b>14,585</b>             | 16,404                    | <b>9,046</b>                | 11,482                      |
| Total current assets                                    |       | <b>20,974</b>             | 19,751                    | <b>19,918</b>               | 18,341                      |
| <b>Current liabilities</b>                              |       |                           |                           |                             |                             |
| Creditors: amounts falling due within one year          | 14    | <b>(11,629)</b>           | (10,832)                  | <b>(10,602)</b>             | (9,486)                     |
| <b>Net current assets</b>                               |       | <b>9,345</b>              | 8,919                     | <b>9,316</b>                | 8,855                       |
| <b>Total assets less current liabilities</b>            |       | <b>80,114</b>             | 82,203                    | <b>80,085</b>               | 82,139                      |
| Creditors: amounts falling due after more than one year | 15    | -                         | (2,666)                   | -                           | (2,666)                     |
| <b>Net assets</b>                                       |       | <b>80,114</b>             | 79,537                    | <b>80,085</b>               | 79,473                      |
| <b>Funds</b>  |       |                           |                           |                             |                             |
| General funds   | 16    | <b>1,979</b>              | 3,476                     | <b>1,950</b>                | 3,412                       |
| Designated fixed asset reserve                          | 16    | <b>70,769</b>             | 73,284                    | <b>70,769</b>               | 73,284                      |
| Designated site works reserve                           | 16    | <b>4,503</b>              | 2,570                     | <b>4,503</b>                | 2,570                       |
| Designated F&B Reserve                                  | 16    | <b>1,469</b>              | -                         | <b>1,469</b>                | -                           |
| Designated Programme Reserve                            | 16    | <b>1,190</b>              |                           | <b>1,190</b>                |                             |
| Restricted reserves                                     | 16    | <b>204</b>                | 207                       | <b>204</b>                  | 207                         |
| <b>Total funds</b>                                      |       | <b>80,114</b>             | 79,537                    | <b>80,085</b>               | 79,473                      |

The charity's income for the year of £23.4m (2022/23 £19.6m) less expenditure of £22.8m (2022/23 £21.0m) led to a surplus of £0.6m (2022/23 deficit of £1.4m). The financial statements on page 37 to 58 were approved by the Board and signed on their behalf on 25 September 2024.

DocuSigned by:



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Peter Williams

Chair of the Audit and Risk Committee

Company Number: 03388137

Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Consolidated statement of cash flows statement of cash

|   | Notes    | 2023/24<br>£'000         | 2022/23<br>£'000         |
|---|----------|--------------------------|--------------------------|
| <b>Net cash provided by operating activities</b>  | <b>A</b> | <b>2,566</b>             | <b>3,418</b>             |
| <b>Cash flows from investing activities:</b>  |          |                          |                          |
| Interest received   |          | 189                      | 50                       |
| Purchase of tangible fixed assets   | 11       | (612)                    | (1,040)                  |
| <b>Net cash used in investing activities</b>  |          | <b>(423)</b>             | <b>(990)</b>             |
| <b>Cash flows from financing activities:</b>  |          |                          |                          |
| Interest paid   |          | (57)                     | (212)                    |
| Increase / (decrease) in loan facility  |          | -                        | -                        |
| Loan repayments   |          | (3,666)                  | (1,000)                  |
| Finance lease capital repayments  |          | (241)                    | (320)                    |
| <b>Net cash used in financing activities</b>  |          | <b>(3,964)</b>           | <b>(1,532)</b>           |
| <b>Change in cash and cash equivalents in the reporting period</b>  |          | <b>(1,820)</b>           | <b>896</b>               |
| Cash and cash equivalents at the beginning of the reporting period  |          | 16,405                   | 15,509                   |
| <b>Cash and cash equivalents at the end of the reporting period</b>                                       | <b>B</b> | <b>14,585</b>            | <b>16,405</b>            |
| <b>A Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>          |          |                          |                          |
|   |          | <b>2023/24<br/>£'000</b> | <b>2022/23<br/>£'000</b> |
| <b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b> |          | <b>577</b>               | <b>(1,368)</b>           |
| <b>Adjustments for:</b>   |          |                          |                          |
| Depreciation charges  |          | 3,127                    | 2,989                    |
| Interest received   |          | (189)                    | (50)                     |
| Interest paid   |          | 57                       | 212                      |
| (Increase) / decrease in stock  |          | (23)                     | 26                       |
| (Increase) / decrease in debtors  |          | (3,021)                  | (330)                    |
| Increase / (decrease) in creditors  |          | 2,038                    | 1,939                    |
| <b>Net cash inflow from operating activities</b>  |          | <b>2,566</b>             | <b>3,418</b>             |
| <b>B Analysis of cash and cash equivalents</b>  |          |                          |                          |
|   |          | <b>2023/24<br/>£'000</b> | <b>2022/23<br/>£'000</b> |
| Cash in hand (including rent deposits - see Note 14)  |          | <b>14,585</b>            | <b>16,404</b>            |

Obligations under bank loans: There are no obligations under bank loans. In 2020/21 the group entered into a bank loan with NatWest under the Coronavirus Business Interruption Loan Scheme – CBILS. During 2023/24 the CBILS loan balance of £3.7m was repaid in full due to adequate forecast future cash balances and rising interest rates.

Somerset House Trust

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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Underlying income for 2024/25 is budgeted to be below 2023/24 at £23.2m. Many key risks remain year on year resulting from uncertain economic conditions and increased market competition affecting most income streams, in particular:

- Pace of filling rental voids and level of churn of resident base (remained at 8% at end of March 2024, in line with March 23)
- Demand for our ticketed events and commercial hires
- Ability to secure sponsorship

Our cost base in 2024/25, at £27.2m will exceed that of 2023/24. Much of the increase is funded from designated reserves, with key drivers being:

- Investment in programming for Somerset House 25<sup>th</sup> birthday year
- Increased staff costs resulting from increased headcount, benchmarking and annual pay award and impact of London Living Wage
- Improvements to public and resident spaces
- Conservation and building improvement spend

If we were not able to achieve our income target, we would seek to reduce our discretionary cost base to offset all or part of the deficit vs plan to ensure our model remains sustainable in the short term.

Trustees assessed the financial position of the Trust throughout the year with regular reviews of forecasts covering multiple years. These forecasts assume the Trust continues to pay a peppercorn rent to DCMS in respect of the leasehold, which was re-confirmed in 2021/22 for a further five years. Trustees continue to believe the Trust has a robust and diversified operating model with opportunities to build income. However, with the current economic environment, they recognise the need to adopt a cautious approach ensuring there is sufficient flexibility in plans to respond to any external shocks.

Trustees have re-assessed the financial position at the date of this report and concluded that existing cash reserves are likely to be sufficient to enable the Trust to continue to trade as a going concern for the remainder of the current financial year and the duration of the next financial year. As such, they were satisfied that Somerset House Trust can continue operating for the foreseeable future and that there are no material uncertainties to this going concern position and therefore accounts have been prepared on the basis that it is a financially viable organisation.

#### **d) Income**

Income comprises rental and service charge income from tenants and artists, membership fees from Exchange members, ticket income from the cultural programme, donations, income from the Trust's trading subsidiary in the form of private hire of space, sponsorship and retail activity. It also includes grant income to support capital projects as well as cultural and engagement & skills activity. All income is recognised once Somerset House is entitled to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Where income is received in advance of providing goods and/or services it is deferred until Somerset House becomes entitled to that income. Where entitlement occurs before income is received, the income is accrued. Grants (including Government grants) are recognised when the entitlement to the grant is established and confirmed by both parties.



Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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Donated services are included at the value to Somerset House where this can be reliably quantified. Donated services from our volunteers are not included within the financial statements.

#### e) Expenditure

Expenditure is recognised as incurred in the financial year of the activity to which it relates. Expenditure is included in the Statement of Financial Activities on an accruals basis, and is classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the charity's activities have been allocated to those activities on a headcount basis. Expenditure also includes irrecoverable VAT.

#### f) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. Except for restricted funds, income and surpluses are not ringfenced and may be applied to meet any of the Trust's expenditure requirements.

#### g) Employee benefits

The Group provides benefits to employees including holiday pay, pension contributions, season ticket loans, a life assurance policy and an employee assistance programme. Pension payments are made to employees' personal pension plans and these are charged to the Statement of Financial Activities on an accruals basis.

#### h) Fixed assets and depreciation

Tangible fixed assets costing more than £5k with an expected useful life of more than one year are capitalised at cost, including incidental expenses of acquisition. Where individual asset costs are below £5k but are part of a bigger fixed asset purchase or project, these items are also capitalised. Tangible fixed assets are held at cost less accumulated depreciation, except for the value of the lease of the site from the Ministry of Housing, Communities & Local Government which is held at deemed cost, being the valuation on an 'in use' basis at 31 March 2009 less accumulated depreciation from that date. The property lease is held as a tangible fixed asset rather than an investment property as it is held primarily for social benefit. Depreciation is calculated to write off the cost of the asset on a straight-line basis over the life of the lease. Depreciation for leasehold improvements is charged monthly starting with the month in which the asset was brought into use. From 2019/20, on all other assets, depreciation is charged monthly starting with the month in which the asset was brought into use (previously depreciation was charged for a full year in the year of acquisition, and not in the year of disposal).

Fixed assets are depreciated as follows:

- |                                    |                         |
|------------------------------------|-------------------------|
| • Property lease valuation         | 116 years               |
| • Leasehold improvements           | between 10 and 25 years |
| • Fixtures, fittings and equipment | between 3 and 7 years   |
| • Intangible assets                | 3 years                 |

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Although the recent fire damaged a small part of the

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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building, the temporary loss of income from affected spaces and the (insured) cost of reinstatement is not considered to have a material impact on the carrying value of the asset, with previous reviews indicated substantial headroom in the valuation.

#### i) Fund accounting

Balance sheet reserves have been allocated between two categories:

- Unrestricted reserves are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated reserves are a portion of the unrestricted reserves that have been set aside for a particular purpose by the Trustees. Designated reserves consist of the fixed asset reserve, the site works reserve, the programming reserve and the food & beverage reserve.
- Restricted reserves consist of amounts subject to specific restrictions imposed by the donor or arising from contractual obligations.

#### j) Stock

Stock is stated at the lower of cost and fair value. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the fair value.

There is no material difference between the value of stock as stated and the replacement cost of this stock.

#### k) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Trade and other debtors are recognised at the settlement amount due. Creditors are recognised where there is 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 normally recognised at their settlement amount after allowing for any trade discounts due.

#### l) Leases

- i) Where the Trust enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Any asset purchased with a lease is recorded in the Balance Sheet as a tangible fixed asset and depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight-line basis over the life of the lease.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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ii) Where income is receivable under lease agreements, the basic element is recognised on a straight-line basis over the period of the lease, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates. For leases entered into prior to 31 March 2014, lease incentives are spread over the period to the next break clause. Lease incentives granted on leases entered into from 1 April 2014 are spread over the lease term.

#### m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### n) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying the entity's accounting policies:

(i) *Exemptions on transition to FRS 102*

On transition to FRS 102 in 2015/16, the Trust has elected to use the previous UK GAAP valuation at 31 March 2009 for the DCMS property lease, less amortisation to the transition date, as the deemed cost.

(ii) *Impairment of debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

## Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Notes to the financial statements

| 2 Donations, grants and legacies               | Unrestricted | Restricted | Total      | Unrestricted | Restricted | Total      |
|--|--------------|------------|------------|--------------|------------|------------|
|  | funds        | funds      | 2023/24    | funds        | funds      | 2022/23    |
|  | £'000        | £'000      | £'000      | £'000        | £'000      | £'000      |
| Donations                                      | 66           | 414        | 480        | 75           | 293        | 368        |
| Grants receivable                              |              |            |            |              |            | -          |
| <i>Capital grants receivable</i>               | -            | 75         | 75         | -            | -          | -          |
| <i>Revenue grants receivable</i>               | -            | 139        | 139        | -            | 172        | 172        |
| <b>Total donation, grant and legacy income</b> | <b>66</b>    | <b>628</b> | <b>694</b> | <b>75</b>    | <b>465</b> | <b>540</b> |

This year donations included £116k income for our creative industry placements. Capital grants reflect support for the courtyard lighting upgrade from the Edmond J. Safra Foundation. A Revenue grant of £73k from Fidelity UK Foundation supported our Process Optimisation Programme. A further £66k was received to support our creators in residence.

In addition to income from donations, a further £1.5m (2022/23: £1.6m) was raised through sponsorship and corporate memberships. This income appears separately on the face of the Statement of Financial Activities under Other Trading activities.

| 3 Expenditure                               | Direct        | Support      | Total         | Direct        | Support      | Total         |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
|   | costs         | costs        | 2023/24       | costs         | costs        | 2022/23       |
|   | £'000         | £'000        | £'000         | £'000         | £'000        | £'000         |
| <b>Expenditure on raising funds</b>         |               |              |               |               |              |               |
| Fundraising costs of grants and donations   | 142           | 18           | 161           | 160           | 20           | 180           |
|   | <b>142</b>    | <b>18</b>    | <b>161</b>    | <b>160</b>    | <b>20</b>    | <b>180</b>    |
| <b>Expenditure on charitable activities</b> |               |              |               |               |              |               |
| Property management and conservation        | 10,023        | 241          | 10,264        | 9,240         | 392          | 9,632         |
| Cultural and public events                  | 8,105         | 448          | 8,554         | 6,810         | 320          | 7,130         |
| Public education and communication          | 1,614         | 557          | 2,170         | 1,579         | 736          | 2,315         |
| Rental costs                                | 985           | 256          | 1,241         | 981           | 280          | 1,261         |
|   | <b>20,727</b> | <b>1,502</b> | <b>22,229</b> | <b>18,610</b> | <b>1,728</b> | <b>20,338</b> |
| <b>Other trading expenditure</b>            |               |              |               |               |              |               |
| Concessions and venue hire                  | 1,863         | 369          | 2,232         | 1,466         | 320          | 1,786         |
| Merchandise costs                           | 294           | 12           | 306           | 197           | -            | 197           |
| Sponsorship and corporate membership costs  | 5             | -            | 5             | 54            | -            | 54            |
|   | <b>2,162</b>  | <b>381</b>   | <b>2,543</b>  | <b>1,717</b>  | <b>320</b>   | <b>2,037</b>  |
| <b>Total expenditure</b>                    | <b>23,031</b> | <b>1,901</b> | <b>24,933</b> | <b>20,487</b> | <b>2,068</b> | <b>22,555</b> |

Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Notes to the financial statements

## 4 Allocation of support costs

The Trust allocates its support costs as shown below:

|                            | Expenditure on raising funds | Expenditure on charitable activities | Other expenditure | Support costs |              |
|----------------------------|------------------------------|--------------------------------------|-------------------|---------------|--------------|
|                            |                              |                                      |                   | 2023/24       | 2022/23      |
|                            | £'000                        | £'000                                | £'000             | £'000         | £'000        |
| Administration             | 17                           | 1,302                                | 351               | <b>1,670</b>  | 1,648        |
| Governance (note 5)        | 1                            | 109                                  | 30                | <b>140</b>    | 171          |
| Interest paid (note 6)     | -                            | 57                                   | -                 | <b>57</b>     | 212          |
| Marketing & Communications | -                            | 34                                   | -                 | <b>34</b>     | 37           |
|                            | <b>18</b>                    | <b>1,502</b>                         | <b>381</b>        | <b>1,901</b>  | <b>2,068</b> |

## Comparative allocation of support costs:

|                            | Expenditure on raising funds | Expenditure on charitable activities | Other expenditure | Support costs |
|----------------------------|------------------------------|--------------------------------------|-------------------|---------------|
|                            |                              |                                      |                   | 2022/23       |
|                            | £'000                        | £'000                                | £'000             | £'000         |
| Administration             | 18                           | 1,340                                | 290               | 1,648         |
| Governance (note 5)        | 2                            | 140                                  | 29                | 171           |
| Interest paid (note 6)     | -                            | 212                                  | -                 | 212           |
| Marketing & Communications | -                            | 37                                   | -                 | 37            |
|                            | <b>20</b>                    | <b>1,729</b>                         | <b>319</b>        | <b>2,068</b>  |

Governance and Administration costs are allocated on a headcount basis. Administration costs include the costs of the Directorate, Finance and HR functions. Interest, Marketing & Communications are allocated based on the direct spend on those activities.

## 5 Governance costs

|                                   | Expenditure on raising funds | Expenditure on charitable activities | Other expenditure | Support costs |            |
|-----------------------------------|------------------------------|--------------------------------------|-------------------|---------------|------------|
|                                   |                              |                                      |                   | 2023/24       | 2022/23    |
|                                   | £'000                        | £'000                                | £'000             | £'000         | £'000      |
| Salary                            | 0                            | 25                                   | 7                 | <b>32</b>     | 29         |
| Audit fees (note 8)               | 1                            | 73                                   | 20                | <b>94</b>     | 123        |
| Legal and other professional fees | -                            | -                                    | -                 | -             | 2          |
| General office                    | -                            | 11                                   | 3                 | <b>14</b>     | 16         |
|                                   | <b>1</b>                     | <b>109</b>                           | <b>30</b>         | <b>140</b>    | <b>170</b> |

Governance costs have decreased in the year due to reduced audit fees, as no overruns were incurred.

Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Notes to the financial statements

**6 Interest payable and similar charges**

|                                      | <b>2023/24</b> | 2022/23    |
|--------------------------------------|----------------|------------|
|                                      | <b>£'000</b>   | £'000      |
| Interest payable and similar charges | 7              | 7          |
| Finance lease interest               | 6              | 16         |
| Bank loan interest                   | 44             | 189        |
|                                      | <b>57</b>      | <b>212</b> |

**7 Tax charge**

|   | <b>2023/24</b> | 2022/23  |
|---|----------------|----------|
|   | <b>£'000</b>   | £'000    |
| UK Corporation Tax - current tax charge   | -              | -        |
| Adjustment in respect of previous periods | -              | -        |
| <b>Tax on loss on ordinary activities</b> | <b>-</b>       | <b>-</b> |

**8 Net expenditure**

Net expenditure is stated after charging the following:

|   | <b>2023/24</b> | 2022/23   |
|---|----------------|-----------|
|   | <b>£'000</b>   | £'000     |
| <b>Auditors Remuneration</b>                      |                |           |
| <b>This Year</b>                                  |                |           |
| - for audit of Somerset House Trust               | 54             | 48        |
| - for audit of Somerset House Enterprises Limited | 14             | 20        |
| <b>Previous Year - Audit Overrun</b>              |                |           |
| - for audit of Somerset House Trust               | 5              | 18        |
| - for audit of Somerset House Enterprises Limited | -              | 7         |
|   | <b>73</b>      | <b>93</b> |

In addition to the audit fees listed above, fees for tax compliance services provided were £20k (2022/23: £17k) and we commenced an internal audit programme with Crowe LLP incurring fees of £17k

|   | <b>2023/24</b> | 2022/23      |
|---|----------------|--------------|
|   | <b>£'000</b>   | £'000        |
| <b>Depreciation and amortisation:</b>       |                |              |
| - property lease valuation                  | 556            | 556          |
| - leasehold improvements                    | 2,091          | 2,104        |
| - fixtures, fittings and equipment (owned)  | 480            | 312          |
| - fixtures, fittings and equipment (leased) | -              | 17           |
|   | <b>3,127</b>   | <b>2,989</b> |

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Notes to the financial statements****9 Employee details (Charity & Group)**Staff costs

|  | 2023/24      | 2022/23      |
|--|--------------|--------------|
|  | £'000        | £'000        |
| Wages and salaries   | 5,058        | 4,636        |
| Social security costs  | 536          | 515          |
| Other pension costs  | 428          | 417          |
| Temporary staff salaries (including social security and other pension costs) | 922          | 681          |
|  | <b>6,944</b> | <b>6,249</b> |

Staff costs include £9.3k of redundancy costs for one member of staff (2022/23: nil staff).

Emoluments over £60,000

|                     | 2023/24 | 2022/23 |
|---------------------|---------|---------|
|                     | Number  | Number  |
| £60,001 - £70,000   | 5       | 4       |
| £70,001 - £80,000   | 5       | 3       |
| £80,001 - £90,000   | 2       | -       |
| £90,001 - £100,000  | -       | -       |
| £100,000 - £110,000 | -       | 1       |
| £110,001 - £120,000 | 1       | -       |
| £120,001 - £130,000 | -       | -       |
| £130,001 - £140,000 | -       | -       |
| £140,000- £150,000  | 1       | 1       |
| £150,001 - £160,000 | -       | -       |
| £160,001 - £170,000 | -       | -       |
| £170,001 - £180,000 | -       | 1       |
| £180,001 - £190,000 | 1       | -       |

Key management personnel include the Director, Deputy Director and Chief Operating Officer. Payments in respect of key management personnel in the year were £534k (2022/23: £505k) including pension costs of £41.4k (2022/23: £38.7k).

Staff functions

The monthly average full time equivalent employees during the year, analysed by function, were:

|   | 2023/24    | 2022/23    |
|---|------------|------------|
|   | Number     | Number     |
| Concessions and venue hire                            | 20         | 16         |
| Fundraising   | 1          | 1          |
| Rental  | 14         | 14         |
| Property management and conservation                  | 10         | 9          |
| Cultural and public events                            | 24         | 16         |
| Public education, communication and visitor services  | 28         | 35         |
| Merchandise   | 1          | 1          |
| Governance and support services                       | 16         | 16         |
| Temporary Staff to support cultural and public events | 100        | 92         |
|   | <b>214</b> | <b>200</b> |

During the year the permanent staff is supplemented by temporary workers and contractors as required by business needs this year this figure has been included above.

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Notes to the financial statements****10 Transactions as an agent**

During the year £869k of tickets were sold on behalf of third parties (2022/23: £591k), of which £53k is recognised as processing fee income (2022/23: £28k).

**11 Tangible fixed assets (Charity & Group)**

|                                 | Property lease<br>valuation | Leasehold<br>improvements | Assets in the<br>course of<br>construction | Fixtures,<br>fittings &<br>equipment | Total          |
|---------------------------------|-----------------------------|---------------------------|--|--------------------------------------|----------------|
|                                 | £'000                       | £'000                     | £'000                                      | £'000                                | £'000          |
| <u>Cost or deemed cost</u>      |                             |                           |  |                                      |                |
| At 1 April 2023                 | 64,541                      | 51,832                    | 53   | 4,793                                | 121,219        |
| Additions                       | -                           | 99                        | 306  | 207                                  | 612            |
| Disposals                       | -                           | -                         | -  | (26)                                 | (26)           |
| Transfers                       | -                           | -                         | (55)                                       | 55                                   | -              |
| <b>At 31 March 2024</b>         | <b>64,541</b>               | <b>51,931</b>             | <b>304</b>                                 | <b>5,029</b>                         | <b>121,805</b> |
| <u>Accumulated depreciation</u> |                             |                           |  |                                      |                |
| At 1 April 2023                 | 7,788                       | 37,038                    | -  | 3,109                                | 47,935         |
| Charge for the year             | 556                         | 2,091                     | -  | 480                                  | 3,127          |
| Disposals                       | -                           | -                         | -  | (26)                                 | (26)           |
| <b>At 31 March 2024</b>         | <b>8,344</b>                | <b>39,129</b>             | <b>-</b>                                   | <b>3,563</b>                         | <b>51,036</b>  |
| <u>Net book value</u>           |                             |                           |  |                                      |                |
| <b>At 31 March 2024</b>         | <b>56,197</b>               | <b>12,802</b>             | <b>304</b>                                 | <b>1,466</b>                         | <b>70,769</b>  |
| At 31 March 2023                | 56,753                      | 14,794                    | 53   | 1,684                                | 73,284         |

All tangible fixed assets belong to the Charity and are held for continuing use by the Trust in furthering its objects. In 2015/16, as a first-time adopter of FRS102, the charity took advantage of a transition exemption relating to the valuation of the property lease from the Ministry of Housing, Communities and Local Government (MHCLG) to use a deemed cost valuation under previous GAAP. The property lease is being amortised on a straight-line basis over 116 years.

Of the above Property lease valuation net book value of £56.2m at 31 March 2024, £45.6m is held in a revaluation reserve (see note 16).

A peppercorn rent is payable to MHCLG under a deed of variation between the Trust and The Secretary of State for Communities and Local Government dated 22 December 2009. Variation of the terms of the property lease in respect of the yearly rent payable are by agreement. The Trust assumes a peppercorn rent will be payable over the remaining life of the lease.

Additions for the year include the Lancaster & River Room upgrade works, various plant replacement and electric sub-metering installations. At the year end, assets in course of construction included an upgrade to the website and the architectural lighting.



Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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Disposals reflect the removal of fully depreciated assets on the register at nil net book value that have been replaced during the year.

#### 12 Investments Trust

|                            | Charity<br>2023/24<br>£ | Charity<br>2022/23<br>£ |
|----------------------------|-------------------------|-------------------------|
| At 1 April and at 31 March | <u>1</u>                | <u>1</u>                |

The Trust owns the whole of the issued ordinary share capital of Somerset House Enterprises Limited, company number 3920330, registered in England at Somerset House, Strand, London WC2R 1LA.

The subsidiary carries out non-primary purpose trading and taxable activities, including venue hire, retail, raising sponsorship for events and exhibitions, and merchandising. All activities have been consolidated on a line-by-line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below.

## Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Notes to the financial statements

|   | 2023/24<br>£'000 | 2022/23<br>£'000 |
|---|------------------|------------------|
| Turnover  | 5,405            | 5,085            |
| Costs of sales  | (2,162)          | (1,561)          |
| <b>Gross profit</b>   | <b>3,243</b>     | <b>3,524</b>     |
| Administrative expenses   | (15)             | (29)             |
| <b>Profit on ordinary activities before taxation and Deed of Covenant</b> | <b>3,228</b>     | <b>3,495</b>     |
| Tax on profit on ordinary activities                                      | -                | -                |
| <b>Profit for the financial year</b>                                      | <b>3,228</b>     | <b>3,495</b>     |
| Retained earnings at the beginning of the financial year                  | 31               | 31               |
| Qualifying charitable donation to the Trust                               | (3,228)          | (3,495)          |
| <b>Retained earnings at the end of the financial year</b>                 | <b>31</b>        | <b>31</b>        |

The aggregate of the assets, liabilities and funds was:

|              | 2023/24<br>£'000 | 2022/23<br>£'000 |
|--------------|------------------|------------------|
| Assets       | 6,139            | 5,340            |
| Liabilities  | (6,108)          | (5,309)          |
| <b>Funds</b> | <b>31</b>        | <b>31</b>        |

The Directors of Somerset House Enterprises Limited intend to pay its available profits to the Trust within nine months of the year-end and, in accordance with the deed of covenant signed on 15 March 2017, have formally declared their intention to do so for the foreseeable future.

## 13 Debtors: due within one year

|                                    | Group<br>2023/24<br>£'000 | Group<br>2022/23<br>£'000 | Charity<br>2023/24<br>£'000 | Charity<br>2022/23<br>£'000 |
|------------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Trade debtors                      | 4,017                     | 1,682                     | 3,566                       | 1,429                       |
| Amounts owed by group undertakings | -                         | -                         | 5,082                       | 3,923                       |
| Other debtors                      | 755                       | 289                       | 730                         | 297                         |
| Prepayments and accrued income     | 1,547                     | 1,327                     | 1,444                       | 1,161                       |
|                                    | <b>6,319</b>              | <b>3,298</b>              | <b>10,822</b>               | <b>6,810</b>                |

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Notes to the financial statements****14 Creditors: amounts falling due within one year**

|                                     | Group<br>2023/24<br>£'000 | Group<br>2022/23<br>£'000 | Charity<br>2023/24<br>£'000 | Charity<br>2022/23<br>£'000 |
|-------------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Finance leases (note 20)            | 81                        | 320                       | 81                          | 320                         |
| Bank loans and overdrafts (note 21) | -                         | 1,000                     | -                           | 1,000                       |
| Trade creditors                     | 1,964                     | 1,391                     | 1,715                       | 1,217                       |
| Amounts owed to group undertakings  | -                         | -                         | -                           | -                           |
| Taxation and social security        | 1,125                     | 679                       | 1,777                       | 554                         |
| Tenant Deposits                     | 2,483                     | 2,405                     | 2,483                       | 2,405                       |
| Other creditors                     | 188                       | 155                       | 171                         | 135                         |
| Accruals                            | 1,610                     | 1,008                     | 1,453                       | 880                         |
| Deferred income                     | 4,178                     | 3,874                     | 2,923                       | 2,975                       |
|                                     | <b>11,629</b>             | <b>10,832</b>             | <b>10,603</b>               | <b>9,486</b>                |

Deferred income includes rental and service charge income, deposits for venue hire invoiced in advance and advance ticket income collected through our own ticketing system. Income is deferred to the accounting period to which the service relates. All deferred income is utilised in the year following deferral.

|   | Group<br>2023/24<br>£'000 | Group<br>2022/23<br>£'000 | Charity<br>2023/24<br>£'000 | Charity<br>2022/23<br>£'000 |
|---|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Deferred income brought forward at 1 April          | 3,874                     | 3,018                     | 2,975                       | 2,400                       |
| Deferred income now recognised                      | (3,874)                   | (3,018)                   | (2,975)                     | (2,400)                     |
| Income deferred in year                             | 4,178                     | 3,874                     | 2,923                       | 2,975                       |
| <b>Deferred income carried forwards at 31 March</b> | <b>4,178</b>              | <b>3,874</b>              | <b>2,923</b>                | <b>2,975</b>                |

**15 Creditors: amounts falling due after more than one year**

|   | <b>Charity &amp; Group</b> |                |
|---|----------------------------|----------------|
|   | <b>2023/24</b>             | <b>2022/23</b> |
|   | <b>£'000</b>               | <b>£'000</b>   |
| Bank loans due after more than one year (note 21) | -                          | 2,666          |
| Finance leases (note 20)                          | -                          | -              |
|   | <b>-</b>                   | <b>2,666</b>   |

In 2020/21 the Trust borrowed £5m, through National Westminster Bank, under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan was due to be repaid over five years after a one-year deferment. During 2023/24 the balance outstanding was repaid in full.

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Notes to the financial statements**

## 16 Statement of funds

Group Funds Movements

|                                      | At 1st April 2023 | Income        | Expenditure     | Transfers   | At 31st March 2024 |
|--------------------------------------|-------------------|---------------|-----------------|-------------|--------------------|
|                                      | £'000             | £'000         | £'000           | £'000       | £'000              |
| <b><u>Unrestricted funds</u></b>     |                   |               |                 |             |                    |
| General funds                        | 3,476             | 24,550        | (20,822)        | (5,250)     | 1,954              |
| Designated fixed asset reserve       |                   |               |                 |             |                    |
| Original cost/ valuation             | 27,237            | -             | (2,676)         | 612         | 25,173             |
| Revaluation reserve                  | 46,047            | -             | (451)           | -           | 45,596             |
| Designated food and beverage reserve | -                 | -             | -               | 1,469       | 1,469              |
| Designated site works reserve        | 2,570             | -             | (121)           | 2,054       | 4,503              |
| Designated programme reserve         | -                 | -             | -               | 1,190       | 1,190              |
| <b>Total unrestricted funds</b>      | <b>79,330</b>     | <b>24,550</b> | <b>(24,070)</b> | <b>75</b>   | <b>79,885</b>      |
| <b><u>Restricted funds</u></b>       |                   |               |                 |             |                    |
| Maintenance and service charge fund  | 36                | 312           | (362)           | -           | (14)               |
| Projects fund                        | 171               | 573           | (501)           | -           | 243                |
| Capital grants fund                  | -                 | 75            | -               | (75)        | -                  |
| <b>Total restricted funds</b>        | <b>207</b>        | <b>960</b>    | <b>(863)</b>    | <b>(75)</b> | <b>229</b>         |
| <b>Total funds</b>                   | <b>79,537</b>     | <b>25,510</b> | <b>(24,933)</b> | <b>-</b>    | <b>80,114</b>      |

Comparative Group Funds Movements

|                                     | At 1st April 2022 | Income        | Expenditure     | Transfers | At 31st March 2023 |
|-------------------------------------|-------------------|---------------|-----------------|-----------|--------------------|
|                                     | £'000             | £'000         | £'000           | £'000     | £'000              |
| <b><u>Unrestricted funds</u></b>    |                   |               |                 |           |                    |
| General funds                       | 3,280             | 20,498        | (18,583)        | (1,719)   | 3,476              |
| Designated fixed asset reserve      |                   |               |                 |           | -                  |
| Original cost/ valuation            | 28,735            | -             | (2,538)         | 1,040     | 27,237             |
| Revaluation reserve                 | 46,498            | -             | (451)           | -         | 46,047             |
| Designated site works reserve       | 2,000             | -             | (109)           | 679       | 2,570              |
| <b>Total unrestricted funds</b>     | <b>80,513</b>     | <b>20,498</b> | <b>(21,681)</b> | <b>-</b>  | <b>79,330</b>      |
| <b><u>Restricted funds</u></b>      |                   |               |                 |           |                    |
| Maintenance and service charge fund | 52                | 202           | (218)           | -         | 36                 |
| Projects fund                       | 307               | 487           | (623)           | -         | 171                |
| Capital grants fund                 | 33                | -             | (33)            | -         | -                  |
| <b>Total restricted funds</b>       | <b>392</b>        | <b>689</b>    | <b>(874)</b>    | <b>-</b>  | <b>207</b>         |
| <b>Total funds</b>                  | <b>80,905</b>     | <b>21,187</b> | <b>(22,555)</b> | <b>-</b>  | <b>79,537</b>      |

Somerset House Trust

**Annual Report & Financial Statements for the year ended 31 March 2024****Notes to the financial statements****Analysis of Net Assets Between Funds**

|                                | Restricted<br>funds | Total         | Unrestricted<br>funds | Restricted<br>funds | Total         |
|--------------------------------|---------------------|---------------|-----------------------|---------------------|---------------|
|                                |                     | 2023/24       |                       |                     | 2022/23       |
|                                | £'000               | £'000         | £'000                 | £'000               | £'000         |
| Fixed assets                   | -                   | 70,769        | 73,284                | -                   | 73,284        |
| Current assets                 | 312                 | 20,974        | 19,439                | 312                 | 19,751        |
| Current liabilities            | -                   | (11,629)      | (10,832)              | -                   | (10,832)      |
| Liabilities due after one year | -                   | -             | (2,666)               | -                   | (2,666)       |
| <b>Group net assets</b>        | <b>312</b>          | <b>80,114</b> | <b>79,225</b>         | <b>312</b>          | <b>79,537</b> |

**Notes to funds***Unrestricted funds**General funds*

The general funds are available for spending on Somerset House's charitable activities. Trustees reviewed the reserves target and decided to maintain the target range at £1m to £2m. See pages 20-21 for more information.

*Designated fixed asset reserve*

£0.6m was transferred to the unrestricted designated fixed asset fund from general funds, the designated site works reserve and from capital grants funds to reflect fixed asset additions funded by the Trust during the year (2022/23: £1.0m).

Each year, an element of the annual depreciation charge on Somerset House is allocated to the revaluation reserve so that the reserve reduces to zero on a straight-line basis over the length of the lease.

*Designated site works reserve*

During 2023/24, we spent £0.1m on the Lancaster Place façade clean and energy future studies. Trustees designated a further £2.1m during the year, from general funds. The balance on this reserve at 31 March 2024 was £4.5m and is to cover future capital plans.

*Designated programming reserve*

We established a new designated programming reserve in 2023/24 with a £1.2m transfer from general funds to enhance the programme for 2025, when we are due to celebrate our 25<sup>th</sup> birthday.

*Designated food and beverage reserve*

A new food and beverage reserve of £1.5m was established, funded by a one-off lease surrender payment. This will be used cover costs, including temporary lost income, of transition to multiple new operators.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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#### *Restricted funds*

- i) A maintenance and service charge fund representing funds received from King's College which can be spent in accordance with the terms of the lease between the Trust and that tenant. The credit balance on this fund relates to service charge income that has not been fully utilised by expenditure incurred on the estate in connection with the tenancy of King's College, where the Trust is fulfilling its obligations under the lease. The long-term objective is for this restricted fund to carry a nil balance and future service charges will be adjusted accordingly.
- ii) A Project fund representing the unspent balance of Grants & Donations received for specific purposes at year end.

#### **17 Trustee remuneration and related party transactions**

No remuneration directly or indirectly out of the funds of the charity was paid to any Trustee or related party.

There were no expenses incurred by the charity for any Trustees during the year (2022/23: nil). Directors and Officers Liability insurance was purchased by the charity during the year at a cost of £18.5k (2022/23: £16.9k).

The Trust's trading subsidiary, Somerset House Enterprises Limited, was recharged staff costs of £868k, (2022/23: £589k). This being the cost of staff incurred by the Trust for activities undertaken by the company.

At 31<sup>st</sup> March 2024, amounts due to the Trust from the company included an amount of £3.3m (2022/23: £3.5m) as a donation of its profits under gift aid for the year ended 31 March 2023, under the deed of covenant with the Trust signed on 15 March 2017. All amounts owed between the Trust and the company are reflected in notes 14 and 15 of the financial statements.

Six trustees made contributions to the Trust during the year, totalling £27k (2022/23: £54k from seven Trustees).

The following related party expenditure transactions are stated inclusive of VAT:

Paul Goswell (Director) is a Member of Council of King's College which rents space at Somerset House. King's College paid Somerset House Trust £1.6m in rent and service charges (2022/23: £1.7m) and £29k relating to a partnership with Somerset House Studios (2023/24: £33k). Somerset House Trust paid King's College £23k for utility charges. (2022/23: £19k).

#### **18 Charitable Status**

Somerset House Trust is a charity registered under the Charities Act 2011 (number 1063640). As such, the charity is entitled to take advantage of the exemptions granted by s.505 of the Income and Corporations Taxes Act 1988.

Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2024

## Notes to the financial statements

**19 Capital commitments**

Capital commitments not provided for as at the year end are as follows:

|  | <b>Charity &amp; Group</b> |                |
|--|----------------------------|----------------|
|  | <b>2023/24</b>             | <b>2022/23</b> |
|  | <b>£'000</b>               | <b>£'000</b>   |
| Contracted and authorised at 1 April   | 61                         | 261            |
| Contracted and authorised commitments entered into during the course of the year and outstanding at the year end | 558                        | 61             |
| Utilised during the year   | (61)                       | (261)          |
| Commitment no longer required  | -                          | -              |
| Contracted and authorised at 31 March  | <b>558</b>                 | <b>61</b>      |

**20 Finance leases**

Future minimum payments under finance leases are as follows:

|  | <b>2023/24</b> | <b>2022/23</b> |
|--|----------------|----------------|
|  | <b>£'000</b>   | <b>£'000</b>   |
| <i>Within one year</i>                                     | 81             | 327            |
| <i>In more than one year, but not more than five years</i> | -              | -              |
| Total gross payments                                       | 81             | 327            |
| Future financing charges                                   | (2)            | (7)            |
| <b>Finance lease liability</b>                             | <b>79</b>      | <b>320</b>     |

**21 Bank Loan**

Future minimum bank loan payments are as follows:

|  | <b>2023/24</b> | <b>2022/23</b> |
|--|----------------|----------------|
|  | <b>£'000</b>   | <b>£'000</b>   |
| <i>Within one year</i>                                     | -              | 1,227          |
| <i>In more than one year, but not more than five years</i> | -              | 2,944          |
| <i>After five years</i>                                    | -              | -              |
| Total gross payments                                       | -              | 4,171          |
| Future financing charges                                   | -              | (504)          |
| <b>Bank loan liability</b>                                 | <b>-</b>       | <b>3,667</b>   |

During 2023/24 the CBILS loan was repaid in full due to adequate cash balances and rising interest rates.

Somerset House Trust

## Annual Report & Financial Statements for the year ended 31 March 2024

### Notes to the financial statements

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#### 22 Operating lessor

The Trust has future minimum lease receivables under non-cancellable operating leases and operating leases with break clauses less than or equal to one year, as a lessor, as follows:

|  | <b>2023/24</b> | 2022/23       |
|--|----------------|---------------|
|  | <b>£'000</b>   | £'000         |
| <b>Receipts due</b>  | <b>19,183</b>  | <b>22,969</b> |
| <i>Within one year</i>                                     | 6,464          | 7,631         |
| <i>In more than one year, but not more than five years</i> | 4,570          | 5,931         |
| <i>After five years</i>                                    | 8,149          | 9,407         |

#### 23 Post-balance sheet events

On 17 August 2024, a fire on the upper floors of Somerset House, where the West and South Wings meet, was attended by several London Fire Brigade crews. The fire was formally declared extinguished on 19 August. The public programme resumed the following week and within 2 weeks, residents in directly affected buildings were able to return. Works are ongoing to address immediate impacts, and we are planning works to reinstate the areas damaged by the fire. The Trust holds insurance for such events, with a minimal excess. It is too early to confirm the costs of the potential damage cost or any lost revenue, however we are working closely with our insurers on the matter. The Trustees have filed a Serious Incident Report with the Charities Commission.



Somerset House Trust

## Annual Report &amp; Financial Statements for the year ended 31 March 2023

## Notes to the financial statements

|   | Unrestricted funds |                | Restricted funds | Total 2022/23  | Total 2021/22 |
|---|--------------------|----------------|------------------|----------------|---------------|
|   | General            | Designated     |                  |                |               |
|   | £'000              | £'000          | £'000            | £'000          | £'000         |
| <b>Income from:</b>                                     |                    |                |                  |                |               |
| Donations, grants and legacies                          | 75                 | -              | 465              | 540            | 1,045         |
| Charitable activities                                   |                    |                |                  |                |               |
| <i>Property management and conservation</i>             | 2,235              | -              | 203              | 2,438          | 2,258         |
| <i>Cultural and public events</i>                       | 4,736              | -              | 6                | 4,742          | 3,459         |
| <i>Public education and communication</i>               | -                  | -              | -                | -              | 38            |
| <i>Rental income</i>                                    | 7,838              | -              | -                | 7,838          | 6,277         |
| Other trading activities                                |                    |                |                  |                |               |
| <i>Concessions and venue hire</i>                       | 3,853              | -              | -                | 3,853          | 2,653         |
| <i>Merchandise income</i>                               | 149                | -              | -                | 149            | 241           |
| <i>Sponsorship and corporate membership</i>             | 1,562              | -              | 15               | 1,577          | 792           |
| Investments   | 50                 | -              | -                | 50             | 1             |
| Other Income  | -                  | -              | -                | -              | 190           |
| <b>Total income</b>                                     | <b>20,498</b>      | <b>-</b>       | <b>689</b>       | <b>21,187</b>  | <b>16,954</b> |
| <b>Expenditure on:</b>                                  |                    |                |                  |                |               |
| <b>Raising funds</b>                                    | 180                | -              | -                | 180            | 132           |
| <b>Charitable activities</b>                            |                    |                |                  |                |               |
| <i>Property management and conservation</i>             | 6,769              | 2,542          | 321              | 9,632          | 8,191         |
| <i>Cultural and public events</i>                       | 6,740              | -              | 390              | 7,130          | 4,477         |
| <i>Public education and communication</i>               | 2,167              | -              | 148              | 2,315          | 1,952         |
| <i>Rental costs</i>                                     | 705                | 556            | -                | 1,261          | 1,062         |
| <b>Other trading activities</b>                         |                    |                |                  |                |               |
| <i>Concessions and venue hire</i>                       | 1,786              | -              | -                | 1,786          | 1,568         |
| <i>Merchandise costs</i>                                | 197                | -              | -                | 197            | 273           |
| <i>Sponsorship and corporate membership</i>             | 39                 | -              | 15               | 54             | 46            |
| <b>Total expenditure</b>                                | <b>18,583</b>      | <b>3,098</b>   | <b>874</b>       | <b>22,555</b>  | <b>17,701</b> |
| <b>Tax charge</b>                                       | -                  | -              | -                | -              | -             |
| <b>Net income/ (expenditure)</b>                        | <b>1,915</b>       | <b>(3,098)</b> | <b>(185)</b>     | <b>(1,368)</b> | <b>(747)</b>  |
| Transfers between funds                                 | (1,719)            | 1,719          | -                | -              | -             |
| <b>Net movement in funds</b>                            | <b>196</b>         | <b>(1,379)</b> | <b>(185)</b>     | <b>(1,368)</b> | <b>(747)</b>  |
| Fund balances brought forward at 1st April 2022         | 3,280              | 77,233         | 392              | 80,905         | 81,652        |
| <b>Fund balances carried forward at 31st March 2023</b> | <b>3,476</b>       | <b>75,854</b>  | <b>207</b>       | <b>79,537</b>  | <b>80,905</b> |

\*\*\*\*\* END OF REPORT\*\*\*\*\*