

# **SOMERSET HOUSE**

**Somerset House Trust  
Annual Report and Accounts  
for the year ended 31 March 2007**

Registered company number 3388137

Registered charity number 1063640

Somerset House Trust  
Annual Report and Financial Statements  
For the year ended 31 March 2007

**Contents**

	Page
Report of the Board of Trustees	2
Independent Auditors' Report	11
Consolidated Statement of Financial Activities	12
Consolidated Balance Sheet	13
Charity Balance Sheet	14
Consolidated Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Accounts	17-24

Somerset House Trust  
Trustees Report  
For the year ended 31 March 2007

The Board presents the report and financial statements of Somerset House Trust for the year ended 31 March 2007. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 1985.

**ADMINISTRATIVE DETAILS**

Charity Number: 1063640

Company Number: 3388137

Registered Address: Somerset House, Strand, London WC2R 1LA

Auditors: PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London EC1M 3AP

Bankers: National Westminster Bank Plc, Cavell House, 2a Charing Cross Road, London WC2

Principal solicitors: Reed Smith, Minerva House, 5 Montague Close, London SE1 9BB

During the year the Trustees, who are also the directors and members of the company, were:

\* Sir Christopher Mallaby (Retired 30<sup>th</sup> September 2006)

Sir Mark Potter

Professor Richard Burdett

\* Mr Tony Elliott

\* Mr Jeremy Hardie

Lady Irvine of Lairg

\* Mr Robert Gillespie (Chairman)

Sir Simon Jenkins

\*\* Mr James Strachan

Sir John Tusa (Retired 15<sup>th</sup> November 2006)

\*\* = Chairman of the Finance and Audit Committee

\* = Member of the Finance and Audit Committee

Company Secretary: Joe Ghandhi

Chief Executive: Gwyn Miles

# Trustees Report (continued)

## For the year ended 31 March 2007

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Trust was incorporated as Somerset House Limited, a private company limited by guarantee, in 1997, and registered as a charity under the same name. Its name was officially changed to Somerset House Trust in 1998. The charity is governed by its Memorandum and Articles of Association. The Somerset House Act 1984, although preceding the creation of the Trust, indicates the intentions of Parliament and the Government for the future development of Somerset House as a home for culture and the arts. Members of the Board of Trustees are also the Directors of the company. The Trust's commercial activities are undertaken by a wholly-owned subsidiary, Somerset House Enterprises Ltd, which gifts its net income to the Trust.

#### **Appointment of Trustees**

Trustees are appointed following a review by the Chairman and existing Board members of the relevant skills and experience required by the Trust. Current Trustees have experience and knowledge of the Trust's wide range of activities, including architecture and heritage, the visual arts and contemporary culture as well as in finance and law.

#### **Trustee induction and training**

New Trustees receive extensive background material to familiarise themselves with the history and activities of the Trust as well as Charity Commission documentation to inform them of their responsibilities and obligations under charity law. In addition, they are briefed by the Chief Executive on the key policy and operational issues facing the Trust.

#### **Organisation**

The Trustees meet every two months. At each meeting they consider a full report from the management team including the latest management accounts and progress reports on current projects, as well as policy papers and design presentations as appropriate. As part of the Trust's planning processes the Board will henceforth carry out an annual review of its strategy.

In addition to the meetings of the main Board, the Finance and Audit Committee meets every two months, with the usual range of responsibilities. The main Board receives reports from the Finance and Audit Subcommittee, and all major issues are reserved for main Board decision.

#### **Risk Management**

The Trustees have identified and examined the major risks to which the Trust is exposed and have, through the preparation and review of a risk register, established a system for monitoring these risks. The key risk identified is the Trust's ability to raise large scale funding for capital development projects together with its ability to manage the negotiation process with potential new tenants for the site. In addition, issues related to business continuity, emergency reaction planning and health and safety have been carefully considered. Systems are in place to control and mitigate these risks in order to reduce them to an acceptable level and these systems are monitored for effectiveness on a regular basis.

## Trustees Report (continued)

For the year ended 31 March 2007

The Trust, in pursuit of its cultural mission, is landlord to a number of tenants who are themselves charities, chiefly the Courtauld Institute of Art, the Gilbert Collection and the Hermitage Development Trust; these charities are independent bodies. The Trust operates entirely from the revenues it secures from its tenants and from income-generating activities such as letting of space for corporate events, catering and filming.

### OBJECTIVES AND ACTIVITIES

The Trust's mission is to conserve and restore Somerset House to the highest standards and to develop the site as a public space which is universally recognised as a centre of excellence for culture and the arts.

Key activities in support of this mission are:

- (i) Undertaking building and conservation projects
- (ii) Hosting world-class temporary exhibitions at Somerset House in collaboration with the Courtauld Institute of Art, Gilbert Collection and Hermitage Development Trust
- (iii) Running a vibrant public events programme including film, concerts, a crafts fair and ice skating
- (iv) Making the visitor experience as enjoyable as possible
- (v) Developing a learning programme alongside the public programme

The Trust's strategy was reviewed and agreed by the Board after Gwyn Miles took up her appointment as Director in January 2006.

- (i) The Trust has responsibility for site security, cleaning and maintenance throughout all public areas and external maintenance of the South, East, West and New Wings. The Courtauld Institute of Art, which occupies the North Wing, and the Gilbert Collection Trust directly manage their own security, health and safety, maintenance and cleaning within their respective demises. The Trust works with a conservation architect, Feilden and Mawson, to ensure that all repair work and new projects are undertaken to high standards and respect the historic significance of the Grade I listed buildings. Improvements are being made to the South Wing to increase public enjoyment of the facilities.
- (ii) In the North Wing the Courtauld Institute of Art Gallery houses one of the most important collections of art in Britain. It includes world-famous old master and impressionist and post-impressionist paintings, together with sculpture and applied arts, and a world-class prints and drawings collection that includes works by Michelangelo, Rembrandt, Cézanne and Turner. In the South Wing the Gilbert Collection is home to a unique collection of gold, silver and micro-mosaics. Also in the South Wing are the Hermitage Rooms which display collections from the world-famous Hermitage Museum in St Petersburg. The Trust is planning to produce further temporary exhibitions of contemporary art and culture in order to provide an improved programme of visual displays across the site.

## Trustees Report (continued)

### For the year ended 31 March 2007

- (iii) The Trust runs a wide-ranging programme of events in order to attract new audiences to the building, to build its reputation for innovative commissions, and to provide recreation of a high quality, combining the historic elegance of the building with the contemporary appeal of the events. A film season, concerts, a craft fair and the ice-rink are examples of events that make extensive use of the Edmond J. Safra fountain court and bring the public to the site.
  
- (iv) Improving the visitor experience at Somerset House is a major focus for the work of the Trust. Refreshments are provided for the visitors in a variety of cafes and bars operated by the contracted caterers, Leith's. An information desk situated in the Seamen's Hall is operated by volunteers. Every care is taken to ensure welfare of visitors both during the day and at any events. A study of circulation and wayfinding throughout the site has produced a series of recommendations for a new signage scheme which will be put in place during the next financial year.
  
- (v) Tours of the building and collections are organised to give both groups and adult learners an introduction to Somerset House. Family programmes and workshops are arranged as part of public programme events such as Free Time and in this year The Big Draw. In addition the provision of skating for disabled and community groups has been expanded as part of 'Skate! School'.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Building and Conservation**

A major project was undertaken to refurbish the river terrace so as to make this important area more accessible to the general public. As part of this project the river terrace café facilities have been significantly improved.

The rolling programme of building maintenance included the refurbishment of windows, redecoration of internal staircases and the cleaning of sculptures on the north façade of the South Wing.

The Trust takes its environmental responsibilities seriously. Following a joint project with the HM Revenue and Customs to investigate the potential benefits of implementing an environmental management system in accordance with ISO 14001, the Trust has a waste disposal contract for the whole site, separating recyclable white paper and glass. Further investigations during the year have considered the potential benefits of a combined heat and power system yielding both reductions in carbon emissions and financial savings.

# Trustees Report (continued)

## For the year ended 31 March 2007

### Galleries and Exhibitions

Visitor numbers to the galleries and exhibitions grew by 23% over the year. Temporary exhibitions that augmented the permanent collections and contributed to this success comprised:

<i>Courtauld Institute of Art</i>	<i>"All Spirit and Fire: Oil Sketches by Tiepolo"</i> <i>"Oskar Kokoschka: The Prometheus Triptych"</i> <i>"David Teniers and the Theatre of Painting"</i> <i>"Guercino: Mind to Paper"</i>
<i>Hermitage Rooms</i>	<i>"The Road to Byzantium: Luxury Art of Antiquity"</i> <i>"The Triumph of Eros: Art and Seduction in 18<sup>th</sup> Century France"</i>
<i>Gilbert Collection</i>	<i>"Bejewelled by Tiffany, 1837 – 1987"</i> <i>"Treasures from the Gem Palace of Jaipur"</i> <i>"Britannia and Muscovy: English Silver at the Court of the Tsars"</i> <i>"Classic Soviet modernist photographer Max Penson and the Soviet modernisation of Uzbekistan 1920-1930s"</i>

### Public Events Programme

The events programme has been expanded to include an imaginative mix of activities to attract the public to Somerset House. A series of outdoor film screenings in association with Film4 alongside our pop concerts and the Free Time sessions for children have been a great success. For the first time the Trust has hosted 'Origin – the London Craft Fair' in conjunction with the Crafts Council and this has resulted in an additional 20,000 visitors to the site over the two week period of the fair. In April Somerset House was the site for a major art installation by Jenny Holzer to commemorate Samuel Beckett's centenary. The Somerset House Ice Rink maintains its place as a highlight of London's winter season. The Ice Rink was open for 10 weeks from the end of November until the end of January and attracted 125,000 skaters of all ages, bringing some 350,000 people in all to Somerset House during that period in spite of increased competition. A 'training rink' was introduced for the first time this year and this has increased the capacity of the rink. The Ice Rink once again formed the backdrop to BBC TV's New Year's Eve broadcast, bringing significant publicity to the Trust. Thanks to external funding, the programme of skating for schoolchildren and community groups was expanded.

### Education and Learning

While the Trust remains committed to public education at Somerset House, the method of delivery will change. The Trust continues to provide the fine facilities of the purpose-built learning centre, but the joint education department has been closed. The Courtauld Institute of Art will focus on education provision for schools particularly secondary education and adult education. They have appointed a new Head of Public Education. The Trust has developed a new family education programme in conjunction with the public programme department. In addition The Sorrell Foundation has moved to Somerset House and will run a Young Design Centre which opened in May 2007. These changes should ensure that a vibrant programme of educational activities is available at Somerset House all year round.

# Trustees Report (continued)

## For the year ended 31 March 2007

### **Valuing Volunteers**

The Trust has an active volunteer programme. The information desk located in the Seamen's Hall is staffed throughout the year by volunteers who provide up-to-date information to visitors. Volunteers contribute in other areas, such as assisting at outdoor events and working on the historical research programme. The Trust continues to offer work placements, mostly for young people as part of their education. During the financial year, the Trust's volunteers collectively contributed time equivalent to some 8,000 working hours with an estimated value of approximately £100,000. The Trustees greatly appreciate this contribution made by those who volunteer at Somerset House and thank them for their continuing support.

### **Physical Access**

The Trust is committed to making Somerset House accessible to all visitors. The Trust and its tenants have undertaken a disability audit which has given a series of recommendations to ensure full compliance with all aspects of the Disability Discrimination Act 2005. Small-scale improvements have been programmed within routine expenditure. Major improvements have been prioritised and will be incorporated into planned refurbishment projects. The Trust is in consultation with English Heritage and Westminster City Council's planning department on projects where access improvements require substantial alteration to the Grade 1 listed building. An example of such a project is improvements to the access between the River Terrace and the Seaman's Hall.

### **FINANCIAL REVIEW**

The following commentary relates to the consolidated financial statements of Somerset House Trust and its sole subsidiary, Somerset House Enterprises Ltd.

#### **Incoming Resources**

Total income from all sources amounted to £ 7,086,263 (2005/06: £ 7,033,451), and principally comprised rental income and service charge contributions from the Trust's tenants, grants and donations and income for the cultural programme. Income from activities in the furtherance of the Trust's objectives principally comprised service charge contributions from tenants which can only be applied towards the cost of running and maintaining the estate. Additional income included ticket income from the Trust's summer events and from the ice rink. Other income was earned by Somerset House Enterprises Limited from the letting of space for catering, corporate events and filming.

The growth in net income was primarily due to further expansion of the public events programme and increased corporate entertaining activity. Rents and service charges payable by tenants are our main source of ongoing income and these increased in line with the retail price index.

#### **Resources Expended**

The total of resources expended on the Trust's operations and management and in generating funds was £ 8,746,281 (2005/06: £ 9,561,212). The main area of expenditure is the management and conservation of the estate which is open to the public throughout the year. This is consistent with one of the Trust's primary objectives to conserve Somerset House as a public building. The other significant area of expenditure was on the public events programme.

## Trustees Report (continued)

### For the year ended 31 March 2007

Other expenditure arose on the Trust's diverse activities in support of its aim to increase public enjoyment of the building, including visitor services, the wide-ranging education programme and the marketing of Somerset House and its collections.

#### **Assets and liabilities**

The value of the Trust's fixed assets declined during the year, with the cost of additional building works being offset by the amortisation and depreciation charges for the year. The significant increase in the debtors balance compared to the previous year was mainly a result of late payment of rent and service charges by one significant tenant; this late payment also led to an off-setting decrease in cash and short term deposit balances compared to the previous year end.

Creditors payable within one year include amounts due to purchase creditors and accruals for work completed prior to the year end. Also included within creditors was deferred rental income which was received from tenants prior to the year-end but which relates to the period April to June 2007.

Designated funds at the year end represent the net book value of building works and the amounts outstanding on loans taken out to fund those works. Restricted funds at the year end include the Maintenance and Service Charge Fund which is used to finance certain estates costs borne by the Trust on behalf of its tenants. Other restricted funds arose from fundraising activities to support the costs of the Trust's public events programme in 2006-07.

#### **Results of the subsidiary company**

Commercial activities during the year included corporate and private events, the hire of space for photography or filming and sponsorship activities. These activities are undertaken through the Trust's wholly-owned trading subsidiary, Somerset House Enterprises Limited. This showed a year of growth, primarily due to the opening of additional entertaining venues for hospitality events and the receipt of sponsorship income for the ice rink, resulting in an increase in the net contribution to the Trust from £ 191,946 to £ 278,720.

#### **Reserves Policy**

The majority of the Trust's assets are held as fixed assets and it is the Trust's policy to maintain a low level of net current assets, applying any surplus funds to the repayment of loan borrowings when possible. At 31 March 2007 unrestricted general reserves were £ 786,905. However, this sum offsets building work carried out in an earlier period. The board regularly reviews the level of reserves held as well as cash flow forecasts to ensure that these are sufficient to meet the ongoing needs of the Trust. Given the regular and reliable nature of rental income, the Trustees are satisfied that the Trust has sufficient funds and financing in place to continue operating for the foreseeable future and to meet its obligations as they fall due.

#### **PLANS FOR FUTURE PERIODS**

The most significant issue over the next three years is the opportunity presented by HMRC's intention to vacate Somerset House by April 2009. Currently HMRC occupy two thirds of the estate. The Trust is now actively examining the options for the use of this released space to provide a larger platform for the provision of a stimulating cultural centre for London while also ensuring an income stream to allow us to use Somerset House to best advantage. This will enable us to fully restore the entire original eighteenth century building, expand and diversify the public programmes and create a dynamic creative community with overlapping interests working within the building.

## Trustees Report (continued)

### For the year ended 31 March 2007

Plans for the public programmes over the next three year period will be co-ordinated between all the cultural partners on site, which will improve our ability to market the events effectively. The Somerset House Trust will itself take on a strand of exhibition programming, focusing on contemporary exhibitions of art, craft and design from around the world. This will complement the more historical exhibitions based on research mounted by the Courtauld Institute of Art, the collections of the State Hermitage Museum in St Petersburg and those of the Gilbert Collection. In addition to temporary exhibitions, a contemporary art installation will be commissioned each year, building on the success of the Jenny Holzer event in 2006. For example, in September 2007 a digital interactive 'Virtual World' art project designed by Langlands and Bell will be presented at Somerset House Trust.

The Sorrell Foundation will be based at Somerset House for the next three years and opened the Young Design Centre in May 2007 enhancing the focus of the Learning Centre with an exhibition entitled 'What's Next for Schools?' The new centre will draw attention to what young people expect from the designers of their schools and will encourage local authorities to use the significant body of practical evidence that the Sorrell Foundation has gathered over seven years through the 'joinedupdesignforschools' programme.

#### **Trustees' responsibilities in relation to the financial statements**

Company law legislation requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and the group and of the surplus or deficit of the charitable company and the group for that period. In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps toward the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- as far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Trustees Report (continued)  
For the year ended 31 March 2007

**Auditors**

A resolution will be proposed at the Annual General Meeting that PKF (UK) LLP be re-appointed as auditors to the charity for the ensuing year.

**By order of the Trustees**

A handwritten signature in black ink, appearing to read 'R Gillespie'.

**Robert Gillespie, Chairman**  
11th July 2007

# Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOMERSET HOUSE TRUST

We have audited the financial statements of Somerset House Trust for the year ended 31 March 2007 which comprise the consolidated statement of financial activities, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and group's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

<i>PKF (UK) LLP</i>	PKF (UK) LLP
London, UK	Registered auditors
Date <i>18 July 2007</i>	

**Consolidated Statement of Financial Activities  
For the year ended 31 March 2007**

	Notes	Unrestricted			Endowment £	2006/2007 Total £	2005/2006 Total £
		General £	Designated £	Restricted £			
<b>INCOMING RESOURCES</b>							
<i>Incoming resources from generated funds</i>							
Concessions and venue hire		726,403	-	-	-	<b>726,403</b>	<b>703,688</b>
Sponsorship		110,000	-	-	-	<b>110,000</b>	<b>11,128</b>
Grants and Donations		612	-	107,000	-	<b>107,612</b>	<b>84,120</b>
Rental Income		2,984,719	-	-	-	<b>2,984,719</b>	<b>2,997,538</b>
Bank interest receivable		53,617	-	-	-	<b>53,617</b>	<b>59,171</b>
		<u>3,875,351</u>	<u>-</u>	<u>107,000</u>	<u>-</u>	<u><b>3,982,351</b></u>	<u><b>3,855,645</b></u>
<i>Incoming resources from charitable activities</i>							
Property management and conservation		31,985	-	1,466,074	-	<b>1,498,059</b>	1,435,964
Cultural and Public Events		1,496,685	-	-	-	<b>1,496,685</b>	1,715,047
Other income		106,168	-	-	-	<b>106,168</b>	26,795
		<u>1,634,838</u>	<u>-</u>	<u>1,466,074</u>	<u>-</u>	<u><b>3,100,912</b></u>	<u><b>3,177,806</b></u>
<b>Total incoming resources</b>		<u><b>5,510,189</b></u>	<u>-</u>	<u><b>1,573,074</b></u>	<u>-</u>	<u><b>7,083,263</b></u>	<u><b>7,033,451</b></u>
<b>RESOURCES EXPENDED</b>							
<i>Costs of generating funds</i>							
Concessions and venue hire	2	(526,438)	-	-	-	<b>(526,438)</b>	(553,462)
Sponsorship costs	2	(42,381)	-	-	-	<b>(42,381)</b>	(15,430)
Fundraising costs of grants and donations	2	(115,435)	-	-	-	<b>(115,435)</b>	(61,538)
Bank interest payable	2	-	(123,719)	-	-	<b>(123,719)</b>	(131,800)
		<u>(684,254)</u>	<u>(123,719)</u>	<u>-</u>	<u>-</u>	<u><b>(807,973)</b></u>	<u><b>(762,230)</b></u>
<i>Charitable activities</i>							
Property management and conservation	2	(982,967)	(1,752,649)	(716,815)	(1,225,025)	<b>(4,677,456)</b>	(4,952,409)
Cultural and Public events	2	(2,021,777)	-	(90,000)	-	<b>(2,111,777)</b>	(2,560,383)
Public education, communication and visitor services	2	(900,154)	-	-	-	<b>(900,154)</b>	(1,031,143)
		<u>(3,904,898)</u>	<u>(1,752,649)</u>	<u>(806,815)</u>	<u>(1,225,025)</u>	<u><b>(7,689,387)</b></u>	<u><b>(8,543,935)</b></u>
<i>Governance Costs</i>	2	(220,901)	-	(28,020)	-	<b>(248,921)</b>	(255,047)
<b>Total Resources Expended</b>		<u><b>(4,810,053)</b></u>	<u><b>(1,876,368)</b></u>	<u><b>(834,835)</b></u>	<u><b>(1,225,025)</b></u>	<u><b>(8,746,281)</b></u>	<u><b>(9,561,212)</b></u>
<u>Transfers between funds</u>							
Financing		(123,719)	123,719	-	-	-	-
Other		74,416	808,845	(883,261)	-	-	-
	11	<u>(49,303)</u>	<u>932,564</u>	<u>(883,261)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds for the year</b>		<u><b>650,833</b></u>	<u><b>(943,804)</b></u>	<u><b>(145,022)</b></u>	<u><b>(1,225,025)</b></u>	<u><b>(1,663,018)</b></u>	<u><b>(2,527,761)</b></u>
<b>Total funds brought forward at 1 April 2006</b>		<u>136,072</u>	<u>23,373,171</u>	<u>264,764</u>	<u>12,892,994</u>	<u><b>36,667,001</b></u>	<u><b>39,194,762</b></u>
<b>Total funds carried forward at 31 March 2007</b>		<u><b>786,905</b></u>	<u><b>22,429,367</b></u>	<u><b>119,742</b></u>	<u><b>11,667,969</b></u>	<u><b>35,003,983</b></u>	<u><b>36,667,001</b></u>

The accompanying notes form an integral part of these financial statements. All of the above income and expenditure derives from continuing activities. There were no other realised gains or losses during the year.

## Consolidated Balance Sheet As at 31 March 2007

	Notes	Unrestricted		Restricted £	Endowment £	2007 Total £	2006 Total £
		General £	Designated £				
<b>FIXED ASSETS</b>							
Tangible fixed assets	4	801,276	24,479,367	-	11,667,969	<b>36,948,612</b>	39,266,317
		<u>801,276</u>	<u>24,479,367</u>	<u>-</u>	<u>11,667,969</u>	<u><b>36,948,612</b></u>	<u>39,266,317</u>
<b>CURRENT ASSETS</b>							
Debtors	6	1,598,679	-	-	-	<b>1,598,679</b>	730,863
Short term deposits		250,000	-	-	-	<b>250,000</b>	900,000
Cash at bank and in hand		611,696	-	119,742	-	<b>731,438</b>	626,945
		<u>2,460,375</u>	<u>-</u>	<u>119,742</u>	<u>-</u>	<u><b>2,580,117</b></u>	<u>2,257,808</u>
<b>CURRENT LIABILITIES</b>							
Creditors: amounts falling due within one year	7	(2,299,746)	(450,000)	-	-	<b>(2,749,746)</b>	(2,907,124)
		<u>160,629</u>	<u>(450,000)</u>	<u>119,742</u>	<u>-</u>	<u><b>(169,629)</b></u>	<u>(649,316)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>							
		<u>961,905</u>	<u>24,029,367</u>	<u>119,742</u>	<u>11,667,969</u>	<u><b>36,778,983</b></u>	<u>38,617,001</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>							
Creditors: amounts falling due after more than one year	8	(175,000)	(1,600,000)	-	-	<b>(1,775,000)</b>	(1,950,000)
		<u><b>786,905</b></u>	<u><b>22,429,367</b></u>	<u><b>119,742</b></u>	<u><b>11,667,969</b></u>	<u><b>35,003,983</b></u>	<u><b>36,667,001</b></u>
<b>NET ASSETS</b>							
<b>FUNDS</b>							
Unrestricted funds							
General funds	11	786,905	-	-	-	<b>786,905</b>	136,072
Designated funds	11	-	22,429,367	-	-	<b>22,429,367</b>	23,373,171
Restricted funds	11	-	-	119,742	-	<b>119,742</b>	264,764
Endowment fund	11	-	-	-	11,667,969	<b>11,667,969</b>	12,892,994
		<u><b>786,905</b></u>	<u><b>22,429,367</b></u>	<u><b>119,742</b></u>	<u><b>11,667,969</b></u>	<u><b>35,003,983</b></u>	<u><b>36,667,001</b></u>
		-	-	-	-	-	-

The accompanying notes form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 11th July 2007

Signed on behalf of the Board of Trustees



**Robert Gillespie**  
Chairman

## Charity Balance Sheet As at 31 March 2007

	Notes	Unrestricted		Restricted £	Endowment £	2007 Total £	2006 Total £
		General £	Designated £				
<b>FIXED ASSETS</b>							
Tangible fixed assets	4	801,276	24,479,367		11,667,969	36,948,612	39,266,317
Investments	5	1				1	1
		<u>801,277</u>	<u>24,479,367</u>	<u>-</u>	<u>11,667,969</u>	<u>36,948,613</u>	<u>39,266,318</u>
<b>CURRENT ASSETS</b>							
Debtors	6	1,942,930		-		1,942,930	925,431
Short term deposits		250,000		-		250,000	900,000
Cash at bank and in hand		864		119,742		120,606	277,925
		<u>2,193,794</u>	<u>-</u>	<u>119,742</u>	<u>-</u>	<u>2,313,536</u>	<u>2,103,356</u>
<b>CURRENT LIABILITIES</b>							
Creditors: amounts falling due within one year	7	(2,049,566)	(450,000)	-		(2,499,566)	(2,769,074)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>144,228</u>	<u>(450,000)</u>	<u>119,742</u>	<u>-</u>	<u>(186,030)</u>	<u>(665,718)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>945,505</u>	<u>24,029,367</u>	<u>119,742</u>	<u>11,667,969</u>	<u>36,762,583</u>	<u>38,600,600</u>
Creditors: amounts falling due after more than one year	8	(175,000)	(1,600,000)			(1,775,000)	(1,950,000)
<b>NET ASSETS</b>		<u><b>770,505</b></u>	<u><b>22,429,367</b></u>	<u><b>119,742</b></u>	<u><b>11,667,969</b></u>	<u><b>34,987,583</b></u>	<u><b>36,650,600</b></u>
<b>FUNDS</b>							
Unrestricted funds							
General funds		770,505				770,505	119,671
Designated funds			22,429,367			22,429,367	23,373,171
Restricted funds				119,742		119,742	264,764
Endowment fund					11,667,969	11,667,969	12,892,994
		<u><b>770,505</b></u>	<u><b>22,429,367</b></u>	<u><b>119,742</b></u>	<u><b>11,667,969</b></u>	<u><b>34,987,583</b></u>	<u><b>36,650,600</b></u>

The accompanying notes form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 11th July 2007

Signed on behalf of the Board of Trustees



**Robert Gillespie**  
Chairman

## Consolidated Cash Flow Statement For the year ended 31 March 2007

	Notes	2006/2007 Total £	2005/2006 Total £
Net cash inflow from operating activities	A	245,129	1,841,260
<u>Returns on investments and servicing of finance</u>			
Interest received		53,617	59,171
Interest paid		(123,719)	(131,800)
<u>Capital expenditure</u>			
Payments to acquire tangible fixed assets		(720,534)	(1,598,217)
<u>Management of liquid resources</u>			
Sale of short-term deposits	B	650,000	250,000
<u>Financing</u>			
Decrease in loans	B	-	(150,000)
<b>Increase in cash</b>	<b>C</b>	<b>104,493</b>	<b>270,414</b>

## Notes to the Cash Flow Statement For the year ended 31 March 2007

### NOTE A

#### Reconciliation of net incoming resources to net cash inflow from operating activities

	<b>2006/2007</b>	<b>2005/2006</b>
	<b>£</b>	<b>£</b>
Net (Outgoing)/Incoming Resources before interest	(1,592,916)	(2,455,132)
Depreciation and amortisation	3,038,239	3,049,125
Decrease in Stocks	-	
(Increase)/Decrease in Debtors	(867,816)	1,238,491
(Decrease)/Increase in Creditors	(332,378)	8,776
Net cash inflow from operating activities	<b><u>245,129</u></b>	<b><u>1,841,260</u></b>

### NOTE B

#### Reconciliation of net cash flow to changes in net debt

	<b>2006/2007</b>	<b>2005/2006</b>
	<b>£</b>	<b>£</b>
Increase/(Decrease) in cash in the period	104,493	270,414
(Sale)/Purchase of short-term deposits	(650,000)	(250,000)
Loans repaid	-	150,000
Change in net debt	<u>(545,507)</u>	<u>170,414</u>
Net debt at 1 April	(523,055)	(693,469)
Net debt at 31 March	<b><u>(1,068,562)</u></b>	<b><u>(523,055)</u></b>

### NOTE C

#### Analysis of changes in net debt

	<b>At 1 April 2006</b>	<b>Cash Flows</b>	<b>At 31 March 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	626,945	104,493	731,438
Short term deposits	900,000	(650,000)	250,000
Bank loans repayable within one year	(100,000)	(350,000)	(450,000)
Bank loans repayable after more than one year	(1,950,000)	350,000	(1,600,000)
Net debt	<b><u>(523,055)</u></b>	<b><u>(545,507)</u></b>	<b><u>(1,068,562)</u></b>

# Notes to the Accounts

## For the year ended 31 March 2007

### 1 ACCOUNTING POLICIES

#### a) Basis of preparation of accounts

These financial statements have been prepared under the historical cost convention and in accordance with the reporting requirements of the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued by the Charity Commission in March 2005. Comparative figures have been restated where appropriate.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Trust and of its subsidiary undertaking, Somerset House Enterprises Ltd. The results of the subsidiary are consolidated on a line-by-line basis.

The Trust has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Trust's activities. No separate SOFA has been presented for the Trust alone as permitted by section 230 of the Companies Act 1985 and by paragraph 304 of the SORP.

#### b) Incoming Resources

Income is recognised in the financial statements when the Trust or its subsidiary are legally entitled to the income and the amount can be quantified with reasonable accuracy. Grants received are recognised when the conditions for receipt have been met. Where grants are specially restricted to future accounting periods, they are deferred and recognised in the relevant accounting period. Grants for immediate financial support and assistance, or to reimburse costs previously incurred, are recognised immediately. Donated items and facilities, in as much as they are material and quantifiable, are recognised as income when receivable, on the basis of their estimated value to the charity. No amounts have been included in the financial statements for services donated by volunteers.

#### c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, including any incidental expenses of acquisition or at valuation. Depreciation is calculated to write off the cost of the asset on a straight line basis over the estimated useful life of the asset. Depreciation is charged for a full year in the year of acquisition, and not in the year of disposal, if applicable.

#### *Valuation and Amortisation of Leases*

No value has been attributed to the Headlease dated 11 December 1997, for 128 years, between Somerset House Trust and the Secretary of State for the Environment, Transport and the Regions.

The value attributed to the underlease between Somerset House Trust and the Inland Revenue represents the net present value of the rental income due to the Trust over the term of the lease, using a discount rate of 6%. The Inland Revenue underlease is for the New, West and East Wings and has a twenty-five year term ending in 2022. A break clause on the East Wing lease is exercisable by the tenant only in 2009. Rent due by the Trust to the government under the Headlease, representing 25% of gross revenue after five years and 50% after ten, has been deducted in arriving at the net present value. An agreement reached with the Government in 2000 to reduce the Headlease rentals payable by £1,700,000 has also been taken into account in valuing the lease.

The difference between the current valuation of the underlease and its valuation at the previous year end is taken to the financial statements as the amortisation charge for the year.

#### *Capital building works*

The costs of significant building works to the South and Embankment buildings, the Courtyard and the River Terrace which were undertaken between 1998 and 2000 are capitalised and depreciated over 25 years, based on the Trustees' view of their average expected useful working life. Although there is no expectation of earning a full commercial return, these parts of the building work are capitalised to represent the Trust's investment in its charitable objects.

## Notes to the Accounts (continued) For the year ended 31 March 2007

Building works to parts of the estate occupied and used solely by tenants which have been carried out by the Trust as part of the expenditure on the Service Charge fund are written off over a period of 10 years.

### *Depreciation and amortisation*

Depreciation is charged on a straight-line basis over the estimated useful life of the assets, as follows:

Capitalised building works (public areas)	25 years
Capitalised building works (tenants' areas)	10 years
Fixtures, fittings and equipment	3 years

The underlease is amortised as set out above, under Valuation and Amortisation of Leases.

### d) Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to specific areas of activity undertaken by the Trust and its subsidiary. Where costs cannot be directly attributed, they have been allocated to an activity on a basis consistent with use of those resources.

- Costs of generating funds are those costs incurred in attracting voluntary income and sponsorship as well as costs incurred in trading activities that raise funds and bank interest payable on loans which have been used to finance the Trust's capital projects.
- Charitable activities include expenditure on property management and conservation, costs associated with cultural and public events and educational and visitor services costs. Both direct and support costs relating to these activities are included.
- Governance costs include those incurred in the governance of the charity and its assets. Senior management time spent on supporting the Governance function is also allocated to Governance costs.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources

### e) Fund accounting

Unrestricted General Funds comprise accumulated surpluses and deficits on general funds and are available for use at the Trustees' discretion in furtherance of the general charitable objectives. Designated funds are unrestricted funds which have been set aside by the Trustees for a particular purpose, as explained in Note 11.

Restricted funds consist of amounts subject to specific restrictions, within the objects of the charity, imposed by the donor or arising from contractual obligations. The Maintenance and Service Charge Fund was set up to comply with the terms of the underlease between Somerset House Trust and its tenants. Other Restricted Funds reflect restricted income and expenditure in other areas of activity other than those included in the Maintenance and Service Charge Fund.

The Endowment Fund represents the value attributed to the underlease as explained in accounting policy 1(c).

### f) Pension costs

Contributions are made to employees' personal pension plans and these are accounted for on an accruals basis. There is no company pension plan.

Notes to the accounts (continued)  
For the year ended 31 March 2007

**2 ANALYSIS OF RESOURCES EXPENDED**

	<b>Staff Costs</b>	<b>Direct Costs</b>	<b>Overheads</b>	<b>2006/2007 Total</b>	<b>2005/2006 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Costs of generating funds</u>					
Fundraising costs	54,431	14,546	46,458	115,435	61,538
Hire of space	80,550	337,730	108,158	526,438	553,462
Sponsorship	31,968	10,413	-	42,381	15,430
Bank Interest payable	-	123,719	-	123,719	131,800
	<u>166,949</u>	<u>486,408</u>	<u>154,616</u>	<u>807,973</u>	<u>762,230</u>
<u>Charitable expenditure</u>					
<i>Costs of activities in furtherance of the charity's objects:</i>					
Property management and conservation	208,691	1,024,827	3,443,938	4,677,456	4,952,409
Visitor services	142,430	66,320	109,079	317,829	289,439
Public education	-	59,601	8,194	67,795	358,093
Public events	263,897	1,683,216	164,664	2,111,777	2,560,383
Communication and marketing	156,128	251,884	106,518	514,530	383,611
	<u>771,146</u>	<u>3,085,848</u>	<u>3,832,393</u>	<u>7,689,387</u>	<u>8,543,935</u>
Governance costs	55,727	8,030	185,164	248,921	255,047
<b>Total Resources Expended</b>	<b><u>993,822</u></b>	<b><u>3,580,286</u></b>	<b><u>4,172,173</u></b>	<b><u>8,746,281</u></b>	<b><u>9,561,212</u></b>

**3 NET INCOMING RESOURCES**

	<b>2006/2007 £</b>	<b>2005/2006 £</b>
Net incoming resources are stated after charging the following:		
Auditors' Fees:		
- for audit work	14,850	14,670
- for non-audit work	9,000	-
- under provision for prior year	4,000	-
Depreciation:		
- land and buildings	3,011,055	3,023,456
- other	27,184	25,669
	<u>3,042,239</u>	<u>3,049,135</u>

Notes to the accounts (continued)  
For the year ended 31 March 2007

**4 TANGIBLE FIXED ASSETS**

	<b>Inland Revenue Lease £</b>	<i>Charity and Group</i>		<b>Total £</b>
		<b>Building Works £</b>	<b>Fixtures, fittings &amp; equipment £</b>	
<u>Cost</u>				
At 1 April 2006	21,160,710	36,391,054	201,019	57,752,783
Additions	-	696,845	23,689	720,534
Disposals	-	-	(23,498)	(23,498)
At 31 March 2007	<u>21,160,710</u>	<u>37,087,899</u>	<u>201,210</u>	<u>58,449,819</u>
<u>Accumulated depreciation</u>				
At 1 April 2006	8,267,716	10,054,764	163,986	18,486,466
Charge for the year	1,225,025	1,786,030	27,184	3,038,239
Disposals	-	-	(23,498)	(23,498)
At 31 March 2007	<u>9,492,741</u>	<u>11,840,794</u>	<u>167,672</u>	<u>21,501,207</u>
<u>Net book value</u>				
<b>At 31 March 2007</b>	<u><b>11,667,969</b></u>	<u><b>25,247,105</b></u>	<u><b>33,538</b></u>	<u><b>36,948,612</b></u>
At 31 March 2006	<u>12,892,994</u>	<u>26,336,290</u>	<u>37,033</u>	<u>39,266,317</u>

All tangible fixed assets belong to the charity and are held for continuing use by the Trust in furthering its objects.

**5 INVESTMENTS**

At 1 April 2006 and at 31 March 2007

**Charity**  
**£**  
**1**

The Trust owns the whole of the issued ordinary share capital of Somerset House Enterprises Ltd, a company registered in England. The subsidiary carries out non-primary purpose trading activities, managing corporate events and non-tax exempt activities including corporate sponsorships. All activities of the subsidiary 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.

	<b>2006/2007 £</b>	<b>2005/2006 £</b>
<u>Somerset House Enterprises Limited</u>		
Turnover	901,053	847,883
Cost of Sales	(551,569)	(584,078)
Gross Profit	<u>349,484</u>	<u>263,805</u>
Administrative Expenses	(70,764)	(71,859)
Operating Profit	<u>278,720</u>	<u>191,946</u>
Gift aid donation to charity	(278,720)	(186,946)
<b>Result for the year</b>	<u>-</u>	<u>5,000</u>
Retained profit brought forward	16,400	11,400
<b>Retained profit carried forward</b>	<u><b>16,400</b></u>	<u><b>16,400</b></u>

The aggregate of the assets, liabilities and funds was:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Assets	876,691	545,158
Liabilities	(860,290)	(528,757)
<b>Funds</b>	<u><b>16,401</b></u>	<u><b>16,401</b></u>

Notes to the accounts (continued)  
For the year ended 31 March 2007

**6 DEBTORS**

	<i>Charity</i> 31 March 2007 £	<i>Charity</i> 31 March 2006 £	<i>Group</i> 31 March 2007 £	<i>Group</i> 31 March 2006 £
Trade debtors	1,304,442	459,072	1,422,151	529,299
Other debtors	10,523	10,510	105,572	136,422
Amounts due from subsidiary company	557,009	390,707	-	-
Prepayments and accrued income	70,956	65,142	70,956	65,142
	<u>1,942,930</u>	<u>925,431</u>	<u>1,598,679</u>	<u>730,863</u>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<i>Charity</i> 31 March 2007 £	<i>Charity</i> 31 March 2006 £	<i>Group</i> 31 March 2007 £	<i>Group</i> 31 March 2006 £
Bank loans repayable within one year	450,000	100,000	450,000	100,000
Purchase creditors and accruals	917,793	1,464,812	1,073,087	1,517,172
Other creditors, including taxation and social security	103,478	205,276	114,827	222,992
Deferred income	1,028,295	998,986	1,111,832	1,066,960
	<u>2,499,566</u>	<u>2,769,074</u>	<u>2,749,746</u>	<u>2,907,124</u>

**8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<i>Charity and Group</i>	
	31 March 2007 £	31 March 2006 £
Bank loans repayable after more than one year	1,600,000	1,950,000
Other creditors repayable after more than one year	175,000	-
	<u>1,775,000</u>	<u>1,950,000</u>

**9 BANK LOANS**

	<i>Charity and Group</i>	
	31 March 2007 £	31 March 2006 £
Amounts repayable:		
- within one year	450,000	100,000
- between one and two years	600,000	350,000
- between two and five years	1,000,000	1,600,000
	<u>2,050,000</u>	<u>2,050,000</u>

**10 POST BALANCE SHEET EVENTS**

HMRC have approached the Trust with a view to negotiating an early termination of their leases on the New, East and West wings of Somerset House. Following this approach the Trustees have agreed to enter into a dialogue with HMRC to explore alternative options going forward.

The Department of Media, Culture and Sport have indicated to the Trust that they will consider waiving the rent payable to them under the head lease from September 2007 onwards. A formal agreement has yet to be agreed, and these accounts have been drawn up on the basis of the existing head lease.

Notes to the accounts (continued)  
For the year ended 31 March 2007

**11 STATEMENT OF FUNDS**

	At 1 April 2006 £	Incoming Resources £	Resources Expended £	Fund Transfers £	31 March 2007 £
<u>Unrestricted funds</u>					
General funds	136,072	5,674,706	(4,974,570)	(49,303)	786,905
Designated funds	23,373,171		(1,876,368)	932,564	22,429,367
Total unrestricted funds	<u>23,509,243</u>	<u>5,674,706</u>	<u>(6,850,938)</u>	<u>883,261</u>	<u>23,216,272</u>
<u>Restricted funds</u>					
Maintenance and service charge fund	264,764	1,301,557	(580,318)	(883,261)	102,742
Other restricted funds	-	107,000	(90,000)	-	17,000
Total restricted funds	<u>264,764</u>	<u>1,408,557</u>	<u>(670,318)</u>	<u>(883,261)</u>	<u>119,742</u>
Endowment Fund	<u>12,892,994</u>	<u>-</u>	<u>(1,225,025)</u>	<u>-</u>	<u>11,667,969</u>
<b>Total funds</b>	<b><u>36,667,001</u></b>	<b><u>7,083,263</u></b>	<b><u>(8,746,281)</u></b>	<b><u>-</u></b>	<b><u>35,003,983</u></b>

Designated funds represent the net book value of building works and the amounts outstanding on the bank loans taken out to fund those works. The fund has been established to identify those unrestricted funds held by the Trust which are not free funds. The fund balance increases to reflect the value of further building works undertaken during the year and repayments of the bank loans. The depreciation on the building works and the interest payable on the bank loans are charged to this fund.

The Maintenance and Service Charge Fund represents service charge payments received from tenants which can only be applied in accordance with the terms of their leases with the Trust, and the costs of the provision of shared services such as external security and cleaning as well as maintenance and other works to the buildings occupied by the tenants.

Other restricted funds incorporate donations for the ice rink and the free time public programme, and a specific donation for conservation work. It is the Trust's policy to use surpluses generated on unrestricted funds to repay loans and cover the cost of servicing the loans. During the year there have been no loan repayments and a transfer has been made between the general and designated funds to cover the cost of servicing the loans.

Notes to the accounts (continued)  
For the year ended 31 March 2007

**12 EMPLOYEE DETAILS**

	<b>2006/2007</b>	<b>2005/2006</b>
	<b>£</b>	<b>£</b>
Staff Costs		
Wages and salaries	826,336	736,078
Social security costs	90,629	82,999
Pension costs	34,908	22,488
Temporary staff salaries	41,949	61,554
	<b><u>993,822</u></b>	<b><u>903,119</u></b>

Emoluments over £60,000

	<b>Number</b>	<b>Number</b>
The number of employees paid emoluments of more than £60,000 in the year were:		
£ 70,000 - £ 80,000	-	<b>1</b>
£ 90,000 - £100,000	<b>1</b>	-

The one employees earning over £60,000 received pension benefits accruing under the defined contribution scheme. The total contribution to the defined contribution scheme for that employee was £ 11,358.

Staff Functions

	<b>2006/2007</b>	<b>2005/2006</b>
	<b>Number</b>	<b>Number</b>
The average number of employees during the year, analysed by function, was:		
Fundraising	<b>1</b>	<b>1</b>
Cultural and public events	<b>2</b>	<b>2</b>
Property management and conservation	<b>5</b>	<b>4</b>
Public education, communication and visitor services	<b>8</b>	<b>8</b>
Concessions and venue hire	<b>6</b>	<b>5</b>
Governance	<b>4</b>	<b>6</b>
	<b><u>26</u></b>	<b><u>26</u></b>

In order to achieve operational efficiencies and cost savings, certain staff employed by the Trust also spend some of their time working on behalf of other organisations at Somerset House, particularly the Gilbert Collection, the Courtauld Institute of Art and the Hermitage Development Trust. £120,575 was charged to other organisations during the year in respect of staff costs (2006: £110,503), and this sum is not included in the above figures. The staff involved in delivering the Trust's education programme are employed by the Courtauld Institute of Art and are not included in the above figures.

Notes to the accounts (continued)  
For the year ended 31 March 2007

**13 ALLOCATION OF SUPPORT**

The Trust allocates its support costs as shown in the two tables below. Support costs are allocated on a basis consistent with the use of resources.

**(a) Support Costs**

	<b>2006/2007</b>	<b>2005/2006</b>
	<b>£</b>	<b>£</b>
Rental payable	59,387	59,387
Legal and professional	62,297	35,533
Estate agent commission	147,843	-
IT equipment, maintenance and depreciation	37,791	46,553
General management - staff costs	163,808	197,283
General management - office costs	135,205	121,483
	<b><u>606,331</u></b>	<b><u>460,239</u></b>

<b>(b) Departmental allocation of support costs</b>	<b>Costs of generating funds</b>	<b>Costs in furtherance of objects</b>	<b>2006/2007 Total</b>	<b>2005/2006 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising costs	47,933	-	47,933	35,264
Concessions and venue hire	25,810		25,810	20,711
Property management and conservation	-	180,361	180,361	136,828
Cultural and public events	-	114,712	114,712	87,072
Public education, communication and visitor services	-	237,616	237,616	180,364
	<b><u>73,743</u></b>	<b><u>532,689</u></b>	<b><u>606,432</u></b>	<b><u>460,239</u></b>

**14 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS**

No remuneration directly or indirectly out of the funds of the charity was paid to any trustee or to any related party. Expenses incurred by the charity for trustees during the year totalled £ 338 (2005/2006: £ nil). Trustee indemnity insurance was purchased by the charity during the year at a cost of £ 2,415 (2005/2006: £3,019).

During the year £3,952 was paid to Mr Joshua Cutler who is the son of Ms Linda Bernhardt, Director of Public Programmes, for work done on the public programme.

**15 CHARITABLE STATUS**

Somerset House Trust is a charity registered under the Charities Act 1993 (number 1063640). As such, the charity is entitled to take advantage of the exemptions granted by s.505 of the Income and Corporation Taxes Act 1988.