



Somerset House Trust

Report and financial statements for the year ended 31 March 2021

Somerset House Trust

Legal and Administration details

For the year ended 31 March 2021

Registered Office	Somerset House Strand London WC2R 1LA
Registered Charity number	1063640
Company Number	03388137 incorporated in England and Wales

Directors (Trustees):

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

William Sieghart CBE	Chair of the Board of Trustees Chair of the Nominations & Governance Committee Resigned 21 September 2021
Judy Gibbons	Deputy Chair of the Board of Trustees Member of the Nominations & Governance Committee
Carol Fairweather	Chair of the Audit & Risk Committee
Brian Eno	Chair of Creative Ambassador Group
Monica Monajem	Chair of the Development Advisory Board
Alix Burge	Member of the Audit & Risk Committee
Melanie Hall QC	Member of the Audit & Risk Committee
James Lambert OBE	Member of the Audit & Risk Committee
Paul Myners	Member of the Audit & Risk Committee Member of the Nominations & Governance Committee
Oluwole Kolade	Member of the Nominations & Governance Committee
Martine D'Anglejan-Chatillon	
Paul Goswell	
Jonathan Newhouse	
Julien Sevaux	

Executive Team

Jonathan Reekie	Director
Samantha Gilburd	Chief Operating Officer and Company Secretary
Diana Spiegelberg	Deputy Director

Somerset House Trust

Legal and Administration details

For the year ended 31 March 2021

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Banker

National Westminster Bank PLC
38 Strand
London
WC2N 5JB

Solicitors

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

Mishcon de Reya
Africa House
70 Kingsway
London
WC2B 6AH

Charles Russell Speechlys
5 Fleet Place
London
EC4M 7RD

Your Employment Settlement Service
South Wing
Somerset House
Strand
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WC2R 1LA

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

CHAIRMAN'S FOREWORD

We have positioned Somerset House as a forward-facing organisation. We've encouraged interdisciplinarity, embraced new ways of thinking and technology, built an environment for our residents that is creative and inspiring, and nurtured a young and relatively diverse audience. Much of this has been severely tested over the pandemic in ways we could hardly have imagined.

The self-sustaining financial model that we have developed and the wellbeing of our creative community, as well as our own staff, have been significantly compromised. Reserves, the temporary protection afforded by notice periods on expiring leases and the furlough scheme have sustained us, whilst the Government's Cultural Recovery Fund provided a lifeline that has enabled us to invest in some critical areas that will aid our longer-term recovery.

During 2020/21, as the duration and full impact of COVID-19 fully materialised, we adapted our priorities to be:

- Ensuring we emerge from the current crisis with a strong and sustainable financial model
- Assessing how we can adapt our workspace and the support offering to creative businesses post-COVID, to help rebuild our income streams and to help the sector to recover
- Identifying how we can make best use of our diminished resources in terms of public benefit and fulfilling our charitable objects. This included continuing to extend the reach and impact of our cultural programme and engagement and skills activities via digital platforms
- Streamlining our processes and embedding new ways of working, learning from the positives of remote working
- Delivering and building on our Anti-Racism Pledge
- Continuing to support key strategic projects including the Courtauld Institute of Art with their ambitious "Courtauld Connects" project, especially in relation to the reopening of the Courtauld Gallery in 2021 and the Strand Aldwych Project with Westminster City Council.

In the face of last year's challenges, we adapted and innovated in ways that grew our digital audiences, supported our creative residents, and saw us continually evolving our cultural programme plans in response to changing government guidelines.

All of this was possible as a result of the tireless dedication of all our staff and trustees, of whom I am immensely proud and grateful. We also recognise that the challenges of the last year have taken their toll emotionally on the whole team, every one of whom has played an important role in ensuring that Somerset House has been able to get through this difficult time. We are also extremely grateful to the government for its support through the furlough scheme and to Arts Council England and the Culture Recovery Fund.

Our long-held commitment to creative innovation and entrepreneurial spirit gives us confidence that we can rebuild and we are already detecting a number of green shoots, both in terms of new residents joining the Somerset House community and witnessing the reaction of visitors to events such as the London Design Biennale since fully reopening. As we look ahead, we need to be more considered about what society needs in a world of uncertainty; understanding, trust, community, meaningful experiences and engagement, fresh ideas, confidence to rethink and economic models which work. These are all values and needs that Somerset House can contribute to.

We strongly believe that Somerset House is well placed post-pandemic to support our own recovery, the wider renewal of the cultural sector and the centre of the city.

I write this as I come to the end of my six-year term as Chair of Somerset House. When I arrived there seemed so much potential and opportunity and I'm very proud of what has been achieved. The historic fabric of the building is in

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

a much better condition, we launched Somerset House Studios, built much closer relations with our neighbours, especially the Courtauld and King's College, we've expanded our cultural programme, developed a successful fundraising function and assembled an amazing team of staff and trustees. We were about to start some ambitious capital development plans when Covid struck. I think the way we have coped with the last year is the best possible mark of the progress we have made in my six years.

William Sieghart CBE

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

OUR MISSION AND PURPOSE

The Somerset House Act was passed in 1984 with the intention to develop Somerset House as a home for the arts. Somerset House Trust was established in 1997 as a charitable company. Since 1997 the Trust has gradually recovered all the spaces of Somerset House covering over 6 acres and over 590,000 sq/ft of Grade 1 listed heritage space across 5 buildings.

Our charitable objects are set out in our founding documents and define our very reason for being. They are:

To advance the education of the public by the provision of a centre for arts in Somerset House in London, including in particular (but without limitation) promoting and maintaining certain parts of Somerset House for the benefit of the local community and international community as a public building and as an example of English national heritage.

Today our charitable objects come together and are expressed in our central mission:

We seek to create a new blueprint for arts and culture, backing progress, championing openness, nurturing creativity and empowering ideas.

We set out the strategic objectives below in 2018 as part of our renewed five-year plan. They remain relevant today though in this time of unprecedented uncertainty they will inevitably evolve over the next year, together with enhanced measures of success. We address each of them in turn in the subsequent sections.

A centre for contemporary culture

- To be a dynamic and relevant space for the arts and culture in the 21st century, providing a centre for debate and exploration of contemporary practice and the creative process.

Inclusion, engagement and participation

- To have a cultural and learning programme that fully reflects our society, integrating development and learning as part of the cultural programme.

Audiences and visitors

- Offer audiences excellent, original cultural experiences exploring new formats, access to the site ensuring it is accessible, inspirational, safe and provides an excellent visitor experience.

Heritage, estate and sustainability

- To protect and promote the architectural heritage and history of the site and to restore and maintain the buildings and public realm to a high standard.

Our community and the creative sector

- To offer a nurturing and accessible environment that inspires and supports the brightest creative talents of all generations in today's changing creative landscape and digital age, promoting the arts and creative industries as a vital and central part of our society and playing an active role in our neighbourhood.

Financial resilience

- To ensure the Trust is financially viable with sufficient funding to optimise the delivery of its charitable impact and purposes over the long term.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

A CENTRE FOR CONTEMPORARY CULTURE

Somerset House aims to be a dynamic and relevant space for the arts and culture in the 21st century, providing a centre for debate and exploration of contemporary practice and the creative process.

Our programme reflects and shapes the latest trends and preoccupations in contemporary culture. We are reinventing the arts centre for the 21st century where, in a fast-changing world, the arts can connect in so many ways to wider global challenges including technology, social justice, climate change, the economy. Our resident creative community acts as the driver for much of our programme and as a factory of ideas. We are comfortable working on different scales, presenting work in progress and investing in a more inclusive future.

Specifically, our cultural programme aims to:

- Foster original and relevant contemporary culture, reflecting and shaping the latest trends and preoccupations
- Encourage new connections across different creative forms, genres and wider society
- Inspire audiences to be curious, make new links, uncover meaning, enjoy
- Reach and speak to diverse communities, encouraging under-represented groups to experience and participate arts and culture
- Provide opportunities for learning, acquiring new skills, exchanging knowledge and ideas
- Empower artists and support their professional development

Our cultural programme over the last year

The pandemic had a significant impact on the volume of programming activity in the last year, and our ability to use the site as an accessible, inspirational destination for visitors. However, with these challenges came new opportunities for exploring ideas, formats and engaging remote audiences. The exhibitions programme was scaled back and some projects postponed or cancelled as a result of pandemic and shifting government guidelines. We were forced to cancel the Summer Series with American Express, Film4 Summer Screen and Skate, and also had to abandon our plans for what would have been our major autumn/winter exhibition in the Embankment Galleries. We have also had to delay our major Earth Day Season for the courtyard from April 2021 to April 2022.

However, we were quick to respond to locked-down audiences with a growing digital programme, drawing on our rich archive, working with the Studios' community to make new projects and bringing our careers focused Engagement & Skills programme online with great success.

Much energy was expended on constantly changing scenario planning. Staff coped admirably with the pressures and uncertainty of this, as well as the need to cut almost all non-funded cultural programme as part of our need to reduce expenditure.

We were able to make the most of the small window of opportunity in the autumn to present Arrivals + Departures, a co-production with Arts Admin postponed from April 2020. This marked a short period of renewed activity on site as we were also able to open a new Terrace Rooms exhibition, *Leila Alaoui: Rite of Passage* to coincide with the contemporary African art fair 1-54, one of the very few international art fairs that managed to go ahead in London in 2020.

Having recognized that there was too much uncertainty to continue with plans for Skate, we developed a new idea for a Covid-safe courtyard event, Dodge, an artist-led attraction, devised by one of our resident artists, Anna Meredith. Although further lockdowns meant we had to cancel our winter plans for Dodge despite having gone on sale, all the planning is not in vain. This groundwork is enabling us to stage Dodge in July/August 2021, when uncertainty around

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

capacity restrictions meant, for the second year running, proceeding with the Summer Series and Film4 Summer Screen was unviable.

Developing Dodge as a new durational courtyard project, with support from the Culture Recovery Fund, has enabled us to explore new ways of working with Studios' artists and new ways of producing major events in-house, with valuable lessons for future productions. The experience is also a powerful reminder that projects on this scale require an 18-month development period and we recognise the need to invest in our pipeline for developing projects on this scale longer term.

Nonetheless, despite the challenges, periods of enforced closure and reduced output, we did successfully deliver events and content both online and onsite during 2020/21.

Programme Highlights - Onsite

- **I Should Be Doing Something Else Right Now**

Extended Run: March 2020 – Jan 2021. (With periods of closure during lockdowns)
Gallery 31. Free

The second season of our new permanent exhibition space showcasing the work of Studios' artists featured works from Maeve Brennan, Vivienne Griffin, rkss & Laure Fox, Rhea Storr, Sam Williams and Roly Porter. Whilst the exhibition was closed for much of the year, we extended the run and reopened the exhibition from July 2021 until museums and galleries were forced to close again later in the year. The title of this exhibition was also adopted for our extended digital programme during the first lockdown.

- **Mushrooms: The Art, Design and Future of Fungi**

Extended run: 16 July 2020 -13 September 2020.
Part of the Charles Russell Speechlys Terrace Room Series. Free

The original run of Mushrooms (which opened on 31 January 2020) was extremely well received by press and visitors. Having had to close the exhibition due to the first lockdown, we extended the exhibition once Somerset House was able to reopen, attracting over 9,000 additional visitors. To manage visitor numbers in the context of social distancing, we introduced pre-bookable tickets with an optional donation encouraged raising £24k. We intend to continue this post- Covid on free Terrace Room shows.

- **Arrivals and Departures by YARA+DAVINA**

10 September - 4 November 2020
Edmond J Safra Fountain Court. Free

Co-produced with ArtsAdmin, this interactive artwork by YARA+DAVINA took the form of a station or airport arrivals and departures board and invited visitors to explore the themes of birth, death and the journey in-between by submitting names to large-scale screens in the courtyard. Originally planned for April 2021, as the effects of COVID-19, racial injustice and the environmental crisis continued to disrupt communities across the world, this artwork offered an even more timely platform to reflect on birth, life, death, loss and collective grief. Over 2,000 names and almost 700 stories submitted on the related website. The interactive installation also linked to Somerset House's own history as the former home to the General Registrar of Births, Marriages and Deaths.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

- **All Our Children. Flag commission by Bethany Williams**

From 19 September 2020 to Spring 2021.

We originally commissioned British fashion designer Bethany Williams to create a flag for Somerset House which we had intended to raise as part of our Earth Day Season in April 2020. For her latest collection and this flag, Bethany Williams worked with The Magpie Project who support vulnerable women and young children in the London borough of Newham, an area with some of the worst homelessness rates in the UK. Inspired and informed by working with mothers and children from The Magpie Project, Williams collaborated with the illustrator Melissa Kitty Jarram on the design of the flag. We were finally able to raise this in September 2020 to coincide with the presentation of Bethany Williams' latest collection as part of London Fashion Week.

- **Leila Alaoui: Rite of Passage**

8 October 2020 - 4 November 2020 and 4 – 15 December 2021 (planned to run until at least March 2021).
Part of the Charles Russell Speechlys Terrace Room Series. Free

Timed to coincide with the opening of the contemporary African art fair, 1:54, this was the first major UK retrospective of the celebrated French-Moroccan photographer, video artist and activist Leila Alaoui whose work captured the unseen stories of individuals and communities displaced by conflict and unrest. The exhibition included three of Alaoui's defining series of works - *Les Marocains*, *No Pasara* and *Natreen*, as well as Alaoui's final unfinished video work *L'Île du Diable* (Devil's Island), exploring the lives of a 1960s generation of dispossessed migrant workers in France.

Due to the third Lockdown the exhibition closed to the public in mid-December and was not able to reopen before its scheduled close date in the Spring. During the 34 days that we were able to open, the exhibition attracted over 3,000 visitors. As with the Mushrooms exhibition, we encouraged visitors to book in advance and make a pay-what-you-can donation.

Programme Highlights - Online

We quickly responded to the pandemic by creating a new digital programming team (including a new Head of Digital role) to adapt programme planning so it could exist online only, working with our archive to generate new online experiences, and continuing to generate paid opportunities for artists during a period of isolation and financial challenge. For the most part, the online programme replaced any Studios specific programme (which usually has a small, in-building audience, and was largely untenable during Covid). The first lockdown accelerated our efforts to experiment with how we grow audiences online, and how the digital programme can best connect with our site.

We adapted existing strands within our cultural programme to reshape them for a digital-only setting. This included the games festival *Now Play This*, our experimental music series *ASSEMBLY* and the annual Studios showcase *AGM*. We also responded to the needs of our audiences and the specific context of the pandemic with entirely new online projects.

We learnt that content should be evergreen, that we can reach international remote audiences with the right programming and that there is considerable demand for online learning. This experience also highlighted the limitations of our current website, which was designed as a marketing and information tool and is not well suited for the presentation of high-quality digital artworks.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Digital fatigue came as the pandemic extended and showed the need to evolve our digital programming strategy to reflect how audience engagement with culture online is changing. Our digital programme also proved to be very successful for growing Somerset House Studios' audiences, and reaching disparate, international audiences interested in more specialised content, which will likely affect how we programme in future.

Specific digital programme highlights include:

- **I Should Be Doing Something Else Right Now Online**

April 2020 – September 2020

We extended the theme of the then-closed Gallery 31 exhibition to frame the first season of new online programme during the first lockdown. The programme featured Somerset House commissioned artist films from Andy Holden, Mira Calix and Project O, essays from Season Butler and Juliet Jacques, a podcast series from Iain Forsyth and Jane Pollard, and an ongoing programme of workshops. The programme also included commissioning six artists, including Juliana Huxtable and Sonya Dyer, to experiment with the production and editing tools at hand and live stream a performance from home.

- **Upgrade Yourself: Online**

April 2020 – ongoing

Inspirational lunchtime talks from creative professionals connecting young people to industry peers, supporting and unlocking their creative potential and ideas. The series features the creative community at Somerset House heavily, alongside guest artists and industry professionals such as Bradford Young and Hannah Diamond.

We delivered 21 Upgrade Yourself Online sessions, creating 21 paid opportunities for artists from our community and the wider sector. This generated 18,013 live views across all sessions and 36,226 lifetime views to date.

- **ASSEMBLY**

September 2020

Somerset House Studios' shape-shifting series ASSEMBLY returned for a third iteration reimagined for the virtual space. ASSEMBLY saw the culmination of five new spatial sound compositions from Loraine James, Zadie Xa, Ben Vince, Lafawndah and Kelman Duram that were the result of residencies supported by Jerwood Arts and delivered with Studios' residents and spatial sound experts Call & Response. We adapted our plans to enable the residency programme to continue virtually and we were able to present ASSEMBLY online through the creation of assembly2020.co, a newly developed immersive listening platform. To date, c3,500 viewers have experienced those works online, compared with 500 people in the building in 2019.

- **AGM, Annual Somerset House Studios showcase**

November 2020

Given how challenging last year was for so many artists, it felt more important than ever to bring the Somerset House Studios community together for an adapted version of our annual AGM showcase. AGM 2020 was fully online and premiered five new commissions from a specially curated line-up of artists and writers, including Aida Amoako, DeForrest Brown, Jr., Josiane M.H Pozi, Rian Treanor, Tyreis Holder, plus a performance from

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Sarra Wild. The line-up was selected by a panel of existing and alumni resident artists and has led to Tyreis Holder joining Somerset House Studios as a new resident.

Importantly, this was the first time during the pandemic that we were able to present site specific work filmed on location at Somerset House, in line with government guidelines at the time. Over 5,600 people have watched AGM online, which compares with an in-person capacity of 800 in previous years. 53% of YouTube viewers were international.

- **Hyper Functional, Ultra Healthy**

January 2021 - March 2021

Our Hyper Functional, Ultra Healthy digital season built on previous iterations, but the themes felt more relevant and resonant than ever within the context of COVID-19. We presented new commissions, films, workshops, and conversations that considered our individual health and collective wellbeing by exploring societal and ecological issues that affect both people and planet. Featuring Shanece Orethra, Tabita Rezaire and Ana Vaz.

Other highlights from the digital programme included *Sleep Mode*, a week-long reflection on the theme of “always on” culture that picked up where our exhibition *24/7 – A Wake Up Call For Our Non Stop World* left off. We also worked closely with partners to amplify and extend the reach of their own digital offerings, which included working with the Saturday Club Trust and with Courtauld Institute students on their *Unquiet Moments* digital exhibition.

Programming plans, priorities and targets for 2021/22

Our cultural programme goals for 2021/22 are to reintroduce our in-person programme, welcome visitors back to Somerset House safely, implement lessons from our expanded digital programme and restart research and development for future exhibitions and programming. This is in the context of recognising that we are operating with diminished resources, both in terms of staff capacity and available budget to invest in the cultural programme itself. A consistent theme is to do less, but to make it more impactful.

In October 2021 we will open our first major Embankment Galleries exhibition since 2019, *Beano: The Art of Breaking the Rules*. Curated by artist Andy Holden, the exhibition will examine how Dennis the Menace and other Beano characters have influenced art and culture and the wider sensibility of creative rule breaking.

We are very much still living through COVID-19 and our calendar has been and is still being much altered by the pandemic. For example, London Design Biennale took place in June 2021, but was originally scheduled for September 2020. Thanks to support from the Culture Recovery Fund, in July 2021, we opened Dodge, which was originally conceived as an alternative to Skate in Autumn 2020. Other rescheduled programme highlights include an exhibition about skateboard culture *No Comply* (originally scheduled for July 2020), Photo London and a major Earth Day Season courtyard commission with Filipino artist Leeroy New. We are planning to bring Skate back this autumn, continually mindful of the course of the pandemic.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Experimenting with new formats and new ways of delivering an expanded digital programme over the last year has helped to crystallise thinking about our digital strategy going forwards. We are aiming to create an innovative, evergreen digital programme that promotes Somerset House as London's working arts centre, drawing on what makes us unique:

- Our building as a place of imagination and creation
- Our creative community that allows responsiveness, speed, collaboration
- A programme that addresses the urgent issues of our time

Delivering our digital programme in this way will:

- Reinforce Somerset House's international position as a centre for innovation and cultural production
- Develop audiences to widen reach nationally and internationally
- Deepen engagement and increase impact from our Engagement & Skills work and creative community

To realise these aims, we have begun to develop a new online content platform that is designed to present works, commissioned and produced for remote audiences, to a high standard. Some of our grant from the Culture Recovery Fund is being used to enable us to move forward with these plans. Building on the lessons of the last year, we will continue to evolve our digital programme and we will be closely monitoring how audiences consume cultural content post-pandemic.

The commitments made in our Anti-Racism Pledge last summer will inform our approach and priorities across all areas of our cultural programming strategy.

INCLUSION, ENGAGEMENT AND SKILLS

Somerset House aims to have a programme that fully reflects our society, integrating development and learning as part of the cultural programme.

The Engagement & Skills programme focuses on activity that exists to remove barriers and increase representation in the arts and creative sector, within our workforce and audiences. Using our programme and creative community as a unique resource, we offer opportunities to develop skills, careers and deepen engagement, giving under-represented audiences and emerging talent aged 18-30 access to experiences and progression routes in the creative sector.

Specifically we have identified individuals with the following characteristics as under-represented in the context of the creative industries and cultural sector; LGBTQIA+ and/or non-binary, having a migrant or refugee experience, from the African Diaspora, from South/East/South East Asian diaspora and/or ethnically diverse, neurodivergent, disabled, affected by a health condition or impairment, affected by homelessness, care-leaver/carer, unemployed and/or have received welfare benefits, working class and/or first in their immediate family to go to university.

Somerset House has always strived to be an anti-racist organisation; however, the murder of George Floyd and subsequent Black Lives Matter protests galvanized more action. Informed by an accountability group of Black staff, artists and residents, we developed our Anti-Racism Pledge last summer, which identified specific areas for action. Since then, progress has been spearheaded by a new Anti-Racism Task Force, with the backing and involvement of the whole organisation, including our facilities management and security contractors.

In January 2020, we began to evolve the focus of our Engagement & Skills' programme on two key pillars: talent development and deepening engagement.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

In March 2020 as the pandemic engulfed the world, we recognised the need to take some of our programme online. We developed fortnightly lunchtime sessions called *Upgrade Yourself: Peer Exchange*, collaborating with Somerset House's creative community and respected industry peers to share their career journeys and tips. The sessions evolved to become in-conversation style events and workshops hosted by members of our Future Producers programme.

Listening and responding to young people led us to rename our creative careers programme to Upgrade Yourself, which highlights the change we aspire to both for the young people we work with and for ourselves and the wider creative sector. We worked with Dr Nicola Sim to adapt her evaluation of our previous Creative Careers Academy into the Creative Careers Playbook, which builds on our lessons and provides a practical guide for our sector to enable other organisations to run similar programmes.

In Autumn 2020, we launched our new inclusive talent programme Future Producers, providing emerging producers aged 18-30 who are under-represented in the cultural sector opportunity and space to flourish here at Somerset House. We provide a public platform for their work, facilitate introductions to collaborators and mentors, and meet regularly with the group to support and advise on all areas of successfully launching new cultural content and events. The Future Producers will stay with us for a maximum of two years. Currently we have eleven Future Producers working with us and the intention is for participants to engage with the programme over a two-year period.

The Future Producers have co-produced two pieces this year, with another two in delivery for 2021/22. The first co-production *Decentralise*, a new interactive digital platform exploring the history of Black British art at Somerset House, launched in March 2021. It was created in collaboration with Somerset House Studios resident, the design lab Comuzi and supported by Art Fund and Pinterest. Their second co-production *Hope in the Heat*, a new series of projects exploring and imagining hopeful visions of a climate-altered future, created with Studios' resident Superflux, is an online exhibition that launched in May 2021.

Feedback from Future Producers participants includes:

"This project [Hope in the Heat] has affirmed that I am on the right track and helped me make the decision to find a career in something that is reflective of the work I want to do"

"We were encouraged around our skills, as the group was so diverse we didn't have to feel a certain way about how different our work was"

"It was inspiring to work with a studio and a programme that honoured the thing that made you othered"

Reach of our Engagement & Skills programme in 2020/21:

- Reached 54,576 people aged 18-30 through our events and engagement activities online through online sessions and smaller group session with Future Producers
- Delivered 119 hours of engagement through our online Upgrade Yourself sessions and Future Producer workshops
- Reached up to 80,000 people through our monthly newsletter
- Connected with 1,855 people across the sector through sharing events, meetings and conferences.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Renewed Commitment To Inclusion In Response To Black Lives Matter

In July 2020 we published our Anti-Racism Pledge. We committed to provide regular public updates on progress towards those commitments in order to provide greater transparency and so that we can continue to be held to account and enact change. We are committed to being actively anti-racist across all areas of our work and we are determined that all of this work in progress will lead to long-term culture change at Somerset House.

Each department and our senior management team have reviewed processes and identified tangible measures to take within the specific pledge area. Priorities have been agreed organisation-wide and are being worked through. This process has informed the agenda for our Anti-Racism Task Force, consisting of 13 members from a broad cross section of the organisation, including representatives from volunteers and from our facilities management and security contractors.

Progress to note includes:

- A new Speak Up policy, supporting anyone working on behalf of Somerset House Trust to report any concern about wrongdoing, including racist incidents, without fear of reprisal. Somerset House's residents have access to the same channels of communication for raising concerns.
- Developed and produced an internal resource on inclusive language to support all staff to feel more confident when talking or writing about issues of representation.
- Updated our Code of Conduct to include a statement on everyone's individual commitment to being anti-racist. This is something all staff are required to sign on joining and annually.
- Anti-racism training led by diversity consultant Bilal Harry Khan for all staff and trustees.
- Our commitment to providing opportunities for anti-racist learning has included an Uncomfortable Conversations Club, which has provided a discussion space for all staff to join, and a regular reading group for the senior management team.
- Engaged Inclusive Recruiting to advise on better use of inclusive language within our recruitment processes and to review how we benchmark representation within our current workforce most effectively.
- Begun to explore Somerset House's history more fully with historians Dr Michael Bennett and Esther Brot. This will be a 2-part project: the first part will collate and establish as complete a history as possible from a range of sources; the second part will explore creative ways to interpret this updated information for our audiences.
- Launched the Black Business Incubator, developed with Mentor Black Business and sponsored by Morgan Stanley. This new twelve-month programme aims to help early-stage Black led creative businesses fulfil their potential. We provide mentoring, masterclasses, hot-desking and project space as part of Somerset House's extensive creative community.

Lessons

COVID-19 meant that almost all of our plans had to be changed or adapted. For example, we were planning to recruit our first Future Producers in April 2020 to create two projects inspired by our skateboarding exhibition, *No Comply*, which should have opened in July 2020. Instead, we have had to completely rethink how we could launch the Future Producers in a pandemic. The first project, *Decentralise*, was developed almost entirely remotely, something we would not have thought possible at the start of the year. We captured many lessons from this first project including the need for much tighter briefs and will continue to learn and evolve as we develop this offer.

Despite the challenges, we are proud of how the team adapted the programme to continue to support and provide opportunities for young people at a time of considerable isolation. This has accelerated the advancement of our vision for what the Engagement & Skills programme can achieve at Somerset House.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Targets for the Engagement & Skills work in 2021/22:

Our Engagement & Skills programme and its focus on inclusion and participation has evolved in ways that helps us to frame how our offer can be most meaningful in real life as the world opens up. The success of our digital programme is here to stay, and now we will focus on our Creative Industry Placements, Future Producers Residencies, the creation of larger scale in-person activity and revisit and refresh deepening engagement activities around our cultural programme.

Inclusive Talent programmes

We will work with 20 new emerging creatives aged 18-30 from under-represented groups every year to develop their creative voice and to enable them to be better equipped to pursue a range of careers within the creative industries. Of these:

- 50% will be people from African Diaspora, from South, East and South East Asian diaspora and/or Ethnically Diverse
- 50% will be working class and/or first in their immediate family to go to university

Overall, we will:

- Re-launch our Creative industry placements in autumn 2021, subject to the latest social distancing guidelines
- Subject to funding, we will recruit 5 more Future Producers and work with the group on two further co-productions as part of our cultural programme

Targets for our Anti-Racism work in 2021/22 includes:

- Publish the initial extended research on Somerset House's history and develop an interpretation strategy around this, to include relaunching our Historic Highlights tours.
- Commence roundtable discussions for our resident community, inviting residents to come together to discuss issues and to share ideas for working together to create positive change.
- Open a new round of Somerset House Exchange Bursaries to provide access to our shared flexible workspace. Bursaries will be available with discounts of 25%, 50% and 75% on standard membership fees with specific targets in place in terms of ethnicity, gender, disability, and socio-economic background.
- With the Black Business Incubator, measures for success include 75% of participants to have gained new skills, 60% of participants to have advanced their business faster and more meaningfully as a result of being on the programme and 80% of participants to have increased their networks.

AUDIENCES AND VISITORS

Our objective is to offer audiences excellent, original cultural experiences exploring new formats, providing a world class visitor experience ensuring our site, both physical and digital, is accessible, inspirational, and safe for all.

2020/21 posed significant challenges for the delivery of a physical cultural programme to audiences, due to government restrictions for most of the year. In compliance with government guidelines, the site was closed for large parts of 2020/21, but we continued to offer opportunities for audiences to engage with our cultural programme through the development and delivery of a significant digital programme. This unique situation catalysed a long-held ambition to increase the scope of our digital cultural output and gave audiences opportunities to engage with our cultural programme during periods of lockdown.

We have also sought to improve our digital audience who engage with Somerset House through social media, by reviewing and learning from successful content. This ensures we are using our social media channels to meet our audiences through their preferred channels and deepen these relationships.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

For the brief periods during 2020/21, when the site was open, we sought to present engaging visitor experiences from varied activities such as the Arrivals & Departures courtyard exhibition, 1:54 Contemporary African Art Fair and the Dining Domes.

During 20/21, we reviewed audience research and segmentation undertaken by Morris Hargreaves McIntyre. This identified 3 key mindsets which characterise our audience and gave us a new understanding of their motivations. It also highlighted areas for further attention around public understanding of our brand, purpose and mission. This is being used to develop a common language around audiences and to embed audience motivations and expectations into the planning and execution of our programme in order to deliver meaningful experiences and outcomes.

Our Anti-Racism work has refocussed our attention on monitoring and developing the diversity of our audience and on ensuring that our programme, language and experiences reflect and respond to the needs of all the people of our city and the communities we serve.

Audience Reach & Insights

In-person audience

Due to lockdown restrictions, our total site visitors in 2020-21 were limited to 192,000 (previous year 2.6m+) and our in-person cultural audiences reached only 26,000 (previous year 394,000), for the following events (excludes Gallery 31): Terrace Room exhibitions Mushrooms and Leila Alaoui, 1-54 African Art Fair and the courtyard installations Arrivals + Departures and Bethany Williams: All our Children (installation and flag).

Online audiences – organic reach:

Total views/listens across all digital content incl archive	256,969
.. of which new content	190,761
Growth in total views vs previous year	28.65%
Number of people attending live online events	95,431

Online audience retention:

Watch Time - Total Minutes viewed	608,005
Growth in watch time vs previous year	174%

Last year saw dramatic changes in our online audiences. The 28.65% growth in views is much more significant than it seems because this was without any paid promotion that would ordinarily accompany digital content linked to major exhibition or events pre Covid.

Evergreen content and online events contributed to the growth of the audience with streamed events, talks and workshops gaining more than 95,000 live views. The development of the series *I Should Be Doing Something Else Right Now*, with artists presenting live streamed pre-recorded commissions proved popular with audiences beyond the initial release, amassing views over time. Programme-led digital content increased the watch time and retention of audiences by 174% over 2020 in comparison to the previous year.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Another striking change is that 51% of Youtube and Audioboom views came from international audiences, compared to less than 40% in the previous year. These shifts have informed our digital content strategy and ambitions, as outlined above under A Centre For Contemporary Culture.

Measuring Impact

We have continued to monitor our audiences for all areas of our programme and visitor experience. During 2020/21, we sought input from our audiences on the type of digital content they would like to see delivered.

For all ticketed events, including digital events, our audience monitoring survey tracks the demographics of our audience and their response to our programme. This is also carried out in person for physical audiences, though this was of course not possible for significant parts of 2020/21.

Audience and Visitors – Priorities and Targets For 2021/22

Our programme for 2021/22 is conceived to address the motivations of our different audience segments and we are continuing to implement new planning procedures to give producing teams a common format to embed this into their work.

For each project we will set ambitious but realistic audience and financial targets.

Extending the reach and impact of our cultural programme as we come through Covid means we are keen to bring audiences safely back to Somerset House, as well as embedding the lessons from our enhanced digital programme last year.

We will continue to invest in digital audiences and are developing a new online platform for this growing strand of our cultural programme. This will host new content, including podcasts, film and editorial enabling us to curate and deliver improved digital cultural experiences for audiences. We will use our enhanced understanding of audience motivations and mindset segments to build a bridge between in-person and digital audiences.

We will also be restarting our site-wide wayfinding project and introducing digital signage at key entrance points to provide a more sustainable and effective way for visitors to navigate the site and the range of offers and opportunities available.

We have also started a new phase of strategic brand and communications work. This will give us new language and communications strategies to articulate our vision and mission to audiences and stakeholders more clearly, in response to feedback about a lack of understanding of what connects the different strands of Somerset House's programme that was highlighted in research back in 2019/20.

HERITAGE, ESTATE & SUSTAINABILITY

At Somerset House we aim to protect, promote and explain the heritage and history of the site and to restore and maintain the buildings and public realm to the highest standard. We also aim to be a sector leader in sustainability.

Estate

We are custodians of a 590,000 square foot heritage site in central London. In late 2019, we brought the final part of the site into use with the renovation and opening of the Exchange shared workspace.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Under the terms of our Head Lease, we commission a condition survey of the external building fabric every 4 years. The last survey, in November 2018, endorsed our approach to conserving and maintaining the estate and assisted us in setting and managing future maintenance and renovation priorities.

Throughout the pandemic, despite constraints on resources in the face of material uncertainties, a priority was to ensure the building was well maintained, safe and secure and that we provided a Covid-safe working environment for staff and residents. Government support has been invaluable. The Job Retention Scheme enabled us to retain the majority of people on both our own staff and also of key suppliers who are vital partners in maintaining and securing the site. Culture Recovery Funding from Arts Council England enabled us to complete restoration works on the South façade which we were forced to pause indefinitely last April. This meant we were able to complete the works ahead of our first major event in over a year and in time to form a spectacular backdrop for our River Terrace bar this summer. The Culture Recovery Fund also supported us in funding important works such as upgrading our fire protection and replacing broken paving stones in the Edmond J Safra Fountain Court and River Terrace.

Other works were, by necessity, limited in 2020/21. In conjunction with the major restoration of the Courtauld, we installed a rising bollard to prevent unauthorised vehicle entry and will shortly be commissioning the finishing touches to our fully re-opened magnificent vestibule entrance from the Strand. We also installed new bike racks in anticipation of rising demand from our residents wishing to avoid public transport due to the pandemic.

For the 2021/22 we are again being cautious with our expenditure plans until certainty over our income streams increases. We are conducting regular site inspections and have prioritised all required works to ensure we target funds where needed and will release additional funds in line with those priorities as our confidence increases. During the summer of 2021 we renovated the statue of George III on the upper terrace of our courtyard, supported by generous funding from the JP Marland Charitable Trust. Later in the year, and subject to securing funds, we hope to start renovation works on the Stamp Stair of our South Wing.

Heritage & Public Realm

Somerset House normally opens 364 days per year attracting close to 3 million visitors. We both started and ended 2020/21 in lockdown, with the site closed to the general public. The site was open from July to October and for a few weeks of December, but with a fraction of the footfall we normally experience and none of the usual major events throughout the year.

We re-opened to the public once again on 12 April 2021 with our Courtyard very suited to the restrictions in place at that time. Visitor numbers have been rising steadily, though remain far below pre-Covid levels.

We typically deliver approximately 160 Historical Highlights, Old Palaces and Studios tours every year, led by our volunteers. Sadly, we were unable to run these tours during 2021/21. This enforced pause has provided an opportunity to review and refresh our offer, which will build on our work to further explore our history in the context of Somerset House's role in Britain's colonial past.

We are delighted that, later this year, we will see further exciting enhancements to the unique character and vibrancy of our neighbourhood.

At the end of the summer, the pedestrianisation of The Strand to the north of Somerset House will commence as part of Westminster City Council's public realm improvements in the Strand Aldwych area. We are working with Westminster City Council to ensure the success of this new scheme which will include creating an enhanced visual identity for the area, bringing in new visitors and extending our exhibition programme beyond the walls of Somerset House to celebrate this new space.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

We are also delighted that, later this year, the Courtauld will re-open after the most significant development in its history. The restoration of some of the most impressive spaces in Somerset House will allow the public to enjoy some of the greatest works in the Courtauld's collection.

Sustainability

The impact of the pandemic on both staff time and in tightening our resources means there were many things we were unable to do over the year, including significantly advancing our sustainability goals and targets. Work is underway to assess our carbon footprint, identify how can best measure and to develop a plan to improve our performance.

We are continuing to replace outdated lighting with LEDs. We also installed a new electric vehicle charging point and the first sub-meters to provide real-time data on electricity consumption, providing baseline measures and enabling us to assess future reduction strategies. We will review their impact with a view to further rollouts as budgets allow.

Over the next few years, we aim to develop an energy plan. This will assess our future needs and identify new and existing technologies which could replace our existing combined heat and power plant and reduce our carbon footprint.

OUR COMMUNITY AND THE CREATIVE SECTOR

Our objective is to offer a nurturing and accessible environment that inspires and supports the brightest creative talents of today, from a wide range of backgrounds. Promoting the arts and creative industries as a vital and central part of our wider society and playing an active role in our neighbourhood.

Overview

Somerset House is home to a large community of artists, makers, technologists, inventors, change-makers, start-ups, charities and established businesses operating in and supporting the wider creative sector.

This community both contributes to and reflects our creative purpose. It is also a key component of Somerset House's funding model, providing a regular income stream in the form of rental, service charges, membership and other payments which support the Trust in delivering its charitable objectives.

The impact of COVID-19 on many individuals and organisations in the creative industries has been widely reported. We have worked hard through the pandemic to keep the community intact, supporting residents with information on grants and support available, raising funds to support our artists, maintaining access to private studios and offices, pausing charges when access was not possible to shared spaces and providing targeted solutions to enable residents to remain with us. Despite this, COVID-19 has impacted the composition of our community with the greatest impact being felt in our creative enterprise residents where we ended the year with 30% of our office space vacant.

We are privileged that so many organisations continue to call us home, despite the difficulties of the last year, and we are delighted to see people starting to return in greater numbers. In early June 2021, we exceeded 500 passholders onsite during a single day for the first time since the first lockdown, but still a fraction of the 2,500 individuals who worked within our resident organisations in March 2020.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

At the end of March 2021, Somerset House was home to over 370 creative organisations and artist collectives:

- 67 Somerset House Studios artists and their teams in 25 studios over 15,000 sq ft
- Over 200 creative-tech and maker members from 70 different organisations at Makerversity which provides dedicated and shared workspaces and specialist workshops
- Over 200 members of the creative co-working space Somerset House Exchange
- Almost 100 creative enterprises occupying 172 spaces across almost 63,000 sq ft

Collectively, this unique creative ecology brings together all forms of artistic enterprise and disciplines in a complementary and collaborative environment that encourages engagement and facilitates creative exchange. Collaboration is encouraged between all residents, connecting creative enterprises, artists and makers with each other, with our audiences and with our cultural content and supporting Somerset House's mission and charitable objects. One of the few events to proceed in real life in 2020/21 was 1:54, the contemporary African art fair, whose organisers are based in Somerset House Exchange.

Somerset House Studios

In 2020/21 we welcomed 8 new artists bringing the overall number in residence to 67, totalling 121 individuals. A further 35 artists participated in short-term digital residency programmes, across four different international partnerships. Seven residencies came to an end over this period, with only 1 as a direct consequence of the pandemic.

We responded quickly to support our resident artists to reflect the fact that many had their work and income significantly impacted by COVID-19. We measured this to be successful in two ways – the loss of only one artist (of c60 during the pandemic), and in the results of our annual survey.

“Access to my studio, and studio mates, has been a total lifeline for my mental and physical health.” [Somerset House Studios artist, from annual survey]

We froze all studio rents for 3 months from April 2020-June 2020, funded by a reallocation of funds raised through the Young Talent Fund. Following this, we introduced a Rent Relief Fund, initially supported through a grant from the Creative Land Trust, offering artists the opportunity to apply for a rent pause, partial payment or payment plan on a monthly basis which we have maintained through to 2021. The rent relief programme funded 9% of all studio rental income, supporting 29 artists to remain in residence. We also introduced a new One-to-One programme pairing individual artists with individual donors as another way of supporting artists financially through the crisis. Thirteen Somerset House Studios artists have been supported through the One-to-One programme contributing 7% of rental income in 2020/21. Both artists and donors have enjoyed making these personal connections and we plan to continue and extend the One-to-One programme post-pandemic. In total, our generously funded support programmes contributed almost 40% of artist rent payments during 2020/21.

Offering the initial 3-month rent freeze was an urgent response to our resident artists' needs, but meant we had to reallocate funds which would otherwise have been used to launch a bursary fund for new studio artists. We hope to revisit this bursary programme in the future once we have steered our way through the immediate aftermath of the pandemic and subject to successful fundraising.

We also introduced Studios Editions to support resident artists with paid opportunities. Over 140 limited edition prints from 22 artists from the Studios community were sold with 50% of proceeds going directly to the artists and the remaining 50% supporting rent relief as part of the Young Talent Fund.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

As a result of the pandemic, two international residencies which were due to take place in London pivoted online. American artist Juliana Huxtable (in partnership with Goethe-Institut London) and Lithuanian artist Gerda Paliušyte (in partnership with the Lithuanian Culture Institute and Rupert in Vilnius) took part in digital residencies over the summer and participated in our digital programme over this time.

Our 2020 Amplify Digital Arts Initiative residency programme in partnership with MUTEK and the British Council, which connects and empowers an active network of women and non-binary-identifying artists working in electronic music and digital art, also took place online over four days in November 2020 with 26 participating artists from Canada, Latin America and the UK. As a legacy of this programme, we partnered on the AMPLIFY D.A.I Collaborations Fund project which supports 11 international collaborations between Argentinian, Canadian and UK-based artists until the end of March 2022.

In response to our annual survey in April 2021;

- 84% of Studios residents said that being at Somerset House Studios had a significant effect on their practice and development
- 84 % saying they had received increased opportunities as a direct result of their residency
- 84% saying their work has been shaped from access to facilities within the Studios
- 65% of the Studios community deemed their residency as essential
- A further 28% saying it was important, and almost 100% said their rent represented value for money

Despite significant challenges, 2020/21 saw many accolades for Studios residents, including a Grammy Award and Jarman Prize shortlist for Jenn Nkiru, Mercury Award nomination for Anna Meredith, Turner Bursary for Imran Perretta, BAFTA nomination and Sundance Award for Akinola Davies Jr, Aesthetica Magazine Art Prize for Rhea Storr, Album of the Year from The Wire and Pitchfork for Beatrice Dillon, and a prestigious LVMH Prize nomination for Saul Nash, who was also selected for NEWGEN, a project by the British Fashion Council which supports the very best emerging talent.

Makerversity

Makerversity, resident at Somerset House, is a creative-tech and making membership community, home to early-stage teams and practitioners, working across diverse areas, from experimental product, fashion design and architecture, materials innovation, internet of things, virtual reality, artificial intelligence, gaming, sustainability, research, software and entirely new, speculative emerging practice. Makerversity runs two free programmes: Under 25s, democratising access for the next generation of talent and *Makers With A Mission*, designed to support those solving global societal challenges. These programmes form 20% of memberships at Makerversity.

The impact of COVID-19 on the income of creative industries was widely reported, with similar effects on early-stage entrepreneurs. This in turn impacted Makerversity's members and therefore membership levels. As of March 2021, there were 216 members, a reduction of approximately 30% on a year earlier. Makerversity provided bespoke support in response to individual members' situations, including discounts of up to 40% for those most in need during the first lockdown, pauses enabling members to conserve funds and return later and payment plans. The Makerversity team continued to engage with members throughout the year, offering targeted support where required. In addition, Makerversity researched and published a wide range of grant funding and assistance programmes and supported members with applications.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Makerversity members continued to enjoy significant achievements in 2020/21, despite the challenges of the global pandemic:

- In collaboration with the Healthcare Workers Foundation, Makerversity members developed and manufactured sustainable, re-usable, BSI approved, CE-marked face shields, for use in the most demanding clinical settings. The project won a Royal Academy of Engineering Award.
- As a result, Makerversity also launched an additional new Makers With A Mission "Health-Tech" free 6-month residency. The programme has attracted 4 new pioneering teams working in both physical and digital product and service design. In addition, health-focussed teams Zio Health, Untap & ARx Vision joined as members.
- Members were featured in global design media platform Wallpaper*, in its August 2020 *Re-Made* edition, dedicated to sustainability. Featured members included The Shellworks, SaltyCo, Kaiku Bio and Nate Petre.
- Pattern Project and Content is Queen, participated in a collaboration between Atlas of the Future and Makerversity, funded by the JJ Charitable Trust, to re-imagine the future of fashion media and explore its role in tackling the climate crisis. A virtual exhibition and prototypes were developed as part of the grant.
- Awards for members include; The Tyre Collective - Forbes Under 30 2021, Studio Ini - Design Studio of the Year, Dezeen Awards and The Shellworks and Salty & Co were Finalists in the Arts Foundation Futures Awards, Material Innovation category.
- Makerversity ran its first ever virtual Prince's Trust *Get Started In Product Design* programme, supporting 16 - 25 year olds not in employment, education or training. The programme was inspired by Makerversity's PPE face shields project, with participants sent materials to their homes to enable them to design face shields and masks. The outputs were some of the highest quality ever achieved on the programme.
- Virtual member support webinar series with the Royal Designer's for Industry, including sessions from Robin Levien on product licensing, Tristram Carfrae on building a team culture in creative companies, Ben Terrett on launching a design company and Sam Hecht on his career and launching Future Facility."

Creative Enterprises - office residents

At the end of March 2021, we had 96 creative enterprises occupying our dedicated office spaces, a reduction of 27% from the previous year. Our residents included 26 charities or not for profits making up 27% of the community, with the biggest sectors being music/performing arts/visual arts (18%) business support and consultancy (18%) and creative tech (12%).

Highlights over the year included 5 of our residents achieving B Corps certification (Britain Thinks, Hubbub, Reset, Volans and Greenwood Place). BFC Chief Executive Caroline Rush, was listed in Vogue's list of 25 most influential women of 2020. Ananas Anam, sustainable textile creators behind Pinatex, a vegan leather made from pineapples, launched a new plant-based collection with footwear giant Nike. The pandemic and physical lockdowns created a greater sense of communal support and communications with more residents sharing content, resources and support which were collated and migrated to digital platforms.

Prior to the pandemic just 1% of space was vacant, however, as a result of lockdowns and the financial impact of the COVID-19 on our residents' finances, we ended the year with approximately 30% of our space vacant. We supported residents through the pandemic by ensuring access to offices was maintained throughout, by reducing costs for services such as IT and with targeted support where needed to enable residents to stay with us. Despite this, over the course of the year 40 residents vacated their space, with 15% of those organisations moving internally to our other

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

workspaces (Exchange and Makerversity). We welcomed 4 new organisations into the Somerset House community during the year, with several more joining after the financial year end.

The loss of residents has had a material impact on the recurring revenues represented by our rent roll and replacing this income is our top priority and enabler of future Trust priorities. Our collective workspaces offer an environment of collaboration and engagement, encouraging creative projects and tangible business opportunities, either on a direct business- to-business basis or through events and connections initiated by Somerset House. During the pandemic we moved our free networking and engagement programme online, with 6 digital events based on delivering support during the pandemic, including digital workshops on remote working and one on emergency cashflow management by resident Creative United. We also held video calls with residents to provide updates and answer questions. We surveyed residents regularly to understand their challenges and evolving needs and published weekly resources themed around funding support and relief packages and schemes.

Key insights from our March 2021 residents survey (39 of 45 respondents):

- 90% requested more access to meeting rooms and hybrid meeting functionality and 62% requested access to personal booths for video calls. At the time of writing, we are improving our facilities in these areas.
- The resources and activities most valued our residents were networking, social events and access to our Employee Assistance Programme
- 88% said that our ongoing response to the situation had been excellent (61%) or good

Our residents also told us about what they have missed and value about Somerset House:

“Fundamentally the creative buzz - that feeds us. Interaction. The fountains! Meeting in the courtyard. People. Smiling in the corridors. The cafes....”

“The inspiring space, collegiate feel and energy created by having so many creative people in one space. The Courtyard!”

“The idea of being part of a bigger social organisation with a social purpose has been badly missed by us all.”

“Somerset House gives our operation a halo of being part of a positive space, it gives our optimism and creativity a shot of adrenaline when we really need it.”

“Somerset House is the most inspiring place I have ever worked. I feel proud when I walk in the building, and proud when I tell people where I work. Everyone feels industrious, fulfilled and wanting to help everyone in the community also feel this way. Working in SH is a great privilege, and brought so much to my life. I know all my colleagues feel the same.”

“Somerset House is a great place, it can be a key part of anything that happens next in the city. Through this crisis its value based behaviour has shone through.”

“You're a brilliant team who have absolutely been there for us as residents in spite of it being a very challenging time for you too.”

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Somerset House Exchange – our shared workspace

As with the rest of our resident community, we have had to make significant adaptations and accommodations for COVID-19. However, given how new Somerset House Exchange was when COVID-19 struck, it is striking how we have managed to continue to cultivate the Exchange community. Through the initial lockdown and closure of the Exchange space, from April to June 2020, we froze membership fees and introduced new pay-as-you-go Connect & Virtual memberships to give members flexibility and continued access to our Exchange Online platform.

As of the end of March 2021 we had 228 total active memberships, an increase of 14 on the previous year. More than half of total memberships were in the newly developed Connect & Virtual offers. The make-up of members spans the breadth of the creative sector: 40% are solo operators / freelancers and 60% are SMEs. 16% of our members have diversity, inclusion, and social mobility at the heart of their business and services, 12% focus on innovation in the arts through creative tech and new ways of working, and 10% work in sustainability. This is a vibrant and culturally diverse creative community that is well equipped to inspire and support each other. The top 5 business sectors our members work within are art production, consultancy, marketing & advertising, film & TV and design.

We operate a bursary scheme offering placements for emerging talent and underrepresented groups and had 30 active bursary contracts at the end of March 2020. We extended our initial bursary recipients' memberships beyond the intended 12-month period to the end of December 2021 to take account of the challenges of 2020/21. We plan to open a second round of bursaries placements later in 2021 once social distancing measures ease and we can get back to pre-pandemic capacities.

The existing community events and networking programme has continued but moved online. Many members have continued to host their community events and peer groups through our online platform.

Evaluation of Somerset House Exchange conducted with London Economics has provided the following insights:

- 54% of members have made valuable new contacts as a result of being part of the Exchange.
- 23% members have won new clients as a direct result of their membership.
- Despite the lockdown restricting economic and social activities for much of 2020, approximately 54% of respondents has collaborated with either arts or cultural institutions, while 27% of respondents has engaged with external research partners based at higher education institutions.
- Approximately 12% of respondents indicated that they have generated additional revenues as a result of their membership
- 19% of survey respondents have received funding or won new projects as a result of membership.

In August 2020 Somerset House Exchange received Workspace Accreditation, a scheme supported by Mayor of London and LEAP (Local Enterprise Partnership for London) recognising affordable workspaces that offer community impact and business growth support and operate a responsible business practice environment.

The year ahead

At the heart of our priorities is to rebuild our resident community, with a particular focus on filling office vacancies without diluting our criteria for creative enterprise residents. The faster we rebuild this income stream, the faster we will be able to invest in other organisational priorities.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Alongside this we are adapting to the wider needs of the different aspects of our resident community and looking at how we can best support their efforts to get back on their feet post COVID-19.

In our annual Somerset House Studios survey issued in April 2021, 52% of Studios artists said they were still adversely financially impacted by the pandemic. The Studios' priorities for the year ahead are to support our community to get back on its feet, introducing new artist development support and maximising paid opportunities for our residents.

In a March 2021 survey, more than half of our creative enterprise residents said they expected income to remain down during 2021/22, with one third expecting income to be down by at least 25%. More than 40% of residents did not expect to return to pre-pandemic levels of operation within a year or at all.

In response to changes in working patterns and financial constraints, we have adapted our workspace offer and introduced a more flexible option that bridges the gap between hotdesking and dedicated offices. Almost 3,500 sq ft of vacant space is being repurposed, with the first spaces opening in summer 2021 offering both individual desk options and banks of desks in shared offices. This new type of workspace provides pathways and flexibility within our community for residents to adapt, grow, expand or downsize and also provides entry points new residents.

Somerset House Exchange was the newest part of our resident community pre-pandemic and we see significant potential here in terms of returning to the community building work that we had only just begun once COVID-19 struck last year.

As part of the ongoing work in support of our Anti-Racism Pledge we have also addressed our first Diversity Survey to resident artists and organisations. We are undertaking this work to establish a more accurate baseline picture of representation within our resident community, to assess where improvements are needed and to set measurable benchmarks.

Having launched our Black Business Incubator programme in April 2021, our aim is to run this programme successfully, learning from the first cohort and to grow the programme further in future years. As well as fundraising for the continuation of the Black Business Incubator, we have introduced a new Diversity Champion corporate membership offer to create a Diversity Fund that can be used to provide access to discounted space for organisations whose work specifically supports our diversity and inclusion goals.

FINANCIAL RESILIENCE

Our objective is to ensure the Trust is financially viable with sufficient funding to optimise the delivery of its charitable impact and purposes over the long term.

Performance against our key financial measures is set out below:

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

	2020/21	2019/20	
	£000	£000	Change
INCOME:			
Rent & service charges (leases)	6,902	8,521	(19%)
Other unrestricted	3,435	10,605	(68%)
Restricted	1,611	1,278	26%
Total income	11,948	20,404	(41%)
SURPLUS (before depreciation)	2,373	1,719	38%
FREE RESERVES	3,037	1,675	81%
CASH BALANCE (excl rent deposits)	11,963	5,861	104%

The Trust ended the year in a relatively strong financial position with a surplus of £2.4m, above-target free reserves of £3.0m and available cash of £12m. This is despite an underlying drop in unrestricted income of 55% (excl government COVID-19 support). We took immediate action in March 2020 with the objective of emerging from the pandemic in as strong a financial position as possible, whilst continuing to deliver against our charitable obligations and supporting our staff. We focused on ensuring liquidity, securing a £5m loan under the Coronavirus Business Interruption Loan Scheme, froze recruitment, furloughed most of our staff and put in place tight cost control measures.

Government support through the Job Retention Scheme, the Culture Recovery Fund and rates relief and grants has helped to sustain the Trust and supported us in emerging in a strong position from the pandemic with most of our teams still in place, a newly developed Courtyard event, key maintenance projects completed and equipment to support new ways of working and social distancing.

The Trust's financial position was monitored closely, with regular reforecasting and stress-testing throughout the period. We adopted a mantra of preparing for the worst and hoping for the best. This cautious approach, combined with final quarter lockdowns restricting most activity, meant we delivered a result at the optimistic end of our range of potential outcomes.

Our residents play an important role in our cultural community and in providing a significant proportion of the Trust's income which is vital to our self-financing model as the Trust receives no regular public funding. In 2020/21, rent and service charge income from leases represented 67% of total unrestricted income (2019/20: 45%). Steps were taken throughout the year to retain and support those residents wherever possible. Despite this, we ended the year with rental voids of 30% (2019/20: 1%). The full impact of this will be felt in income in 2021/22 due to the temporary protection afforded by notice periods during 2020/21.

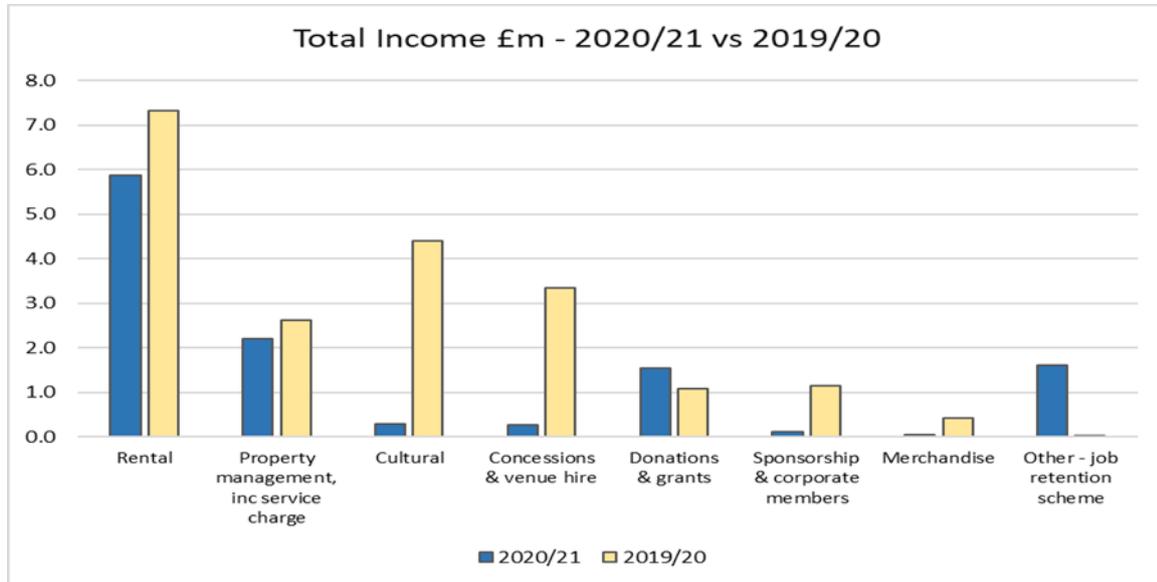
Government restrictions meant it was not possible to hold cultural and commercial events for most of 2020/21. Other unrestricted income therefore fell by 68% (84% excluding government COVID-19 support).

As indicated above, government support, the protective effect of lease notice periods and stringent cost control measures means we ended the year with an improved reserves position. We are focused on rebuilding our income, but this will take time. We anticipate a loss in 2021/22, again with a range of potential outcomes. Our reserves and strong cash position provide much-needed mitigation against the longer-term effects of COVID-19 on our financial model. We will continue to take a cautious approach to expenditure until certainty increases.

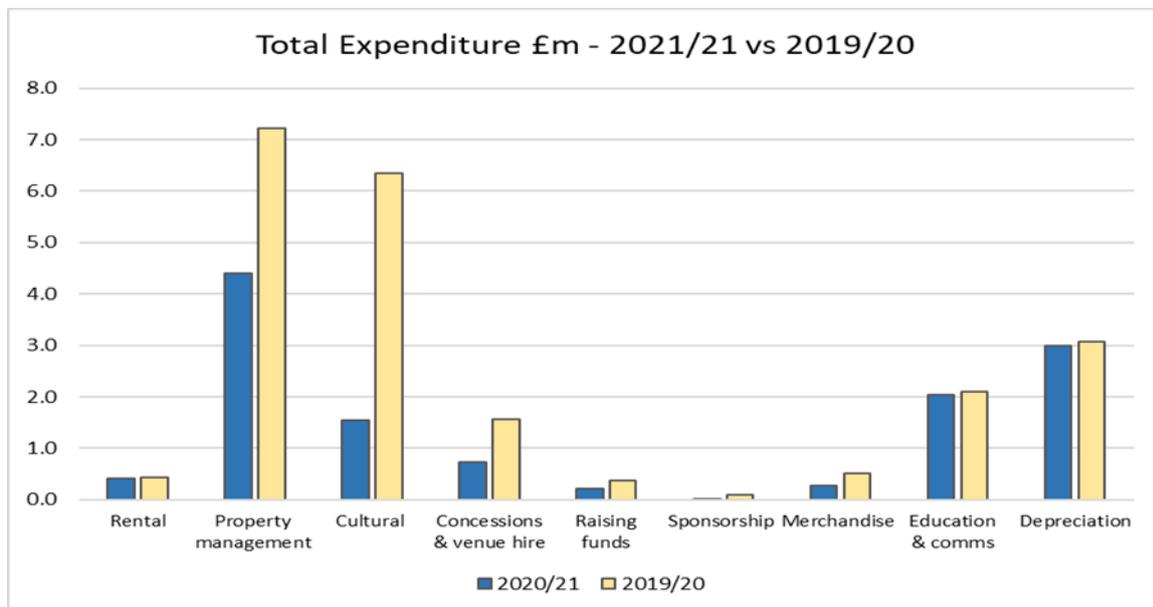
Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Total Income and Expenditure (unrestricted & restricted)

All sources of organic income saw a year-on-year decline with the largest declines in rental income, income from the cultural programme and concessions and venue hire. There was an improvement on donations and grants, including £0.8m awarded through the Culture Recovery Fund. 'Other' income reflects £1.6m received through the Government's Job Retention Scheme.



Expenditure, excluding depreciation, reduced by just under 50% compared to prior year, reflecting enforced minimal on-site activity together with low discretionary spending in order to manage the impact of COVID-19. Trust staff took a 5% pay cut with members of the Executive volunteering larger reductions. Without the government support outlined above, deeper cuts in expenditure would have been necessary. The Trust continues to pay a peppercorn rent to DCMS in respect of the leasehold.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

Funds

Total funds decreased by £0.6m to £81.7m (2019/20: £1.4m decrease to £82.3m). See Reserves for further detail.

The total funds position will continue to reduce annually by the material depreciation charges relating to fixed assets. The depreciation charge, which relates mainly to the headlease and leasehold improvements, was £3.0m (2019/20: £3.1m). The total value of fixed assets before depreciation is £119.8m, including the property lease from DCMS, which was valued at £65m in 2009 and is depreciated over 116 years, and leasehold improvements of £51.6m which are depreciated over 10 to 25 years. The depreciation cost is charged to the designated fixed asset fund which matches the value of the Trust's fixed assets.

Cash Flow and Liquidity

Total cash in hand increased during the year to £13.7m, with a net inflow of £5.7m largely due to a £5m Coronavirus Business Interruption Loan which is repayable over 5 years, starting December 2021. The cash balance includes rental deposits of £1.8m (2019/20: £2.2m). Cash from operating activities was £1.2m (2019/20: £2.2m) which funded capital expenditure of £0.2m (2019/20: £2.7m) and finance lease payments of £0.3m (2019/20: £0.6m).

Cash continues to be monitored closely.

Fixed Assets

Capital expenditure for the year to 31 March 2021 was minimal at £0.2m (2019/20: £2.9m).

Reserves

The charity's reserves fall into two main categories: restricted funds which may be legally used only for specified purposes and unrestricted funds which may be used for any of the Trust's charitable purposes.

Restricted funds totalled £0.9m at 31 March 2021 (2019/20: £0.2m), an increase of £0.7m. This includes £0.4m from the first round of the Culture Recovery Fund that has since been spent or was committed to by the end of June 2021 (under scheme rules).

Unrestricted funds are separated between a designated fixed asset reserve and general funds (the latter representing free reserves):

- The fixed asset reserve is a permanent designated fund matched to fixed assets, recognising that these assets are largely illiquid, and they cannot be readily realised as cash in the event this is required. Designated funds totalled £77.7m at 31 March 2021 (2019/20: £80.4m). The reduction £2.7m reflects depreciation of the headlease and leasehold improvements, with only minimal capital expenditure in 2020/21. This fund includes £1m for assets held under finance leases payable over the next 3 years which represents free cash until settled.
- Free reserves are that part of unrestricted funds that are not held as fixed assets or designated for other purposes and can be used at the Trustees' discretion for any of the Charity's purposes. In 2020/21, free reserves increased by £1.4m to £3.0m (2019/20: £1.6m). This was substantially ahead of target due to a combination of government support, the protective effect of lease notice periods, successive lockdowns limiting activity and stringent cost control measures. Trustees are satisfied that this is appropriate given the exceptional circumstances and the uncertainty the Trust still faces on the pace of income recovery.

The Trust adopts a risk-based approach to determine an appropriate level of free reserves to act as a safeguard against

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

unforeseen events, while recognising that there is a duty to apply charitable funds to the objects of the charity within a reasonable timeframe. During 2020/21, reserves policy was a standing agenda item at the Audit & Risk Committee meetings. Trustees have agreed that reserves will now be reviewed twice per year as part of budget-setting and annual results processes.

With the continuing uncertainty caused by the pandemic, and the impact on business models and the longer-term finances still to be fully revealed, Trustees have decided to revise the reserves target from the previous fixed amount of £0.75m to a range of £0.8m to £1.5m. This decision took into consideration the following factors:

- It achieves an appropriate balance between not tying up funds unnecessarily and a temporary buffer to overcome financial difficulties.
- It provides 3-6 months of headroom to respond to a financial shock.
- The Trust benefits from the protective effects of reasonably assured rental income through some longer leases, typical 6-month notice periods on leases and rental deposits.
- Experience gained during COVID-19 has reinforced the limitation of single-point forecasts. Operating within a range affords flexibility for the Trust to ensure funds are spent wisely.
- During this continued period of heightened uncertainty, while the Trust is rebuilding, budgets have been set with a degree of caution.

This reserves policy is underpinned by the Trust's strong liquidity position. It has a cashflow-positive operating model with rents paid in advance and deposits for hires. This, together with designating reserves for assets under long finance leases, means that cash tends to be consistently ahead of free reserves. Further, the Trust secured an additional £5m of liquidity in the form of a Coronavirus Business Interruption Loan, repayable over 5 years starting December 2021.

As described above, free reserves at March 2021 were above target, at £3.0m. This will help to mitigate the ongoing effects of COVID-19 in 2021/22 and beyond. At the time of writing, free reserves are projected to remain within the current policy at the end March 2022, but with a wide range of potential outcomes. Trustees are comfortable that the reserves target may well be exceeded in the short term due to a cautious approach to expenditure commitments and uncertainty over the pace of recovery in income.

The target range will be reviewed on an approximately 6-monthly basis and amended as necessary.

GOING CONCERN

As indicated above, despite the impact of successive lockdowns throughout the year which resulted in income falling by more than 40%, the Trust ended the financial year to 31 March 2021 with above-target reserves and strong cash balances.

This affords the Trust a level of protection while income is rebuilt. Income for 2021/22 is forecast to be approximately 70% of pre-pandemic levels. Key impacts are:

- Rental voids
- Slow return to normal of commercial hires
- Cancellation of Summer Series and Summer Screen
- Limited Exchange capacity due social distancing requirements

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

We have outlined in the sections above our plans for the year ahead which will see us continue to deliver an inclusive cultural programme.

We continue to regularly review and update our financial forecasts covering multiple years. All scenarios modelled assume that the Trust will continue to pay a peppercorn to DCMS in respect of the leasehold.

Our base case is that the Trust will incur a loss in the year ending 31 March 2022 and in the following year, with expenditure rising as activity and income increases. The Trust is expected to remain within its current reserves target at the end of both financial years due to the above target opening level of reserves.

Our current assumption is that income levels will continue to rebuild over subsequent financial years with the Trust returning to a surplus position in the year ending 31 March 2024.

The Trustees assessed the financial position of the Trust on a regular basis throughout the year. They continue to believe that the Trust has a robust and diversified operating model and that, in time, these income streams will rebuild.

Trustees have re-assessed the financial position at the date of this report including a reverse stress test and concluded that existing cash reserves are likely to be sufficient to enable the Trust to continue to trade as a going concern for the remainder of the current financial year and the duration of the next financial year. As such, they were satisfied that Somerset House Trust can continue operating for the foreseeable future and accounts have been prepared on the basis that it is a financially viable organisation. In conclusion, whilst there remains uncertainty, the Trustees do not believe this represents a material uncertainty with respect to the Trust's ability to continue as a going concern.

STRUCTURE AND GOVERNANCE

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. The name was officially changed to Somerset House Trust in 1998. The charity is governed by its Memorandum and Articles of Association. The Trust has been granted a 128-year lease of Somerset House (from 29 September 1997 to 24 December 2125) by The Secretary of State for the Environment, through The Department for Digital, Culture, Media and Sport (DCMS). This allows the Trust to charge rent for office space, thus creating an on-going revenue stream.

The Trust's commercial activities are undertaken by a wholly owned subsidiary, Somerset House Enterprises Limited, which gifts its taxable profits to the Trust. For financial year 2020/21, Somerset House Enterprises made a loss before tax of £0.1m, due to the impact of the pandemic.

The Trustees of Somerset House Trust, who are also Directors of the Company for the purpose of Company Law, have overall responsibility for the Trust. They are not remunerated for their services and have delegated management of Somerset House Trust's operational affairs to the Executive Team, comprising the Director, Deputy Director and Chief Operating Officer, who attend Trustee Board meetings but are not entitled to vote. Trustees retain decision-making over the approval of strategic plans and the annual budget, funding decisions, staff remuneration, major projects and contracts, key policies and any variation to the governing documents.

The Trustees normally meet formally six times a year. Four of these meetings review all the activities of the Trust and provide guidance to the Executive team. In January each year, an offsite meeting is held to consider and agree longer term strategy and plans, including a 3-year financial plan. Trustees typically also have one other extended meeting during the year to cover other pertinent items.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

During 2020/21 Trustees convened additional meetings to address specific issues and decisions required as a result of COVID-19. A sub-group of Trustees was formed early in the pandemic to support the Executive team in dealing with the immediate crisis. This group met weekly at first, then fortnightly. The latter part of 2020 saw approximately monthly Board meetings with the cycle returning to the normal pattern from January 2021.

The Trustees support the principles of good governance set out in the Charity Governance Code and, in 2018, following a review of practices, implemented a number of changes including revising the structure and focus of the committees and revising the Terms of Reference for the Trustee Board and its committees. A desktop governance review and board effectiveness review will be completed this year to ensure that practices and processes remain relevant and appropriate.

The Trustees are supported by the following 2 committees:

Audit and Risk Committee - this committee regularly reports to and advises the Board of Trustees on matters related to financial reporting, external audit, internal controls and policies as well as formally reviewing, in detail, the risk register twice a year.

Nominations and Governance Committee – this committee advises the Board of Trustees on overall Trustee membership as well as ensuring adherence to the principles of good governance. New Trustees are selected for their relevant skills and experience, identified through a rolling audit. Ensuring Board diversity is a key consideration when making these appointments. Trustees are recruited using a variety of methods which can include using recruitment consultants. Prospective Trustees meet with both members of the Nominations Committee and the Chair prior to recommendation to the full board. Following William Sieghart's second term as Chair coming to an end, at the time of writing, a sub-group of 5 Trustees has been appointed by the Board to oversee the recruitment and appointment of the new Chair. Trustees have engaged recruitment consultant Odgers Berndtson to work with them on this search.

The Board is also supported by working parties made up of Trustees with skills in specific areas as required. Somerset House also has two external advisory groups with no governance responsibilities, the Development Advisory Board and a group of Creative Ambassadors, both of which include Trustee representation.

Trustees are initially appointed for a period of 3 years with the potential for a second term. In exceptional circumstances they may be re-appointed for a third three-year term.

An induction programme is offered to all new Trustees to ensure that they are briefed on the charity's objectives, strategy and activities. New Trustees meet with the Executive team and have access to other members of staff as required to gain an understanding of the organisation. During 2020/21 we implemented a buddying scheme pairing new and existing Board members.

During the year we carried out anti-racism training for all Trust staff, with Trustees and senior managers participating in the same sessions.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout 2020/21 and is currently in force.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

FUNDRAISING

When our ability to generate earned income has been so limited, we have been especially grateful for the support we've received from individuals, trusts, foundations and Arts Council England through the government's Culture Recovery Fund.

Existing supporters, such as the Adonyeva Foundation and the Rothschild Foundation, have enabled us both to get through a period of unprecedented uncertainty and to continue to innovate. We are grateful to Morgan Stanley, with whom we are embarking on a new three-year corporate partnership, who enabled us to work with colleagues and students at the Courtauld to extend the digital reach of their *Unquiet Moments* exhibition. Emergency support received from the London Community Response Fund, via Bloomberg, and from the Creative Land Trust has made a significant difference to how we have been able to expand our digital offer and to support resident artists most in need. We are also grateful to funders who have understood the challenge of planning our cultural programme on ever shifting sands and who have allowed their funding to be reallocated, adapted or for timeframes to shift, including City Bridge, Jerwood Arts and Cockayne Grants for the Arts.

For the first time we launched a public campaign and took part in the Big Give. We are grateful to everyone who took part and who played a role in helping us to reach our target, enabling us to draw down the Reed Foundation's match funding pledge. Funds raised have helped Somerset House to provide bursaries and financial relief to artists struggling to afford to be in residence and have strengthened our Upgrade Yourself offer, providing opportunities to young under-represented people aged 18-30 seeking to get into the creative sector.

As part of our efforts to find new ways of supporting resident artists who were so acutely affected by the pandemic, we introduced the One-to-One programme, pairing individual donors with individual artists to relieve artists' financial pressure over a twelve-month period. We are grateful to all donors who have supported this programme, giving 13 of our resident artists much needed stability.

"This support came at a critical point for me - maintaining the studio would have been impossible in light of the financial implications of covid. Knowing that there was someone unknown to me willing to support me and my practice was incredibly moving and affirming." One-to-One Studios Artist

We would also like to acknowledge the encouragement and support of our Development Advisory Board. We hope that it will be possible to work with them on an in-person fundraising event in 2021/22 to raise further funds for the Young Talent Fund.

Somerset House works within the guidelines outlined within the Fundraising Regulator's Code of Fundraising Practice and is a member of the Institute of Fundraising. We are committed to treating our donors with the highest level of care and respect. This includes:

- Acknowledging donations swiftly and responding to all correspondence in a timely manner.
- Respecting privacy and only releasing details of donations when we have consent or if disclosure is required by law.
- Complying with all domestic and international legislation, including GDPR legislation and the Data Protection Act 1998.
- Responding to any correspondence in a timely manner.
- We communicate with all supporters and potential supporters within the parameters of our GDPR policy.
- We never put pressure on individuals to donate and do not cold call or collect money in the street, which also helps to ensure we are not fundraising from those who would be deemed vulnerable within the Fundraising Regulator's Code.
- All donations, when undesignated, will be used for such purposes as Somerset House Trust judges appropriate in support of Somerset House's charitable objects.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

- Where the gift is restricted, Somerset House Trust will apply the gift to the purpose originally intended.

Our Board of Trustees has oversight of our Fundraising Strategy and plans. Our Gift Acceptance Policy provides a framework for flagging any potential gifts that should be reviewed by our Board of Trustees before accepting, and our Gift Acceptance Policy will be reviewed as part of our wider Governance Review in 2021.

We received no complaints about our fundraising practices in 2020/21 (2019/20: 0).

VALUING VOLUNTEERS

Despite the lockdown limitations, volunteers contributed 176 sessions between 1 April 2020 and 31 March 2021 which equates to 95 volunteers contributing 704 hours of their time to support visitor facing activity. The average number of hours an individual volunteered in 2020/21 was 7 hours in comparison to 2019/20 when it was 80 hours per person. The volunteers continued to offer support and champion the organisation during periods of lockdown and we engaged regularly with our volunteers through a variety of catch ups and online social events to keep connected. Volunteers returned to welcome visitors at the Info Desk in Seamen's Hall in May 2021.

Due to pandemic-related government restrictions, all public tours of Somerset House were suspended. This gave us the opportunity to revisit and review our tours offer. We were fortunate to receive Cultural Recovery Funding to support this which will allow us to update the tours, retrain the volunteers and create a self-guided digital tour all to be launched in the Autumn 2021. We are working in collaboration with colleagues from both the Courtauld Institute and King's College to help shape our story. We will also be drawing on new historical research that we have commissioned from Dr Michael Bennett and Esther Brot following an open call as part of our Anti-Racism Pledge.

RISK MANAGEMENT

Somerset House Trustees regularly examine the major strategic and operational risks the Charity faces, including mitigating actions to reduce each risk to a level the Trustees consider acceptable. The risk register is maintained by the Executive and senior management team and reviewed in detail by the Audit and Risk Committee and wider Board of Trustees twice a year.

The principal risk currently facing the organisation is the potential enduring impact of COVID-19 on the sustainability of the Trust's financial model. The Trust's operating model is largely self-financing with income from residents, commercial hires and the cultural programme funding the running costs of the Trust, continued renovation and upgrading of the site and investment in the cultural programme. With the exception of restricted funds, income and surpluses are not ringfenced and may be applied to meet any of the Trust's expenditure requirements. The Trust's underlying unrestricted income reduced by 55% during 2020/21 and is projected to remain below 2019/20 levels during 2021/22, recovering slowly over the following years.

The Trustees and Executive team continue to monitor the impact of the pandemic on the Trust and acknowledge that the organisation faces a prolonged period of uncertainty. The Trust is currently in a financial position to manage this risk as reserves and cash levels afford the Trust headroom to tolerate losses during the recovery. As far as possible we have endeavoured to continue to fulfil our public benefit obligations, albeit in adapted ways. However, as activity rapidly returns to normal, fewer resources and an uncertain pace of recovery does put strain on the organisation. Plans are by necessity cautious and are regularly updated, together with scenario planning and stress-testing, to inform decision-making on expenditure commitments. The Trust has sought and been fortunate to obtain funding from both

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

government and generous private donors which have enabled commitments which would otherwise have been deferred or impossible.

The other key risks and mitigations are listed below, including those specifically related to COVID-19.

Recession and financial sustainability - The Trust has sought to mitigate these risks through a number of measures – regular forecasting and financial modelling, a mixed income model avoiding reliance on a single stream, notice periods, deposits and advance payments on office rental, and a cautious approach to staging and committing expenditure only once delivery of financial targets is largely assured. The Trust secured a £5m CBILS loan to provide further access to liquidity during this uncertain time.

Staff capacity, resilience and wellbeing - A small number of staff worked continuously and tirelessly throughout the pandemic to respond to lockdowns and subsequent unlocking, the financial consequences of the crisis, the impact on our staff and our resident community, to build a new digital programme and to develop our anti-racism agenda. We put in place non-meeting Fridays and fortnightly “non-working Fridays” to ensure everyone had both time to focus and the opportunity to unwind with a long weekend. We also took the rare opportunity afforded by lockdown to enable the vast majority of our team to take an extended Christmas break. Staff were encouraged to take adequate annual leave, which was supplemented with allowing additional carryover to ensure people were not penalised for their dedication. Where it has become apparent that increased activity levels are unlikely to abate the near future, we have provided additional support to many of the impacted teams and are monitoring and seeking to prioritise and address remaining pressure points.

The pandemic has also impacted staff’s wellbeing in other ways. With many people having been heavily furloughed and / or spent the majority of the last year working from home, there is natural anxiety about returning to work and the office. Our managers are supporting individuals one-to-one, we have set up a return to site taskforce focused on making it a positive experience, we have mental health champions who provide mental health and wellbeing guidance and an Employee Assistance Programme providing access to confidential support. In July 2021, we were able to welcome staff, friends and family to participate in an in-real-life activity at Somerset House for the first time since the pandemic, with the soft-launch of our socially distanced and outdoor Dodge event.

Major disaster or infrastructure damage - As a large, architecturally significant Grade 1 listed estate, right in the heart of London, major disaster causing significant infrastructure damage and loss of business is another key risk faced by the Trust. The Trust insures against material damage to the building, and resulting loss of business, and also against major plant failure.

Cyber security – Training forms the cornerstone of our security strategy with annual data governance and IT security training and regular briefings for all staff. We make use of multiple systems to manage our threat levels. Our systems and processes are externally verified by the independent Cyber Essentials Plus certification and Met Police Cyber Crime Unit vulnerability scanning. COVID-19 highlighted the resilience of the Trust’s IT and business solutions as we were able to rapidly shift to a remote working model with no loss in performance or control.

Security, health and safety - The security, health and safety of the millions of people who visit us every year, and the thousands who work onsite, is a key priority and risk focus for the Trust. We employ a professional security firm who occupy the site 24/7, monitoring CCTV, fire alarms, intruder alarms, access control systems and are a central point of contact for anyone working at or visiting Somerset House, as well as the first response for any site emergencies. We maintain regular contact with key local and national bodies and have a dedicated Counter Terrorism Security Advisor to ensure we are aware of and responding to risks as they arise.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

All events are risk-assessed and we work with external experts where required to ensure all necessary health and safety precautions are taken. We carry out regular inspections and maintenance of key building elements, plant and facilities to ensure statutory compliance and that we are providing a safe environment. We have recently installed a rising bollard to prevent unauthorised vehicular entry to the courtyard. Incident reports, together with any recommended or resulting actions, are regularly shared with the Board of Trustees.

Health and safety related to COVID-19 - We are continually updating our processes and procedures to make sure our site is COVID-secure, that we meet or exceed government guidelines and that we are sharing and learning from best practice with peer organisations.

We developed a risk assessment in conjunction with our Health & Safety consultancy through which we have implemented a robust series of control and mitigation measures to assist with minimising the chances of transmission for those working in or visiting Somerset House. These measures included the addition of handwashing stations in our outdoor areas, deployment of hand sanitiser throughout the estate, an enhanced cleaning regime (including anti-viral coating on surfaces), mandatory face coverings in public and private areas of the building where occupiers and visitors will encounter others. Capacities and social distancing are stipulated and managed for events on site, with one-way systems in place where required, reduced capacity guidance is in place for both public and shared spaces and revised procedures for back of house operations.

Our mitigation measures are communicated on our website, on signage around the site and in guidance for residents. Residents are asked to declare their offices are COVID-secure by sending us a copy of their COVID-secure notice.

We achieved Visit England's Good To Go accreditation last summer, which recognises the measures we've put in place to protect visitor safety.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Benchmarking is undertaken from time to time to ensure that pay rates and benefits remain competitive. The pay for all staff, including key management personnel, is considered annually taking into account inflation along with any changes following the benchmarking review and a recommendation is made to Trustees at the annual budget approval meeting in March of each year. The Nominations and Governance Committee reviews and makes recommendations on executive pay to the Board. The onset of COVID-19 meant that pay reviews were suspended.

From 1 April 2020, pay for all staff was cut by 5% with the Executive team volunteering larger reductions. Full pay for all staff was reinstated from May 2021 (subject to any restrictions imposed by funders).

LOOKING AHEAD

Financially, we have taken the approach of preparing for the worst and hoping for the best. We entered 2021/22 with a much-reduced rent-roll and very few confirmed commercial hires. We have set a cautious budget and anticipate that 2021/22 will be loss making but have a wide range of potential outcomes. Our top priority is rebuilding our income as the key enabler of our charitable impact. Early signs are encouraging, but much uncertainty remains and we continue to monitor the position closely.

We have a fairly full programme planned for 2021/22. We made an early choice to abandon plans for our Summer Series of gigs and Summer Screen films and replace them with our new event, Dodge, which was planned with COVID-19 in mind and originally intended as our winter alternative to Skate for 2021/21, which was unable to proceed.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

At the end of the 2021, we will open our first major exhibition in 2 years, Beano - the Art of Breaking the Rules.

Working closely with trustees and all senior management, we have revised our priorities for 2021/22 to take into account the new landscape:

- 1) Ensuring we emerge from the current crisis with a strong, sustainable financial model (including rebuilding income and supporting our creative community), whilst maximising public benefit
- 2) Increasing efficiency through streamlining processes, new ways of working (especially IT investment), supporting our staff
- 3) Articulating our mission in a clear, compelling way and how it is woven across all areas of our activity – reasserting our relevance
- 4) Delivering and building on our Anti-Racism Pledge and eradicating all forms of discrimination
- 5) Realising the potential of Strand Aldwych for Somerset House

We finish one of the most difficult years that anyone has ever faced, with solid foundations for continued progress towards achievement of our strategic objectives. We do not know how long this will take but we remain very positive about the potential and relevance of the Somerset House model, and excited about how we can harness the collective creative energy of our staff and community, to tackle collectively the challenges we all face.

Somerset House Trust

Report of the Board of Trustees

For the year ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Somerset House Trust for the purposes of company law) are responsible for preparing the report of the Board of Trustees (including the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

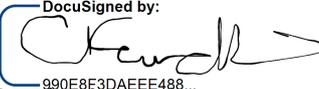
Financial statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charitable company's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to the auditor

In the case of each Trustee in office at the date the report of the Board of Trustees is approved:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the group and charitable company's auditor is unaware; and
- (b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information.

Approved by the Board and signed on their behalf on 30 September 2021.

DocuSigned by:

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Carol Fairweather

Chair of the Audit and Risk Committee

Somerset House Trust

Independent Auditor's report to the Trustees of Somerset House Trust

For the year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF SOMERSET HOUSE TRUST

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Somerset House Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Somerset House Trust

Independent Auditor's report to the Trustees of Somerset House Trust

For the year ended 31 March 2021

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Chairman's foreword and Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Report of the Board of Trustees, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Somerset House Trust

Independent Auditor's report to the Trustees of Somerset House Trust

For the year ended 31 March 2021

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We made enquiries of management, and the Board, including:
 - how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
 - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, Charities SORP, fundraising regulations and tax legislation.
- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect:

Somerset House Trust

Independent Auditor's report to the Trustees of Somerset House Trust

For the year ended 31 March 2021

employment law, data protection and health and safety. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulation;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board and management;
- We read minutes of meetings of those charged with governance;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the useful economic lives of tangible fixed assets and the allocation of support costs.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable

Somerset House Trust

Independent Auditor's report to the Trustees of Somerset House Trust

For the year ended 31 March 2021

Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jill Halford
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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

30 September 2021

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

Somerset House Trust

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Notes	Unrestricted funds		Restricted funds	Total	Total
		General	Designated		2020/21	2019/20
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations, grants and legacies	2	199	-	1,342	1,541	1,073
Charitable activities						
<i>Property management and conservation</i>		1,943	-	269	2,212	2,614
<i>Cultural and public events</i>		293	-	-	293	4,406
<i>Public education and communication</i>		1	-	-	1	27
<i>Rental income</i>		5,863	-	-	5,863	7,329
Other trading activities						
<i>Concessions and venue hire</i>		265	-	-	265	3,354
<i>Merchandise income</i>		52	-	-	52	419
<i>Sponsorship and corporate membership</i>		104	-	-	104	1,156
Investments		3	-	-	3	18
Other Income		1,614	-	-	1,614	8
Total income		10,337	-	1,611	11,948	20,404
Expenditure on:						
Raising funds	3	200	-	15	215	376
Charitable activities						
<i>Property management and conservation</i>		4,098	2,379	293	6,770	9,672
<i>Cultural and public events</i>		1,358	64	188	1,610	6,410
<i>Public education and communication</i>		1,809	-	230	2,039	2,101
<i>Rental costs</i>		402	556	7	965	986
Other trading activities						
<i>Concessions and venue hire</i>		725	-	1	726	1,570
<i>Merchandise costs</i>		251	-	17	268	512
<i>Sponsorship costs</i>		1	-	-	1	98
Total expenditure	3,4,5,6	8,844	2,999	751	12,594	21,725
Tax (credit) / charge on deficit	7	(20)	-	-	(20)	39
Net income/ (expenditure)	8	1,513	(2,999)	860	(626)	(1,360)
Transfers between funds	16	(151)	242	(91)	-	-
Net movement in funds		1,362	(2,757)	769	(626)	(1,360)
Fund balances brought forward at 1st April 2020	16	1,675	80,433	170	82,278	83,638
Fund balances carried forward at 31st March 2021	16	3,037	77,676	939	81,652	82,278
<i>Prior period reconciliation of funds</i>						
<i>Fund balances brought forward at 1st April 2019</i>		2,795	80,640	203	83,638	
<i>Net movement in funds</i>		(1,120)	(207)	(33)	(1,360)	
<i>Fund balances carried forward at 31st March 2020</i>		1,675	80,433	170	82,278	

All of the above results are derived from continuing activities and there are no other gains or losses other than those stated above. The notes on pages 46-62 form part of these financial statements.

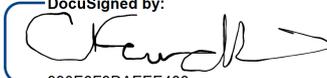
Somerset House Trust

Consolidated balance sheet

For the year ended 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Fixed assets					
Tangible fixed assets	11	77,676	-	77,676	80,433
Current assets					
Stocks		77	-	77	69
Debtors	13	2,047	109	2,156	2,372
Cash at bank and in hand		12,902	830	13,732	8,035
Total current assets		15,026	939	15,965	10,476
Current liabilities					
Creditors: amounts falling due within one year	14	(6,692)	-	(6,692)	(7,860)
Net current assets		8,333	939	9,273	2,616
Total assets less current liabilities		86,010	939	86,949	83,049
Creditors: amounts falling due after more than one year	15	(5,297)	-	(5,297)	(771)
Net assets		80,713	939	81,652	82,278
The funds of the group:					
General funds	16	3,037	-	3,037	1,675
Designated fixed asset reserve	16	77,676	-	77,676	80,433
Restricted reserves	16	-	939	939	170
Total funds		80,713	939	81,652	82,278

The Financial statements on pages 42 to 64 were approved by the Board, and signed on their behalf on 30 September 2021.

DocuSigned by:

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Carol Fairweather

Chair of the Audit & Risk Committee

Company number 03388137

Somerset House Trust

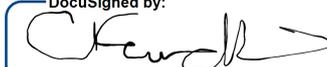
Charity balance sheet

For the year ended 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Fixed assets					
Tangible fixed assets	11	77,676	-	77,676	80,433
		<u>77,676</u>	<u>-</u>	<u>77,676</u>	<u>80,433</u>
Current assets					
Stock		50	-	50	2
Debtors	13	1,898	109	2,007	6,812
Cash at bank and in hand		12,586	830	13,416	2,674
Total current assets		<u>14,534</u>	<u>939</u>	<u>15,473</u>	<u>9,488</u>
Current liabilities					
Creditors: amounts falling due within one year	14	(6,231)	-	(6,231)	(6,990)
Net current assets		<u>8,303</u>	<u>939</u>	<u>9,242</u>	<u>2,498</u>
Total assets less current liabilities		<u>85,979</u>	<u>939</u>	<u>86,918</u>	<u>82,931</u>
Creditors: amounts falling due after more than one year	15	(5,297)	-	(5,297)	(771)
Net assets		<u>80,682</u>	<u>939</u>	<u>81,621</u>	<u>82,160</u>
The funds of the charity:					
General funds	16	3,006	-	3,006	1,557
Designated fixed asset reserve	16	77,676	-	77,676	80,433
Restricted reserves	16	-	939	939	170
Total charity funds		<u>80,682</u>	<u>939</u>	<u>81,621</u>	<u>82,160</u>

The charity's income for the year of £11,348k (2019/20: £18,462k) less expenditure of £11,887k (2019/20: £19,929k) led to a deficit of £539k (2019/20: deficit of £1,467k).

The Financial statements on pages 42 to 64 were approved by the Board, and signed on their behalf on 30 September 2021.

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Carol Fairweather

Chair of the Audit & Risk Committee

Company number 03388137

Somerset House Trust

Consolidated statement of cash flows

For the year ended 31 March 2021

	Notes	2020/21 £'000	2019/20 £'000
Net cash provided by operating activities	A	1,214	2,214
Cash flows from investing activities:			
Interest received		3	18
Purchase of tangible fixed assets	11	(213)	(2,686)
Net cash used in investing activities		(210)	(2,668)
Cash flows from financing activities:			
Interest paid		(43)	(55)
Increase in loan facility		5,000	-
Finance lease capital repayments		(263)	(549)
Net cash used in financing activities		4,694	(604)
Change in cash and cash equivalents in the reporting period		5,697	(1,059)
Cash and cash equivalents at the beginning of the reporting period		8,035	9,094
Cash and cash equivalents at the end of the reporting period	B	13,732	8,035
A Reconciliation of net expenditure to net cash flow from operating activities			
		2020/21	2019/20
		£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)		(626)	(1,360)
Adjustments for:			
Depreciation charges		2,999	3,079
Interest received		(3)	(18)
Interest paid		43	55
Increase in stock		(8)	(34)
Decrease in debtors		216	234
(Decrease)/ increase in creditors		(1,407)	258
Net cash inflow from operating activities		1,214	2,214
B Analysis of cash and cash equivalents			
		2020/21	2019/20
		£'000	£'000
Cash in hand (including rent deposits - see Note 14)		13,732	8,035

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

Accounting policies

a) General information

Somerset House Trust is a registered charity (Registered Charity No. 1063640) and is incorporated in England and Wales as a private company limited by guarantee (Company No. 03388137). The address of its registered office is Somerset House, Strand, London WC2R 1LA.

b) Summary of significant accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to Somerset House's Financial Statements and are as follows.

c) Basis of preparation

The consolidated financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles comprising the Statement of Recommended Practice: Accounting and Reporting by Charities 2019, preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 14 July 2014, the Charities Act 2011 and the Companies Act 2006.

Somerset House constitutes a public benefit entity as defined by FRS 102.

On transition to FRS 102 in the year ended 31 March 2016 the Trust took advantage of transition exemptions to permit the use of deemed cost for assets, and not to revise the accounting for lease incentives for leases entered into before 31 March 2014. The Trust assumes that a peppercorn rent will be payable to DCMS in respect of the leasehold.

The consolidated financial statements consolidate Somerset House Trust and its wholly owned subsidiary undertaking, Somerset House Enterprises Limited on a line-by-line basis. A separate statement of financial activities has not been presented for the charity alone in accordance with s408 of the Companies Act 2006. Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation. Profits generated by the subsidiary are paid to the Trust by means of a gift aid transfer, under a Deed of Covenant with the Trust.

Going Concern

As indicated earlier in this report, despite the impact of successive lockdowns throughout the year which resulted in income falling by more than 40%, the Trust ended the financial year to 31 March 2021 with above-target reserves and strong cash balances.

This affords the Trust a level of protection while income is rebuilt. Income for 2021/22 is forecast to be approximately 70% of pre-pandemic levels. Key impacts are:

- Rental voids
- Slow return to normal of commercial hires
- Cancellation of Summer Series and Summer Screen
- Limited exchange capacity due social distancing requirement

We continue to regularly review and update our financial forecasts covering multiple years. All scenarios modelled assume that the Trust will continue to pay a peppercorn to DCMS in respect of the leasehold.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

Our base case is that the Trust will incur a loss in the year ending March 2022 and in the following year, with expenditure rising as activity and income increases. The Trust is expected to remain within its current reserves target at the end of both financial years due to the opening level of above-target reserves.

Our current assumption is that income levels will continue to rebuild over subsequent financial years with the Trust returning to a surplus position in the year-ending March 2024.

The Trustees have assessed the financial position of the Trust on a regular basis throughout the year. They continue to believe that the Trust has a robust and diversified operating model and that, in time, these income streams will rebuild.

Trustees have re-assessed the financial position at the date of this report including a reverse stress test and concluded that existing cash reserves are likely to be sufficient to enable the Trust to continue to trade as a going concern for the remainder of the current financial year and the duration of the next financial year. As such, they were satisfied that Somerset House Trust can continue operating for the foreseeable future and accounts have been prepared on the basis that it is a financially viable organisation. In conclusion, whilst there remains uncertainty, the Trustees do not believe this represents a material uncertainty with respect to the Trust's ability to continue as a going concern.

d) Income

Income comprises rental and service charge income from tenants and artists, membership fees from Exchange members, ticket income from the cultural programme, furlough income via the governments job retention scheme, donations, income from the Trust's trading subsidiary in the form of private hire of space, sponsorship and retail activity. It also includes grant income to support capital projects as well as cultural and engagement & skills activity. The largest grant received in the year was £850k of Culture Recovery Funding from the Arts Council England. This year we have also accrued income of £8k in relation to the Museum and Galleries Tax Credit on three exhibitions that occurred during the 2020/21 period (2019/20: £161k, seven exhibitions). All income is recognised once Somerset House has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Where income is received in advance of providing goods and/or services it is deferred until Somerset House becomes entitled to that income. Where entitlement occurs before income is received, the income is accrued. Grants (including Government grants) are recognised when the entitlement to the grant is established and confirmed by both parties.

Donated services are included at the value to Somerset House where this can be reliably quantified. Donated services from our volunteers are not included within the financial statements.

e) Expenditure

Expenditure is recognised as incurred in the financial year of the activity to which it relates. Expenditure is included in the Statement of Financial Activities on an accruals basis, and is classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the charity's activities have been allocated to those activities on a headcount basis.

f) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purpose. With the exception of restricted funds, income and surpluses are not ringfenced and may be applied to meet any of the Trust's expenditure requirements.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

g) Employee benefits

The Group provides benefits to employees including holiday pay, pension contributions, season ticket loans, a life assurance policy and an employee assistance programme. Pension payments are made to employee's personal pension plans and these are charged to the Statement of Financial Activities on an accruals basis.

h) Fixed assets and depreciation

From 2018/19, tangible fixed assets costing more than £5k with an expected useful life of more than one year are capitalised at cost, including any incidental expenses of acquisition (previously £1k). Tangible fixed assets are held at cost less accumulated depreciation, except for the value of the lease of the site from the Department for Digital, Culture, Media and Sport which is held at deemed cost, being the valuation on an 'in use' basis at 31 March 2009 less accumulated depreciation from that date. The property lease is held as a tangible fixed asset rather than an investment property as it is held primarily for social benefit. Depreciation is calculated to write off the cost of the asset on a straight-line basis over the life of the lease. Depreciation for leasehold improvements is charged on a monthly basis starting with the month in which the asset was brought into use. From 2019/20, on all other assets, depreciation is charged on a monthly basis starting with the month in which the asset was brought into use (previously depreciation was charged for a full year in the year of acquisition, and not in the year of disposal). Fixed assets are depreciated as follows:

- | | |
|------------------------------------|-------------------------|
| • Property lease valuation | 116 years |
| • Leasehold improvements | between 10 and 25 years |
| • Fixtures, fittings and equipment | between 3 and 7 years |
| • Intangible assets | 3 years |

A revaluation exercise was undertaken as at 31 March 2021, assessing the impact of COVID-19, and an impairment to valuation was not required. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. There have been no such events during the year and therefore no impairment.

i) Fund accounting

Balance sheet reserves have been allocated between two categories:

- Unrestricted reserves are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated reserves are a portion of the unrestricted reserves that have been set aside for a particular purpose by the Trustees. Designated reserves consist entirely of the fixed asset reserve.
- Restricted reserves consist of amounts subject to specific restrictions imposed by the donor or arising from contractual obligations.

j) Stock

Stocks are stated at the lower of cost and fair value. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the fair value.

There is no material difference between the value of stock as stated and the replacement cost of this stock.

k) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

costs). The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Trade and other debtors are recognised at the settlement amount due. Creditors are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Leases

- i) Where the Trust enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight-line basis over the life of the lease.
- ii) Where income is receivable under lease agreements, the basic element is recognised on a straight-line basis over the period of the lease, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates. For leases entered into prior to 31 March 2014, lease incentives are spread over the period to the next break clause. Lease incentives granted on leases entered into from 1 April 2014 are spread over the lease term. The exception to this is COVID-19 related rent concessions, where the concessions are recognised in the period they are intending to compensate.

m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities. During 2020/21, the Trust applied for and received a loan of £5m, through National Westminster Bank, under the Coronavirus Business Interruption Loan Scheme. The loan is to be repaid over five years, after a one-year deferment.

n) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying the entity's accounting policies:

(i) Exemptions on transition to FRS 102

On transition to FRS 102 in 2015/16, the Trust has elected to use the previous UK GAAP valuation at 31 March 2009 for the DCMS property lease, less amortisation to the transition date, as the deemed cost.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

2 Donations, grants and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Donations	199	-	199	51
Grants receivable				
<i>Capital grants receivable</i>	-	285	285	376
<i>Revenue grants receivable</i>	-	1,057	1,057	646
Total donation, grant and legacy income	199	1,342	1,541	1,073

Included in grants receivable is Arts Council England funding of £850k from the Government's Culture Recovery Fund, used across a variety of capital and revenue projects (2019/20: £376k capital grants from Westminster City Council and the GLA Good Growth Fund). In addition to income from donations and legacies is £104k (2019/20: £1,156k) raised through sponsorship of the cultural programme. This income appears separately on the face of the Statement of Financial Activities under Other trading activities.

Comparative income from donations, grants and legacies.

	Unrestricted funds £'000	Restricted funds £'000	Total 2019/20 £'000	Total 2018/19 £'000
Donations	51	-	51	37
Grants receivable				
<i>Capital grants receivable</i>	-	376	376	475
<i>Revenue grants receivable</i>	-	646	646	283
Total donation, grant and legacy income	51	1,022	1,073	795

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

3 Expenditure

	Direct costs £'000	Support costs £'000	Total 2020/21 £'000	Total 2019/20 £'000
Expenditure on raising funds				
Fundraising costs of grants and donations	183	32	215	376
	183	32	215	376
Expenditure on charitable activities				
Property management and conservation	6,627	143	6,770	9,672
Cultural and public events	1,365	245	1,610	6,410
Public education and communication	1,702	337	2,039	2,101
Rental costs	864	101	965	986
	10,558	826	11,384	19,169
Other trading expenditure				
Concessions and venue hire	566	160	726	1,570
Merchandise costs	228	40	268	512
Sponsorship costs	1	-	1	98
	795	200	995	2,180
Total expenditure	11,536	1,058	12,594	21,725

Comparative analysis of expenditure:

	Direct costs £'000	Support costs £'000	2019/20 £'000
Expenditure on raising funds			
Fundraising costs of grants and donations	341	35	376
	341	35	376
Expenditure on charitable activities			
Property management and conservation	9,500	172	9,672
Cultural and public events	6,072	338	6,410
Public education and communication	1,432	669	2,101
Rental costs	861	125	986
	17,865	1,304	19,169
Other trading expenditure			
Concessions and venue hire	1,365	205	1,570
Merchandise costs	462	50	512
Sponsorship costs	98	-	98
	1,925	255	2,180
Total expenditure	20,131	1,594	21,725

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

4 Allocation of support costsThe trust allocates its support costs as shown below:

	Expenditure on raising funds £'000	Expenditure on charitable activities £'000	Other expenditure £'000	Support costs 2020/21 £'000	Support costs 2019/20 £'000
Administration	28	662	174	864	1,223
Governance (note 5)	4	96	26	126	87
Interest paid (note 6)	-	43	-	43	55
Marketing & Communications	-	25	-	25	229
	32	826	200	1,058	1,594

Governance and Administration costs are allocated on a headcount basis. Administration costs include the costs of the Directorate, Finance and HR functions. Interest, Marketing & Communications are allocated based on the direct spend on those activities.

Comparative allocation of support costs:

	Expenditure on raising funds £'000	Expenditure on charitable activities £'000	Other expenditure £'000	Support costs 2019/20 £'000
Administration	33	952	238	1,223
Governance (note 5)	2	68	17	87
Interest paid (note 6)	-	55	-	55
Marketing & Communications	-	229	-	229
	35	1,304	255	1,594

5 Governance costs

	Expenditure on raising funds £'000	Expenditure on charitable activities £'000	Other expenditure £'000	Support costs 2020/21 £'000	Support costs 2019/20 £'000
Salary	2	50	14	66	31
Audit fees (note 8)	2	35	9	46	38
Legal and other professional fees	-	3	1	4	7
General office	-	8	2	10	11
	4	96	26	126	87

Governance costs increased during 2020/21 as a result of additional board and reporting requirements due to COVID-19.

6 Interest payable and similar charges

	2020/21 £'000	2019/20 £'000
Interest payable and similar charges	4	10
Finance lease interest	39	45
	43	55

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

7 Tax charge

	2020/21	2019/20
	£'000	£'000
UK Corporation Tax - current tax charge	-	39
Adjustment in respect of previous periods	(20)	-
Tax on (loss) / profit on ordinary activities	(20)	39

8 Net expenditureNet expenditure includes the following:

	2020/21	2019/20
	£'000	£'000
Auditor's fees:		
- for audit of Somerset House Trust	39	31
- for audit of Somerset House Enterprises Limited	7	7
	46	38

In addition to the audit fees listed above, fees for tax compliance services provided were £10k (2019/20: £6k).

	2020/21	2019/20
	£'000	£'000
Depreciation and amortisation:		
- property lease valuation	556	556
- leasehold improvements	2,101	2,071
- fixtures, fittings and equipment (owned)	227	321
- fixtures, fittings and equipment (leased)	115	131
	2,999	3,079

9 Employee details (Charity & Group)Staff Costs

	2020/21	2019/20
	£'000	£'000
Wages and salaries	3,458	3,692
Social security costs	352	402
Other pension costs	300	332
Temporary staff salaries (including social security and other pension costs)	540	830
	4,650	5,256

Staff costs include £110k of redundancy costs in relation to 27 members of staff of which £107k was funded (2019/20: 4 members of staff were paid discretionary, one-off payments for exceptional levels of work totalling £3k). The other pension costs above include an accrual of £28k (2019/20: £36k) in respect of amounts due under employees' personal defined contribution schemes. Temporary Staff were retained and furloughed during the year, with the exception of a small number of staff who opted for voluntary redundancy.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

During the year the Trust received £1,614k of furlough income from the government's job retention scheme (2019/20: £8k), supporting the retention of both permanent and temporary staff.

Emoluments over £60,000

	2020/21	2019/20
	Number	Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	3
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£170,001 - £180,000	-	1

Key management personnel includes the Director, Deputy Director and Chief Operating Officer. Payments in respect of key management personnel employee benefits in year were £406k (2019/20: £467k), including pension costs of £36k (2019/20: £35k).

Staff functions

The monthly average full time equivalent employees during the year, analysed by function, were:

	2020/21	2019/20
	Number	Number
Concessions and venue hire	12	12
Fundraising	2	2
Rental	8	8
Property management and conservation	7	7
Cultural and public events	18	20
Public education, communication and visitor services	23	26
Merchandise	3	3
Governance and support services	11	11
	84	89

2019/20 figures have been updated to align headcount and salary functions. During the year the permanent staff is supplemented by temporary workers and contractors as required by business needs.

10 Transactions as an agent

During the year, £7k of tickets were sold on behalf of third parties (2019/20 £919k), of which £0.4k is recognised as processing fee income (2019/20 £55k).

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

11 Tangible fixed assets (Charity & Group)

	Property lease valuation £'000	Leasehold improvements £'000	Assets in the course of construction £'000	Fixtures, fittings & equipment £'000	Total £'000
<u>Cost or deemed cost</u>					
At 1 April 2020	64,541	51,572	148	3,533	119,794
Additions	-	27	23	192	242
Disposals	-	-	-	(224)	(224)
At 31 March 2021	64,541	51,599	171	3,501	119,812
<u>Accumulated depreciation</u>					
At 1 April 2020	6,120	30,723	-	2,518	39,361
Charge for the year	556	2,101	-	342	2,999
Disposals	-	-	-	(224)	(224)
At 31 March 2021	6,676	32,824	-	2,636	42,136
<u>Net book value</u>					
At 31 March 2021	57,865	18,775	171	865	77,676
At 31 March 2020	58,421	20,849	148	1,015	80,433

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

In 2015/16, as a first-time adopter of FRS102, the charity took advantage of a transition exemption relating to the valuation of the property lease from DCMS to use a deemed cost valuation under previous GAAP. The property lease is being amortised on a straight-line basis over 116 years. A revaluation exercise was undertaken as at 31 March 2021, to assess the impact of COVID-19, and an impairment to valuation was not required. Of the above Property lease valuation net book value of £57,865k at 31 March 2021, £46,949k is held in a revaluation reserve (see note 16).

A peppercorn rent is payable to DCMS under a deed of variation between the Trust and The Secretary of State for Communities and Local Government dated 22 December 2009. Variation of the terms of the property lease in respect of the yearly rent payable are by agreement. The Trust assumes a peppercorn rent will be payable over the remaining life of the lease.

Additions for the year include the installation of fixed banners, new bike racks, equipment for new flexible workspaces, the fitting of protective netting over Maker Street and equipment for the newly formed digital department.

Assets in the course of construction are for leasehold improvements relating to the installation of hostile vehicle mitigation bollards, completed in 2021/22.

Included within fixed assets are assets held under finance leases with a total value of net book value £885k (2019/20: £1,264k). The leases comprise of the combined cooling, heating and power system and telephone and Wi-Fi infrastructure installed in tenants offices throughout the South, West and New Wings and the Trust offices.

Disposals reflect the removal of fully depreciated assets on the register at nil net book value that can no longer be separately identified.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

12 InvestmentsTrust

	Charity 2020/21 £	Charity 2019/20 £
At 1 April and at 31 March	<u>1</u>	<u>1</u>

The Trust owns the whole of the issued ordinary share capital of Somerset House Enterprises Limited, a company registered in England at Somerset House, Strand, London WC2R 1LA (Company No. 03920330). The subsidiary carries out non-primary purpose trading and taxable activities, including venue hire, retail, raising sponsorship for events and exhibitions, and merchandising. All activities 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.

Somerset House Enterprises Limited

	2020/21 £'000	2019/20 £'000
Turnover	600	4,614
Costs of sales	(700)	(1,788)
Gross (loss) / profit	<u>(100)</u>	<u>2,826</u>
Administrative expenses	(6)	(7)
(Loss) / Profit on ordinary activities before taxation and Deed of Covenant	<u>(106)</u>	<u>2,819</u>
Payment under Deed of Covenant to the Trust	-	(2,673)
(Loss) / Profit on ordinary activities before taxation	<u>(106)</u>	<u>146</u>
Tax on profit on ordinary activities	20	(39)
(Loss) / Profit for the financial year	<u><u>(86)</u></u>	<u><u>107</u></u>

The aggregate of the assets, liabilities and funds was:

	2020/21 £'000	2019/20 £'000
Assets	492	5,586
Liabilities	(461)	(5,469)
Funds	<u><u>31</u></u>	<u><u>117</u></u>

The Directors of Somerset House Enterprises Limited intend to pay its available profits to the Trust within nine months of the year end and in accordance with the deed of covenant signed 15 March 2017, have formally declared their intention to do so for the foreseeable future. As a loss was made in 2020/21, no amount is payable this year.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

During the year, a formal loan arrangement was put in place between the Trust and SHEL, for the purpose of enabling SHEL to meet its short-term liabilities should it have insufficient cash. To date, SHEL has not needed to draw down on this loan and it expected that SHEL will remain cash positive for the foreseeable future.

13 Debtors: due within one year

	Charity 2020/21 £'000	Charity 2019/20 £'000	Group 2020/21 £'000	Group 2019/20 £'000
Trade debtors	722	1,164	833	1,303
Amounts owed by group undertakings	-	4,599	-	-
Other debtors	222	337	223	337
Prepayments and accrued income	1,063	712	1,080	732
Taxation	-	-	20	-
	2,007	6,812	2,156	2,372

Amounts owed by group undertakings are now settled on a monthly basis. The balance in 2019/20 was made up of monies owed to Somerset House Trust under the deed of covenant and costs incurred in the course of business that had not been settled at the year-end date.

14 Creditors: amounts falling due within one year

	Charity 2020/21 £'000	Charity 2019/20 £'000	Group 2020/21 £'000	Group 2019/20 £'000
Finance leases (note 20)	366	488	366	488
Bank loans and overdrafts (note 21)	333	-	333	-
Trade creditors	1,067	1,369	1,070	1,784
Taxation and social security	382	148	407	209
Other creditors	1,806	2,230	1,821	2,242
Accruals	578	653	603	751
Deferred income	1,699	2,102	2,092	2,386
	6,231	6,990	6,692	7,860

Other creditors in the charity includes funds held in trust for tenants under Rent Deposit Deeds, £1,769k (2019/20: £2,174k).

Deferred income includes rental and service charge income, deposits for venue hire invoiced in advance and advance ticket income collected through our own ticketing system. Income is deferred to the accounting period to which the service relates. All deferred income is utilised in the year following deferral.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

15 Creditors: amounts falling due after more than one year

	Charity & Group	
	2020/21	2019/20
	£'000	£'000
Bank loans due after more than one year (note 21)	4,667	-
Finance leases (note 20)	630	771
	5,297	771

During 2020/21, the Trust applied for and received a loan of £5m, through National Westminster Bank, under the Coronavirus Business Interruption Loan Scheme. The loan is to be repaid over five years, after a one-year deferment.

16 Statement of fundsGroup

	At 1st April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31st March 2021 £'000
<u>Unrestricted funds</u>					
General funds	1,675	10,337	(8,824)	(151)	3,037
Designated fixed asset reserve					
Original cost/ valuation	33,033	-	(2,548)	242	30,727
Revaluation reserve	47,400	-	(451)	-	46,949
Total unrestricted funds	82,108	10,337	(11,823)	91	80,713
<u>Restricted funds</u>					
Maintenance and service charge	(35)	269	(135)	-	99
Projects fund	205	1,057	(616)	-	646
Capital grants fund	-	285	-	(91)	194
Total restricted funds	170	1,611	(751)	(91)	939
Total funds	82,278	11,948	(12,574)	-	81,652

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

Comparative Group

	At 1st April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31st March 2020 £'000
<u>Unrestricted funds</u>					
General funds	2,795	19,126	(17,850)	(2,396)	1,675
Designated fixed asset reserve					
Original cost/ valuation	32,789	-	(2,628)	2,872	33,033
Revaluation reserve	47,851	-	(451)	-	47,400
Total unrestricted funds	83,435	19,126	(20,929)	476	82,108
<u>Restricted funds</u>					
Maintenance and service charge	(27)	256	(264)	-	(35)
Projects fund	130	646	(571)	-	205
Capital grants fund	100	376	-	(476)	-
Total restricted funds	203	1,278	(835)	(476)	170
Total funds	83,638	20,404	(21,764)	-	82,278

Notes to funds*Unrestricted funds**General funds*

The general funds are available for spending on Somerset House's charitable activities. With the continuing uncertainty caused by the pandemic, and the impact on business models and the longer-term finances still to be fully revealed, Trustees have taken the decision to revise the reserves target from the previous fixed amount of £0.75m to a range of £0.8m to £1.5m. See page 27 for more information on the reserves target.

Designated fixed asset reserve

£151k was transferred to the unrestricted designated fixed asset fund from general funds to reflect fixed asset additions funded by the Trust during the year (2019/20: £2,396k).

£91k was transferred to the unrestricted designated fixed asset fund from the restricted capital grants fund to reflect fixed asset additions funded by the capital grants during the year (2019/20: £476k).

The Board consider it appropriate to allocate an element of the annual depreciation charge on Somerset House to the revaluation reserve each year, so that the reserve reduces to zero on a straight-line basis over the length of the lease.

Restricted funds

- i) a Maintenance and service charge fund representing funds received from King's College which can be spent in accordance with the terms of the lease between the Trust and that tenant. The credit balance on this fund relates to service charge income that has not been fully utilised by expenditure incurred on the estate in connection with the tenancy of King's College, where the Trust is fulfilling its obligations under the lease. The long-term objective is for this restricted fund to carry a nil balance and future service charges will be adjusted accordingly.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

- ii) a Project fund representing the unspent balance of Grants & Donations received for specific purposes at year end.
- iii) a Capital Grants fund representing the unspent balance of Grants received for specific purposes at year end.

17 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. There were no expenses incurred by the charity for any trustee during the year (2019/20: £0.1k). Directors & Officers Liability insurance was purchased by the charity during the year at a cost of £9.9k (2019/20: £6.8k)

The Trust's trading subsidiary, Somerset House Enterprises Limited, was recharged staff costs of £612k (2019/20: £766k), being the cost of staff incurred by the Trust for activities undertaken by the company and received £289k in furlough income via the Trust from the government's job retention scheme (2019/20: £5k). There were no amounts due to the Trust from the company for the year ending 31 March 2021, under the deed of covenant with the Trust signed on 15 March 2017 (2019/20: £2,673k). All amounts owed between the Trust and the company are reflected in notes 13 and 14 of the accounts.

Ten trustees made contributions to the Trust during the year, totalling £67k (2019/20: £50k). Gifts were made to the One-to-One Patron scheme, the Young Talent fund (including via the 'Big Give' appeal) and under the Supporters' Court initiative, a membership group established to engage major donors.

The following related party expenditure transactions are stated inclusive of VAT.

Paul Goswell (Director) is a Member of Council of King's College which rents space at Somerset House. King's College paid Somerset House Trust £1,691k for rent and service charge. Somerset House Trust paid King's College £4k for utility charges (2019/20: King's College paid £1,601k for rent and service charge; £23k was paid to King's College for utility charges).

Monica Monajem (Director) is the Chief Executive of the Adonyeva Foundation, who have donated £147k during 2020/21 (2019/20: £240k).

Jonathan Reekie (member of the Executive Team) is a Director of Northbank BID Limited which rents office space at Somerset House. Northbank BID Limited paid Somerset House Trust £55k for rent and service charges, and £2k for miscellaneous charges (2019/20: £53k received for rent and service charges, £2k for room hire and £6k miscellaneous charges).

18 Charitable status

Somerset House is a charity registered under the Charities Act 2011 (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.

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

19 Capital commitments

Contracted and authorised capital commitments not provided for as at the year-end are as follows:

	Charity & Group	
	2020/21	2019/20
	£'000	£'000
Contracted and authorised at 1 April	42	1,896
Contracted and authorised commitments entered into during the course of the year and outstanding at the year end	400	42
Utilised during the year	(23)	(1,896)
Contracted and authorised at 31 March	419	42

20 Finance leases

Future minimum payments under finance leases are as follows:

	2020/21	2019/20
	£'000	£'000
<i>Within one year</i>	395	521
<i>In more than one year, but not more than five years</i>	654	806
<i>After five years</i>	-	-
Total gross payments	1,049	1,327
Future financing charges	(53)	(68)
Finance lease liability	996	1,259

21 Bank Loan

Future minimum bank loan payments are as follows:

	2020/21	2019/20
	£'000	£'000
<i>Within one year</i>	372	-
<i>In more than one year, but not more than five years</i>	4,260	-
<i>After five years</i>	673	-
Total gross payments	5,305	-
Future financing charges	(305)	-
Bank loan liability	5,000	-

Somerset House Trust

Notes to the financial statements

For the year ended 31 March 2021

22 Operating lessor

The Trust has future minimum lease receivables under non-cancellable operating leases and operating leases with break clauses less than or equal to one year, as a lessor, as follows:

	2020/21	2019/20
	£'000	£'000
Receipts due	20,129	21,843
<i>Within one year</i>	4,620	5,980
<i>In more than one year, but not more than five years</i>	5,536	5,437
<i>After five years</i>	9,973	10,426

23 Net cash / (debt) reconciliation

	At 1st April 2020	Cash flows	At 31st March 2021
	£'000	£'000	£'000
Cash at bank and in hand	8,035	5,697	13,732
Obligations under finance leases (note 20)	(1,259)	263	(996)
Obligations under bank loans (note 21)	-	(5,000)	(5,000)
Net cash	6,776	961	7,737

Obligations under bank loans: during the year the group entered into a new bank loan with CBILS. There are no restrictions over the use of the cash and cash equivalent balances which comprises cash at bank and in hand.

Somerset House Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Notes	Unrestricted funds		Restricted funds	Total	Total
		General	Designated	funds	2019/20	2018/19
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	51	-	1,022	1,073	794
Charitable activities						
<i>Property management and conservation</i>		2,358	-	256	2,614	2,394
<i>Cultural and public events</i>		4,406	-	-	4,406	4,408
<i>Public education and communication</i>		27	-	-	27	39
<i>Rental income</i>		7,329	-	-	7,329	7,170
Other trading activities						
<i>Concessions and venue hire</i>		3,354	-	-	3,354	3,348
<i>Merchandise income</i>		419	-	-	419	893
<i>Sponsorship and corporate membership</i>		1,156	-	-	1,156	768
Investments		18	-	-	18	10
Other Income		8	-	-	8	-
Total income		19,126	-	1,278	20,404	19,824
Expenditure on:						
Raising funds	3	370		6	376	216
Charitable activities						
<i>Property management and conservation</i>		6,854	2,459	359	9,672	8,711
<i>Cultural and public events</i>		5,990	64	356	6,410	5,532
<i>Public education and communication</i>		1,987	-	114	2,101	1,933
<i>Rental costs</i>		430	556	-	986	1,030
Other trading activities						
<i>Concessions and venue hire</i>		1,570	-	-	1,570	1,434
<i>Merchandise costs</i>		512	-	-	512	761
<i>Sponsorship costs</i>		98	-	-	98	23
Total expenditure	3,4,5,6	17,811	3,079	835	21,725	19,640
Tax (credit) / charge on deficit	7	39	-	-	39	-
Net income/ (expenditure)	8	1,276	(3,079)	443	(1,360)	184
Transfers between funds	16	(2,396)	2,872	(476)	-	-
Net movement in funds		(1,120)	(207)	(33)	(1,360)	184
Fund balances brought forward at 1 April 2019	16	2,795	80,640	203	83,638	83,454
Fund balances carried forward at 31 March 2020		1,675	80,433	170	82,278	83,638
<i>Prior period reconciliation of funds</i>						
<i>Fund balances brought forward at 1 April 2018</i>		774	82,542	138	83,454	
<i>Net movement in funds</i>		2,021	(1,902)	65	184	
<i>Fund balances carried forward at 31 March 2019</i>		2,795	80,640	203	83,638	

Somerset House Trust

Consolidated and charity balance sheet

For the year ended 31 March 2021

Consolidated balance sheet for the year ended 31 March 2020

	Unrestricted funds £	Restricted funds £	Total 2019/20 £	Total 2018/19 £
Tangible fixed assets	80,433	-	80,433	80,639
Net current assets	2,446	170	2,616	4,249
Creditors: amounts falling due after more than one year	(771)	-	(771)	(1,250)
Net assets	82,108	170	82,278	83,638

The funds of the group:

General funds	1,675	-	1,675	2,795
Designated fixed asset reserve	80,433	-	80,433	80,640
Restricted reserves	-	170	170	203
Total funds	82,108	170	82,278	83,638

Charity balance sheet for the year ended 31 March 2020

	Unrestricted funds £	Restricted funds £	Total 2019/20 £	Total 2018/19 £
Tangible fixed assets	80,433	-	80,433	80,640
Net current assets	2,328	170	2,498	4,238
Creditors: amounts falling due after more than one year	(771)	-	(771)	(1,250)
Net assets	81,990	170	82,160	83,628

The funds of the charity:

General funds	1,557	-	1,557	2,785
Designated fixed asset reserve	80,433	-	80,433	80,640
Restricted reserves	-	170	170	203
Total charity funds	81,990	170	82,160	83,628