

Company number 03920330

**SOMERSET
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Somerset House Enterprises Limited

Report and financial statements for the year ended 31 March 2023

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Somerset House Enterprises Limited

Legal and Administration details

For the year ended 31 March 2023

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| 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 | <p>The Directors of the company who were in office during the year and up to the date of signing the financial statements were:</p> <table><tr><td>Gail Rebuck Melanie Smith</td><td>Chair Appointed 7 December 2022: Resigned 25 June 2023 Due to new external executive appointment</td></tr><tr><td>Carol Fairweather Julien Sevaux Monica Monajem Isfahani Peter Williams</td><td>Resigned 18 December 2022 Appointed 7 December 2022 Appointed 27 September 2023</td></tr></table> | Gail Rebuck Melanie Smith | Chair Appointed 7 December 2022: Resigned 25 June 2023 Due to new external executive appointment | Carol Fairweather Julien Sevaux Monica Monajem Isfahani Peter Williams | Resigned 18 December 2022 Appointed 7 December 2022 Appointed 27 September 2023 |
| Gail Rebuck Melanie Smith | Chair Appointed 7 December 2022: Resigned 25 June 2023 Due to new external executive appointment | | | | |
| Carol Fairweather Julien Sevaux Monica Monajem Isfahani Peter Williams | Resigned 18 December 2022 Appointed 7 December 2022 Appointed 27 September 2023 | | | | |
| Company Secretary | Samantha Gilburd | | | | |
| 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 | | | | |

Somerset House Enterprises Limited

Directors' Report

For the year ended 31 March 2023

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 2023.

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

Somerset House Enterprises Limited (SHEL) ended the year with a profit before tax of £3.5m (2021/22:£1.9m), reflecting a stronger recovery post-pandemic than anticipated and enabling a deed of covenant payment to Somerset House Trust, the parent company, of £3.5m, with retained earnings position of £31k and cash of £4.9m

The directors have assessed the financial position of SHEL, including the impact of the current economic climate., and have concluded that SHEL will continue to trade as a going concern for the 12 months following this report and for the foreseeable future. On this basis, the accounts have been prepared on a going concern basis.

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, retail, 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:

- Baroness Gail Rebuck Chair
- Carol Fairweather
- Monica Monajam Isfahani
- Peter Williams

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 2023

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.

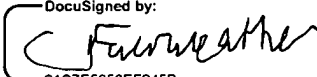
Disclosure of information to auditor

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 29 September 2023 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 members of Somerset House Enterprises Limited

For the year ended 31 March 2023

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

We have audited the financial statements of Somerset House Enterprises Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

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.

Somerset House Enterprises Limited

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

For the year ended 31 March 2023

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 course of 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 this gives rise to 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 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.

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 Directors' 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 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 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 members of Somerset House Enterprises Limited

For the year ended 31 March 2023

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.

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:

Based on our understanding of the Company and the industry in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006 and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: taxation, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

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

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- assessing the design and implementation of the control environment to identify any areas of material weakness to focus the design of our testing;
- reviewing, and considering the impact on our audit, of items included in the group's fraud and theft database;
- enquiry of entity staff in finance functions to identify any instances of non-compliance with laws and regulations;
- challenging assumptions made by management in their significant accounting estimates, in particular in relation to recoverability of trade and other debtors; and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Somerset House Enterprises Limited

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

For the year ended 31 March 2023


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 is available on 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:

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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

29 September 2023

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 2023

| | Note | 2022/23 £'000 | 2021/22 £'000 |
|---------------------------------------------------------------------------|------|------------------|------------------|
| Revenue | 1 | 5,085 | 3,370 |
| Cost of sales | | (1,561) | (1,486) |
| Gross profit | | 3,524 | 1,884 |
| Administrative expenses | 3 | (29) | (7) |
| Profit on ordinary activities before taxation and Deed of Covenant | | 3,495 | 1,877 |
| Tax on profit on ordinary activities | 9 | - | - |
| Profit for the financial year | | 3,495 | 1,877 |
| Retained earnings at the beginning of the financial year | | 31 | 31 |
| Qualifying charitable donation to the Trust | | (3,495) | (1,877) |
| Retained earnings at the end of the financial year | | 31 | 31 |

Somerset House Enterprises Limited

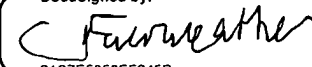
Balance Sheet

As at 31 March 2023

| | Note | 2022/23 £'000 | 2021/22 £'000 |
|------------------------------------------------|------|------------------|------------------|
| Current Assets | | | |
| Stocks | | - | 26 |
| Debtors | 2, 5 | 418 | 272 |
| Cash at bank and in hand | | 4,922 | 2,684 |
| | | <u>5,340</u> | <u>2,982</u> |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 6 | (5,309) | (2,951) |
| | | <u>31</u> | <u>31</u> |
| Net Assets | | | |
| Capital and reserves: | | | |
| Called up share capital | 8 | - | - |
| Profit and loss account | | 31 | 31 |
| Total shareholder's funds | | <u>31</u> | <u>31</u> |

The financial statements have been prepared in accordance with special provisions relating to small companies under Part 15 of the Companies Act 2006, as amended by the Companies, Partnership and Groups (Accounts and Reports) Regulations 2015.

The financial statements on pages 8 to 14 were approved by the board of directors and signed on their behalf on 29 September 2023 and signed on their behalf 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 2023

1. General information and principal accounting policies

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

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

Somerset House Enterprises Limited (SHEL) ended the year with a profit before tax of £3.5m, reflecting success in our activities and enabling a deed of covenant payment to Somerset House Trust, the parent company, of £3.5m, with retained earnings position of £31k and cash of £4.9m.

The directors have assessed the financial position of SHEL, including the impact of the current economic climate, and have concluded that SHEL will continue to trade as a going concern for the 12 months following this report and for the foreseeable future. On this basis, the accounts have been prepared on a going concern basis.

Revenue

Turnover comprises income from venue hires, merchandise income, corporate membership fees 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.

Somerset House Enterprise Limited

Notes to Finance Statements

For the Year Ended 31 March 2023

Where income is received in advance of providing goods and/or services, it is deferred until Somerset House Enterprises Limited 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 Somerset House Trust to confirm its intention to make such a distribution of profits for each financial year to the 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 5 for the net carrying amount of the debtors.

3. Auditor's remuneration

Included within administrative expenses are fees of £27k (2021/22: £7k) payable to the company's auditor. These fees include £7k from last year and £20k for this year's audit.

Somerset House Enterprise Limited

Notes to Finance Statements

For the Year Ended 31 March 2023

4. Transactions as an agent

During the year, £591k of tickets were sold on behalf of third parties (2021/22 £825k), of which £28k is recognised as processing fee income (2021/22 £50k).

5. Debtors

| | 2022/23 £'000 | 2021/22 £'000 |
|----------------|------------------|------------------|
| Trade Debtors | 252 | 227 |
| Taxation | - | 20 |
| Accrued income | 153 | 21 |
| Prepayments | 13 | 4 |
| | <u>418</u> | <u>272</u> |

6. Creditors: amounts falling due within one year

| | 2022/23 £'000 | 2021/22 £'000 |
|------------------------------------|------------------|------------------|
| Trade creditors | 173 | 75 |
| Amounts owed to group undertakings | 3,958 | 1,900 |
| Taxation and social security | 125 | 123 |
| Accruals | 128 | 217 |
| Other creditors | 27 | 18 |
| Deferred income | 899 | 618 |
| | <u>5,309</u> | <u>2,951</u> |

| | 2022/23 £'000 | 2021/22 £'000 |
|----------------------------------------------|------------------|------------------|
| Deferred income brought forward at 1 April | 618 | 394 |
| Deferred income now recognised | (618) | (394) |
| Income deferred in year | 899 | 618 |
| Deferred income carried forwards at 31 March | <u>899</u> | <u>618</u> |

Somerset House Enterprise Limited**Notes to Finance Statements****For the Year Ended 31 March 2023****7. Employee details**

The company has no employees (2021/22: 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 £589k (2021/22: £637k).

8. Called up share capital

| | 2022/23 £ | 2021/22 £ |
|-----------------------------------------------|--------------|--------------|
| Authorised | | |
| 100 (2021/22: 100) ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted and fully paid | | |
| 1 (2021/22: 1) ordinary share of £1 | <u>1</u> | <u>1</u> |

9. Tax on profit on ordinary activities

| | 2022/23 £'000 | 2021/22 £'000 |
|---------------------------------------------|------------------|------------------|
| UK Corporation Tax - current tax charge | - | - |
| Adjustment in respect of previous periods | <u>-</u> | <u>-</u> |
| Tax on profit on ordinary activities | <u>-</u> | <u>-</u> |

Somerset House Enterprise Limited

Notes to Finance Statements

For the Year Ended 31 March 2023

The tax repayment for 2022/23 can be reconciled to the profit per the income statement as follows:

| | 2022/23 £'000 | 2021/22 £'000 |
|---------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before taxation | 3,495 | 1,877 |
| Tax on profit at UK corporation tax rate of 19% | 664 | 357 |
| Effects of: | | |
| <i>Expenses not deductible for tax purposes</i> | - | - |
| <i>Expected qualifying charitable donation (note 1)</i> | (664) | (357) |
| Total tax charge / (repayment) for the period | - | - |

A deed of covenant is in place which sets out the Directors' intention to transfer to the Trust, in the form of a qualifying charitable donation, all profits of the company for the foreseeable future. (2021/22 nil).

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.somersethouse.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 (2021/22: £nil).

There are no related party transactions.

*** End***