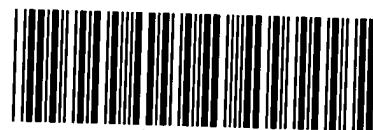




Somerset House Enterprises Limited

Report and financial statements for the year ended 31 March 2020

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Somerset House Enterprises Limited

Legal and Administration details

For the year ended 31 March 2020

Registered Office	Somerset House Strand London WC2R 1LA
Company Number	03920330
	Somerset House Enterprises Limited is a private company limited by shares incorporated in England and Wales
Directors	The directors of the company who were in office during the year and up to the date of signing the financial statements were: Ms Carol Fairweather Mr James Lambert Mr Julien Sevaux Mr William Sieghart CBE Chair
Company Secretary	Ms Susan Johnston Resigned October 2019 Ms Samantha Gilburd Appointed January 2020
Independent Auditor	BDO LLP 55 Baker Street London W1U 7EU
Banker	National Westminster Bank PLC 38 Strand London WC2N 5JB
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Mishcon de Reya Africa House 70 Kingsway London WC2B 6AH

Somerset House Enterprises Limited

Directors' Report

For the year ended 31 March 2020

Financial Statements

The directors present their report on the affairs of the company, together with the audited financial statements and independent auditor's report, for the year ended 31 March 2020.

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.

Going Concern

The directors have assessed the financial position of Somerset House Enterprises Limited (SHEL) on a regular basis. As a result of the COVID-19 pandemic, SHEL is currently forecast to make a loss in 2020/21 and to move back to a profit-making position in 2021/22. Directors have also reviewed downside risk scenarios. Significant cost reductions have been made in order to mitigate the loss of income, largely resulting from the loss of commercial hires due to government restrictions. The parent company, Somerset House Trust, has agreed to provide a limited, secured loan which will enable SHEL to meet its forecast liabilities. On this basis, the accounts have been prepared on a going concern basis. However, the directors have determined that the nature of the pandemic and continuing uncertainty over its duration and impact means that there is a material uncertainty in projecting future levels of income, whereby a total loss of all event income would result in further losses which would not be covered in full by the currently agreed loan. The directors continue to work closely with management to ensure that contingency plans are in place should recovery be further delayed.

Principal Activities

The company's principal activity is to undertake non-exempt trading on behalf of its parent company, Somerset House Trust (the 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, except where otherwise indicated, were:

- Ms Carol Fairweather
- Mr James Lambert
- Mr Julien Sevaux
- Mr William Sieghart CBE Chair

The directors do not have any interests required to be disclosed under s177 of the Companies Act 2006. As permitted by the Articles of Association, the directors 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 force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Somerset House Enterprises Limited

Directors' Report

For the year ended 31 March 2020

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report/annual 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 elected to prepare 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.

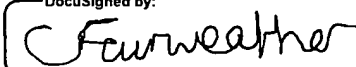
Disclosure of information to auditor

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 auditor is unaware; and
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Approved by the Board, and signed on their behalf on 16 November 2020 by:

DocuSigned by:

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Carol Fairweather

Director, Somerset House Enterprises Limited

Company number 03920330

Somerset House Enterprises Limited

Independent auditor's report to the members of Somerset House Enterprises Limited

For the year ended 31 March 2020

Opinion

We have audited the financial statements of Somerset House Enterprises Limited ("the Company") for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, the Balance sheet, and the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that, as a result of the coronavirus pandemic, there is uncertainty in predicting future levels of income. As stated in note 1 these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

Somerset House Enterprises Limited

Independent auditor's report to the members of Somerset House Enterprises Limited

For the year ended 31 March 2020

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Somerset House Enterprises Limited

Independent auditor's report to the members of Somerset House Enterprises Limited

For the year ended 31 March 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council'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 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 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 Company and the 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

16 November 2020

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

Somerset House Enterprises Limited

Statement of Income and Retained Earnings

For the year ended 31 March 2020

	Note	2019/20 £	2018/19 £
Revenue	1	4,613,817	4,720,952
Cost of Sales		(1,787,624)	(1,951,578)
Gross Profit		2,826,193	2,769,374
Administrative Expenses	3	(6,945)	(6,300)
Profit on ordinary activities before taxation and Deed of Covenant		2,819,248	2,763,074
Tax on profit on ordinary activities	9	(39,080)	-
Profit for the financial year		2,780,168	2,763,074
Retained earnings at the beginning of the financial year		10,000	10,000
Payment under deed of covenant to the Trust		(2,672,813)	(2,763,074)
Retained earnings at the end of the financial year		117,355	10,000

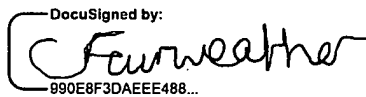
Somerset House Enterprises Limited

Balance Sheet

As at 31 March 2020

	Note	2019/20 £	2018/19 £
Current Assets			
Stocks		65,958	34,117
Debtors	5	159,793	302,554
Cash at bank and in hand		5,360,654	3,766,297
		<u>5,586,405</u>	<u>4,102,968</u>
Current Liabilities			
Creditors: amounts falling due within one year	6	(5,469,049)	(4,092,967)
Net Assets		<u>117,356</u>	<u>10,001</u>
Capital and reserves:			
Called up share capital	8	1	1
Profit and loss account		117,355	10,000
Total shareholder's funds		<u>117,356</u>	<u>10,001</u>

The financial statements on pages 7 to 12 were approved by the board of directors and signed on their behalf on 16 November 2020 by:

DocuSigned by:

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Carol Fairweather

Director, Somerset House Enterprises Limited
 Company number 03920330

Somerset House Enterprises Limited

Notes to Financial Statements

For the year ended 31 March 2020

1. General information and principal accounting policies

Somerset House Enterprises Limited is a company incorporated in England and Wales as a private company limited by guarantee (company number 03920330). The address of its registered office is Somerset House, Strand, London, WC2R 1LA.

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The individual financial statements of Somerset House Enterprises Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The company is permitted by FRS 102 to take advantage of certain disclosure exemptions as it is a wholly owned subsidiary of Somerset House Trust, the consolidated accounts of which include the company's results. Accordingly, the company has not prepared a cash flow statement, and has not disclosed total key management personnel compensation or the nature of financial instruments.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Financial Statements have been prepared on a going concern basis under the historical cost convention, in accordance with applicable United Kingdom accounting standards and the Companies Act 2006.

Going concern

The directors have assessed the financial position of Somerset House Enterprises Limited (SHEL) on a regular basis. As a result of the COVID-19 pandemic, SHEL is currently forecast to make a loss in 2020/21 and to move back to a profit-making position in 2021/22. Directors have also reviewed downside risk scenarios. Significant cost reductions have been made in order to mitigate the loss of income, largely resulting from the loss of commercial hires due to government restrictions. The parent company, Somerset House Trust, has agreed to provide a limited, secured loan which will enable SHEL to meet its forecast liabilities. On this basis, the accounts have been prepared on a going concern basis. However, the directors have determined that the nature of the pandemic and continuing uncertainty over its duration and impact means that there is a material uncertainty in projecting future levels of income, whereby a total loss of all event income would result in further losses which would not be covered in full by the currently agreed loan. The directors continue to work closely with management to ensure that contingency plans are in place should recovery be further delayed.

Revenue

Turnover comprises income from venue hires, merchandise income, and sponsorship income. Turnover is recognised once Somerset House Enterprises Limited has entitlement 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 Enterprises Limited

Somerset House Enterprises Limited

Notes to Financial Statements

For the year ended 31 March 2020

becomes entitled to that income. Where entitlement occurs before income is received, the income is accrued.

All income is derived from the company's principal activities and arises wholly from UK sales.

Stocks

Stocks are 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 less costs to sell.

Gift Aid

Technical guidance was issued by the Institute for Chartered Accountants in England & Wales in October 2014 which stated the payments of profits by the company to the Trust are distributions, as defined under company law, akin to dividends. On 15 March 2017, the company entered into a deed of covenant with Trust to confirm its intention to make such a distribution of profits for each financial year to Trust for the foreseeable future. This creates an obligation for the company and so the company has accrued for the payment of profits subsequent to year-end.

2. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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. See note 4 for the net carrying amount of the debtors.

3. Auditor's remuneration

Included within administrative expenses are fees of £6,450 (2018/19: £6,300) payable to the company's auditor.

4. Transactions as an agent

During the year, £919,463 of tickets were sold on behalf of third parties (2018/19 £584,607), of which £54,704 is recognised as processing fee income (2018/19 £34,183).

Somerset House Enterprises Limited

Notes to Financial Statements

For the year ended 31 March 2020

5. Debtors

	2019/20	2018/19
	£	£
Trade Debtors	139,284	263,326
Other Debtors	176	3,371
Accrued Income	16,647	28,317
Prepayments	3,686	7,540
	159,793	302,554

6. Creditors: amounts falling due within one year

	2019/20	2018/19
	£	£
Trade Creditors	414,150	24,524
Amounts owed to group undertakings	4,599,479	3,377,527
Taxation and social security	60,733	195,529
Accruals	97,869	121,540
Other Creditors	12,500	75,000
Deferred Income	284,318	298,847
	5,469,049	4,092,967

7. Employee details

The company has no employees (2018/19: none) 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 £765,199 (2018/19: £765,335).

8. Called up share capital

	2019/20	2018/19
	£	£
Authorised		
100 (2019: 100) ordinary shares of £1 each	100	100
Allotted and fully paid		
1 (2019: 1) ordinary share of £1	1	1

Somerset House Enterprises Limited

Notes to Financial Statements

For the year ended 31 March 2020

9. Tax on profit on ordinary activities

	2019/20 £	2018/19 £
UK Corporation Tax - current tax charge	39,080	-
Adjustment in respect of previous periods	-	-
Tax on profit on ordinary activities	39,080	-

The charge for the year can be reconciled to the profit per the income statement as follows:

	2019/20 £	2018/19 £
Profit on ordinary activities before taxation	2,819,248	2,763,074
Tax on profit at UK corporation tax rate of 19%	535,657	524,984
Effects of:		
<i>Expenses not deductible for tax purposes</i>	975	526
<i>Accrued qualifying charitable donation</i>	(497,552)	(525,510)
Total tax charge for the period	39,080	-

A deed of covenant is in place which sets out the directors' intention to transfer to the Trust, in the form of a Gift Aid payment, all profits of the company for the foreseeable future.

10. 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 found at www.somersetthouse.org.uk.

The company has taken advantage of the exemption under FRS 102 and has chosen not to disclose transactions with other group entities.

11. 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 for services to the company (2018/19: £nil).

There are no related party transactions.