

SOMERSET
HOUSE

Somerset House Enterprises Limited

Annual report and financial statements for the year
ended 31 March 2014



report contents

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company directory

Registered office

Somerset House
Strand
London WC2R 1LA

Company number

03920330

Directors

Mr Robert Gillespie Chairman
Mr Tony Elliott
Mr Jeremy Hardie
Mr Mark Pain

**Chief Operating Officer and
Company Secretary**

Mr Mark Stuart-Smith

**Independent Auditors &
Chartered Accountants**

PricewaterhouseCoopers LLP
7 More London Riverside, London, SE1 2RT

Bankers

National Westminster Bank Plc
38 Strand, London WC2N 5JB

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields, London, WC2A 3LH

Herbert Smith LLP
Exchange House, London, EC2A 2HS

directors' report

Financial statements

The directors present their report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 March 2014.

The directors' report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006. The company is taking advantage of the small companies exemption from the requirement to prepare a strategic report.

Principal activity

The company's principal activity is to undertake non-exempt trading on behalf of its parent company, Somerset House Trust, which is a registered charity. All activities take place at Somerset House, London and these include venue hire, renting retail and office space, raising sponsorship for events and exhibitions, and merchandising.

Directors and their interests

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

- Tony Elliott
- Jeremy Hardie
- Robert Gillespie (chairman)
- Mark Pain

The directors do not have any interests required to be disclosed under s177 of the Companies Act 2006.

Registered Office and Company Secretary

The company's registered office is Somerset House, Strand, London WC2R 1LA. The Company Secretary is Mark Stuart-Smith.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

directors' report (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditors

The Board has taken a decision to re-appoint PricewaterhouseCoopers LLP as auditors for the coming year.

Approval on behalf of the Board



Robert Gillespie
Chairman
9 July 2014

Independent auditors' report to the Member of Somerset House Enterprises Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its result 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Somerset House Enterprises Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the Members of Somerset House Enterprises Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

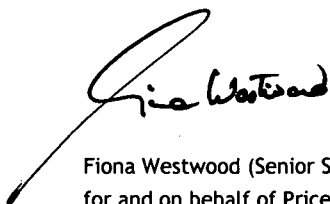
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Fiona Westwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 July 2014

profit and loss account

for the year ended 31 March 2014

	Notes	2013/14 £	2012/13 £
Turnover	1	3,247,132	3,113,207
Costs of sales		(1,067,267)	(1,019,992)
Gross profit		<u>2,179,865</u>	<u>2,093,215</u>
Administrative expenses		(6,750)	(9,017)
Operating profit		<u>2,173,115</u>	<u>2,084,198</u>
Payment to Somerset House Trust under deed of covenant		(2,169,075)	(2,084,198)
Profit on ordinary activities before taxation		<u>4,040</u>	<u>-</u>
Tax on profit on ordinary activities	7	(4,040)	-
Retained profit brought forward		<u>10,000</u>	<u>10,000</u>
Retained profit carried forward		<u>10,000</u>	<u>10,000</u>

There is no difference between the result for the year and the historical cost equivalent. The profit and loss account contains all the gains and losses recognised in the current and previous years and is the only movement in shareholder's funds. All activities are considered to be continuing. The accompanying notes form an integral part of these financial statements.

balance sheet

as at 31 March 2014

	Notes	2014 £	2013 £
Current Assets			
Stocks		23,415	18,568
Debtors	3	632,310	181,986
Cash at bank and in hand		2,376,807	1,747,894
Current assets		<u>3,032,532</u>	<u>1,948,448</u>
Current Liabilities			
Creditors: amounts falling due within one year	4	<u>(3,022,531)</u>	<u>(1,938,447)</u>
Net Assets		<u><u>10,001</u></u>	<u><u>10,001</u></u>
Capital and reserves:			
Called up share capital	6	1	1
Profit and loss account		10,000	10,000
Total shareholder's funds		<u><u>10,001</u></u>	<u><u>10,001</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 9 July 2014.

Signed on behalf of the Board of Directors



Robert Gillespie
Chairman

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008). The notes on pages 9 to 11 form part of the financial statements.

notes to the financial statements

1 Accounting policies

a) Basis of preparation

The financial statements are prepared on a going concern basis under the historic cost convention in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The company is a wholly owned subsidiary of Somerset House Trust and is included in the consolidated financial statements of Somerset House Trust, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with Somerset House Trust.

b) Turnover

Turnover represents the amount of goods or services sold or invoiced net of trade discounts and VAT. Income is recognised in the financial statements when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

c) Deferred income

Deferred income relates to rental and service charge income received from tenants in advance and deposits for venue hire. Income

2 Auditors' remuneration

Fees of £6,750 (2013: £6,500) were payable to the company's auditors.

3 Debtors

	2014 £	2013 £
Trade Debtors	590,634	111,242
Other Debtors	4,019	3,079
Accrued income	9,850	22,871
Prepayments	27,807	44,794
	632,310	181,986

4 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	92,002	85,089
Amounts due to parent company	2,063,806	1,216,512
Taxation and social security	170,872	228,872
Accruals	30,104	38,491
Deferred income	665,747	369,483
	3,022,531	1,938,447

notes to the financial statements (continued)

5 Employee details

The company has no employees and uses employees of Somerset House Trust, its parent company, to meet its requirements. The costs of these employees are charged to the company's profit and loss account. The charge for the year was £473,504 (2012/13: £467,265).

6 Called-up share capital

	2014 £	2013 £
Authorised		
100 (2013: 100) ordinary shares of £1 each	100	100
Allotted and fully paid		
1 (2013: 1) ordinary share of £1	1	1

7 Tax on profit on ordinary activities

	2013/14 £	2012/13 £
UK Corporation Tax - current tax charge	3,385	-
Adjustment in respect of previous periods	655	-
Tax on profit on ordinary activities	4,040	-
Current tax reconciliation:		
	2013/14 £	2012/13 £
Profit on ordinary activities before taxation	4,040	-
Tax on profit at UK corporation tax rate of 20%	808	-
Effects of:		
Expenses not deductible for tax purposes	2,577	-
Adjustment in respect of previous periods	655	-
Current tax charge for the period	4,040	-

The current year tax liability disclosed above is considered unlikely to crystallise as a result of the Company's intention to carry back a donation of interim surpluses generated in 2014/15. On the basis that this is contingent upon future events, a tax liability has however been disclosed above and on the face of the Profit and Loss account to reflect the position as at the year end.

8 Parent company

The company's immediate and ultimate parent company is Somerset House Trust, a company and charity registered in England. Somerset House Trust owns 100% of the issued share capital of the company. Copies of the consolidated financial statements of Somerset House Trust can be obtained from Somerset House Trust, Somerset House, Strand, London, WC2R 1LA.

The company has taken advantage of the exemption under FRS 8 and has chosen not to disclose transactions with other group entities.

notes to the financial statements (continued)

9 Directors' emoluments and related party transactions

No emoluments were paid to any director directly or indirectly out of the funds of the company or parent charitable company in the financial year (2012/13: £nil).

There were no related party transactions during the financial year requiring disclosure under FRS 8 (2012/13: none).