

SOMERSET HOUSE

**Somerset House Trust
Annual Report and Accounts
for the year ended 31 March 2008**

Registered company number 3388137

Registered charity number 1063640

Somerset House Trust
Annual Report and Financial Statements
For the year ended 31 March 2008

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Somerset House Trust
Trustees Report
For the year ended 31 March 2008

The Board presents the report and financial statements of Somerset House Trust for the year ended 31 March 2008. 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
Solicitors:	Reed Smith, Minerva House, 5 Montague Close, London SE1 9BB Herbert Smith LLP, Exchange House, London EC2A 2HS

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

Professor Richard Burdett
* Mr Tony Elliott
* Mr Robert Gillespie (Chairman)
* Mr Jeremy Hardie
Lady Irvine of Lairg
Sir Simon Jenkins
Sir Mark Potter
** Mr James Strachan

** = 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 2008

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 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 Committee, and all major issues are reserved for main Board decision.

Risk Management

The Trust is landlord to a number of tenants, many of whom are themselves charities. The Trust's primary tenant is Her Majesty's Revenue and Customs (HMRC) who occupy the New Wing, the West Wing and the East Wing of Somerset House. The Trust does not currently receive any financial support from the Government and relies upon the rent paid by HMRC to fund the conservation of the buildings and the Trust's operations. The Trust supports its public programme through donations, sponsorship and ticket income and income-generating activities such as letting of space for corporate events, catering and filming.

Trustees Report (continued)

For the year ended 31 March 2008

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 remain viable once its major tenant (HMRC) vacates the site. A strategic review has been undertaken to consider the options for moving forward, taking into account the risk factors for each. 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 regularly monitored for effectiveness.

STRATEGIC PLANNING

The Trust has carried out a strategic review of how it plans to use all the buildings once HMRC vacate the site. The departure of HMRC in the future will provide the Trust with the opportunity to open up the entire site to the public and reinvigorate Somerset House as a key cultural platform for London. The plan for redevelopment is to:

- complete the restoration of the eighteenth century buildings surrounding the fountain court, and provide public access for the first time to all the wings at ground level;
- open up the spectacular lightwells and create new pedestrian routes through and around the building;
- convert existing office spaces into high quality lettable spaces for the creative industries, to act as the engine of the creative economy within Somerset House;
- colonise the vaults around the courtyard as studio spaces for artists, makers, designers, photographers etc, to stimulate creativity on the site;
- strengthen the existing cultural programmes at Somerset House with a new temporary exhibitions programme and regular art installations alongside different manifestations of the performing arts;
- stimulate life-long learning through participation with practitioners in the creative economy;
- engage the imagination of the public with this outstanding example of our English national heritage.

In formulating this plan the Trust has given regard to the nature of the buildings. The ground floor (Strand level) will be devoted to public access in the wings surrounding the courtyard, with the upper floors used as offices or teaching spaces and the lower levels used as studios. HMRC have given notice that they will vacate the East wing (25% of the space they occupy) in September 2009. A potential tenant for this wing is King's College whose educational objectives complement those of the Trust and who already occupy an extensive estate to the east of Somerset House. The ground floor would be leased back to Somerset House Trust as part of the public realm on the site.

Trustees Report (continued)

For the year ended 31 March 2008

Aims and objectives

Somerset House is developing into a new creative centre housed in an architectural masterpiece open for the enjoyment of the public.

The Trust aims to:

- conserve and restore Somerset House to a high standard;
- provide a range of arts and cultural activities;
- ensure that the site is presented to the public as a world class heritage site used for modern cultural purposes.

Key objectives to support of these aims currently are:

- To maintain and improve the buildings

The Trust is responsible for the maintenance, security and cleanliness of the site. Currently HMRC occupy the East, West and New Wings, while the Courtauld Institute of Art occupies the North Wing on a full repairing lease. The Trust has undertaken improvements in the South Wing to provide a new river terrace café and improved deli and refurbished the Seamen's Hall, which acts as the main information point for the site.

- To run a vibrant public events programme

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.

- To host world-class displays at Somerset House

The Courtauld Gallery houses one of the most important collections of art in Britain, including world-famous old master and impressionist and post-impressionist paintings, sculpture, applied art, prints and drawings. In addition to the permanent displays of the collection, temporary exhibitions highlighting research into specific aspects of the collection are regularly mounted. The Gilbert Collection, which was opened to the public in 2000, transferred to the Victoria and Albert Museum in March 2008, where it will be displayed alongside the national collections of silver, metalwork and jewellery. In the eight years that the Gilbert Collection was open to the public at Somerset House it attracted 600,000 visitors. The Hermitage Rooms, which were managed by the Courtauld Institute of Art and housed temporary exhibitions of artefacts from the State Hermitage Museum in St Petersburg, closed in November 2007; 500,000 visitors came to the Rooms over the seven year period.

- To make the visitor experience enjoyable and memorable

Improving the visitor experience at Somerset House is a major focus for the work of the Trust. Refreshments are provided for visitors in a range of cafes and bars operated by the contracted caterers, Leith's. An information desk situated in the Seamen's Hall is hosted by volunteers. Every care is taken to ensure the welfare of visitors both during the day and at events. A new signage scheme to guide people through the site is being put into place following extensive prototyping. The Embankment Galleries have been established in the former Gilbert Collection Galleries and will house a new temporary exhibitions programme.

Trustees Report (continued)

For the year ended 31 March 2008

- To develop an innovative learning programme

The Trust has developed a new family education programme working within the public programme department. This is operated alongside the learning programme run by the Courtauld Institute of Art whose focus is on education provision for schools, particularly secondary and adult education. The Sorrell Foundation is now based at Somerset House and has established a Young Design Centre which opened in May 2007. This has enhanced the focus of the Learning Centre and an exhibition entitled *What's Next for Schools?* has been installed near the Embankment Entrance. The new centre will draw attention to what young people expect from the designers of their schools and aims to encourage local authorities to make use of the significant body of practical evidence that the Sorrell Foundation has gathered over seven years through the 'joinedupdesignforschools' programme.

ACHIEVEMENTS AND PERFORMANCE

Building and Conservation

The rolling programme of building maintenance has been reviewed and the provision of facilities management will be streamlined in the next year to provide a more efficient service and assist the Trust in being a responsive landlord for its tenants. The sculptures on the north façade of the South Wing were cleaned with the support of the Headley Trust.

Galleries and Exhibitions

The number of visitors to the Courtauld Galleries increased by 18% during the year. Temporary exhibitions highlighting aspects of research into the permanent collections contributed to this success:

<i>Courtauld Institute of Art</i>	<i>"Guercino: Mind to Paper" (22 Feb to 13 May 07)</i> <i>"Temptation in Eden: Lucas Cranach's Adam and Eve" (21 June to 23 Sep 07)</i> <i>"Walter Sickert: The Camden Town Nudes" (25 Oct 2007 to 20 June 2008)</i>
<i>Hermitage Rooms</i>	<i>"The Triumph of Eros: Art and Seduction in 18th Century France" (24 Nov 06 to 9 Apr 07)</i> <i>"France in Russia: Empress Josephine's Malmaison Collection" (25 July to 4 Nov 07)</i>
<i>Gilbert Collection</i>	<i>"Seaman Schepps (1881-1972): America's Court Jeweller" (9 June to 6 Jan 07)</i>

The planned closure of the Hermitage Galleries and the relocation of the Gilbert Collection to the Victoria and Albert Museum caused a drop in visitor numbers to these spaces. This will be balanced in future years by the new temporary exhibition programme in the Embankment Galleries.

Public Events Programme

The Somerset House ice rink (*Skate*), this year sponsored by Tiffany & Co, was again a highlight of London's winter season. The ice rink was open for ten weeks from the end of November until the end of January and attracted 125,000 skaters of all ages, bringing some 350,000 people to Somerset House during that period in spite of increased competition from other ice rinks in London. *Skate* 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 extended.

Other spectacular events held in the Edmond J Safra Fountain Court included:

The Summer Series of concerts featuring: Mogwai, Kasabian, Bert Jansch with Beth Orton and Bernard Butler, Guillemots, Lily Allen, Mika, Back Rebel Motorcycle Club, The Roots, Amy Winehouse and Hot Chip. Most of the gigs sold out with a total attendance across the ten nights of 28,800.

Trustees Report (continued)

For the year ended 31 March 2008

Film4 Summer Screen outdoor cinema screenings over ten nights including two premieres: *Knocked Up* and *Chak de India*. The total attendance was 22,786.

The Trust hosted *Origin – the London Craft Fair* in conjunction with the Crafts Council again in 2007 and this attracted 19,000 visitors to the site over the two week period of the fair.

A digital interactive 'virtual world' art project, *Superactive i2i* designed by Langlands and Bell, was mounted in September during the London Design Festival.

Education and Learning

The Trust's learning programme included holiday drop-in sessions that introduced visitors informally to the learning programme; many families came to a drop-in session and then returned for the Saturday activities. Activities for families strongly reflected the programme of public events and exhibitions, including *Superactive i2i*, which prompted workshops on morse and semaphore communication, making recycled jewellery for *Origin*, and tempera painting based on the *Temptation in Eden: Lucas Cranach's Adam and Eve* exhibition in the Courtauld Gallery.

Free Time 2007, with 18,000 participants over four days, strengthened our work with young people and drew on a range of creative activities.

Skate was the focus of all-day holiday drop-in workshops which presented winter-themed art activities for families. *Skate School* introduced a large number of children to skating and allowed 3000 schoolchildren from London to skate for free. Free skating for community groups was funded by The Mayor of London, allowing community and disabled groups from Greater London to skate. Further daytime sessions were made available exclusively to wheelchair users, enabling a total of 60 wheelchair users to skate for free, with additional ice marshals providing one-to-one support. For the first time this year, *Skate School* included a skills training element for the ice marshals allowing them to increase their skills base and future career paths.

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.

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 £ 8,075,551 (2006/07: £ 7,083,263), which is composed principally of rental income and service charge contributions from the Trust's tenants, grants and donations and income from the cultural programme. Income from activities in the furtherance of the Trust's objectives 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.

Trustees Report (continued)

For the year ended 31 March 2008

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 constitute the Trust's main source of ongoing income and these increased in line with the retail price index.

Resources Expended

The total sum expended on the Trust's operations and management and in generating funds was £ 9,473,097 (2006/07: £ 8,746,281). The main area of expenditure was 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.

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 education programme and the marketing of Somerset House as a major cultural destination.

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 reduction 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 in 2007; this late payment in 2007 has also led to an offsetting increase 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 is 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 2007-08.

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 £ 278,720 to £ 720,762.

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 2008 unrestricted general reserves were £ 1,341,707. 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.

Trustees Report (continued)

For the year ended 31 March 2008

PLANS FOR FUTURE PERIODS

In the years since Somerset House opened to the public in 2000 it has established itself as a cultural centre mounting spectacular events in the courtyard alongside the displays of the Courtauld Gallery. The closure of the Hermitage Rooms and the Gilbert Collection has provided the impetus for the Trust to develop a series of new temporary exhibitions, the first of which will be launched in April 2008 with *Skin + Bones: Parallel Practices in Fashion and Architecture*. A pilot period of three years is intended to test the cohesiveness of the proposed programme, the critical and intellectual success of individual exhibitions, as well as audience appetite. It will also allow the planning and development of an integrated PR and marketing strategy. The objectives of the programme are that it should be distinctive, bold and imaginative. Exhibitions which do not sit comfortably within any other London gallery, they should explore and push the boundaries of what exhibitions could and should be and will be intellectually rigorous, sophisticated and challenging. They should appeal to a young culturally aware audience. The new Embankment Galleries will provide a space like no other in London, with the aim of gaining a reputation for presenting cutting edge subjects in a dynamic and distinctive fashion.

The most significant issue over the next three years (as outlined in the Trust's strategy on page 4) is the opportunity presented by HMRC's intention to vacate parts of Somerset House over the next few years. The Trust is now actively examining options for the use of the released space. Over the next five years the Trust aims to fully restore the entire original eighteenth century buildings, expand and diversify the public programmes and create a dynamic creative community with overlapping interests working within the building. Somerset House will become a major addition to the public realm on the north bank of the Thames. Public circulation routes around and through the buildings will allow visitors for the first time to fully appreciate the magnificent architecture and setting of the site while also benefiting from the stimulating and sometimes surprising cultural 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 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 2008

Auditors

The Board has taken a decision to appoint PricewaterhouseCoopers LLP as auditors for the coming year. A resolution to accept the resignation of PKF (UK) LLP and to appoint PricewaterhouseCoopers LLP as auditors for the coming year will be proposed at the Annual General meeting.

By order of the Trustees

A handwritten signature in black ink, appearing to read 'R Gillespie', written in a cursive style.

Robert Gillespie, Chairman
19th November 2008

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 2008 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.

Independent Auditors' Report

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 2008 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>17 December 2008</i>	

**Consolidated Statement of Financial Activities
For the year ended 31 March 2008**

	Notes	Unrestricted			Endowment	2007/2008 Total £	2006/2007 Total £
		General £	Designated £	Restricted £			
INCOMING RESOURCES							
<i>Incoming resources from generated funds</i>							
Concessions and venue hire		986,813	-	-	-	986,813	726,403
Sponsorship		175,000	-	-	-	175,000	110,000
Grants and Donations		-	-	207,000	-	207,000	107,612
Rental Income		3,324,064	-	-	-	3,324,064	2,984,719
Bank interest receivable		68,285	-	-	-	68,285	53,617
		<u>4,554,162</u>	<u>-</u>	<u>207,000</u>	<u>-</u>	<u>4,761,162</u>	<u>3,982,351</u>
<i>Incoming resources from charitable activities</i>							
Property management and conservation		17,284	-	1,515,456	-	1,532,740	1,498,059
Cultural and Public Events		1,668,032	-	22,000	-	1,690,032	1,496,685
Other income		91,617	-	-	-	91,617	106,168
		<u>1,776,933</u>	<u>-</u>	<u>1,537,456</u>	<u>-</u>	<u>3,314,389</u>	<u>3,100,912</u>
Total incoming resources		<u>6,331,095</u>	<u>-</u>	<u>1,744,456</u>	<u>-</u>	<u>8,075,551</u>	<u>7,083,263</u>
RESOURCES EXPENDED							
<i>Costs of generating funds</i>							
Concessions and venue hire	2	(479,871)	-	-	-	(479,871)	(526,438)
Sponsorship costs	2	(55,093)	-	-	-	(55,093)	(42,381)
Fundraising costs of grants and donations	2	(140,183)	-	-	-	(140,183)	(115,435)
Bank interest payable	2	-	(127,201)	-	-	(127,201)	(123,719)
		<u>(675,147)</u>	<u>(127,201)</u>	<u>-</u>	<u>-</u>	<u>(802,348)</u>	<u>(807,973)</u>
<i>Charitable activities</i>							
Property management and conservation	2	(489,908)	(1,775,440)	(1,246,072)	(879,292)	(4,390,712)	(4,677,456)
Cultural and Public events	2	(2,862,107)	-	(246,000)	-	(3,108,107)	(2,111,777)
Public education, communication and visitor services	2	(953,389)	-	-	-	(953,389)	(900,154)
		<u>(4,305,404)</u>	<u>(1,775,440)</u>	<u>(1,492,072)</u>	<u>(879,292)</u>	<u>(8,452,208)</u>	<u>(7,689,387)</u>
<i>Governance Costs</i>	2	(218,541)	-	-	-	(218,541)	(248,921)
Total Resources Expended		<u>(5,199,092)</u>	<u>(1,902,641)</u>	<u>(1,492,072)</u>	<u>(879,292)</u>	<u>(9,473,097)</u>	<u>(8,746,281)</u>
<u>Transfers between funds</u>							
Financing		(577,201)	577,201	-	-	-	-
Other		-	240,782	(240,782)	-	-	-
	11	<u>(577,201)</u>	<u>817,983</u>	<u>(240,782)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds for the year		<u>554,802</u>	<u>(1,084,658)</u>	<u>11,602</u>	<u>(879,292)</u>	<u>(1,397,546)</u>	<u>(1,663,018)</u>
Total funds brought forward at 1 April 2007		<u>786,905</u>	<u>22,429,367</u>	<u>119,742</u>	<u>11,667,969</u>	<u>35,003,983</u>	<u>39,194,762</u>
Total funds carried forward at 31 March 2008		<u>1,341,707</u>	<u>21,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>33,606,437</u>	<u>35,003,983</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 2008

	Notes	Unrestricted		Restricted £	Endowment £	2008 Total £	2007 Total £
		General £	Designated £				
FIXED ASSETS							
Tangible fixed assets	4	783,507	22,944,709	-	10,788,677	34,516,893	36,948,612
		<u>783,507</u>	<u>22,944,709</u>	<u>-</u>	<u>10,788,677</u>	<u>34,516,893</u>	<u>36,948,612</u>
CURRENT ASSETS							
Debtors	6	597,082	-	-	-	597,082	1,598,679
Short term deposits		2,300,000	-	-	-	2,300,000	250,000
Cash at bank and in hand		220,150	-	131,344	-	351,494	731,438
		<u>3,117,232</u>	<u>-</u>	<u>131,344</u>	<u>-</u>	<u>3,248,576</u>	<u>2,580,117</u>
CURRENT LIABILITIES							
Creditors: amounts falling due within one year	7	(2,559,032)	(600,000)	-	-	(3,159,032)	(2,749,746)
NET CURRENT ASSETS / (LIABILITIES)		<u>558,200</u>	<u>(600,000)</u>	<u>131,344</u>	<u>-</u>	<u>89,544</u>	<u>(169,629)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,341,707</u>	<u>22,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>34,606,437</u>	<u>36,778,983</u>
Creditors: amounts falling due after more than one year	8	-	(1,000,000)	-	-	(1,000,000)	(1,775,000)
NET ASSETS		<u>1,341,707</u>	<u>21,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>33,606,437</u>	<u>35,003,983</u>
FUNDS							
Unrestricted funds							
General funds	11	1,341,707	-	-	-	1,341,707	786,905
Designated funds	11	-	21,344,709	-	-	21,344,709	22,429,367
Restricted funds	11	-	-	131,344	-	131,344	119,742
Endowment fund	11	-	-	-	10,788,677	10,788,677	11,667,969
		<u>1,341,707</u>	<u>21,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>33,606,437</u>	<u>35,003,983</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 19th November 2008

Signed on behalf of the Board of Trustees



Robert Gillespie
Chairman

Charity Balance Sheet As at 31 March 2008

Notes	Unrestricted		Restricted £	Endowment £	2008 Total £	2007 Total £	
	General £	Designated £					
FIXED ASSETS							
Tangible fixed assets	4	783,507	22,944,709	-	10,788,677	34,516,893	36,948,612
Investments	5	1	-	-	-	1	1
		<u>783,508</u>	<u>22,944,709</u>	<u>-</u>	<u>10,788,677</u>	<u>34,516,894</u>	<u>36,948,613</u>
CURRENT ASSETS							
Debtors	6	820,945	-	-	-	820,945	1,942,930
Short term deposits		2,300,000	-	-	-	2,300,000	250,000
Cash at bank and in hand		(240,678)	-	131,344	-	(109,334)	120,606
		<u>2,880,267</u>	<u>-</u>	<u>131,344</u>	<u>-</u>	<u>3,011,611</u>	<u>2,313,536</u>
CURRENT LIABILITIES							
Creditors: amounts falling due within one year	7	(2,338,467)	(600,000)	-	-	(2,938,467)	(2,499,566)
NET CURRENT ASSETS / (LIABILITIES)		<u>541,800</u>	<u>(600,000)</u>	<u>131,344</u>	<u>-</u>	<u>73,144</u>	<u>(186,030)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,325,308</u>	<u>22,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>34,590,038</u>	<u>36,762,583</u>
Creditors: amounts falling due after more than one year	8	-	(1,000,000)	-	-	(1,000,000)	(1,775,000)
NET ASSETS		<u>1,325,308</u>	<u>21,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>33,590,038</u>	<u>34,987,583</u>
FUNDS							
Unrestricted funds							
General funds		1,325,308				1,325,308	770,505
Designated funds			21,344,709			21,344,709	22,429,367
Restricted funds				131,344		131,344	119,742
Endowment fund					10,788,677	10,788,677	11,667,969
		<u>1,325,308</u>	<u>21,344,709</u>	<u>131,344</u>	<u>10,788,677</u>	<u>33,590,038</u>	<u>34,987,583</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 19th November 2008.

Signed on behalf of the Board of Trustees



Robert Gillespie
Chairman

Consolidated Cash Flow Statement For the year ended 31 March 2008

	Notes	2007/2008 Total £	2006/2007 Total £
Net cash inflow from operating activities	A	2,481,631	245,129
<u>Returns on investments and servicing of finance</u>			
Interest received		68,285	53,617
Interest paid		(127,201)	(123,719)
<u>Capital expenditure</u>			
Payments to acquire tangible fixed assets		(302,659)	(720,534)
<u>Management of liquid resources</u>			
(Purchase)/Sale of short-term deposits	B	(2,050,000)	650,000
<u>Financing</u>			
Decrease in loans	B	(450,000)	-
(Decrease)/Increase in cash	C	<u>(379,944)</u>	<u>104,493</u>

Notes to the Cash Flow Statement For the year ended 31 March 2008

NOTE A

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

	2007/2008	2006/2007
	£	£
Net (Outgoing)/Incoming Resources before interest	(1,338,630)	(1,592,916)
Depreciation and amortisation	2,734,379	3,038,239
(Increase)/Decrease in Debtors	1,001,597	(867,816)
(Decrease)/Increase in Creditors	84,285	(332,378)
Net cash inflow from operating activities	<u>2,481,631</u>	<u>245,129</u>

NOTE B

Reconciliation of net cash flow to changes in net debt

	2007/2008	2006/2007
	£	£
Increase/(Decrease) in cash in the period	(379,944)	104,493
(Sale)/Purchase of short-term deposits	2,050,000	(650,000)
Loans repaid	450,000	-
Change in net debt	<u>2,120,056</u>	<u>(545,507)</u>
Net debt at 1 April	(1,068,562)	(523,055)
Net debt at 31 March	<u>1,051,494</u>	<u>(1,068,562)</u>

NOTE C

Analysis of changes in net debt

	At 1 April 2007	Cash Flows	At 31 March 2008
	£	£	£
Cash at bank and in hand	731,438	(379,944)	351,494
Short term deposits	250,000	2,050,000	2,300,000
Bank loans repayable within one year	(450,000)	(150,000)	(600,000)
Bank loans repayable after more than one year	(1,600,000)	600,000	(1,000,000)
Net debt	<u>(1,068,562)</u>	<u>2,120,056</u>	<u>1,051,494</u>

Notes to the Accounts

For the year ended 31 March 2008

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 2008

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 2008

2 ANALYSIS OF RESOURCES EXPENDED

	Staff Costs	Direct Costs	Overheads	2007/2008 Total	2006/2007 Total
	£	£	£	£	£
<u>Costs of generating funds</u>					
Fundraising costs	33,253	37,782	69,148	140,183	115,435
Hire of space	92,224	305,056	82,591	479,871	526,438
Sponsorship	16,626	38,467	-	55,093	42,381
Bank Interest payable	-	127,201	-	127,201	123,719
	<u>142,103</u>	<u>508,506</u>	<u>151,739</u>	<u>802,348</u>	<u>807,973</u>
<u>Charitable expenditure</u>					
<i>Costs of activities in furtherance of the charity's objects:</i>					
Property management and conservation	247,407	1,529,254	2,614,051	4,390,712	4,677,456
Visitor services	273,653	133,616	187,600	594,869	317,829
Public education	-	37,117	7,683	44,800	67,795
Public events	318,482	2,621,959	167,666	3,108,107	2,111,777
Communication and marketing	104,431	109,409	99,880	313,720	514,530
	<u>943,973</u>	<u>4,431,355</u>	<u>3,076,880</u>	<u>8,452,208</u>	<u>7,689,387</u>
Governance costs	24,841	18,419	175,281	218,541	248,921
Total Resources Expended	<u>1,110,917</u>	<u>4,958,280</u>	<u>3,403,900</u>	<u>9,473,097</u>	<u>8,746,281</u>

3 NET INCOMING RESOURCES

	2007/2008 £	2006/2007 £
Net incoming resources are stated after charging the following:		
<u>Auditors' Fees:</u>		
- for audit work	15,800	14,850
- for non-audit work	1,750	9,000
- under provision for prior year	-	4,000
<u>Depreciation:</u>		
- land and buildings	2,688,113	3,011,055
- other	46,266	27,184
	<u>2,734,379</u>	<u>3,048,239</u>

Notes to the accounts (continued)
For the year ended 31 March 2008

4 TANGIBLE FIXED ASSETS

	<i>Charity and Group</i>			Total £
	Inland Revenue Lease £	Building Works £	Fixtures, fittings & equipment £	
<u>Cost</u>				
At 1 April 2007	21,160,710	37,087,899	201,210	58,449,819
Additions	-	240,782	61,877	302,659
Disposals	-	-	(29,377)	(29,377)
At 31 March 2008	<u>21,160,710</u>	<u>37,328,681</u>	<u>233,710</u>	<u>58,723,101</u>
<u>Accumulated depreciation</u>				
At 1 April 2007	9,492,741	11,840,794	167,672	21,501,207
Charge for the year	879,292	1,808,821	46,266	2,734,379
Disposals	-	-	(29,378)	(29,378)
At 31 March 2008	<u>10,372,033</u>	<u>13,649,615</u>	<u>184,560</u>	<u>24,206,208</u>
<u>Net book value</u>				
At 31 March 2008	<u>10,788,677</u>	<u>23,679,066</u>	<u>49,150</u>	<u>34,516,893</u>
At 31 March 2007	<u>11,667,969</u>	<u>25,247,105</u>	<u>33,538</u>	<u>36,948,612</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 2007 and at 31 March 2008

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.

	2007/2008 £	2006/2007 £
<u>Somerset House Enterprises Limited</u>		
Turnover	1,344,096	901,053
Cost of Sales	(551,067)	(551,569)
Gross Profit	<u>793,029</u>	<u>349,484</u>
Administrative Expenses	(72,267)	(70,764)
Operating Profit	<u>720,762</u>	<u>278,720</u>
Gift aid donation to charity	(720,762)	(278,720)
Result for the year	<u>-</u>	<u>-</u>
Retained profit brought forward	16,400	16,400
Retained profit carried forward	<u>16,400</u>	<u>16,400</u>
	31 March 2008	31 March 2007
Assets	632,932	823,591
Liabilities	(616,531)	(807,190)
Funds	<u>16,401</u>	<u>16,401</u>

The aggregate of the assets, liabilities and funds was:

Notes to the accounts (continued)
For the year ended 31 March 2008

6 DEBTORS

	<i>Charity</i> 31 March 2008 £	<i>Charity</i> 31 March 2007 £	<i>Group</i> 31 March 2008 £	<i>Group</i> 31 March 2007 £
Trade debtors	340,027	1,304,442	443,461	1,422,151
Other debtors	7,820	10,523	76,489	105,572
Amounts due from subsidiary company	395,966	557,009	-	-
Prepayments and accrued income	77,132	70,956	77,132	70,956
	<u>820,945</u>	<u>1,942,930</u>	<u>597,082</u>	<u>1,598,679</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Charity</i> 31 March 2008 £	<i>Charity</i> 31 March 2007 £	<i>Group</i> 31 March 2008 £	<i>Group</i> 31 March 2007 £
Bank loans repayable within one year	600,000	450,000	600,000	450,000
Purchase creditors and accruals	1,197,444	917,793	1,272,315	1,073,087
Other creditors, including taxation and social security	83,833	103,478	93,077	114,827
Deferred income	1,057,190	1,028,295	1,193,640	1,111,832
	<u>2,938,467</u>	<u>2,499,566</u>	<u>3,159,032</u>	<u>2,749,746</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>Charity and Group</i>	
	31 March 2008 £	31 March 2007 £
Bank loans repayable after more than one year	1,000,000	1,600,000
Other creditors repayable after more than one year	-	175,000
	<u>1,000,000</u>	<u>1,775,000</u>

9 BANK LOANS

	<i>Charity and Group</i>	
	31 March 2008 £	31 March 2007 £
Amounts repayable:		
- within one year	600,000	450,000
- between one and two years	400,000	600,000
- between two and five years	600,000	1,000,000
	<u>1,600,000</u>	<u>2,050,000</u>

10 POST BALANCE SHEET EVENTS

Subsequent to the year end the loan facilities of the Trust were renegotiated. The revised repayments are as follows:-

	<i>Charity and Group</i> 31 March 2008 £
Amounts repayable:	
- within one year	325,000
- between one and two years	325,000
- between two and five years	950,000
	<u>1,600,000</u>

Notes to the accounts (continued)
For the year ended 31 March 2008

11 STATEMENT OF FUNDS

	At 1 April 2007 £	Incoming Resources £	Resources Expended £	Fund Transfers £	31 March 2008 £
<u>Unrestricted funds</u>					
General funds	786,905	6,331,095	(5,199,092)	(577,201)	1,341,707
Designated funds	22,429,367		(1,902,641)	817,983	21,344,709
Total unrestricted funds	<u>23,216,272</u>	<u>6,331,095</u>	<u>(7,101,733)</u>	<u>240,782</u>	<u>22,686,416</u>
<u>Restricted funds</u>					
Maintenance and service charge fund	102,742	1,515,456	(1,246,072)	(240,782)	131,344
Other restricted funds	17,000	229,000	(246,000)	-	-
Total restricted funds	<u>119,742</u>	<u>1,744,456</u>	<u>(1,492,072)</u>	<u>(240,782)</u>	<u>131,344</u>
Endowment Fund	<u>11,667,969</u>	<u>-</u>	<u>(879,292)</u>	<u>-</u>	<u>10,788,677</u>
Total funds	<u>35,003,983</u>	<u>8,075,551</u>	<u>(9,473,097)</u>	<u>-</u>	<u>33,606,437</u>

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 £450,000 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 2008

12 EMPLOYEE DETAILS

	2007/2008	2006/2007
	£	£
<u>Staff Costs</u>		
Wages and salaries	859,099	826,336
Social security costs	88,161	90,629
Pension costs	37,108	34,908
Temporary staff salaries	126,629	41,949
	<u>1,110,997</u>	<u>993,822</u>

Emoluments over £60,000

	Number	Number
The number of employees paid emoluments of more than £60,000 in the year were:		
£ 90,000 - £100,000	1	1

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 £ 9,445.

Staff Functions

	2007/2008	2006/2007
	Number	Number
The average number of employees during the year, analysed by function, was:		
Fundraising	1	1
Cultural and public events	2	2
Property management and conservation	4	5
Public education, communication and visitor services	7	8
Concessions and venue hire	6	6
Governance	4	4
	<u>24</u>	<u>26</u>

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. £103,280 as charged to other organisations during the year in respect of staff costs (2007: £120,575), 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 2008

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

	2007/2008	2006/2007
	£	£
Rental payable	29,697	59,387
Legal costs	15,862	62,297
Professional fees	111,625	147,843
IT equipment, maintenance and depreciation	43,432	37,791
General management - staff costs	252,396	163,808
General management - office costs	115,536	135,205
	<u>568,548</u>	<u>606,331</u>

(b) Departmental allocation of support costs	Costs of generating funds	Costs in furtherance of objects	2007/2008 Total	2006/2007 Total
	£	£	£	£
Fundraising costs	44,946		44,946	47,933
Concessions and venue hire	24,202		24,202	25,810
Property management and conservation		169,028	169,028	180,361
Cultural and public events		107,563	107,563	114,712
Public education, communication and visitor services		222,809	222,809	237,615
	<u>69,148</u>	<u>499,400</u>	<u>568,548</u>	<u>606,431</u>

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 £ 229 (2006/2007: £ 338). Trustee indemnity insurance was purchased by the charity during the year at a cost of £ 2,173 (2006/2007: £2,415).

During the year £ 3,502 (2006/2007 : £ 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.