

**The Corporation
of the Hall of
Arts and Sciences**

**Annual Report and
Consolidated Accounts**

31 December 2023
Charity Registration Number 254543

Elected Council members:*President*

Ian McCulloch

Honorary Treasurer & Vice President

Stuart Newey MBA FCBI (Vice President from 6 July 2023)

Vice President

Leon Baroukh MA CFA

Vice President

Linda Craig

Vice President

James Max BSc Hons SFDR MRICS

Peter B M Lim FCA MBA

Nigel Hamway

Dr Monica Bloch PhD

Harry Handelsman

Thomas Borwick

Robert Lipson

Stephen Brandon MA MBA CEng

Iain McNay

Lucinda Case

Anthony Ratcliffe FRICS FRSA

John Cooper FCA CTA

Mark T Schnebli FlntD FBIM (Vice President until 6 July 2023)

Lauren Ekon

Robert Shennan (appointed 1 February 2024)

Michael Jackson MA FCA (resigned from Council 17 January 2023)

The Hon. Alice Walpole OBE MA (Cantab) (elected at AGM held 18 May 2023)

Appointed Council members:

Richard Harrington, Baron Harrington of Watford

(Appointed by the Secretary of State for Digital, Culture, Media and Sport)

Jim Eyre OBE BA(Hons) AA Dip Arch RIBA

(Appointed by the Royal Commission for the Exhibition of 1851)

Sir Michael Dixon BSc (Sp Hons) ARCS MA (Oxon) DPhil DSc FCGI DL

(Appointed by the Trustees of the Natural History Museum)

Kevin Porter BA MA HonRCM

(Appointed by the Council of the Royal College of Music)

Appointment by Imperial College – vacant

Secretary to the Corporation

Susan Gent

Honorary Vice Presidents

C P Fairweather FCA

Anthony Travis BA (Hons)

H Gould OBE JP BA DL FCA

Executive*Chief Executive*

Dan Freeman (acting CE until 9 May 2023)

James Ainscough OBE (CE from 9 May 2023)

Chief Operating Officer

Dan Freeman

Director of Finance & Administration

Joanna Knowles (Interim Director of Finance until 28 April 2023)

Director of Programming & Engagement

Matt Todd (acting Director until 31 December 2023)

Director of External Affairs (retitled Director of Audience from 1 January 2024)

Louise Halliday

Director of Buildings & Facilities

Neal Hockley (acting Director until 31 December 2023)

Director of People & Culture

Nigel Wilson (acting Director until 1 January 2024)

Director of Development

Darranda Rowsell

None of the members of the Executive Team are Directors of the Corporation under the Companies Act 2006

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Auditors

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Solicitors

Bates Wells Braithwaite LLP

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Charity registration number 254543

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Report of the Council Year to 31 December 2023

Report of the Council Year to 31 December 2023

The Council presents its statutory report together with the consolidated accounts of the Corporation of the Hall of Arts and Sciences ("the Corporation" or "the Hall") for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 50 to 56 of the attached accounts and the provisions of the Corporation's Constitution, namely its Royal Charters and the Royal Albert Hall Act 1966, applicable laws and the requirements of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Information on structure, governance and management, including details of the Hall's constitution, Members (or Seatholders), Council responsibilities, organisational structure and risk management are provided under Structure, Governance and Management on pages 23 to 42.

Charitable Objectives

Since 1871, the Royal Albert Hall's purpose has been to promote the Arts and Sciences as well as to maintain our Grade I listed building, held in trust for the nation.

The charity achieves these charitable objectives by:

- hosting up to 400 performances each year in the main auditorium and hundreds more performances, events, exhibitions and workshops elsewhere inside and outside the building which, together with guided tours, attract around 1.7 million visitors a year; and
- utilising the financial surpluses generated by these charitable activities and associated trading activities, plus financial support from philanthropists and the Hall's Members or Seatholders, to support:
 - an Engagement programme which aims to change lives through music of people of all ages and backgrounds who wouldn't otherwise get the opportunity; and
 - a multi-million pound rolling programme of planned maintenance and building projects to preserve and enhance the Grade I listed building.

The report of the Council sets out how these charitable objectives have been met in the year, the financial results and implications for the charity from this activity and what the charity expects to achieve in the following year. This structure has been retained for 2023.

Overview

Since we opened our doors in 1871, the Royal Albert Hall has been home to the world's leading figures in music, entertainment, dance and debate. From Elgar to Ella, the Beatles to Adele, the Suffragettes to Churchill... icons grace our stage.

A charity known and loved across the globe, we are home to dreams and determination, contemplation and celebration – bringing people together to lift their spirits and inspire. Every year nearly two million people enjoy unforgettable experiences in our spectacular building, with millions more joining us online and through broadcast worldwide.

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We are home to the future-famous – working tirelessly to enable talent to thrive. We embrace change as well as tradition, inviting the new, the radical and the bold. We are open to all, a committed force for good, connecting people and communities.

We are the Royal Albert Hall – the home of breathtaking moments and lasting memories, for everyone.

Together, we create the amazing.

Originally the brainchild of Prince Albert as part of his master plan for the entire Albertopolis site, and set up by Royal Charter, the Hall is one of the world's best-loved and busiest performance venues. The Hall is held in trust for the nation, and unlike many other venues, operates without any recurrent government funding. It generates revenue from three key sources:

- revenue from its operational activities
- the Members' annual contribution
- funds raised through philanthropy

In recent years, other than in years affected by the pandemic, the Hall has produced an annual surplus, all of which is reinvested in our charitable purposes.

The new Executive Team developed four Strategic Objectives for the charity:

- **To diversify and develop** our programme, audiences and engagement activities
- **To strengthen** our finances and operational resilience
- **To enhance** the experience in a modernised Victorian venue
- **To nurture** a talented and engaged team

We also have four ethical principles which lie at the heart of decision-making:

- Equality, Diversity and Inclusion
- Accessibility
- Sustainability
- Health and Safety, Safeguarding and Wellbeing

Within these strategic objectives and principles, our focus on public benefit is clear. We have been continuing to focus on our Engagement work, changing lives through music, and on preserving and enhancing the Grade I-listed building.

The direction and control of the Corporation is determined by its Council who ensure that the charity continues to develop plans to meet its charitable objects. Members of Council, as the charity Trustees, confirm that they have complied with the requirements set out in the Charities Act 2011 having due regard to the Charity Commission's published general guidance on public benefit. The Hall's charitable objectives, and the manner in which these are pursued, are set out in summary form on page 4. A detailed explanation of how these objectives have been achieved in 2023 is set out in the following section.

REVIEW OF 2023

The Royal Albert Hall's achievements for 2023 are set out below and correspond to our charitable objectives outlined above.

DIVERSIFYING AND DEVELOPING OUR PROGRAMME, AUDIENCE AND ENGAGEMENT ACTIVITIES

Performances and events

In 2023, we had 379 events in the auditorium, with an average attendance of 84%. Overall, we issued 1.7 million tickets in 2023, including three-quarters of a million tickets for orchestral and classical performances.

While the core programme including Cirque du Soleil, the Teenage Cancer Trust week, the BBC Proms and the Christmas season remained, the focus of 2023 has been on diversifying artists and audiences while filling the auditorium.

In 2023, performances from the likes of Cleo Sol, Loyle Carner, Digga D, the Composers, and Ezra Collective, own promotes with Machine Gun Kelly, the 75th anniversary celebration of Windrush with Trevor Nelson, Angelique Kidjo, and Gospel Messiah are all indicative of the changes to the programme which support our audience development plan. We had 24 headline acts aged 35 and under and 43 performances from headliners from minorities – exceeding our target figures.

Televised performances of the BBC Proms, Royal British Legion's Festival of Remembrance and Royal Variety Performance have all become regular features in the calendar, but in 2023 we also hosted *An Audience with Kylie*, which was televised on ITV, and RAYE, which was broadcast on BBC1.

The regular programme included Mountbatten Festival of Music (attended by King Charles III in his first visit to the Hall as Monarch), the Olivier Awards and a host of stars including John Legend, Tori Amos, Gregory Porter, De La Soul, The Vamps, Asa, James Bay, Sparks, and RuPaul's Drag Race. We welcomed English National Ballet back to the Hall with their critically acclaimed production of *Cinderella* in-the-round, and spoken word was represented by repeat visits from *The Rest is Politics* and *Letters Live*. In a last-minute addition to the autumn programme, two concerts from Ed Sheeran saw packed houses.

Post-performance audience surveys gave the Hall an average Net Promoter Score of 72 (the average Net Promoter Scores for B2C industries range from 9 to 74). Over the year we had an 87% 'Excellent' rating for quality of performance. The Christmas season was particularly strong, with our Christmas season achieving an average NPS of 92 and 92% 'Excellent' quality of performance. Commercially and artistically, the Christmas season was stellar.

Beyond the Main Stage

Beyond the Main Stage activity continued its varied programme, with well-attended performances throughout the year and an opportunity to showcase younger and more diverse talent.

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Classical Coffee Mornings continued to prove popular. We also hosted *Through the Noise*, with violinist Braimah Kanneh-Mason – presenting classical music in a club environment. Our partnerships included the Donne Foundation (promoting women in music) and Classic Album Sunday celebrating National Album Week and our Steinway series featured concerts with pianists including Chad Lawson, Karim Kamar and Allysha Joy.

Allysha's performance was also part of our Late Night Jazz programme which included performances from artists including Rosie Charles, Collectiva and a special Relaxed concert by Indira Roman & Aji Pa'ti with Gig Buddies. Guy Barker and Julian Joseph each hosted a dinner jazz evening, sharing anecdotes from their extraordinary careers.

Nitin Sawhney's Journeys Festival included a photography exhibition, Journeys through Food and performances by sitarist Jasdeep Singh and cellist, singer and composer Ayanna Whitter-Johnson. Photographer Annabel Moeller presented her work in an exhibition *Friends to Frontiers* which ran in September/October.

The Highways Festival in April had a corridor exhibition, daytime concerts in the Elgar followed by late night performances in both the Elgar and Kensington Garden Bar. Late-night events also took place after Roisin Murphy, Windrush 75 and UB40.

The family programme featured half-term performances of the theatre show *I Want My Hat Back*, and the popular family rave Fun DMC returned to the Elgar Room in June. Christmas featured performances of *The Snowman*. Yoga with Live Music in the Elgar Room has been popular, with additional events planned across the rest of the year due to demand.

Outside the Hall, we hosted Open Iftar on the South steps, a guest stage at The Great Escape festival in Brighton in May, and the main stage at the Great Exhibition Road Festival in June, featuring a range of jazz, hip hop and folk artists, including Future Makers winner Elye Cuthbertson, and of course, Albert's Band. Elye also performed a showcase concert in the Elgar Room in September.

In November, we hosted a dinner in Coda celebrating black and brown excellence. An evening curated by Associate Artist LionHeart invited creatives and industry professionals to network and expand our thinking – a fabulous opportunity to make new friends and develop broader relationships.

Engagement

2023 saw the first workshop of a new project, *Rhythms* – a pilot project offering a series of 10 participatory music workshops for a group of young mums (aged 17-20) and their babies. The project was a collaboration with the specialist perinatal mental health charity MumsAid and was an exclusive offer for a group of young mums who are supported through YoungMumsAid.

We hosted a Sensory Experience, which allowed students to engage with a range of sensory stimuli around the Hall's spaces, through immersive storytelling and live music.

27 June in the auditorium saw the culmination of an epic music engagement project two years in the planning, *Music Makes Me*, as part of our strategic partnership with the Tri-borough Music Hub. Over 1,000 pupils from schools in Hammersmith & Fulham, Kensington & Chelsea, and Westminster performed a new work by Emily Stratford and

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Gabriel Krchnavek with original songs co-designed by young people with special educational needs.

Music Makes Me celebrated the importance of music as a universal communicator and as a tool to give young people a voice, presenting a day in the life of a neuro-divergent young person. *Music Makes Me* truly showed how music is for all and demonstrates our charitable commitment to developing music and performance – as well as our role in supporting music education in its widest sense.

We hosted the Cultural Inclusion Manifesto Symposium and events, performances and workshops as part of the West London Inclusive Arts Festival. We delivered *Give it a Go!*, our careers programme for young people with Special Educational Needs focussing on exploring careers within the live events industry.

We welcomed our new Young Producers, 18-25 year-olds who are busy organising and curating their new event, due to take place in and around the Elgar Room on 13 April 2024.

October featured our second Future Makers event in the auditorium, inviting young and talented performers to take part in a talent competition, watched by school children. This year's event was won by singer-songwriter, Amity and we look forward to supporting him over the coming 12 months.

On Friday 24 November, we launched our new project for schools, *Performance. Architecture. Design*. Inspired by Associate Artist LionHeart and working alongside architects the Grimshaw Foundation, the project brings together 160 students from 8 London secondary schools to design and build their own performance spaces. Fellow Associate Artists Anna Lapwood, Jess Gillam and Corey Baker all contributed with thoughts and advice on how they interact with their performance environment.

Digital and Physical Audiences

We welcomed 1.7 million ticketed visitors to the Hall, and there were 12 million visits to royalalberthall.com in 2023, an increase of 21% over 2022. We have seen an 11% growth across our digital channels in 2023, gaining 75,000 followers and over 7.2 million engagements across the year. Nearly a million people watched the First Night of the Proms, BBC Proms content reached 3.2 million on TV during the opening weekend, 3.5 million people watched the Last Night of the Proms on BBC One and there were 16 million video views online across the season. The 2023 Laurence Olivier Awards were hosted by Hannah Waddingham and broadcast on ITV and Magic radio. Combined with the broadcasts of RAYE, An Audience with Kylie, the Royal Variety Performance, the Royal British Legion's Festival of Remembrance, these broadcasts reach huge audiences, free of charge, and help to develop the Hall's reputation as the home of national celebration and commemoration for everyone.

A collaboration with James Cook Art resulted in an Instagram Reel with over 1.2 million likes and almost 20 million views. Our Associate Artist Anna Lapwood, who was named one of TikTok's Breakthrough Artists of 2023, continues to be an advocate for the Hall. A post of her performing with Ministry of Sound has over 7 million views and over 900,000 likes and a post of her performing with RAYE, one of top female headlines of 2023, has been viewed over 2 million times and has over 300,000 likes on TikTok.

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Our email newsletter list has increased 8.4% in 2023 from 838,927 recipients to 909,580, directly generating income of over £2.7 million.

Our audience development plan has the objective to adapt our culture, programme, communication and visitor experience to attract and cater for more diverse people so that by the end of 2026 the demographics of our audience, artists and staff represent the London population.

As part of our audience development plan, we worked with more than 50 influencers, each with a reach of 10-100 million on social media. We ran an advertising campaign #BetterIRL showcasing the experience of gigs at the Hall such as RAYE and Digga D, and, combined this with influencer content to reach 6 million new audiences.

We launched a mutual conduct code, included in all pre-show emails, to encourage audiences to act in ways that create a welcoming and inclusive environment, and we are working to achieve our Attitude is Everything Silver Standard Award for access.

During the year, the Hall's archive has been saved from flooding and preserved in a £1m rescue operation, with storage and workspace in the building. The collection includes a trumpet from the Hall's opening ceremony 152 years ago and a programme designed by Pablo Picasso. The archive spans the Hall's history since its inception in the 1850s and consists of tens of thousands of items.

The archive had been stored in four different locations across the building, with the basement store repeatedly flooding and threatening to destroy some of the artefacts. The collection is now housed in a fireproof climate-controlled studio with a new reading room, and is open to historians, researchers and the public by appointment.

STRENGTHENING OUR FINANCES AND OPERATIONAL RESILIENCE

We finished 2023 significantly ahead of current Business Plan financial targets. The business model is demonstrably working well and the Hall's recovery from the shock of Covid continues apace. However, we continue to hold the £20.7m loan from the Culture Recovery Fund, which will be repaid over the coming years, and are only just commencing the rebuilding of our reserves.

Philanthropy remains at the heart of all that we do at the Royal Albert Hall. Our supporters and audiences continue to respond incredibly generously to help secure the future of the Hall and to this end we raised £3.1m in philanthropic donations across the year. We are very grateful to our Members, Honorary Fellows, Major Donors, Trusts, Patrons, Friends and Philanthropy Board who supported us during 2023.

Some of the notable achievements include a successful £0.9m appeal for our new Archive space and growing our Friends & Patrons Scheme which generated £0.9m during the year.

After rental, ticket commission, and show related income, commercial income is the next biggest contributor to operating income. Catering commission in 2023 was £4.3m and other show-related income (including lighting and sound) contributed £4.4m. The Recovery / Restoration Levy of £2 per ticket contributed £1.5m and the Members of the Charity, or Seatholders, contributed £2.5m through the seat rate (£1.7m net after the payment of their rebate of £0.7 for performances from which they are Excluded).

We introduced dynamic pricing in 2019, and in 2023 this generated a £925k uplift on income compared with original face value. We introduced Booking Protect – ticket protection for customers giving them the opportunity to apply for a full refund in case of injury, accidents, pregnancy, transport failure, bad weather etc – which generated £313k income for the charity in the year.

On Monday 28 November 2022, the Royal Albert Hall's Trustees deposited in Parliament a Bill which formalises the process by which, for over a decade, seatholding Members have agreed a different access to their seats than set out in Section 14 of the Royal Albert Hall Act 1966. The Bill also removes a six-year cap on the seat rate payable by Seatholders, introduces a 75% threshold for approval of the annual seat rate, and contained a clause which would authorise the sale of additional seats in Grand Tier boxes which has subsequently been removed as of March 2024. The Bill received its second reading on 19 October 2023 in the House of Lords, sponsored by Lord Harrington of Watford, who is the DCMS appointed member of the Hall's Council of Trustees. There was some criticism from the Lords, predominantly about governance matters that are not addressed in the Bill, but nonetheless the Bill has now continued to Committee stage.

ENHANCING THE EXPERIENCE IN A MODERNISED VICTORIAN VENUE

In the year, we created an Estate Plan which provides a framework and sequencing for over 100 capital and maintenance projects in the Grade I listed building that will enable us to fulfil our charitable strategic objectives and give us a platform from which to be a dynamic force for good in the cultural life of the nation.

Our commitment to sustainability is one of our central principles. We have a Carbon Management Plan and completed a Carbon Strategy Report in December 2023. The strategy runs until 2028, has been aligned with the Estate Plan and we have identified policies and procedures that will ensure that the Hall is as sustainable as possible. A new Sustainability Manager will drive the strategy with our provisional net zero target being 2040. We will continue to work with our neighbours in the Exhibition Road Cultural Group to reduce our emissions, including on the South Ken ZEN+ (Zero Emissions Neighbourhood) plans.

Project spend in 2023 was limited to essential projects, following the impact of the pandemic on the Hall's finances and as we developed the Estate Plan. Essential works that were undertaken during 2023 included roof glazing; critical plant replacement; plaster repairs; CCTV replacement; main arena lift and control system replacement; and house lights LED upgrade. All of these projects allowed the Hall to welcome audiences and artists to a safe and efficient building.

We also spent £0.9m (all funded by philanthropy) creating the new Archive space – a fireproof climate-controlled studio with a reading room, housing the entire collection in a single location for the first time. This space gives confidence that the Hall's unparalleled history of performance is safe and accessible for future generations.

The Hall requires extensive day-to-day care. In the September maintenance week alone, we saw 746 contractors onsite across the six days. There were 465 air filters replaced, 90 air conditioning and heating units serviced, 105 litres of paint used, 187 electrical circuits tested, 114 speakers de-rigged, tested, cleaned and re-rigged, 1km of speaker cable de-rigged, tested and re-rigged, 50 timber boards replaced on stage surface, 80x houselights

replaced with new LED units, 80 chain hoists examined - equates to 3.6km (2.25 miles) of chain, and a quarter of the acoustic mushrooms lowered for repairs, cleaning or inspection. Four new permanent additions have joined our 152-year-old Grade I listed building. Two-metre bronze figures of Queen Elizabeth II and Prince Philip, Duke of Edinburgh created by artist Poppy Field, were unveiled by Their Majesties The King and Queen when they attended the Festival of Remembrance. In addition to these, Portland stone sculptures of Queen Victoria and Prince Albert, created by Tom Brown, Tom Nicholls, Josh Locksmith and Sam Lee of London Stone Carving, were unveiled in the North Porch in the week prior.

Generous donations from The David Brownlow Charitable Foundation and Exilarch's Foundation enabled us to commission these sculptures created by scholars from the Queen Elizabeth Scholarship Trust.

NURTURING A TALENTED AND ENGAGED TEAM

Following major change in the Hall's Executive team in 2022, with the departure of Director of Building and Operations, Director of Finance and Administration, Artistic Director, Director of Visitor Experience and the CEO, 2023 was a year of transition. COO Dan Freeman, who had joined the Hall in June 2022, stepped up as acting CEO until the new CEO, James Ainscough OBE, joined in May 2023.

Despite these changes, the depth of quality in the staff team was demonstrated as the team showed ambition and drive to achieve the charity's objectives, and many were able to take the opportunity to step up.

In 2023, significant efforts were made to revitalise the EDI committee, uniting EDI Champions (staff representatives) and Senior Managers responsible for Equity, Diversity and Inclusion initiatives. This collaborative approach aims to strengthen support for staff and ensure the effective delivery of EDI commitments, particularly in areas of accessibility, programme diversity and staff representation. We also commissioned a comprehensive training programme for our EDI Champions as they can sometimes be the first point of contact for employees.

We participated in recruitment fairs within our local area, resulting in over 1,000 people signing up for job alerts. Additionally, our EDI data now covers 61% of our workforce. In recognition of the diversity of London we benchmarked the EDI data of our staff with the London 2022 census data. It showed that in some areas we have a more diverse workforce (sexual orientation) and in other areas we have more work to do (ethnicity) to better reflect the profile of London residents.

The Hall's active Wellbeing Committee and Wellbeing Network continued to run a full programme of events and communications throughout the year and trained and supported Mental Health First Aiders from the staff body.

We began work on an apprenticeship strategy which will ensure that apprenticeships are aligned with our business goals and recruiting into any skills gaps, with an emphasis on reaching those in London who might otherwise struggle to find opportunities within the music industry.

A series of workshops addressing people management issues were delivered, reaching 74% of our middle managers. In 2023, 11 employees were promoted internally, this is

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significantly more than in previous years and demonstrates our ongoing commitment to nurture and retain talented staff.

During this period we have created a central dedicated learning and development role and adapted the 2023 progress review process to focus more on development and training.

We remain committed to differentiating ourselves through a comprehensive pay structure development in 2024 and continuing to adhere to our London Living Wage commitments. In 2023, we paid a bonus for the first time in three years, relating to 2022 performance, and our pay award was 5%. In recognition of the value staff place on their personal wellbeing, we also engaged with our Staff Forum to introduce the option to buy and sell annual leave.

The Hall ranked in the upper quartile for the first time in our staff survey history. This was particularly significant given that the external trends around employee engagement pointed to a downward shift. In partnership with Mind, Mental Health Awareness Training was delivered to our line managers.

The initiatives undertaken in 2023 reflect our dedication to creating a workplace that values diversity, promotes inclusion, and prioritises the wellbeing and professional growth of our employees.

Energy and emissions report

The data in this document shows the Royal Albert Hall's energy usage from 1 January 2023 to 31 December 2023. This is the second full year that the Hall has been open at full capacity since 2019. The Hall was reopened to reduced capacity on 29 May 2021 and to full capacity on 19 July 2021 following the lifting of government restrictions. The impact of closure and subsequent reopening is reflected within the 2021 data in this report and is reflected in the increase in electricity consumption in 2022. However, emission levels have decreased during this reporting year, demonstrating the Hall's progress towards effectively managing gas, electricity, and water consumption.

Electricity consumption data for the reporting year has been collated from invoicing data from Drax and was provided by the Hall.

Gas consumption data for the same period has been provided from invoicing data from Total Energies for the main plant meter and from Brook Green invoices for the meter serving the restaurants.

Summary

	2023	2022	2021	2016 Baseline
Energy consumption used to calculate emissions in kWh	Electricity 5,154,767 kWh	Electricity 5,498,290 kWh	Electricity 4,186,296 kWh	Electricity 5,443,803 kWh
	Gas 4,276,840 kWh	Gas 4,719,574 kWh	Gas 4,729,671 kWh	Gas 5,110,376 kWh
i) Emissions from combustion of gas tCO ₂ e (Scope 1)	782	862	866	940
ii) Emissions from purchased electricity tCO ₂ e (Scope 2, location based)	1,067	1,063	889	2,243
iii) Emissions from water supply and treatment tCO ₂ e (Scope 3)	12	N/A	N/A	N/A
Total gross CO ₂ e based on above (tCO ₂ e)	1,862	1,925	1,755	3,183
iii) Intensity ratio: tCO ₂ e gross figure based on mandatory fields (tCO ₂ e/m ²)	0.062	0.064	0.058	0.106

Methodology

i) Emissions from combustion of gas tCO ₂ e (Scope 1)	tCO ₂ e calculated from the product of the gas consumption in kWh during the reporting period and the UK Government GHG Conversion Factors for Company Reporting 2023 for 'Fuels, Natural Gas, kWh (Gross CV)'.
ii) Emissions from purchased electricity tCO ₂ e (Scope 2, location based)	tCO ₂ e calculated from the product of the electricity consumption in kWh during the reporting period and the UK Government GHG Conversion Factors for Company Reporting 2023 for 'UK Electricity, Electricity Generated, UK'
iii) Emissions from water supply and treatment tCO ₂ e (Scope 3)	tCO ₂ e calculated from the product of the electricity consumption in kWh during the reporting period and the UK Government GHG Conversion Factors for Company Reporting 2023 for 'Water Supply, Cubic Meters' and 'Water Treatment, Cubic Meters'.
iii) Intensity ratio: tCO ₂ e gross figure based on mandatory fields	The intensity ratio stated above has been calculated as tonnes of carbon dioxide equivalent per total square metres of property owned (30,077m ²)

Energy efficiency

During 2023, the Hall has engaged in a number of energy efficiency measures and investigations in order to reduce consumption and subsequent carbon emissions, including:

- The replacement of over 400 lights with energy efficient LED bulbs
- Investment in plant replacement upgrades
- Investment in BMS optimisation
- Creation of Green Riders for incoming production companies
- Creation of a Carbon Strategy Report 2023-2028

Financial review

The Royal Albert Hall made another great stride in 2023 in its recovery from the impact of the Covid-19 pandemic and subsequent lockdowns and closures throughout 2020 and 2021. The Hall is up and running again and had an uninterrupted programme of events on the stage in 2023 and a full programme of events booked for 2024.

£54.4m of income was generated in 2023 (2022: £43.3m) from performances, commercial activity, bank interest and philanthropic support. With total expenditure of £42.7m (2022: £36.7m), this resulted in a return to surplus of £11.7m for the year (2022: £6.6m).

During Covid, the Hall exhausted all of the reserves it had built up over many years as income was severely impacted, but costs still needed to be incurred to maintain the Hall for the long-term. We are grateful to the DCMS and Arts Council England for their support in 2021 in providing a £20.7m loan, without which we would have had insufficient operating cash flow to re-open the Hall and progress the backlog of essential maintenance projects required to preserve and maintain our Grade I listed building.

Following on from a positive 2022, an operating surplus was also generated in 2023. Our general fund shows a surplus of £0.7m (2022: deficit £0.4m) with a further £7.5m designated in other non-asset based funds. Our priority now is to generate annual surpluses over the coming years which are sufficient to both continue rebuilding reserves and enable repayment of the loan.

Event income and expenditure

Event income in 2023 was £46.7m, an increase of £8.7m on the £38.0m achieved in 2022. Rental and ticket commission was £32.3m, an increase of 21% from 2022 (2022: £26.7m).

Other event income was up to £6.6m for the year (2022: £5.6m): catering income up by 48%, income from corporate partnerships by 25% and other income, which includes items such as ticket booking fees and merchandise sales, by 18%.

At £32.2m event expenditure was up £4.5m, an increase of 16% (2022: £27.7m). Direct show costs include show management, production, programming, ticketing and visitor services, and accounted for £21.7m of total expenditure this year (2022: £18.8m), up £2.9m or 15% on the prior year. Support costs were £10.4m (2022: £8.9m), up 17% on the prior year.

Event profits continued to generate a surplus, with event income running £14.5m ahead of event expenditure, an increase of 42% on the prior year (2022: £10.2m).

Other income and expenditure

At £7.7m, other income was up 45% from the prior year (2022: £5.3m) mainly owing to an increase in interest from cash placed on deposit. Philanthropy remains at the heart of all that we do at the Royal Albert Hall. It represents a major source of income, generating £3.2m inclusive of gift aid (2022: £2.9m) and with plans for a significant uplift in this area in the coming years. Members' contribution through the seat rate plus other miscellaneous items added £2.5m to income (2022: £2.3m).

At £10.5m, other expenditure increased slightly on the prior year (2022: £9.0m). £4.1m (2022: £3.4m) was spent on building maintenance, refurbishment and improvements. A further £6.4m (2021: £5.6m) of other costs, including support costs, security, housekeeping, fundraising and other overheads, were incurred during the year.

Staff costs

Total costs for the year were £42.7m (2022: £36.6m). Staff costs, at £14.5m, made up 34% of this total, an increase of £1.7m or 13% over 2022. This reflects the Corporation's ongoing commitment to the London Living Wage, cost of living challenges and additional headcount to reflect increased activity in the Hall.

Loan

In March 2021, DCMS and Arts Council England funded the Hall with a £20.7m loan on a 20-year repayment term. The loan accrues interest at 2% over the life of the term which is added to the loan on the balance sheet, with an initial four-year repayment holiday. This loan and associated accrued interest remains on the Hall's balance sheet at its carrying value of £21.9m (2022: £21.5m).

Reserves

Total reserves held at 31 December 2023 were £62.4m (2022: £50.8m) of which £2.7m (2022: £2.6m) were restricted funds (note 21). The remaining £59.7m forms the Hall's unrestricted funds (note 22). After setting aside £51.5m in designated funds (2022: £48.6m), general funds improved over the year from a negative £0.4m at the end of 2022 to £0.7m.

The Hall's reserves are essential to fund ongoing operations, provide a contingency for unforeseen events, and to ensure that we adequately provide for long-term maintenance and improvement. In determining the appropriate level of funding for both designated funds and free reserves, the Council has adopted the reserves policy set out below:

- ◆ To retain a Fixed Asset Fund, comprising funds invested in fixed assets which allow the organisation to carry out its work. At 31 December 2023 the level of this reserve was £51.5m (2022: £48.6m).
- ◆ The Education & Outreach Fund has been renamed as The Engagement Fund to align the description more closely to its impact and type of activity. A value of £0.6m (2022: £nil) has been allocated to this fund to cover expenditure included in the 2024 budget.
- ◆ To provide for a Plant and Fabric Sinking Fund, so that the Hall has sufficient funds to meet the cost of major expenditure (to the extent that it is not capitalised under the Hall's tangible fixed asset policy) necessary to maintain the fabric of the building and to replace plant and equipment over the long term. There was no movement on this fund during the year and the balance remained at £nil. This fund will be merged with the fund below and renamed The Estate Plan Fund.

- ◆ To provide for a Major Building Development Fund to fund the Hall's Major Building Development programme. There was no movement on this fund during the year and the balance remained at £nil. This fund will be merged with the fund above and renamed The Estate Plan Fund.

The Estate Plan Fund currently has a balance of £nil.

- ◆ A Pension Fund of £1.5m (2022: £nil) has been established in 2023 as the Trustees continue to explore the opportunity of a buy out of the defined benefits pension (See note 24). This has been set aside to cover the cost and any associated fees within the next few years.
- ◆ Business Interruption Contingency Fund – when the Hall was required to close at the start of the Covid pandemic, our income was decimated but many of our costs remained. The building still needed to be maintained. And keeping the workforce together, where affordable, was vital to our ability to bounce back successfully when restrictions ended. Therefore, the Trustees believe it is prudent for the charity to hold a Business Interruption Contingency Fund, equivalent to 6 months of operating expenditure, to ensure the Hall can react proactively should a future scenario have a similar impact on the Hall's operations. In 2023 we were able to set aside £5.4m into this fund, which represents approximately 2.3 months of operating expenditure. We aim for this fund to be at full capacity within the next 3 years.
- ◆ Furthermore, due to £1.6m of project spend being rolled over from the previous financial year, an additional £0.7m has been allocated as a general/free reserve to cover the revised budgeted deficit in 2024.

Investment policy

The Hall's policy is to hold cash rather than investments to protect the Hall's assets from any losses that might otherwise arise. Cash investments are held to fund the Hall's long-term commitment to maintaining and developing the building and to ensure that the risk of unforeseen circumstances does not prevent the Hall from taking a long-term view when planning activities, including the Engagement programme.

At the balance sheet date, £38.1m of cash and £25.0m of short term cash deposits (shown as short term investments) (2021: £47.5m of cash) were held in current assets. This includes the £20.7m loan described above and an approximate £13.9m (2022: £11.0m) of cash held in respect to ticket sales for future performances hosted by third-parties which is held on their behalf and will be passed on to promoters in due course as part of the show settlement process. A further £2.7m of cash (2022: £2.6m) is held in restricted funds for spending on future projects as agreed with the donor. Investment income in the year of £2.0m (2022: £133k) was due to Trustee approval of moving additional cash into longer dated cash investments, taking advantage of the improved interest rates available throughout 2023. The Trustees are currently considering the investment strategy for 2024 and beyond.

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Pension fund

The Corporation has previously taken steps to limit future pension funding risk. The final salary section of the Scheme was closed to new entrants in 1997, and rates of contribution by the Corporation and its employees had been increased. To further alleviate funding difficulties, the benefits accruing to members of this section of the Scheme in respect of future service were reduced at the beginning of 2003, following consultation with active members of the Scheme, the Trustees and actuaries. Then, during 2014 the Corporation consulted with the 10 remaining active members of the Scheme, as a result of which they voluntarily transferred out of the Scheme into the Hall's Stakeholder scheme. Therefore as at 31 December 2014 the Scheme became a frozen scheme, meaning that from 2015 onwards no further benefits accrued to any of the members. For more information, please see note 24 of the accounts. The Trustees of the Corporation and the Pension continue to evaluate buyout options in 2024.

MAJOR OBJECTIVES FOR 2024

The Hall's major objectives for 2024 are set out below. Within our new structure of Mission, Vision, Values and Strategic Objectives, our decisions will be made with four Principles at their heart:

- Equality, Diversity and Inclusion
- Accessibility
- Sustainability
- Health and Safety, Safeguarding and Wellbeing

DIVERSIFYING AND DEVELOPING OUR PROGRAMME, AUDIENCE AND ENGAGEMENT ACTIVITIES

Performances and events

With our new vision of being the home of breathtaking moments and lasting memories, for everyone, we will continue to be the home of ceremony and celebration with key lynchpins of the programme intact – Cirque du Soleil from January to March, Teenage Cancer Trust performances (in Roger Daltrey's final year as curator, including Noel Gallagher's High Flying Birds, the Young Fathers and the Chemical Brothers), the BBC Proms (in David Pickard's final year as Director) and the Christmas season.

We also have Classic FM Live, Mountbatten Festival of Music in March, Festival of Remembrance and Royal Variety Performance in November; Schools' events, supporting talent development and opportunity, graduation ceremonies and heritage acts including Eric Clapton, 10CC, the Stranglers, Gipsy Kings, Zucchero; Joe Bonamassa, Dave Matthews Band and Bryan Adams. Female headliners include Gladys Knight, The Blaze, Jordan Rakei, Beverley Knight and hit podcast *The Girls' Bathroom*. *Letters Live* will be presented with the Women's Prize Trust on 6 March for International Women's Day.

We have the A-Z of classical experiences – from Abbaphonic to Zimmer v Williams. Orchestral events to introduce younger audiences to orchestral music include Ministry of Sound Classical, DJ Spooney's Garage Classical, *Distant Worlds Final Fantasy* and *Elden Ring* (gaming scores). On the same theme, our immensely popular Films in Concert series continues with titles including *Indiana Jones*, *Ghostbusters*, *Lord of the Rings* and *Top Gun: Maverick*.

Ballet returns with the epic *Swan Lake* in-the-round in June, and *Nutcracker* between Christmas and New Year, after a year's break.

Our targets for 2024 are to have more younger and ethnically diverse headline acts than in 2023 – at least 10 headline artists under the age of 35, and at least 15 headline artists from minority ethnic backgrounds.

Beyond the Main Stage

The Beyond the Main Stage programme will lead the way in promoting new artists and audiences at the Hall, keeping an equal gender balance and the ethnic diversity of artists in line with the make-up of London more widely.

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This future-focussed engine for artistic expression at the Hall exists to invite and inspire new artists and audiences to the Hall through a diverse, inclusive, accessible and forward-looking programme of events.

During 2024 the BTMS team will continue to develop and diversify the Hall's audiences through programming innovative and inspiring events. We simultaneously support and nurture up-and-coming artists, giving performance opportunities and acting as a home for new voices.

Notable events in 2024 include:

- Unstoppable Voices – providing a platform for a diverse mix of emerging artists and new cultural perspectives. This will include a ticket offer for Under 25s, and guest curation throughout the season.
- Late Night Jazz – pushing boundaries with young up-and-coming artists such as Epiphany 3, as well as Relaxed events
- Song Queen: A Pidgin Opera – by Helen Epega, a dynamic Nigerian-British composer, performer, and visual artist, offering a unique, multicultural experience presented through an Afro-Futuristic lens.
- Steinway Series – featuring Alexandra Stréliski, a major artist in the alternative classical space, and a trailblazing woman in the modern classical world.
- Income will be generated through ticket sales, although overall we are projecting a net spend of £94k in the 2024 budget to support artistic projects and free initiatives.

These events make a central contribution to the diversity and development of our audience.

Engagement

The programme is divided into three main strands of activity:

- Engaging with Music
- Supporting Communities
- Discovering Careers

Notable projects and initiatives for 2024 include:

- Increased Sensory Access programme for students with Special Educational Needs
- *Performance. Architecture. Design.* – a year-long programme that will see 160 students from eight London secondary schools engage in a programme of work that explores the architecture of performance spaces, inspired by the Royal Albert Hall and its four Associate Artists.
- Future Makers – an annual showcase concert featuring talented young musicians performing their original compositions to an audience of schoolchildren, with the winning act receiving a year of support from the Hall to develop their musical journey.
- RAH Creatives – a new monthly group for adults (aged 18+) with, or who are seeking a diagnosis of autism to explore creative activities, develop skills, share ideas and socialise in a non-judgemental and supportive environment.

Digital and Physical Audiences

In 2024 we will continue to listen to audiences through insight and research; promote events primarily through our digital channels and paid for promotion including broadcast

and outdoor; seek press coverage of all our activities including events, engagement, hospitality and daytime; and enhance the Royal Albert Hall's brand and reputation.

Specifically in 2024, we will be focusing on achieving the objectives of our Audience Development strategy, ensuring the Hall is genuinely the home of breathtaking moments and lasting memories, for everyone. With the introduction of an Access Officer, our focus will be on ensuring that our Grade I listed building is as accessible as possible.

We will also be creating a content and video strategy and maximising the use of video across all channels, highlighting events, our history and our cultural impact.

Phase 2 of the website project will see a focus on increasing visibility of our engagement and commercial activity. We will also work towards getting Access bookings online, improving our Select Your Own Seat and hospitality online bookings process.

In 2024 we will aim to increase engagement on TikTok by 5% and continue to grow our following on TikTok in line with the Audience Development Strategy.

We will also be launching an Under 30s rush email scheme in line with the audience development plan with the aim of encouraging younger audiences to attend performances of orchestral music.

With the recruitment of a new role – a Senior Archivist for Engagement – we will have a dedicated resource to help bring the Hall's story to life for new audiences.

STRENGTHENING OUR FINANCES AND OPERATIONAL RESILIENCE

Our team will continue to focus on artistic excellence, audience experience and the commercial viability of events. Events also drive the Hall's additional income streams, including Catering, Merchandise, and Technical Services.

We are undertaking a full security tender, to ensure that our security team is delivering to clear standards and KPIs while giving the charity best value and keeping everyone safe.

There is a variety of major risks to our operational resilience including cyber attacks, which would cripple the business. We have continued to invest in training, support and practical interventions to reduce the likelihood and/or impact of such an attack.

We have a new investment strategy which is delivering over £2m a year in interest.

The first repayment on the Government's £20.7m Covid loan to the Hall is due in March 2025. The loan has given us the opportunity to put the Hall back onto a secure financial footing, to rebuild our reserves and to undertake essential work in order to safeguard the Hall's future.

The Royal Albert Hall Bill will continue its progress through Parliament. Clause 5, which would authorise the charity to sell additional seats in Grand Tier boxes and enable voting rights to be given to these seats and others that have been previously sold, has prompted concerns and criticism. The Bill's other provisions, particularly around excluding Members, are vital for the charity and we cannot risk this clause derailing the entire Bill. For this reason, clause 5 of the Bill is being withdrawn and the Bill will proceed to committee stage in April with the substantive changes in clauses 4 and 6 intact.

ENHANCING THE EXPERIENCE IN A MODERNISED VICTORIAN VENUE

Our ambitious Estate Plan will enable us to develop opportunities for people of every age and background to benefit from the power of music and culture, through opening our unsurpassable building to new opportunities for everyone. They will ensure that the next generation of artists and audiences are inspired, just as our forefathers were inspired, by a welcoming, accessible, sustainable hub for inspiration.

The Estate Plan lays out the direction of travel for the building as a whole, with each individual project to then be refined and agreed in the future. This ambitious capital project will cost in the range of £300m, and will be funded through operating surplus, income generated from Seatholders, and voluntary income. In order to raise approximately £50m from voluntary income, the first phase of a Capital Appeal will be launched in Autumn 2024.

In 2024, we will begin our auditorium plasterwork repair project, major security updates including CCTV and fire doors, replacement of a new arena lift, and other show-critical infrastructure including hoist control system and show relay.

We will continue the WC refurbishment, start the fitout of the Artists' Bar, and recruit a Carbon and Environment Manager, alongside energy usage reduction plan and continued engagement with South Ken ZEN+.

NURTURING A TALENTED AND ENGAGED TEAM

The fit-out of the South West Basement staff accommodation – paused owing to Covid – is set to commence in 2024. Staff whose roles require them to have proximity to the stage and backstage areas will be able to move into this new state-of-the-art office facility including shower facilities, giving them custom-designed spaces which are fit-for-purpose.

We will undertake a review of our existing HR system with a view to implementing an integrated HR and payroll platform in 2025.

A 5% pay increase from January 2024 and a commitment to paying London Living Wage is a demonstration of the value we put on our staff. However, this will be backed up with the development of a transparent, benchmarked role and pay framework. Given the financial results from 2023, we will also be able to pay staff a bonus in March 2024.

Our apprenticeship programme will be relaunched with a strong emphasis on practical experiences and having a mix of production and non-production apprenticeships. We intend to attract and train individuals who may not have previously considered the Hall as a potential employer.

We will update our Employee Handbook, incorporating key policies and procedures, to ensure that all staff are aware of, and can conform to, our policies.

The Hall values diversity, promotes inclusion, and prioritises the well-being and professional growth of our employees. As we look ahead to 2024, our commitment to these principles remains steadfast, and we will continue to adapt and evolve our strategies to meet the dynamic needs of our workforce. We will introduce a new online learning platform that prioritises IT literacy and personal development. Our people management workshops will continue in 2024, reinforcing our commitment to nurturing leadership capabilities at all levels.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Corporation of the Hall of Arts and Sciences was incorporated under a Royal Charter dated 8 April 1867. Its governing documents now consist of two further supplemental Charters and four Acts of Parliament. The Corporation is also a registered charity (Charity Registration No. 254543). The Members of the Corporation are the Hall's Seatholders. There are currently 316 Seatholders who have access to 1,268 seats in the Hall. The consolidated constitution of the Hall is set out in Schedule 2 of the Royal Albert Hall Act 1966.

Background

The Hall's history and its legal position are unique. The Royal Albert Hall was the brainchild of Prince Albert, part of his master plan for the entire Albertopolis site. It is a Grade I listed building and receives no recurrent public funding for its running costs.

The Hall has always had charitable objectives and was registered as a charity in 1967. Funding for the building of the Hall in the 1860s was contributed to by a group of private individuals and by the Royal Commission for the Exhibition of 1851 (on land which is leased by the Corporation from the Royal Commission for the Exhibition of 1851 at a peppercorn rent for 999 years). These original founders or Members not only had access to seats for the term of the Corporation's lease, but also took on the obligation to govern the Hall for the nation's benefit and these arrangements continue to this day.

The Hall's Council, which is its governing body, is made up of a maximum of 24 members which include 18 Seatholders and the President (who is also a Seatholder), 6 of whom are elected by the Members annually at the Corporation's AGM. The remaining members of Council are appointed members from the Natural History Museum, the Royal College of Music, Imperial College, the 1851 Commission and the Department for Digital, Culture, Media and Sport.

By acquiring the right to use permanent seats at the Hall, the Seatholders have private property rights (personal estate, not real estate) which can be given or sold by one party to another and which are distinct from the charity. The charity exists subject to these permanent private property rights. In other words, the Corporation was only ever entitled to its 999 year leasehold interest subject to the property rights of the Seatholders and pursues its charitable objectives only with the assets it has at its disposal.

Understanding the correct legal basis underpinning the Hall is vital to understanding the true nature of the relationship between the charity and its Members or Seatholders. The implications of this legal basis include:

- When the Corporation hires the Hall as an "Ordinary letting" (explained below) to a promoter, it is not hiring out the entire Hall. It is instead letting the Hall less the 1,268 Seatholders' seats. The Seatholders can use or sell their tickets for such performances.

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- When the Corporation hires the Hall as an “Exclusive letting” (explained below) to a promoter, it hires the entire Hall. Exclusive lettings are governed by s14 of the Royal Albert Hall Act 1966.
- Seatholders do not pay for their tickets. There is no transaction between the charity and Seatholders when they receive their tickets and no money changes hands. The Hall is meeting the pre-existing obligations and enabling Seatholders to take up their personal rights.
- Given that the charity has never had a right to the Seatholders’ tickets, Seatholders are not depriving the charity by exercising their rights to use their tickets. Therefore, the Hall and the promoters of events have not forgone any income by virtue of the Seatholders’ attendance at certain performances.
- Neither the Hall nor the promoter can determine a face value price for Seatholders’ tickets, nor restrict their use (other than as provided for in the Hall’s constitution), given that Seatholders’ seats are not a subset of the Hall’s or the promoter’s.
- By virtue of their private legal rights over their assets (i.e. access to seats), the Seatholders have the right to use their tickets (their own private property) as they choose for Ordinary performances subject to the Hall’s constitution. These rights include the right to attend the performance, give the ticket to someone else to attend the show (whether a friend, relative, charity etc.), sell the ticket through the Hall’s box office via the Ticket Return Scheme (see below), or sell the ticket through any other channel (whether open market or not) other than ‘in the Hall or in the vicinity thereof’, (according to a 1967 byelaw) at any price they wish.
- The sale of the tickets by a Seatholder is not a ‘secondary sale’ but in fact the disposal of primary rights (even if that sale is made via a website which is better known for enabling secondary ticket sales).

Seat Rate

Initially, the Seatholders had no obligation to make any financial contribution towards the annual costs of the Hall. However, from the Royal Albert Hall Act 1876 onwards and as the Hall has evolved over the decades, the Seatholders have financially supported the Hall’s charitable objectives by agreeing at each year’s Annual General Meeting to pay an Annual Contribution, or “seat rate”, per seat to the Hall.

The current form of the seat rate, as set out in the 1966 Act, is a minimum annual £10-per-seat compulsory payment, plus an additional amount which is binding on the Seatholders if approved by a two-thirds majority at the AGM. Council determines the total amount of the seat rate to be proposed at the AGM each year, based on a recommendation by the Seat Rate Committee. This Committee comprises the five appointed Council members plus the Treasurer as non-voting chairman (please see page 30 for the terms of reference and membership).

At the 2023 AGM, the Seatholders voted for a seat rate of £1,538 per seat plus VAT (£1,399 plus VAT in 2022), plus a supplementary seat rate of £415 per seat plus VAT, totalling £1,953 plus VAT per seat towards the Hall's annual costs. In total the Seat Rate generated an annual contribution to the Hall of £2.5m in 2023.

Ordinary and Exclusive Lets

Over time, the Seatholders have also assisted the Hall by giving up their right to attend many performances (both by approving s14 of the 1966 Act and subsequently by allowing the Hall to go beyond the Act's requirements).

Seatholders now exclude themselves from performances on up to 110 days during the year, which amount to approximately 130 performances each year. The performances from which the Seatholders are excluded are called "Exclusive" performances and are, in the main, the more popular and (for the charity) profitable events in the annual calendar.

The Hall is able to hire a greater number of seats to a promoter for an Exclusive performance and can therefore attract more performers and charge a higher rental fee. The difference in the rental fee is then paid to the Seatholders by means of a reduction in their seat rate, known as the "rebate". The rebate is defined in the 1966 Act as "any additional rent received in respect of the letting of the hall on any occasion on which the Seatholders are excluded from the hall".

In 2023 the rebate paid to Seatholders was £734,976 plus VAT, totalling £881,971, this value relates to shows from the prior year, the effect of which was to reduce the annual contribution by £580 per seat (2022: £262).

The performances that the Seatholders have access to, known as "Ordinary" lets, accounted for 227 of the 379 lettings in 2023. In total, the Seatholders received 287,836 tickets.

Other ways in which the Seatholders support the charity

Donations

In 2023, Seatholders made donations to the Hall totalling £31,777 comprising gift with ticket, online donations and Friends and Patrons memberships.

The Hall also enables the promoters of charity events to write to the Seatholders to ask if they would like to donate their tickets to these charities. There were 19 letters of appeal to Members in 2023, from which 6,237 tickets were donated to the respective charities. Members also donated 1,014 tickets to the Hall out of which 638 seats were sold.

Community Ordinaries

A Community Ordinary is a type of Ordinary Let only available to promoters of community events. In the case of Community Ordinaries, Seatholders are asked in advance whether they would like to give up their seats for that performance, thus allowing increased access for more participants to take part in the event. The vast majority of Seatholders give up their seats in support of the Hall and these community events. In 2023, there were 17 such performances.

The Hall's Ticket Return Scheme (TRS)

The TRS was launched in 1983. Its purpose is to provide a means through which Seatholders can sell the tickets they do not want to use and give the public the best possible opportunity to purchase all available Seatholders' tickets for each "Ordinary let" performance from the Hall's own box office and in particular to avoid as much as possible the sight of empty seats in an otherwise packed house, at sold-out concerts. All tickets returned to the TRS are sold to the public at the same price as the Hall sells equivalent promoter tickets.

Today the TRS is used by most of the Membership, with around 67% of tickets issued to Seatholders returned to the Hall's box office each year, greatly increasing public access to events staged in the main auditorium. The features of the Ticket Return Scheme are set by Council and the Scheme is entirely voluntary for Seatholders. The Hall operates as an agent for any Seatholders who choose to use the TRS (administering the Scheme through the ticketing system that the Hall already operates for Promoters' ticket sales). The Hall does not charge any fee to the Seatholders for this service and is only an intermediary between the Seatholders and the public who are purchasing their tickets. But the Hall does generate a direct income by charging the standard booking fee and levy to the public who purchase tickets. If the TRS did not exist, it is likely that there would be more empty seats in the auditorium and a higher portion of Seatholders' tickets would be put up for sale on third party websites, in some instances at prices greater than the equivalent promoter face value and in many cases at prices lower than the equivalent promoter face value.

The Members' Ticket Return Scheme is advantageous to the charity not only because it fills Members' seats when they are not being used by the Members and enables the charity to generate a direct income via the standard booking fee and levy charged on the ticket sales, but also because the TRS buyout compensates promoters for sales of tickets displaced by Members' ticket sales. It also allows the Hall to communicate directly with the customers who buy these Members' tickets through the Hall's box office.

We estimate that the operation of the TRS, from the direct booking fee income and the indirect impact on rental revenue, was worth £1.2m to the charity in 2023 (£0.8 in 2022). A Seatholder who returned all of their tickets to the TRS would have received a financial return of £8,648 per seat in 2023.

Seatholders' rights and obligations

Being a Seatholder of the Corporation carries with it certain functions. These include:

- voting annually (usually at the AGM) to elect a President, the Treasurer and individual Council Members;
- approval (or otherwise) of the Annual Report and Accounts;
- the appointment of the Hall's auditors;
- the approval of the Annual Contribution (the 'seat rate'); and
- voting (as and when) to alter the Hall's constitution.

Seatholders and the Hall's financial surplus

All of the Hall's financial surplus is retained by the Hall (there are no provisions for payment of this surplus to the Seatholders) and is re-invested by the charity into delivering its charitable objectives, including growing a vibrant, varied and diverse programme, as well as preserving and developing a world-renowned listed building, and providing arts and education initiatives within the local London community and beyond.

The Hall estimates that its annual income benefitted by some £4.4m in 2023 (£3.6m in 2022) due to the ongoing support of the Seatholders and as a result of the various initiatives discussed previously in relation to seat rate, exclusive lettings, and operation of the Ticket Return Scheme etc. This contribution enables the charity, which receives no recurring financial support from the Arts Council or government, to fulfil its public benefit obligations to a greater degree than would otherwise be the case.

The Hall has benefited over its first 150 years from its distinctive model whereby capital from Seatholders was used to contribute to the building of the Hall and their continued support has enabled the Hall to continue to flourish. The confluence of interest, whereby private individuals have an in-built incentive to support the charity, is unique, visionary and in the Hall's case has proven over time to be highly successful.

Charity Governance Code and governance measures enacted in 2023

The Council of the Royal Albert Hall has considered the Charity Governance Code in detail and continues to review its compliance with it. The Council and Hall abide by and support the Code's seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity and openness and accountability. The Trustees have debated how to apply the Code's recommendations and note that the intention is that the Code is aspirational, and a tool for continuous improvement towards the highest standards. There are activities within the 2024 Operating Plan that support all of the principles above.

The Hall's constitution, in several Royal Charters and Acts of Parliament, prescribes the majority of the processes which the Council and the Hall's Executive Team must follow, including the election and membership of the Council of the Hall, giving a governance structure for the Hall which is already of the highest standard. The Council applies the Code's recommendations where appropriate, and where they do not contradict or affect the Hall's constitution itself.

There are some recommendations in the Code that cannot be applied, because the charity's constitution specifies otherwise. These include the size of the Hall's Council, and its composition – the Hall's constitution requires up to 24 Council members, not the 'maximum of 12' recommended by the Code; and specific terms for Trustee appointments. The charity already goes further than some recommendations – for example, it has a Conflicts Committee and a published Conflicts Policy, as well as applying the recommendations for identifying, dealing with and recording conflicts of interest.

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The Corporation's AGM held in July 2023 was held both in person and virtually, following the byelaw introduced in 2020 to enable virtual General Meetings, electronic voting and the service of formal notices electronically.

The Good Governance Institute conducted an extensive Board Effectiveness Review for the Hall in 2022 and the Council continues to enact the recommendations in this report. In particular the Hall has refreshed its strategic objectives and restated its vision and purpose in 2023. This has been taken through Council and its Committees so that the agendas for these bodies are now centred around strategic items and monitoring delivery. As part of this the Marketing and PR Committee has been discontinued and marketing has been merged with the Programming Committee which has now become the Programming, Archives and Marketing Committee.

During 2023 the Hall has continued the process of amending its constitution by means of a private Bill which was lodged in Parliament at the end of November 2022 and has now had a second reading in the House of Lords. The contents of the Bill initially were:

Seat Rate Proposal

1. To drop the six-year cap on increases in the seat rate.
2. Increase the voting threshold for the annual approval of the seat rate to a 75% majority.

Exclusives Proposal

3. Provide for the Hall to seek the agreement of the Members to a variation of the provisions of section 14 of the Royal Albert Hall Act 1966 for any of the three calendar years following the year in which such a resolution may be passed.
4. Provide for such a variation to require consent by a 75% majority.

Proposal for a power to sell additional seats in Grand Tier boxes and to extend Membership/voting rights in connection with these seats

5. Council to have the power to offer for sale two more seats, with voting rights, in each of the Grand Tier boxes where there are still only 10 seats, provided there is unanimous consent of the seatholders in the relevant box.
6. Provide for the owners of 12 existing seats in six GT boxes currently enjoying 'quasi Membership' with no voting rights to be able to purchase full Membership/voting rights in respect of those 12 seats.

The Council now propose to continue the Bill without the provisions for the 11th and 12th Seats in the Grand Tier boxes.

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Council members

Members of Council constitute the Trustees of the Corporation for the purposes of the Charities Act 2011. The following Council members served during 2023 and to date of signing the report:

Council members

President of the Corporation:

Ian McCulloch

Other elected members:

Leon Baroukh MA CFA

Dr Monica Bloch PhD

Stephen Brandon MA MBA CEng

Lucinda Case (resigned 31 January 2024)

John Cooper FCA CTA

Linda Craig

Lauren Ekon

Nigel Hamway

Harry Handelsman

Michael Jackson MA FCA (*resigned from Council 17 January 2023*)

Peter B M Lim FCA MBA

Robert Lipson

James Max BSc Hons SFDR MRICS

Iain McNay

Stuart Newey MBA FCBI

Anthony Ratcliffe FRICS FRSA

Mark T Schnebli FInstD FBIM

Thomas Borwick

The Hon. Alice Walpole OBE MA (Cantab) (appointed 18 May 2023)

Robert Shennan (appointed 1 February 2024)

Appointed members:

Sir Michael Dixon BSc (Sp Hons) ARCS MA (Oxon) DPhil DSc FCGI DL (*appointed by the Trustees of the Natural History Museum*)

Jim Eyre OBE BA(Hons) AA Dip Arch RIBA (*appointed by the Royal Commission for the Exhibition of 1851*)

Lord Richard Harrington (*appointed by the Secretary of State for Digital, Culture, Media and Sport*)

Kevin Porter BA MA HonRCM (*appointed by the Council of the Royal College of Music*)
(*There is currently no appointed Member of Council appointed by the Governors of the Imperial College of Science, Technology and Medicine*)

Secretary to the Corporation:

Susan Gent

Seatholders as Council members

The majority of Council members are also Members of the Corporation who own seats in the Hall. As such they pay the Members' Annual Contribution (or seat rate), receive the rebate for Exclusive performances where they return their tickets to the Hall, receive tickets for Ordinary lets and generally enjoy Seatholders' rights on exactly the same terms as the other Members of the Corporation.

For all Council members who served during the year and up to date of this report: the total number of seats directly or jointly owned by the 15 individual Council members is 43, with a further 70 owned by their related parties; there were six representatives of Corporate seatholders on the Hall's Council during this period and these Corporate seatholders own 50 seats and two of the appointing bodies own six seats. In total the number of seats owned by Council members is therefore 43, with a further 126 owned by their related parties, out of the total number of seats owned by Members of 1,268.

During 2023 the Annual Contribution payable to the Hall by each Seatholder was £1,538 per seat plus VAT (2022: £1,399 plus VAT). The 'rebate' that Seatholders were entitled to during 2023, relating to prior year lettings where Seatholders were excluded, was £580 per seat plus VAT (2022: £262). During 2023 the supplementary seat rate payable to the Hall by each Seatholder was £415 per seat plus VAT. Therefore, in total in 2023 Council members and their related parties paid a seat rate to the Hall of £330,057 and, offset against this, a total rebate from the Hall of £98,020.

The Hall's Council members actively supported the operation of the Ticket Return Scheme (TRS - please see page 26 for a full explanation of how the TRS works). For the 169 seats owned by the Hall's Council Members and their related parties (see above), 25,112 tickets were returned to the TRS (being 65% of the total tickets they received). The Hall put these tickets on sale on behalf of the Seatholders and, in total, this generated a distribution of £770,299 (equivalent to approximately £4,558 per seat) for those Seatholders (paid to them during 2023, relating to the performance period November 2022 to October 2023), equivalent to £30.67 per ticket returned to the TRS.

No member of Council received any remuneration from the Corporation during the year (2022 - £nil). One member of Council received £52 of out of pocket expenses in 2023 (2022 two members of £354). Additional expenses were reimbursed to Council in the sum of £2,041 for meals with Council members or the Hall's Members. Other than the transactions noted above, no member of Council had any beneficial interest in any contract with the Corporation or its subsidiary undertakings during the year.

During the year eight Members of Council provided donations to the charity and the Royal Albert Hall Trust to carry out its charitable objectives during 2023 totalling £21,471 (2022: £1,854).

Report of the Council Year to 31 December 2023

As well as giving their time freely to serve on the Hall's Council and its committees, Council members assist the Hall by hosting guests who are supportive of, or in other ways helpful in promoting the work of the Hall. In these circumstances those who entertain on the Hall's behalf will have access to seats in the Kirby Laing Box (Grand Tier 29) for themselves, for Hall guests and for one personal guest.

Council members are also encouraged to attend a variety of performances at the Hall in order to experience the range of charitable activities undertaken by the Hall and the policy for the use of the Kirby Laing Box in the Grand Tier and the provision of tickets to Council members generally (known as the GT29 policy) was amended in October 2021 to facilitate this.

For this purpose, all Council members can request complimentary tickets in the Kirby Laing Box (or stalls if the Kirby Laing Box is full) for themselves and a guest on up to ten occasions throughout the year. If Council members wish to buy additional seats in the Kirby Laing box for such performances and there are tickets available, they are able to do so. When using the Box for an Ordinary performance, Council members who are seatholders, are invited to swap a number of their own tickets for the same number in the Kirby Laing Box or the stalls, returning their tickets to the Hall (for its own use and sale), but are not obliged to do so.

During the year Council members were given 81 complimentary tickets under the Hall's approved policy with a face value of £10,364. Council members can access the staff discount on food and beverage available at the Hall. In 2023, this totalled £3,762 (2022: amount not available).

Throughout the year the Corporation secured indemnity insurance under a policy covering the members of Council and the Hall's officers, Trustees and officers of the subsidiary company and related Royal Albert Hall Trust. The total premium charged to the Corporation was £19k (2022 - £17k) and the cover provided totalled £5 million (2022 - £5 million).

Election and appointment of members of Council

In accordance with the Hall's constitution, the Council, which is the Hall's governing trustee body, comprises the President and up to 18 Members of the Corporation (i.e. they are all Seatholders) and five independent members, one being appointed by each of the Secretary of State for Digital, Culture, Media and Sport; the Trustees of the Natural History Museum; the Governors of the Imperial College of Science, Technology and Medicine; the Council of the Royal College of Music and the Royal Commission for the Exhibition of 1851.

Six out of the 18 members of Council who are also Seatholders are elected annually by rotation at the Hall's Annual General Meeting. The Members of the Corporation, also at the AGM, appoint the President who is eligible to stand for re-election every year for a maximum term of six years, at which point the President retires from office. The Treasurer is also elected annually at the AGM.

The Hall's Governance and Ethics Committee considers how the Council should fill any casual vacancies on Council¹, having regard to the need to achieve a balance of skills, experience and specialist knowledge within the Council. The Members of this Committee then meet potential candidates before putting their recommendations to Council for approval.

Historically the Council undertakes an annual Board Effectiveness Review which has been either carried out by the Hall's auditors, or internally by the President meeting with each Committee Chair to review that Committee. As described above, in 2022, the Council carried out an in-depth external Board Effectiveness Review using the Good Governance Institute and is currently enacting the recommendations from this Review.

The Council appoints the Secretary to the Corporation, who is responsible for all charity, governance and administrative aspects of the Corporation's and Council's affairs and for company secretarial duties. Susan Gent has been the Secretary to the Corporation since December 2018.

Council members' Induction and Training

The Secretary to the Corporation provides all new members of Council, the Hall's subsidiary trading companies and the RAH Trust with an induction programme which includes a full briefing on the purposes of the Charity and its provision of public benefit, the Corporation's constitutional structure, their obligations as Trustees under charity law and the Corporation's Scheme of Delegation and decision making processes. This is supplemented by a structured induction session with senior members of the Corporation's management team covering all key aspects of the Corporation's activities.

Statement of Council's responsibilities

The Council is responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Corporation and the group and of their incoming resources and application of resources for that period. In preparing these accounts, the Council is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP;
- ◆ make judgements and estimates that are reasonable and prudent;

¹ Royal Albert Hall Act 1966 Schedule 2(8): Power for Council to fill up casual vacancies

Report of the Council Year to 31 December 2023

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in operation.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the Corporation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Corporation's constitution. It is also responsible for safeguarding the assets of the Corporation and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Organisation

The direction and control of the Corporation is determined by Council, which meets at least five times a year. The role of Council is to oversee the Corporation's strategy in pursuit of its charitable objectives, to set policies and to ensure that the Charity is properly and effectively managed.

The following committees of Council have been established to deal with specific aspects of the work of the Corporation as defined in their terms of reference, which are set out in abridged form below. Meetings of the Council and of various Committees are attended by the Hall's Chief Executive, the Secretary to the Corporation, and variously by other members of the Executive team.

Since 2016, Mrs Lin Craig has been the Trustee with safeguarding responsibility and through the Chief Executive, Nigel Wilson (Director of People and Culture) is responsible for the implementation of the procedures and policy as Child Protection Officer.

The Safeguarding Committee acts as a forum for the Safeguarding Officers and other key personnel to ensure the Hall's Safeguarding Policy is up to date and operational activities are effective and in line with best practice. It reports at least annually to Council via the Chief Executive's report to Council. The Safeguarding Committee and the Trustee with safeguarding responsibility receive training on the policy and their roles and responsibilities. Training for other key personnel is ongoing.

Since 2021, Lauren Ekon has been the Trustee with responsibility for equality, diversity and inclusion and Stuart Newey has been the Trustee with specific oversight for matters of security.

Report of the Council Year to 31 December 2023

◆ *Conflicts Committee*

The Committee considers and responds to any decision of Council which involves a Designated Collective Conflict as referred to it under paragraph 19 of the Conflicts Policy (published on the Hall's website), to determine whether such decisions have been made in the best interests of the charity. The Committee also considers and responds to any decision referred to it by the President or Secretary to the Corporation.

At the request of the President, it also advises individual Trustees, the Council, all committees, the boards of subsidiary companies, and, where appropriate, staff, generally, on conflicts of interest. The Committee also monitors the implementation of the Conflicts Policy; recommends appropriate systems for promoting and monitoring compliance with this policy; reviews annual and other declarations of interest and briefs the Council or the President on any difficult individual cases referred to it. The minutes of the Committee are provided to the Auditors throughout the year and the Secretary to the Corporation prepares an annual report of the working of the Conflict Committee for the Committee and the auditors.

The Committee was chaired by a non-voting Seatholder, Lucinda Case, throughout 2023. Voting members of the Committee during the year have been Sir Michael Dixon, Kevin Porter and Monica Bloch, none of whom have personal seatholdings.

◆ *Finance, Audit and Risk Committee*

The Committee considers and makes recommendations to the Council on: the annual income and expenditure budget; longer term business plans and capital expenditure programmes; and the Auditors' Annual Report. It is responsible for monitoring the financial performance of the Corporation against budget and business plans; ensuring proper financial and accounting controls; compliance with statutory requirements and risk management. It is also responsible for making recommendations to Council with respect to the appointed Auditors, the approval of external and internal audit plans and the consideration of any matters raised by the auditors. The Committee is also responsible for the oversight of the Hall's security. The Finance, Audit and Risk Committee has a delegated authority of up to £500,000.

The Honorary Treasurer, Stuart Newey, chairs this Committee, which meets at least four times a year. Other members during the year were Leon Baroukh, Peter Lim, John Cooper and Nigel Hamway.

◆ *Seat Rate Committee*

The Seat Rate Committee has two purposes:

1. to review the purpose of the Seatholders' seat rate, as set out in the 1966 Act, and the consequent principles upon which it should be calculated, and to advise Council accordingly; and

2. annually, to recommend to Council the level of the seat rate that the Seatholders will be invited to approve at the next Annual General Meeting.

The Committee's members during the year have been the Honorary Treasurer, Stuart Newey (non-voting Chairman) and the current independent Appointed Members of Council: Richard Harrington, Sir Michael Dixon, Jim Eyre and Kevin Porter.

◆ *Fabric Committee*

The Committee advises Council on all matters relating to the preservation, maintenance and further improvement of the Hall and its setting. It also oversees the Hall's sustainability work and its Carbon Management Plan. During 2023, Anthony Ratcliffe chaired this Committee. The Committee meets at four times a year. Other members during the year were Harry Handelsman, Jim Eyre, Stephen Brandon and the Hon Alice Walpole OBE. Nigel George, Martin Williams and Tanvir Hassan serve as co-opted non-voting members on this Committee.

◆ *Development Committee*

This Committee oversees all aspects of the Hall's philanthropy and fundraising, including the outcomes of fundraising events and on the resources expended, giving a broad overview of the Hall's fundraising. The Committee also reviews and reports on the Hall's sponsorships and partnerships. The Committee is chaired by Nigel Hamway. Other members during the year were Robert Lipson, James Max, Richard Harrington, Stephen Brandon and Thomas Borwick.

◆ *Programming, Archives and Marketing Committee*

Council appoints a Chief Executive who, together with the Executive Team, is responsible for all aspects of the day-to-day running of the Hall, including programming the annual calendar of performances. The Programming Committee advises Council and monitors on its behalf the Hall's Programming strategy (including its Engagement Work and performances on and off the main stage), the extent to which they meet the Hall's charitable objects and financial objectives and to ensure they comply with the Hall's constitution and the Hall's Programming Policy. Section 14 of the 1966 Act specifies the number of occasions on which Seatholders may be excluded from the Hall (Exclusives as explained above) – each year at the AGM, the Members of the Corporation agree to more or different Exclusives than the 1966 Act allows, enabling the Hall to operate with more latitude than the Act would otherwise allow, to the benefit of the charity. The Programming Committee oversees the allocation of Exclusive and Ordinary performances and the shows promoted by the Hall itself. Stuart Newey initially chaired this Committee at the start of 2023 and subsequently James Max took over the chair. The Committee meets at least four times a year.

During the year the Committee also took on responsibility for the Hall's Archives and Marketing and is now known as the Programming, Archives and Marketing Committee. Other members during the year were Leon Baroukh, Robert Lipson, James Max, Thomas Borwick, Iain McNay, Monica Bloch and James Murphy.

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◆ *Governance, Ethics and Reputation Committee*

The Committee advises Council on the conduct of the affairs of the Corporation, in compliance with:

- Its constitutional documents which include its Royal Charters, Acts of Parliament and Byelaws, in combination colloquially referred to as 'The Blue Book', having particular regard to the consolidated constitution of the Corporation as set out at Schedule 2 of the Royal Albert Hall Act 1966;
- Legislation, regulation and guidance on best practice in relation to registered charities.
- Best practice on corporate and charity governance.

It also advises Council on due diligence on major donors and sponsors, the structure and membership of Council Committees, reviews nominations for membership of Council (for casual vacancies) and makes recommendations accordingly, and reputational issues generally. The Committee is chaired by the President and meets at least 4 times per year, and as necessary to consider appointments and due diligence. Members during the year were Leon Baroukh, Mrs Lin Craig, Sir Michael Dixon, James Max, Kevin Porter, Mark Schnebli and the Hon Alice Walpole OBE.

◆ *Members' Liaison Committee*

The Committee advises the Council on all matters relating to the role of the Members in the conduct of the affairs of the Corporation. It also provides a means of communication between the Members and the Hall, promotes Member support for Hall activities and oversees communications to the Members. Mrs Lin Craig chairs this Committee which meets at least four times a year. Other members during the year were Monica Bloch, Stephen Brandon, John Cooper and Mark Schnebli. Larry Viner and Ed Milner (who are also seatholders) served as co-opted members.

◆ *Marketing and PR Committee*

During 2023 the Marketing and PR Committee was disbanded and its responsibilities moved either to the Programming, Archives and Marketing Committee, or the Governance, Ethics and Reputation Committee.

◆ *HR and Remuneration Committee*

The Committee is chaired by the President and deals with HR matters together with the salary and performance of direct reports to the President (the Chief Executive and the Secretary to the Corporation), the salary and performance of the Directors and succession planning. Members during the year were Mrs Lin Craig, Sir Michael Dixon, Ian McCulloch and Lauren Ekon.

◆ *Sustainability Working Group*

The Council has recently set up a Sustainability Working Group to oversee the production of the Hall's Carbon Management Plan. This Working Group is chaired by Stephen Brandon. The Carbon Management Plan was presented to Council in February 2024.

Hall Staff

♦ *The Executive Team*

The day-to-day management of the Corporation is the responsibility of the Chief Executive, James Ainscough OBE.

The Chief Executive is supported by the Executive Team who throughout 2023 were:

Chief Operating Officer	Dan Freeman
Director of Programming and Engagement	Matthew Todd
Director of Building & Operations	Neal Hockley
Director of Audiences	Louise Halliday
Director of People and Culture	Nigel Wilson
Director of Philanthropy	Darranda Rowsell

The Chief Executive, supported by the Executive Team, is responsible for the development and implementation of strategy and business plans for the Corporation, for policy recommendations to Council, for the development and implementation of appropriate controls and procedures and for the day-to-day management of its operations. The Directors and the Secretary to the Corporation meet at least twice a month to monitor operational and financial progress against plans approved by Council and to discuss strategic objectives. A wider group comprising Heads of Department and Senior Managers meets on a weekly basis with the Executive to exchange information on operational issues.

♦ *Employees*

The Corporation strives to be an equal opportunities employer. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, trained, promoted and treated on the basis of their relevant merits and abilities.

Remuneration Policy

The Hall's approach to remuneration is designed to ensure it can attract and retain the talented and motivated people needed to achieve its vision and values. The policy is applied consistently across the organisation, with the aim of paying competitively in the not-for-profit sector within the context of affordability. Each year the Hall's Executive team (with approval from the HR & Remuneration Committee and Council) set a rate of increase for Hall-wide salaries and hourly pay to take account of the impact of general inflation. Above-inflation pay increases are only awarded to individuals for changes in role/responsibility, exceptional performance or with regard to changes in industry norms for comparable roles. These are determined on a case-by-case basis, within the constraints of the annual budget. The remuneration of the Executive team is set annually by the HR & Remuneration Committee.

The Hall does not use volunteers.

Connected charities and related parties

The accounts consolidate financial information of the Corporation of the Hall of Arts and Sciences and its wholly owned trading subsidiaries, Royal Albert Hall Developments Ltd (company number 01539294) and RAH Concerts Ltd (company number: 10664172) and a related charity, the Royal Albert Hall Trust (charity number: 285111). This requires the line-by-line consolidation of the operating results of these subsidiary undertakings in the statement of financial activities.

Royal Albert Hall Developments Limited (RAHDL) is responsible for the Hall's trading activities, namely catering, merchandising, tours, retail, licensing boxes for corporate use and selling hospitality packages. Its subsidiary RAH Concerts Ltd (RAHCL) is used for promotions that are not subject to UK law. For further details of RAHDL and RAHCL please see note 15.

The Board of RAHDL meets at least four times per year. RAHDL is chaired by Leon Baroukh and other Directors during 2023 were James Ainscough, Peter Lim, Stuart Newey, John Cooper, Nigel Hamway, Mark Schnebli and Dan Freeman. The independent Director on the Board of RAHDL and RAHCL is Charles Gilkes. The Secretary to the Corporation is the Company Secretary of RAHDL and RAHCL.

The Royal Albert Hall Trust raises funds from donations and other fundraising events in order that it may make donations to the Corporation. The Trustees have reviewed procedures in place to ensure that all funds received, are properly utilised by the Corporation in line with donors' restrictions or wishes, on projects which are efficiently managed and fully completed. The Trustees of the Royal Albert Hall Trust, (Registered Charity No: 285111), a connected charity, are the President and additional trustees appointed to the Trust following the amendment of the Trust Deed for the RAH Trust in 2019/2020. The Trust donated £2.1m to the Corporation in 2023 (2022: £2.1m). Prior to 2023, the Trustees of the Trust also included the Vice-President of the Corporation, but the Trust Deed was further amended in 2023 so that this requirement was removed.

Fundraising

The Corporation does not engage any third parties in our fundraising efforts and all approaches and relationships are managed by our internal Philanthropy team with introductions or referrals being affected by our Philanthropy Advisory Board and other close contacts or through our database and legitimate online research.

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The Philanthropy Advisory Board performs an introductory function, allowing the team to meet more potential supporters with an interest in the Royal Albert Hall. The efforts of the Philanthropy Advisory Board are monitored by the Development Committee which is the conduit between the Philanthropy Advisory Board and the Hall's Council.

During the year the Corporation did not receive any complaints regarding Fundraising. The Hall is a member of the Fundraising Regulator and adheres to the Fundraising Code and all good standards of practice.

As set out in our Philanthropy Policy, the Hall's fundraising team adheres to Section 1.2 of the Code of Fundraising Practice and is committed to protecting vulnerable donors. We comply with all legal requirements relating to data protection, under the Data Protection Act 2018 and the UK GDPR and do not share any data for the purposes of fundraising with third parties or data sharing schemes. We regularly carry out data protection impact assessments to ensure that we comply with the UK GDPR and we do not engage in intrusive practices.

Risk management

The Council has established a process for identifying and reviewing the major strategic and operational risks (including financial, reputational, health and safety, and security risks) to which the Corporation is exposed. The Council is satisfied that systems and controls have been established and are functioning to mitigate and manage those risks. The current Risk Management Policy Framework was approved by Council in 2018. The framework ensures that major risks are identified on a regular basis, and progress is monitored against mitigating actions.

The Executive review the strategic risks every quarter and the divisional risk registers are reviewed by the senior management team and the respective Heads of departments. The risk registers score risks according to probability of occurrence and the impact on the organisation (the "gross risk"). The registers also note the "net risks" and "residual risks" after taking into account existing controls and further mitigating actions respectively. The Executive's risk appetite to strategic risks is generally low.

The Hall ensures a multi-year programme of regular internal audits is maintained. Internal Audit reports are presented to the Finance, Audit and Risk Committee.

The principal risks and uncertainties to the Hall are detailed below.

Risk	Management
Major Systems or Equipment Failure Cyber attack Website or email failure Server Room fire or flood Utility supply failure Data Breach	<ul style="list-style-type: none"> ◆ Immutable daily backups stored on and offsite (Azure) ◆ Continual replication of key systems to ◆ Cyber insurance policy ◆ Regular server and data back ◆ Ability to take manual bookings ◆ Disaster recovery plan in place ◆ Show stop, pause and delay procedure ◆ Managed Egress procedure ◆ Staff in key locations during performance ◆ Incident Management procedure ◆ Gold, Silver, Bronze command and control structure ◆ Standalone/manually deployed CO2 extinguisher ◆ Daily backups to offsite location (Azure)
Structural damage or collapse Major internal or external impact Lack of funds or income for maintenance or repair Staging, flooring or set collapse Fire, flood or extreme weather impact or damage	<ul style="list-style-type: none"> ◆ Improved mitigation of vehicular impact to the building ◆ Increased deterrent for any malicious attack on the building ◆ A robust funding model in place to ensure profits are put back into maintaining the building ◆ Focus from Executive and Council to ensure funds are allocated to maintaining the Grade I listed building ◆ Only trained operators used ◆ Trained professional staff engaged ◆ Equipment stored and locked in safe locations ◆ Controls locked via key and access code system ◆ Good level of fire protection in place ◆ Emergency and evacuation procedures in place
Significant Loss of Revenue or Funding Major projects overspend Sustained low ticket sales and audience attendance Major financial fraud/theft Sudden loss of major partner or contractor, e.g. caterer, promoter, building contractor	<ul style="list-style-type: none"> ◆ Robust internal controls and processes to mitigate major overspends ◆ Focused approach to resourcing for under performance sales of shows ◆ Robust payment and cost controls in place ◆ Continually monitoring and analysis of payments and costs ◆ Limited access to Halls systems ◆ Well established and effective relationship with current partners, contractors and key service providers ◆ Knowledge of and some relationships with other providers ◆ Key third party contracts identified and extended to ensure business continuity, i.e. Catering and Security contract.

Risk	Management
<p>Significant Staff Shortages</p> <p>turnover of staff due to short supply and wage inflation</p> <p>Inability or delay in recruiting key positions</p> <p>Inability of contractors and agencies to provide staff</p> <p>Low availability given from casual and part time staff to cover shifts</p>	<ul style="list-style-type: none"> ◆ New Working From Home policy implemented ◆ Review of contracts in certain ◆ Existing flexible working request procedure in place. ◆ Recruitment being prioritised by People and Culture and specific teams with high vacancies. ◆ Resource being allocated accordingly to support the completion of this process ◆ Key partners have contingency plans and enhanced initiatives to secure the quantity and calibre of temporary staff required to work at the Hall. ◆ Effective scheduling, as far in advance as possible ◆ Constant reviewing of teams resources ◆ Relationship with multiple agencies ◆ Hiring of experienced and versatile staff with potential to step in to multiple roles
<p>Major Safeguarding Breach</p>	<ul style="list-style-type: none"> ◆ Robust Code white procedure for reported incidents or missing children and adults at risk. ◆ Show stop, pause and delay procedure. ◆ Violence at work procedure ◆ Mental Health first aid programme. ◆ Working PA system ◆ In house events and programming teams to manage artist liaison. ◆ Director on duty function. ◆ On call safeguarding leads ◆ Local police contacts
<p>Significant Reputational Damage</p> <p>Inappropriate behaviour or statement from an associated person, group or organisation</p> <p>Large scale negative press coverage about governance and the conflation of secondary ticketing</p> <p>Major accident or incident resulting in loss of life or life changing injuries</p>	<ul style="list-style-type: none"> ◆ Well developed and good relationships with major artists, their managers and promoters ◆ Ability to deal quickly and effectively with this type of behaviour ◆ Policies and procedures in place to deal quickly and effectively with any incidents of this nature ◆ Successful Partner and Donor schemes ◆ Procedures in place before contracts are signed or donations received ◆ Contractual clauses in place to resolve any related issues ◆ Documentation and statements have been prepared in response to queries. ◆ Robust Emergency Procedures in place and clear roles and responsibilities for key staff members to help mitigate the recover

Going Concern

This report sets out a review of financial performance and the charity's reserve position. We have adequate financial resources and are well placed to manage the business risks.

Our planning process, including financial projections, has taken into consideration the current economic climate of inflation, changing energy prices and the current cost of living challenges and its impact on the various sources of income and planned expenditure. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have therefore been prepared on the basis that the charity is a going concern.

2023 was not hindered by any enforced closures and ticket sales were strong throughout the year, culminating in an excellent Christmas season. Expenditure continued to be tightly controlled and the year proved to be the Hall's strongest financial performance in its history. This has allowed some of its reserves to be replenished (See note 22) after the negative impact of Covid-19.

On 24 February 2021, the Hall obtained a loan of £20.74m from the government's Cultural Recovery Fund as security against future losses and, if necessary, to fund essential maintenance works (although our plan is to do so out of operating surpluses). The loan is repayable over 20 years and carries an interest rate of 2%, repayment starting March 2025.

Our planning processes, including financial projections, have taken into consideration current uncertainties. The directors have reviewed the current financial position of the Hall for the foreseeable future and have taken action as necessary to manage risks arising from different scenarios.

It is reasonable to expect the Company to generate adequate income to continue in operation for the foreseeable future, being the period of at least 12 months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

Related Parties

Subject to the items set out in this report, none of the Trustees receives remuneration or other benefit from their work with the charity. The relationship between Seatholders, Council members and the Hall is described in full on pages 27 to 39.

Any connection between a Trustee or senior manager of the charity with a promoter, contracted performer or exhibitor must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party and recorded in the Hall's register of related party transactions.

Approved by the Council on 28 March 2024 and signed on its behalf by



Ian McCulloch

President

Independent Auditor's Report to the Members of the Corporation of the Hall of Arts and Sciences

Opinion

We have audited the financial statements of The Corporation of the Hall of Arts and Sciences (the parent charity) and its subsidiaries (the group) for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the parent charity and the group as at 31 December 2023, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating 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 charity'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.

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 Trustees are responsible for the other information contained within the annual report. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 32, the Trustees 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity'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 charity 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 section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Independent auditor's report Year to 31 December 2023

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Extent to which the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond

Independent auditor's report Year to 31 December 2023

appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees 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 any party other than the charity and charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP

Statutory auditor
9 Appold Street
London
EC2A 2AP

24 April 2024

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Corporation of the Hall of Arts and Sciences

Consolidated statement of financial activities Year to 31 December 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income:					
Donations and legacies	1	1,557	1,691	3,248	2,874
Income from charitable activities:					
Operation of Hall	2	32,480	-	32,480	24,052
Investment income and interest		1,976	-	1,976	133
Income from other activities:		-	-	-	-
Commercial trading operations	3	16,659	-	16,659	16,199
Total income		52,672	1,691	54,363	43,258
Expenditure:					
Costs of raising funds		553	-	553	565
Expenditure on charitable activities:					
Maintaining and developing the Hall	4	9,563	18	9,581	8,023
Promoting the arts and sciences	4	31,599	544	32,143	27,646
Interest repayable		415	-	415	415
Total expenditure		42,130	562	42,692	36,649
Net income/(expenditure)		10,542	1,129	11,671	6,609
Other recognised gains – theatre tax relief	10	-	-	-	361
Transfer between funds	21/22	1,020	(1,020)	-	-
Net movement in funds		11,562	109	11,671	6,970
Reconciliation of funds:					
Fund balances brought forward at 1 January		48,160	2,597	50,757	43,787
Fund balances carried forward at 31 December		59,722	2,706	62,428	50,757

All of the group's activities derived from continuing operations during the two financial periods above.

For the parent charity alone, total income for the year were £47.2m (2022: £31.2m) and net income was £12.1m (2022: £5.8m).

The notes on pages 50 to 79 form an integral part of these financial statements.

The Corporation of the Hall of Arts and Sciences

Balance sheets 31 December 2023

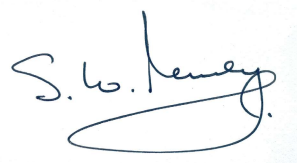
	Notes	Corporation 2023 £'000	Group 2023 £'000	Corporation 2022 £'000	Group 2022 £'000
Fixed assets					
Tangible assets	11	51,069	51,069	48,059	48,059
Intangible assets	12	453	453	587	587
Investment in subsidiary	15	25	-	25	-
		51,547	51,522	48,671	48,646
Current assets					
Stock	16	-	154	-	110
Debtors	17	15,431	6,935	11,162	5,560
Short term investments		15,000	25,000		
Cash at bank and in hand		31,678	38,132	33,931	47,525
		62,109	70,221	45,093	53,195
Current liabilities					
Creditors: amounts falling due within one year	18	31,876	37,401	24,465	29,585
		31,876	37,401	24,465	29,585
Net current assets		30,233	32,820	20,628	23,610
Total assets less current liabilities		81,780	84,342	69,299	72,256
Creditors: amounts falling due after one year	20	21,914	21,914	21,499	21,499
Total net assets		59,866	62,428	47,800	50,757
Represented by					
Funds and reserves					
Restricted funds	21	144	2,706	-	2,597
Unrestricted funds	22	59,722	59,722	47,800	48,160
		59,866	62,428	47,800	50,757

The notes on pages 50-79 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 28 March 2024 and signed on their behalf by:



Ian McCulloch
President



Stuart Newey
Honorary Treasurer

The Corporation of the Hall of Arts and Sciences

Consolidated cash flow statement Year to 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities	A	19,668	13,594
Cash flows from investing activities	B	(29,061)	(1,995)
Cash flows from financing activities	C	-	-
Changes in cash and cash equivalents in the reporting period		(9,393)	11,599
Cash and cash equivalents at the beginning of the reporting period		47,525	35,926
Cash and cash equivalents at the end of the reporting period		38,132	47,525
Comprising			
Cash at bank and in hand		38,132	47,525
Total cash and cash equivalents at the end of the reporting period		38,132	47,525

Notes to the cash flow statement for the year to 31 December 2023

A Reconciliation of cash flows from operating activities	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	11,671	6,609
Adjustments for:		
Depreciation charges	2,559	2,725
Amortisation	150	-
Reversal of impairment of tangible assets	-	(4)
Disposal of tangible assets	34	-
Dividends, interest and rents from investments	(1,976)	(133)
Decrease/(Increase) in stock	(44)	58
Decrease/(increase) in debtors	(957)	(46)
(Increase)/decrease in creditors	8,231	4,385
Net cash provided by (used in) operating activities	19,668	13,594

B Cash flows from investing activities	2023 £'000	2022 £'000
Dividends, interest and rents from investments	1,558	133
Purchase of property, plant and equipment	(5,599)	(2,128)
Purchase of intangible assets	(20)	-
(Increase) in current asset investments	(25,000)	-
Net cash provided by (used in) investing activities	(29,061)	(1,995)

C Cash flows from financing activities	2023 £'000	2022 £'000
Proceeds from new loans	-	-
Repayments on borrowings	-	-
Net cash provided by (used in) financing activities	-	-

D Net funds reconciliation	1 January 2023 £'000	Cashflow £'000	Other non- cash changes £'000	31 December 2023 £'000
Cash at bank and in hand	47,525	(9,393)	-	38,132
Borrowings	(21,499)	-	(415)	(21,914)
	26,026	(9,393)	(415)	16,218

Principal accounting policies Year to 31 December 2023

Company information

The Corporation of the Hall of Arts and Sciences (“the Corporation”), its wholly-owned subsidiary, Royal Albert Hall Developments Limited (RAHDL) and subsequent wholly owned subsidiary RAH Concerts Limited, and its related charity, Royal Albert Hall Trust (RAHT) all serve to promote the Arts and Sciences and the preservation and enhancement of the Grade I listed building which is held in trust for the nation. The Royal Albert Hall constitutes a public benefit entity as defined by FRS 102.

The Corporation is a registered charity (registered number: 254543) which is incorporated and domiciled in the UK. The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK.

Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practise. The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The group accounts consolidate on a line by line basis the accounts of The Corporation of the Hall of the Arts and Sciences (“the Corporation”), its wholly-owned subsidiary Royal Albert Hall Developments Limited (RAHDL) and its wholly owned subsidiary RAH Concerts Limited (RAHCL), and its connected charity Royal Albert Hall Trust (RAHT).

The individual entity accounts of Royal Albert Hall have taken advantage of the disclosure exemption under FRS 102 from preparing its own cash flow statement and to separately disclosure categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

Going concern

The Hall derives its surpluses primarily from performances and commercial activity directly related to performances, as well as bank interest and philanthropic support, and relies on its own reserves for working capital requirements.

Principal accounting policies Year to 31 December 2023

Going concern (continued)

2023 was not hindered by any enforced closures and ticket sales were strong throughout the year, culminating in an excellent Christmas season. Expenditure continued to be tightly controlled and 2023 proved to be the Hall's strongest financial performance in its history. This has to some extent replenished the designated and general reserves (See note 22) after the negative impact of Covid-19.

On 24 February 2022, the Hall obtained a loan of £20.74m from the government's Cultural Recovery Fund as security against future losses and, if necessary, to fund essential maintenance works (although our plan is to do so out of operating surpluses). The loan is repayable over 20 years and carries an interest rate of 2% with repayments starting March 2025.

Whilst the Hall was financially weakened over the pandemic, we have returned to full time business and financial surplus in 2023. Our planning process, including financial projections, has taken into consideration the current economic climate of inflation, high energy prices and the current cost of living crisis and its impact on the various sources of income and planned expenditure.

The Trustees have reviewed the current financial position of the Hall for the foreseeable future and have taken action as necessary to manage risks arising from different scenarios. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. It is reasonable to expect the Charity to generate adequate income to continue in operation for the foreseeable future, being the period of at least twelve months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 24.

Principal accounting policies Year to 31 December 2023

Critical accounting judgements and key sources of estimation uncertainty (continued)

Fixed assets – decisions are taken by the charity in determining whether expenditure meets the criteria for being capitalised and also in determining the useful life of assets as set out in the applicable accounting policy notes and notes 11 – 13 in the accounts.

Financial instruments

If the Corporation has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors. Investments in subsidiary undertakings are held at cost less impairment.

Cash and cash equivalents include cash in hand, deposits at call with banks, other short-term liquid investments with original maturities of 3 months or less. Short term liquid investments with original maturities of 3 months or more are included in short term investments.

Stock is included at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

Accounting for income

Income is recognised in the period in which the charity is entitled to receipt of the funds if performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Accordingly, rental income, ticket sales and commission, income from trading activities and other show-related income is recognised as income on the day that each show takes place. Income from licensing of boxes and Members' annual contributions is recognised over the period to which it relates.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Legacies are recognised on the earlier of the receipt of funds or the receipt of final agreed estate accounts which shows that the income is probable, and the amount can be measured reliably.

Income which is derived in exchange for donated goods and services is recognised as income in the period in which the charity is entitled to receipt of the funds, a matching expense is recognised at the same point in time. The income is recognised at the cost to the Hall of providing those services.

Principal accounting policies Year to 31 December 2023

Accounting for income (continued)

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- a. Costs of raising funds comprise the direct costs and overheads associated with generating donated income and holding fundraising events.
- b. Expenditure on charitable activities includes the Corporation's primary charitable purposes of maintaining the Royal Albert Hall and, through its use, promoting the arts and sciences.

Allocation of support costs

- a. Support costs are for those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include personnel development, financial procedures and management, provision of office services and equipment and a suitable working environment. The bases on which support costs have been allocated are set out below in note 5.
- b. Governance costs comprise: 100% of the cost of the Secretary to the Corporation and their assistant; 12.5% of the cost of the Chief Executive and their assistant, audit fees; and the annual general meeting, legal and council meeting expenses.

Termination Payments

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy or (iii) the employee's contract is terminated and payment has been made in full.

Pension costs

The Corporation has two pension schemes, the Royal Albert Hall Stakeholder Pension Plan and the Royal Albert Hall Pension Scheme. It also uses The Peoples' Pension to fulfil its auto-enrolment obligations.

All staff are entitled to join the Royal Albert Hall Stakeholder Pension Plan, which with effect from 1 September 2006 is the only scheme open to new entrants.

Principal accounting policies Year to 31 December 2023

Pension costs (continued)

The Royal Albert Hall Pension Scheme has both a defined contribution section and a defined benefit section. The defined benefit section was closed to new entrants in 1997 and ceasing of accrual on 31 December 2014; the defined contribution section was closed to new entrants on 31 August 2006.

◆ *Stakeholder Pension Plan and The Peoples' Pension*

Pension costs for the Royal Albert Hall Stakeholder Pension Plan and The Peoples' Pension are charged to the statement of financial activities as they become payable.

◆ *Defined contribution section*

Pension costs for the defined contribution section of the Royal Albert Hall Pension Scheme are charged to the statement of financial activities as they become payable. The cost is split by department depending on the role of the individual. In 2020, the Scheme's trustees transferred responsibility for the defined contribution section funds from the Scheme into the Legal & General (L&G) Mastertrust, which is run by a board of professional trustees independent of L&G.

◆ *Defined benefit section*

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities within the Corporation's defined benefit section of the Scheme expected to arise from employee service in the period is allocated to the respective expense category (as outlined above) in respect to staff costs.

Tangible fixed assets

All assets costing more than £10,000 (other than heritage assets – see below) which have an expected useful life exceeding one year are capitalised.

Freehold land comprising car parking spaces and those assets included in the art collection are included in the accounts at their deemed cost having taken advantage of the transitional rules of the previous accounting standard, FRS15: Tangible Assets (see note 11 for details). All other assets are included at cost.

Tangible fixed assets are depreciated at the following annual rates in order to write them off over their estimated useful lives (see note 5):

◆ Property costs	5% - 10% per annum based on cost
◆ Basement	1% per annum based on cost
◆ Plant, fixtures, fittings and equipment	6.7% - 20% per annum based on cost
◆ Computers and office equipment	20 - 33.3% per annum based on cost

Principal accounting policies Year to 31 December 2023

Tangible fixed assets (continued)

Expenditure on the general upkeep of the building and 'like for like' replacements (which allows for some technological developments and other advancements) is expensed. Expenditure on the building is capitalised if it fits within the criteria for capitalisation highlighted within FRS102 which refers generally to the recognition of an "asset" if and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Assets under construction are not depreciated until complete and operational.

No depreciation is charged on freehold land.

No depreciation is provided on the Hall's Art Collection as its expected useful life is indefinite. Annual impairment reviews are undertaken and provision is made accordingly.

Intangible fixed assets

In accordance with FRS 102 website and digital costs have been recognised as intangible assets as they can be identified with a project anticipated to produce future benefits. On initial recognition, assets are measured at cost and include all costs directly attributable to bringing them into working condition.

Intangible fixed assets are amortised at the following annual rates in order to write them off over their estimated useful lives (see Depreciation and amortisation in note 5):

- ◆ Website / Software 20-33% per annum based on cost
- ◆ Property rights 10% per annum based on cost

Heritage assets

The land and buildings comprising the Royal Albert Hall have been classified as heritage assets. The Hall is an asset of acknowledged historic importance and must be held indefinitely in direct furtherance of the Corporation's charitable objects i.e. to maintain the Hall and, through its use, to promote the arts and sciences.

Following the creation of the Archive room in 2023, Council has reviewed the classification of the Archival collection in the financial statements and has determined that it should be regarded as a Heritage asset given its unique status documenting the history and development of the Hall.

Principal accounting policies Year to 31 December 2023

Heritage assets (continued)

The collection is held primarily for its contribution to knowledge and culture and is now accessible to the public and for academic research. Where valuations have been easily ascertainable, items in the collection have been recognised in the financial statements at their estimated value on adoption of FRS102 which has been treated as deemed cost. Other items in the Archival collection have not been accorded a value in these financial statements as their original cost or value on accession occurred many years ago and is therefore no longer available, and in many cases would not be material to the financial statements.

As reliable cost information is not available and conventional valuation approaches lack sufficient meaning given that certain aspects of the building and its historic significance are irreplaceable, no value is included on the balance sheet in respect of the Hall.

As explained more fully within note 13 of the accounts, all subsequent expenditure incurred on the land and buildings of the Royal Albert Hall is reviewed to determine whether it meets the criteria set out in FRS 102 for capitalising subsequent expenditure on an asset. Where the criteria is not met the expenditure is accounted for through the statement of financial activities.

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose or contributions, subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects – based on decisions made by Trustees

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Corporation's charitable objects.

Government loan

The £20.7m loan from Arts Council England and the Department of Culture, Media and Sport is considered to be a public benefit entity concessionary loan as the interest rate of the loan is below the prevailing market rate.

The loan is valued at amortised cost using the effective interest method. Interest is accrued annually at 2% and is repayable over 20 years, with a repayment holiday for the first four years. The interest is accrued and added to the initial £20.7m loan and included in creditors over one year.

As at 31 December 2023, the loan remained fully drawn down.

Taxation – subsidiary

Theatre tax relief credits payable to the trading subsidiary in relation of eligible expenditure on theatrical productions are recognised as a credit within the tax charge in the company and as a gain in the consolidated financial statements.

Notes to the accounts 31 December 2023

1 Donations and legacies

	2023	2023	2022	2022
	Restricted	Unrestricted	Restricted	Unrestricted
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Donations	1,691	1,532	1,178	1,610
Legacies	-	25	86	-
	1,691	1,557	1,264	1,610

2 Income from charitable activities

	2023	2023	2022	2022
	Restricted	Unrestricted	Restricted	Unrestricted
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Rentals	-	3,764	-	3,336
Ticket commission	-	23,870	-	16,382
Members' contribution	-	2,476	-	2,300
Restoration / Recovery levy	-	1,494	-	1,276
Other	-	876	-	758
	-	32,480	-	24,052

3 Income from other activities

	2023	2023	2022	2022
	Restricted	Unrestricted	Restricted	Unrestricted
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Rental	-	718	-	552
Ticket sales and commission	-	3,909	-	6,396
Concessions and licences granted	-	7,836	-	5,722
Other show-related income	-	2,766	-	2,492
Other income	-	1,430	-	1,037
	-	16,659	-	16,199

Please see note 15 for information on the Corporation's wholly owned trading subsidiary, Royal Albert Hall Developments Limited, and its respective wholly owned subsidiary RAH Concerts Ltd for more information on these activities.

4 Analysis of expenditure on charitable activities

	Maintaining and developing the Hall £'000	Promoting the arts and sciences £'000	2023 Total £'000	2022 Total £'000
Building maintenance	2,167	-	2,167	2,014
Building refurbishment and improvements	1,955	-	1,955	1,358
Security and housekeeping	2,294	1,746	4,040	3,426
Archives	110	-	110	113
Ticketing	-	2,551	2,551	1,945
Show management and production	-	12,266	12,266	10,866
Front of house services	-	4,084	4,084	3,543
Programming, marketing and PR	-	1,954	1,954	1,655
Engagement activities	-	398	398	319
Miscellaneous	-	1,564	1,564	1,082
Support costs (see note 5)	3,055	7,580	10,635	9,348
	9,581	32,143	41,724	35,669

5 Support costs

	Maintaining and developing the Hall £'000	Promoting the arts and sciences £'000	2023 Total £'000	2022 Total £'000
Finance and information systems	524	1,767	2,291	1,990
Administration and human resources	320	1,339	1,659	1,656
Overheads and insurance	511	508	1,019	965
Utilities	337	1,726	2,063	1,337
Depreciation and amortisation	555	2,154	2,709	2,725
General Office	25	86	111	98
Governance costs (note 6)	783	-	783	577
	3,055	7,580	10,635	9,348

Support costs that can be directly attributed to an activity have been allocated to that activity. Where support costs relate to more than one activity the cost has been allocated on a head count basis, with the exception of depreciation costs which have been allocated on an analysis of usage.

6 Governance costs

	Maintaining and developing the Hall £'000	Promoting the arts and sciences £'000	2023 Total £'000	2022 Total £'000
Salaries, wages and related costs	257	-	257	210
General office	237	-	237	121
Audit fees	69	-	69	61
Legal and other professional fees	220	-	220	185
	783	-	783	577

7 Auditor's remuneration

	2023 £'000	2022 £'000
Group audit	69	61
Taxation services	10	11
Other services	2	1

8 Staff costs

	2023 £'000	2022 £'000
Salaries	12,688	10,987
Social security costs	1,099	1,082
Pension costs	590	545
Staff benefits	159	148
	14,536	12,762

The Council Members were not paid and did not receive any other benefits from employment with the Corporation or its subsidiaries in the year (2022: £nil). One member of Council received out of pocket expenses in the year of £53 (2022: Two members of £354). Additional expenses were incurred by Council in the sum of £2,041 for meals with Council members or the Hall's Members. No Council Member received payment for professional or other services supplied to the Corporation (2022: £nil).

Ex gratia and termination payments in the year totalled £12k (2022: £48k). Of this amount, at the year-end £nil (2022: £nil) was still to be paid.

The key management personnel of the Corporation comprise the Council Members and members of the Executive. During the year the definition of Key Management Personnel was reviewed and revised to no longer include Heads of department, this was due to confirmation of the executive team structure and permanent appointments to the team in 2023. The total employee benefits of the key management personnel of the Corporation were £1,154k (2022: £1,243k restated).

8 Staff costs (continued)

The average number of employees during the year, analysed by function, was as follows:

	2023 Number	Full-time equivalent 2023 Number	2022 Number	Full-time equivalent 2022 Number
Generating funds	7	7	8	8
Maintaining the Hall	53	44	50	41
Promoting arts and sciences	320	238	282	204
Administration and support	37	37	35	35
Governance	2	2	2	2
	419	328	377	290

The number of employees whose total emoluments were £60,000 or more (including taxable benefits but excluding employer's pension contributions) during the year was as follows:

	2023 Number	2022 Number
£60,001 - £70,000	9	11
£70,001 - £80,000	8	3
£80,001 - £90,000	1	2
£90,001 - £100,000	3	2
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1
£170,001 - £180,000	1	-
£190,001 - £200,000	-	1
	26	23

Emoluments include remuneration, benefits-in-kind and (where relevant) redundancy payments. There are no employees accruing benefits under the Corporation's defined benefit scheme whose emoluments exceeded £60,000 (2022: none). Total employer's pension contributions for the provision of money purchase benefits for employees whose emoluments exceeded £60,000 were £170k (2022: £144k).

Throughout the year the Corporation secured indemnity insurance under a policy covering the members of Council and the directors, Trustees and officers of the subsidiary company and related trust. The total premium charged to the Corporation was £19k (2022: £17k) and the cover provided totalled £5m (2022: £5m).

9 Related party transactions

During the year the Royal Albert Hall Trust, a related charity, made a donation to the Corporation of £2.1m (2022: £2.1m). As summarised in note 17, at the year-end there was an intercompany creditor between the Corporation and Royal Albert Hall Developments Limited of £14.1m (2022: £10.7m debtor) an intercompany debtor between the Corporation and RAH Concerts Limited of £0.2m (2022: £0.1m creditor) and an intercompany debtor between the Corporation and Royal Albert Hall Trust of £2.5m (2022: £2.3m creditor).

In accordance with the Corporation's Charter, elected Council members (which exclude appointed Council Members) are required to be seatholders. For a detailed explanation of the relationship and transactions between Council members and the Corporation, please see under 'Council members', within "Structure, governance and management" section, on pages 23 to 42.

At the year-end there was a total of £25k (2022: £25k) due to Council Members in respect of rebate income collected during 2023 which will be paid across in 2023. At the year-end there was a total of £nil (2022: £nil) due from Council Members in respect of annual contributions and supplementary seat rate charged during 2023.

The key matters are summarised in the table below:

	2023 Number	2022 Number
Number of seats owned by Council members	43	43
Number of seats owned by parties related to Council members	126	112
Number of tickets returned by Council members and related parties through ticket return scheme	25,112	21,132
Number of complimentary tickets requested by Council members under the GT29 policy	81	76
	2023 £	2022 £
Total seat rate amount paid by Council members and related parties	330,057	281,170
Total rebate amount received by Council members and related parties	98,020	40,610
Amount distributed to Council members & related parties for returned Tickets	770,229	496,982
Face value of complimentary tickets requested by Council members under the GT29 policy	10,364	13,881
Value of discount received on food and beverage available at the Hall (<i>*Prior year value unavailable</i>)	3,762	*
Donations from Council members	21,471	1,854

10 Taxation

The Corporation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

In the prior year Theatre Tax Relief of £0.4m was claimed for eligible costs associated with 14 performances of Matthew Bourne's *Car Man* in June. There were no such claims in 2023.

11 Tangible fixed assets - Group and charity

	Freehold land £'000	Leasehold land £'000	Art & Archival Collections £'000	Property Costs £'000	Plant, fixtures, fittings & equipment £'000	Computers & office equipment £'000	Assets under construction £'000	TOTAL £'000
Cost or valuation								
As at 1 January 2023	1,575	629	1,496	27,946	27,402	1,537	3,092	63,677
Reclassification of opening balance	-	-	-	967	241	255	4,136	5,599
Additions	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	(387)	-	-	(663)
Disposals	-	-	-	174	572	(276)	(746)	-
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2023	1,575	629	1,496	29,087	27,828	1,516	6,482	68,613
Valuation 2001	1,575	629	1,496	-	-	-	-	3,700
Cost	-	-	-	29,087	27,828	1,515	6,482	64,912
	1,575	629	1,496	29,087	27,828	1,515	6,482	68,612
Depreciation								
As at 1 January 2023	-	-	606	2,009	11,618	1,385	-	15,618
Reclass bfwd balances	-	-	-	-	-	-	-	-
Depreciation charge for year	-	-	-	555	1,944	60	-	2,559
Impairment	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(359)	(274)	-	(633)
As at 31 December 2023	-	-	606	2,564	13,203	1,171	-	17,544
Net book values								
As at 31 December 2023	1,575	629	890	26,523	14,625	345	6,482	51,069
As at 1 January 2023	1,575	629	890	25,937	15,784	152	3,092	48,059

As permitted under FRS 102, the Corporation has continued a policy of not revaluing its tangible fixed assets. The book values of tangible fixed assets held are derived as follows:

- ◆ Freehold land comprising car parking spaces situated below the Royal Albert Hall, London, SW7 are being carried at a deemed cost of £1.6m. This is based on advice received from Messrs Stile Harold Williams, Surveyors and Valuers during 2001, the Corporation having taken advantage of the transitional accounting rules available at the time.
- ◆ Similarly, the Corporation's art collections are included in the accounts at a deemed cost. This was following a valuation made by Messrs King Sturge, Chartered Surveyors in 2001, the Corporation having taken advantage of the transitional accounting rules available at the time. A subsequent valuation by Christie's took place in March 2022 and net book value for the art collection as at 31 December 2023 is now £537k.
- ◆ Included in the Art and Archival Collections is £353k attributable to assets which form part of the Hall's Archive material. These are now classified as heritage assets and further information is provided in note 13. Leasehold land comprising the purchase of additional land in 2016, valued at cost, to enable the basement development work to the southwest of the building.

11 Tangible fixed assets - Group and charity (continued)

- ♦ Fixtures and fittings, equipment, computers and office equipment are all included in the accounts at cost less depreciation and impairment changes.
- ♦ Subsequent expenditure on the building that meets the criteria for capitalisation under FRS102 is capitalised at cost.

The historical cost of assets included above at a valuation is not available. Many of the assets were acquired a significant number of years ago and the expense associated with researching their original cost outweighs any benefit derived from having such information.

At 31 December 2023 the Corporation had capital commitments of £0.6m (2022: £3.1m).

12 Intangible fixed assets (Group and Charity)

	Property rights £'000	Computer & Office Equipment £'000	TOTAL £'000
Cost or valuation			
As at 1 January 2023	890	2,172	3,062
Additions	-	20	20
Disposals	-	(799)	(799)
Transfers	-	-	-
As at 31 December 2023	890	1,393	2,283
Depreciation			
As at 1 January 2023	458	2,017	2,475
Charge for year	89	61	150
Disposals	-	(795)	(795)
As at 31 December 2023	547	1,283	1,830
Net book values			
As at 31 December 2023	343	110	453
As at 1 January 2023	432	155	587

Property rights consist of seats which the Corporation has purchased from Members and receives income in respect of. The property rights from the purchase of the RNIB second tier box also entitle the seller to a right to five hundred complimentary tickets, for 10 years from August 2017, which are currently based at an estimated value of £nil.

All intangible fixed asset additions were acquired, and none were internally developed.

13 Heritage assets

The land and buildings comprising the Royal Albert Hall are defined as heritage assets for the purposes of these accounts. Under the Corporation's Royal Charter the Hall, which is an asset of acknowledged historic importance, must be held indefinitely so as to fulfil the Corporation's primary charitable objectives of maintaining the Hall and, through its use, promoting the arts and sciences.

The nature of the land and buildings means that any meaningful and/or conventional valuation of the Royal Albert Hall is not possible. The historic importance of the Hall means that certain aspects of the building and its historic significance are irreplaceable. The land and buildings, therefore, appear at nil value on the Corporation's balance sheet.

The assets comprise the land and buildings known as the Royal Albert Hall, situated at Kensington Gore, London SW7 and demised under a 999 year lease dated 25 March 1872.

The Hall is valued for insurance purposes only at a gross reinstatement cost of £459m, (2022: £434m) based on a surveyor's valuation as at October 2023 by Ecclesiastical.

While not shown in the accounts, the operating expenditure includes the ground rent of one shilling (5p) a year payable to the owners of the Hall's freehold, The Royal Commission for the Exhibition of 1851.

The Hall capitalises expenditure on removable fittings, computers and equipment. Expenditure on the general upkeep of the building and 'like for like' replacements (which allows for some technological developments and other advancements) is expensed.

Fixed asset additions to heritage assets in 2023 totalled £5.2m (2022: £1.1m). This included a new space that will showcase the Hall's archive material with the aim of making this available to the public and researchers. Project expenditure overall in 2023 increased on previous years due to a reduction on supply and resource issues experienced in 2022.

In addition to the Hall itself, the Corporation owns an Archival Collection of over 100,000 items which provide a unique insight into the history and development of the Hall. During 2023 a new Archive room was created in order to make the collection more accessible to the public and for research. Certain items have been recognised at a valuation (total £353k) where this can be easily established. However the majority of items (documents, paintings, memorabilia etc) are unique to the Hall and therefore cannot be valued according to conventional valuation techniques. The collection has been built up since the Hall's inception and is continually added to in order to provide a permanent record of the Hall's activities. In many cases the items have little or no intrinsic value and their original cost would not be material to the financial statements.

13 Heritage Assets (continued)

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Expenditure on heritage assets					
Capital expenditure					
Facilities for performers and the public	4,956	1,067	1,001	1,903	368
Other building works and fees	219	58	4,082	3,121	4,682
	5,175	1,125	5,083	5,024	5,050
Revenue expenditure					
Facilities for performers and the public	1,278	576	7	575	1,554
The building's structure	-	29	247	2,677	3,081
The auditorium	-	64	-	-	-
Other building works and fees	36	64	406	2,139	-
	1,314	733	660	5,391	4,635
	6,489	1,858	5,743	10,415	9,685

14 Leases

The Corporation holds the following operating leases in respect to office equipment.

	Corporation 2023 £'000	Group 2023 £'000	Corporation 2022 £'000	Group 2022 £'000
Not later than one year	12	12	7	7
Between one and five years	35	35	22	22
Later than five years	2	2	-	-
	49	49	29	29

15 Investment in subsidiary undertakings

Royal Albert Hall Developments Limited

The Corporation's subsidiary is Royal Albert Hall Developments Limited which is incorporated in England (company number 1539294) and its wholly owned subsidiary RAH Concerts Limited which is incorporated in England (company number 10664172). The principal activities of Royal Albert Hall Developments Limited are the licensing of the Royal Albert Hall to third parties, the licensing of boxes to corporate clients, the receipt of income from catering and services provided to patrons of the Royal Albert Hall by concessionaires appointed by the company, tours, a shop, merchandise sales, a car parking concession, and events which are outside of the Hall's charitable objectives. The Corporation's investment in Royal Albert Hall Developments Limited comprises 25,000 ordinary shares of £1 each, being the entire issued share capital of that company.

A summary of the financial results of the company is shown below.

Statement of Comprehensive Income	2023 £'000	2022 £'000
Turnover	16,432	15,242
Cost of sales	(9,159)	(11,955)
Operating profit	7,273	3,287
Net interest receivable	650	74
Profit on ordinary activities before taxation	7,923	3,361
Tax on ordinary activities	-	369
Profit on ordinary activities after taxation	7,923	3,730
Retained earnings at the start of the period	361	-
Deed of Covenant payable to the Corporation	(8,284)	(3,369)
Retained earnings at the end of the period	-	361
Summarised balance sheet	2023 £'000	2022 £'000
Current assets	19,324	16,007
Creditors: amounts falling due within one year	(19,299)	(15,621)
Net assets	25	386
Called up share capital	25	25
Profit and loss account	-	361
	25	386

15 Investment in subsidiary undertakings (continued)

RAH Concerts Limited

The principal activities of RAH Concerts Limited are the licensing of the Royal Albert Hall to third parties which are not subject to UK law. Royal Albert Hall Developments Limited's investment in RAH Concerts Limited comprises one ordinary share of £1 each, being the entire issued share capital of that company.

A summary of the financial results of the company is shown below.

Statement of comprehensive income	2023 £'000	2022 £'000
Turnover	226	957
Cost of sales	(192)	(709)
Operating profit	34	248
Net interest receivable	-	-
Profit on ordinary activities before taxation	34	248
Tax on ordinary activities	-	3
Profit on ordinary activities after taxation	34	251
Retained earnings at the start of the period	-	-
Deed of Covenant payable to the Corporation	(34)	(251)
Retained earnings at the end of the period	-	-
Summarised balance sheet	2023 £'000	2022 £'000
Current assets	12	277
Creditors: amounts falling due within one year	(12)	(277)
Net assets	-	-
Called up share capital	-	-
Profit and loss account	-	-
	-	-

16 Stock

	Corporation 2023 £'000	Group 2023 £'000	Corporation 2022 £'000	Group 2022 £'000
Stock	-	154	-	110
	-	154	-	110

17 Debtors

	Corporation 2023 £'000	Group 2023 £'000	Corporation 2022 £'000	Group 2022 £'000
Rentals and concession income receivable	1,732	4,367	1,414	3,425
Other debtors	149	182	108	135
Tax credit receivable	-	-	-	361
Amounts due from subsidiary	11,413	-	8,366	-
Prepayments and accrued income	2,137	2,386	1,274	1,639
	15,431	6,935	11,162	5,560

18 Creditors: amounts falling due within one year

	Corporation 2023 £'000	Group 2023 £'000	Corporation 2022 £'000	Group 2022 £'000
Trade creditors	2,822	3,579	2,937	2,941
Other creditors	16,473	17,339	12,948	14,346
Social security and other payroll taxes	368	368	324	324
Accruals	3,847	4,762	3,168	3,825
Amount due to subsidiary	-	-	-	-
VAT	560	1,225	790	1,443
Deferred Income (see note 19)	7,806	10,128	4,298	6,706
	31,876	37,401	24,465	29,585

Included within other creditors are amounts of £13.9m (2022: £11.0m) held in respect to ticket sales for future performances hosted by third parties which is held on their behalf and will be passed on to promoters in due course as part of the show settlement process. Included in other creditors is £34k of unpaid pension contributions (2022: £102k).

19 Deferred Income

	Corporation 2023 £'000	Group 2023 £'000
Balance as at 1 January	4,298	6,706
Amount released to incoming resources	(4,193)	(6,566)
Amount deferred in year	7,701	9,988
Balance as at 31 December	7,806	10,128

Deferred income for the Corporation comprises deposits on future lettings of £3.3m (2022: £2.9m) and advance ticket sales on RAH presents performances of £4.5m (2022: £1.4m) relating to performances after the balance sheet date. Deferred income for the Group comprises deposits on future lettings of £3.3m (2022: £2.9m), advance ticket sales on RAH presents performances of £5.7m (2022: £2.6m) and other advance income £1.1m (2022: £1.2m) relating to performances after the balance sheet date.

20 Government loan

	2023 £'000	2022 £'000
Amounts payable:		
Under 1 year	-	-
1 – 5 years	6,335	4,751
Over 5 years	15,579	16,748
	21,914	21,499

In March 2022, the Hall received a loan of £20.7m from Arts Council England and the Department of Culture, Media and Sport as part of the Culture Recovery Fund. The loan incurs an annual interest charge of 2%, which has been accrued and added to the total amount payable, and is repayable over 20 years, with a repayment holiday for the first four years. Repayments of the loan commence March 2025.

21 Restricted funds

	Balance at 1 January 2023 £'000	Income £'000	Expenditure* £'000	Transfers £'000	Balance at 31 December 2023 £'000
Engagement Fund:					
Engagement	111	471	(476)		106
Total Engagement Fund	111	471	(476)	-	106
Production Fund:					
Associated Artists	424	-	(68)	-	356
Total Production Fund	424	-	(68)	-	356
Building Fund:					
Artists Bar	1,000	-	-	-	1,000
Creator Space	500	-	-	-	500
Door 6 restoration	450	150	-	-	600
150th Statues	112	-	-	(112)	-
Archive Project	-	908	-	(908)	-
Total Building Fund:	2,062	1,058	-	(1,020)	2,100
Royal Albert Hall Trust	2,597	1,529	(544)	(1,020)	2,562
 Public Realm Grant	 -	 162	 (18)	 -	 144
Corporation	-	162	(18)	-	144
Group	2,597	1,691	(562)	(1,020)	2,706

* Please note: donations are received by the Royal Albert Trust and then granted to the Corporation to fund the delivery of each initiative.

21 Restricted Funds (Continued)

	Balance at 1 January 2022 £'000	Income £'000	Expenditure* £'000	Transfers £'000	Balance at 31 December 2022 £'000
Engagement Fund:					
Engagement	95	232	(216)		111
Total Engagement Fund	95	232	(216)	-	111
Production Fund:					
Associated Artists	-	500	(76)	-	424
Total Production Fund	-	500	(76)	-	424
Building Fund:					
Artists Bar	1,000	-	-	-	1,000
Capital Projects	100	3	-	(103)	-
Door 6 restoration	300	150	-	-	450
150th Statues	43	250	-	(181)	112
Public Realm Grant	251	(25)	(226)	-	-
Creator Space	-	500	-	-	500
Total Building Fund:	1,694	878	(226)	(284)	2,062
Royal Albert Hall Trust	1,789	1,610	(518)	(284)	2,597
Corporation	-	-	-	-	-
Group	1,789	1,610	(518)	(284)	2,597

Restricted funds comprise the Building Fund, Engagement Fund (formerly known as the Education Fund) and Production Fund.

The Engagement Fund represents donations received in respect of specific education projects to be delivered by The Corporation of the Hall of Arts and Sciences. The Engagement fund is a programme helping change lives through music and is divided into three main strands of activity through supporting communities, engaging with music and discovering careers in music.

The Production fund's associated artist scheme is committed to developing talent and diversifying our artists and audiences. The introduction of this scheme allows us to put the forefront of artistic innovation, and positively challenge people's perception of the Royal Albert Hall.

21 Restricted Funds (Continued)

The Building fund contains a number of projects including a plan to create a modern Artist bar and backstage space. This project was delayed due to the pandemic but work is set to start again in 2024. The Creator space is no longer a proposed project and funds have been transferred to the Artists Bar fund subsequent to the year end by agreement of the donor. Also included is a fund to complete the restoration of Door 6. This is the door that faces the Prince Albert memorial. Completed in the year were the additions of four new statues at the front and back of the Hall and a new space to showcase the Royal Albert Hall's archive material.

The Royal Albert Hall Trust is a separately constituted Trust with charitable status whose Trustees include the current President and Vice-Presidents of the Corporation. Its purpose is to raise funds for future maintenance and preservation of the fabric and facilities of the Royal Albert Hall and to help fund its Engagement Programme. It periodically makes donations to the Corporation.

During the year the Trust made a grant of £0.5m to the Corporation's Engagement Programme (2022: £0.2m). It also made a grant of £1.0m (2022: £0.5m), to the restricted Building Fund (which comprises grants and donations raised from companies and individuals), in order to fund improvements to the building, and £0.1m (2022: £0.1m) from the Production Fund to fund the Hall's Artistic Development programme. These funds were received by the Corporation and spent in the year.

During the year a transfer of £1.0m (2022: £0.3m) was made from the Building Fund to unrestricted reserves. This represents the transfer of assets as the money has been used for the purpose for which it was given.

Notes to the accounts 31 December 2023

22 Unrestricted funds

Corporation	Tangible & intangible fixed assets fund	Engagement fund	Pension Buyout fund	Business Interruption fund	Total designated funds	General fund	Total unrestricted funds
-	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	48,646	-	-	-	48,646	(846)	47,800
Income	-	-	-	-	-	45,513	45,513
New Designations	4,599	600	1,500	5,400	12,099	(12,099)	-
Transfer	1,020	-	-	-	1,020	-	1,020
Utilisation/expenditure	(2,743)	-	-	-	(2,743)	(31,868)	(34,611)
Balance at 31 December 2023	51,522	600	1,500	5,400	59,022	700	59,722

Group	Tangible & intangible fixed assets fund	Engagement fund	Pension Buyout fund	Business Interruption fund	Total designated funds	General fund	Total unrestricted funds
-	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	48,646	-	-	-	48,646	(486)	48,160
Income	-	-	-	-	-	52,672	52,672
Other gain/(losses)	-	-	-	-	-	-	-
New Designations	4,599	600	1,500	5,400	12,099	(12,099)	-
Transfer	1,020	-	-	-	1,020	-	1,020
Utilisation/expenditure	(2,743)	-	-	-	(2,743)	(39,387)	(42,130)
Balance at 31 December 2023	51,522	600	1,500	5,400	59,022	700	59,722

Corporation	Tangible & intangible fixed assets fund	Engagement fund	Pension Buyout fund	Business Interruption fund	Total designated funds	General fund	Total unrestricted funds
-	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	49,238	400	-	-	49,638	(7,640)	41,998
Income	-	-	-	-	-	30,388	30,388
Transfer	284	(400)	-	-	(116)	400	284
Utilisation/expenditure	(876)	-	-	-	(876)	(23,994)	(24,870)
Balance at 31 December 2022	48,646	-	-	-	48,646	(846)	47,800

Group	Tangible & intangible fixed assets fund	Engagement fund	Pension Buyout fund	Business Interruption fund	Total designated funds	General fund	Total unrestricted funds
-	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	49,238	400	-	-	49,638	(7,640)	41,998
Income	-	-	-	-	-	41,648	41,648
Other gain/(losses)	-	-	-	-	-	361	361
Transfer	284	(400)	-	-	(116)	400	284
Utilisation/expenditure	(876)	-	-	-	(876)	(35,255)	(36,131)
Balance at 31 December 2022	48,646	-	-	-	48,646	(486)	48,160

22 Unrestricted funds (continued)

The Tangible and Intangible Fixed Asset Funds represent the net book value of the Corporation's fixed assets. A decision was made to separate this fund from the general fund in recognition that the tangible and intangible fixed assets are essential to the day-to-day work of the Corporation and as such their value should not be regarded as funds that are realisable to meet future contingencies. The net increase in the fund of £2.9m represents the level of capital additions during the year (net of depreciation).

The Education & Outreach Fund has been renamed as The Engagement Fund to align the description more closely to its impact and type of activity. The fund exists to protect initiatives from any adverse short term financial performance issues the Corporation may encounter. A value of £0.6m (2022: £nil) has been allocated to this fund to cover expenditure included in the 2024 budget.

The Plant and Fabric Sinking Fund existed in 2022 to meet the cost of major non-capital expenditure required to maintain the fabric of the building and to replace its plant and equipment over the long term. There was no movement on this reserve in 2022 and 2023. This fund will be merged with the fund below and renamed The Estate Plan Fund.

The Major Building Development Fund existed in 2022 to help meet the cost of future major building developments. There was no movement on this reserve in 2022 and 2023. This fund will be merged with the fund above and renamed The Estate Plan Fund. The Estate Plan Fund currently has a balance of £0.

Pension Fund of £1.5m (2022: £nil) has been established in 2023 as the trustees continue to explore the opportunity of a buy out of the defined benefits pension (See note 24). This has been set aside to cover the cost and any associated fees within the next few years.

Business Interruption Contingency Fund – when the Hall was required to close at the start of the Covid pandemic, our income was decimated but many of our costs remained. The building still needed to be maintained. And keeping the workforce together, where affordable, was vital to our ability to bounce back successfully when restrictions ended. Therefore, the Trustees believe it is prudent for the charity to hold a Business Interruption Contingency Fund, equivalent to 6 months of operating expenditure, to ensure the Hall can react proactively should a future scenario have a similar impact on the Hall's operations. In 2023 we were able to set aside £5.4m into this fund, which represents approximately 2.3 months of operating expenditure. We aim for this fund to be at full capacity within the next 3 years.

Furthermore, due to £1.6m of project spend being rolled over from the previous financial year, an additional £0.7m has been allocated as a general/free reserve to cover the revised budgeted deficit in 2024.

23 Analysis of net assets between funds

Corporation	Unrestricted fund			2023 Total £'000
	Designated funds £'000	General fund £'000	Restricted funds £'000	
Tangible & Intangible fixed assets	51,522	-	-	51,522
Investments	-	25	-	25
Net current assets	7,500	22,589	144	30,233
Creditors over 1 year	-	(21,914)	-	(21,914)
Total net assets	59,022	700	144	59,866

Group	Unrestricted fund			2023 Total £'000
	Designated fund £'000	General fund £'000	Restricted Funds £'000	
Tangible & Intangible fixed assets	51,522	-	-	51,522
Investments	-	-	-	-
Net current assets	7,500	22,614	2,706	32,820
Creditors over 1 year	-	(21,914)	-	(21,914)
Total net assets	59,022	700	2,706	62,428

Corporation	Unrestricted fund			2022 Total £'000
	Designated funds £'000	General fund £'000	Restricted funds £'000	
Tangible & Intangible fixed assets	48,646	-	-	48,646
Investments	-	25	-	25
Net current assets	-	20,628	-	20,628
Creditors over 1 year	-	(21,499)	-	(21,499)
Total net assets	48,646	(846)	-	47,800

Group	Unrestricted fund			2022 Total £'000
	Designated fund £'000	General fund £'000	Restricted Funds £'000	
Tangible & Intangible fixed assets	48,646	-	-	48,646
Investments	-	-	-	-
Net current assets	-	21,013	2,597	23,610
Creditors over 1 year	-	(21,499)	-	(21,499)
Total net assets	48,646	(486)	2,597	50,757

24 Pension commitments

The Royal Albert Hall offers a Stakeholder Pension Plan which comprises a series of individually owned personal pension accounts, arranged on a group basis, the provider of which is Aviva. Each member and, in respect of eligible members, the Corporation contribute amounts determined by either an age related or a matching scale into a personal account for each member, which is held and invested by Aviva.

For staff who choose not to join the Stakeholder Pension Plan, or are not eligible to join, the Hall uses “The People’s Pension” scheme to comply with the requirements of automatic enrolment.

The Royal Albert Hall Pension Scheme has two sections. The defined benefit section was closed to new members on 30 September 1997 and ceased accruals on 31 December 2014. A defined contributions section commenced on 1 October 1997, and was closed to new entrants and future contributions on 31 August 2006. Both sections are externally funded and contracted out of the State Second Pension. In 2020, the Scheme’s trustees transferred responsibility for the defined contributions section into the Legal & General Mastertrust. The defined benefit section remains held in a separate trustee administered fund.

The defined benefit section is valued every three years by a professionally qualified actuary using the attained age method, the rates of contribution payable being recommended by the Scheme’s Trustees and agreed by the Corporation on the advice of the actuary. In the intervening years, the actuary reviews the progress of this section. Under the projected unit method, current service costs for the defined benefit section will increase as members of the scheme approach retirement.

A full actuarial valuation of the defined benefit section was carried out as at 31 March 2021. The valuation findings indicated a market value of the defined benefit section assets of £15.3m, sufficient to cover 105.8% of the benefits which had accrued to Scheme Members; and a past service surplus of £0.8m.

The unrestricted surplus, as calculated under the accounting standard FRS 102, was £0.7m as at 31 December 2023, down from £1.3m as at 31 December 2022. The main reason for the decrease in the surplus over the period is the Scheme’s assets performing worse than expected and negative inflation experience. This has been partially offset by increases in corporate bond yields leading to a higher discount rate and a lower value being placed on the liabilities.

However, the surplus in the disclosures below has been restricted to £nil. This is because the Corporation is only allowed to recognise a surplus in its balance sheet to the extent that it can generate a future economic benefit for itself. As regards the Stakeholder Scheme, the Corporation and each member contribute amounts determined by an age related or a matching scale into a personal account for each member, which is invested by investment managers appointed by the Scheme’s Trustees.

24 Pension commitments (continued)

Pension expenses have been split between maintaining and developing the Hall and promoting the arts and sciences based on allocation of staff within unrestricted funds.

The contributions made by the Corporation over the financial year in respect of each section of the scheme were as follows:

	2023 £'000	2022 £'000
Defined benefit section	-	-
Defined contribution section / Stakeholder Scheme	579	545

The Hall expects to pay no contributions in the year to 31 December 2023 as there was a surplus in the Scheme at the last actuarial valuation. The Hall will meet directly any administrative costs and other expenses incurred by the Scheme.

FRS 102 requires the surplus or deficit on the Scheme as at 31 December 2023, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary using the following principal assumptions (which differ from those used for the triennial actuarial valuation):

	2023 %	2022 %
Inflation	3.3%	3.4%
Salary increases	n/a	n/a
Rate of discount	4.6%	4.9%
Pension increases	3.0%	3.1%

Assumed life expectancy in years at age 65:	2023	2022
Retiring today – Males	22.2	22.1
Retiring today – Females	24.7	24.6
Retiring in 20 years' time – Males	23.9	23.8
Retiring in 20 years' time – Females	26.4	26.3

24 Pension commitments (continued)

The assets in the scheme were:	Value at 31 December 2023 £'000	Value at 31 December 2022 £'000
Assets		
Equities	-	-
Gilt Fund	2,306	-
Index-Linked Gilts	3,565	-
Cash	81	73
LDI	-	9,973
Multi Asset Credit	3,903	-
Insured assets	629	635
Insured liabilities	-	-
Total market value of assets	10,484	10,681
Actuarial value of liability	(9,799)	(9,407)
Surplus in Scheme	685	1,274
Unrecognised asset	(685)	(1,274)
Recoverable surplus	-	-

The Scheme has in the past secured annuities with an insurance company for members on their retirement. An allowance has been made for these members in both the asset and liability figures at 31 December 2023.

In total, the movement in the Scheme's assets during the year is made up as follows:

	2023 £'000	2022 £'000
Fair value of assets at 1 January	10,681	17,528
Interest on assets	516	312
Benefits paid	(316)	(352)
Return on plan assets less interest	(397)	(6,807)
Fair value of assets at 31 December	10,484	10,681

In total, the movement in the Scheme's liabilities during the year is made up as follows:

	2023 £'000	2022 £'000
Actuarial value of liabilities at 1 January	9,407	14,290
Current service cost	-	-
Contributions by Scheme participants	-	-
Past service cost	-	-
Interest cost	453	254
Benefits paid	(316)	(352)
Experience (gain) on defined benefit obligation	300	828
Changes to demographic assumptions	(396)	-
Changes to financial assumptions	351	(5,613)
Actuarial value of liabilities at 31 December	9,799	9,407

Notes to the accounts 31 December 2023

24 Pension commitments (continued)

In accordance with FRS 102 the following components of pension charge have been recognised in the statement of financial activities for the year ended 31 December 2023.

	2023 £'000	2022 £'000
Analysis of the amount charged within resources expended		
Current service cost	-	-
Past service cost	-	-
Total amount included within resources expended	-	-
Analysis of net return on scheme		
Interest assets	516	312
Interest on liabilities	(453)	(254)
Interest on effect of asset ceiling	(63)	(58)
Net return	-	-
Analysis of amount recognised as an actuarial loss within the statement of financial activities		
Gain/(loss) on scheme assets in excess of interest	(397)	(6,807)
Experience losses on liabilities	(300)	(828)
(Losses)/gains from changes to demographic assumptions	396	-
(Losses)/gains from changes to financial assumptions	(351)	5,613
Adjustment in respect of restriction of surplus	652	2,022
Actuarial gain recognised within statement of financial activities	-	-

25 Prior year consolidated statement of financial activities

The statement of financial activities for 2022 is shown here for comparison purposes. The 2023 statement of financial activities is shown on page 47.

	Notes	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income:				
Donations and legacies	1	1,264	1,610	2,874
Income from charitable activities:				
Operation of Hall	2	24,052	-	24,052
Investment income and interest		133	-	133
Income from other activities:				
Commercial trading operations	3	16,199	-	16,199
Total income		41,648	1,610	43,258
Expenditure:				
Costs of raising funds		565	-	565
Expenditure on charitable activities:				
Maintaining and developing the Hall	4	7,797	226	8,023
Promoting the arts and sciences	4	27,354	292	27,646
Interest repayable		415	-	415
Total expenditure		36,131	518	36,649
Net income/(expenditure)		5,517	1,092	6,609
Other recognised gains – theatre tax relief	10	361	-	361
Transfer between funds	21/22	284	(284)	-
Net movement in funds		6,162	808	6,970
Reconciliation of funds:				
Fund balances brought forward at 1 January		41,998	1,789	43,787
Fund balances carried forward at 31 December		48,160	2,597	50,757