

SOUTHBANK CENTRE

England & Wales · Charity number 298909

Details

Other names	THE SOUTH BANK CENTRE, PURCELL ROOM, QUEEN ELIZABETH HALL, ROYAL FESTIVAL HALL, THE HAYWARD
Status	Registered
Legal form	Trust
Registered	1988-05-06
Register	View on the Charity Commission register

Contact

Address Southbank Centre
Belvedere Road
London
SE1 8XX

Phone 020 3879 9555

Website www.southbankcentre.co.uk

Activities

Objects: 1. THE PROMOTION OF THE ARTS FOR THE GENERAL BENEFIT OF THE PUBLIC AND IN PARTICULAR THE MAINTENANCE AND DEVELOPMENT OF THE SOUTH BANK ESTATE AS A CENTRE FOR THE ARTS FOR THE BENEFIT OF THE PEOPLE IN GREAT BRITAIN IN GENERAL AND OF LONDON IN PARTICULAR. 2. THE DEVELOPMENT AND IMPROVEMENT OF THE KNOWLEDGE, UNDERSTANDING AND PRACTICE OF THE ARTS AT THE SOUTH BANK ESTATE OR ANY PART OF IT. 3. THE PROVISION AND SUPPORT OF SUCH CULTURAL ACTIVITIES RELATED TO THE ARTS AS THE TRUSTEES CONSIDER DESIRABLE AT THE SOUTH BANK ESTATE OR ANY PART OF IT.

Activities: Arts Centre

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** GREAT BRITAIN
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£58,274,000	£63,605,000	£221,984,000	539
2024-03-31	£53,921,000	£56,586,000	£227,195,000	484
2023-03-31	£53,282,000	£53,880,000	£228,709,000	447
2022-03-31	£43,155,000	£42,448,000	£228,237,000	359
2021-03-31	£36,200,000	£37,220,000	£227,004,000	460

Trustees

Name	Role	Appointed
Southbank Centre Limited		

Linked charities

- THE SOUTH BANK FOUNDATION LIMITED (298909-1)

SOUTHBANK CENTRE

England & Wales - Charity number 298909

Accounts

SOUTHBANK CENTRE

Annual Report and Financial Statements

2024-25



Supported using public funding by
**ARTS COUNCIL
ENGLAND**



SOUTHBANK CENTRE

Annual Report and Financial Statements

2024-25

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985



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**ARTS COUNCIL
ENGLAND**



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This publication is available at southbankcentre.co.uk/about/what-we-do/governance

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southbankcentre.co.uk

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Registered as a Charity No. 298909

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REFERENCE AND ADMINISTRATION DETAILS

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

PROFESSIONAL ADVISORS

BANKERS

Lloyds TSB Bank plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2HS

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

INDEPENDENT AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

The Governors of the Board who served during the year and subsequently are:

Governor

Misan Harriman (Chair)
Lisbeth Savill (Deputy Chair)
Kieron Boyle
Anais Hayes
Michael Hussey
Dame Vivian Hunt DBE
Sir Roland Keating (appointed 27 February 2025)
Salman Mahdi (resigned 10 February 2025)
Luke Mayhew
Jerome Misso
Ndiri Okezie OBE
Sandy Rattray
Sir William Sargent CBE
Lisbeth Savill
Lynne Shamwana
Anne Leigh Tavaziva (appointed 27 February 2025)

EXECUTIVE LEADERSHIP TEAM

The Chief Executive and other senior staff to whom day-to-day management of the charity is delegated by the Governors are:

Elaine Bedell OBE	CEO
Mark Ball	Artistic Director
Heather Clark-Charrington	Director of Audiences
Katy Dent	Director of People and Culture
Susan Johnston	Chief Operating Officer
Amy Ross	Director of Development

Purpose, vision, values

Purpose

To offer inspirational life-enhancing encounters with art in democratic, open spaces.

Vision

To have the most vibrant, innovative, welcoming and inclusive arts spaces in the world, renowned for championing the imagination of artists, audiences and communities.

Values

Creating welcoming spaces

Because upholding respect, safety and belonging is at the heart of vibrant teams and communities.

Making wonderful experiences together

Because we all contribute to amazing artistic moments at the Southbank Centre.

Sparking new thinking

Because different views and thought-provoking conversations inspire innovation, learning and growth.

CHAIR FOREWORD

The summer of 2024 typified for me what the Southbank Centre stands for. As the UK's most culturally democratic space for audiences and communities, it was moving to see the Southbank Centre come to life around the theme You Belong Here. Our programme of art, music and performance was inspired by the wonderful Tavares Strachan exhibition There Is Light Somewhere in the Hayward Gallery which provided our theme celebrating all those who make London their home. Summer at the Southbank Centre also shimmered to the bright lights of Chaka Khan's electric curation of Meltdown and the Autumn brought London rapper Ghetts as the curator of our London Literature Festival.

We continue to welcome millions of visitors a year to our site but we can't shy away from the fact that in a difficult financial environment, it's becoming increasingly challenging to maintain our site and ensure the buildings retain their competitive edge and continue to support innovation.

We're very grateful for the support of Arts Council England (ACE) to help us deliver our outstanding artistic programme. For us to deliver this and to continue to innovate, however, requires a significant investment into our capital infrastructure. All our venues are owned by the Government and the Royal Festival Hall in particular, needs urgently upgrading. We have a detailed, costed and phased plan to deliver this but it requires a vital contribution from the Government (which we have pledged to match-fund with private donations) to make this a reality.

As we look ahead to our 75th anniversary, we're not so much reflecting as reimagining. Central to the Festival of Britain in 1951 was the idea of looking ahead to an optimistic future - one filled with hope, innovation and creativity. It's in that spirit that we are also looking ahead - to find new ways to bring people together, to grow the creators of tomorrow and to invent the future of arts and culture.

I want to thank Elaine and the Executive Leadership Team for all their hard work and our inspiring Southbank Centre colleagues for all that they do. Here's to an exciting 75th anniversary year!

Misan Harriman

Chair

CEO'S FOREWORD

2024 has been challenging and rewarding in equal measure. One thing I love about Southbank Centre is that we never stand still - we're always pushing to deliver more, reach more people and create ever more transformative experiences across our venues. Last year, we presented and produced 5,597 events! And that's why I'm delighted that it was confirmed by the Association of Leading Visitor Attractions that, once again, we're the 5th most visited visitor attraction in the UK. The energy, enthusiasm and support our visitors bring to our site makes it all worthwhile.

And there were so many stunning highlights from our richly varied artistic programme! From Vikingur Olafsson and Yuja Wang's extraordinary joint piano recital (witnessed by one of the biggest audiences ever seen at the Royal Festival Hall) to the London Philharmonic Orchestra's roof-raising performance of Beethoven No 3; from our new partnership with the Montreux Jazz Festival to our popular new family musical at Christmas, *The Creakers*, written by McFly's Tom Fletcher.

It's also really important to us that we also nurture the next generation of backstage talent and to ensure our incredible production crews reflect the diversity of London. Last year, our Technical Academy once again opened up to another 25 individuals with no previous experience in the field - two thirds of whom came from lower socioeconomic backgrounds. Since graduating from the scheme, three-quarters of the participants have found paid work and experience in production crews, or have taken up further study or training placements.

Our groundbreaking work on creative wellbeing also continues and we were delighted to announce a new exciting partnership between the Southbank Centre and the South East London Integrated Care Board. This groundbreaking partnership aims to improve the mental health of children and young people across south east London, offering creative opportunities and resources to tackle health inequalities by focusing on those most in need.

But we've also had a financially challenging year. Although our commercial income has grown, including ticket sales, the basic costs of maintenance and security have increased considerably (keeping our 11 spaces safe every year now costs us £4m alone) and inflation is biting. We've also had to anticipate the impact of higher National Insurance Contribution rates, as well as the increases to London Living Wage whilst still recovering from an unexpected 10% cut to our ACE grant from April 2023.

Since 1951, we've made world-class arts accessible to everyone - welcoming all voices, backgrounds and stories. Every year since then, we've achieved what that Festival set out to do - inspiring, entertaining and bringing millions of visitors together to encounter amazing cultural experiences. Today, we host over 5,000 events across our 11-acre site, over 50% of which are free. That's something to be hugely proud of as we look ahead to our 75th year at the heart of the nation's cultural life.

Elaine Bedell OBE

CEO

ARTISTIC DIRECTOR'S FOREWORD

Southbank Centre is an engine of creativity. That means we're constantly looking for ways to innovate - pushing artistic boundaries and creating new experiences for audiences that could only happen here.

This year we've started a new Associate Artists programme, supporting six exceptional artists from across the UK - the choreographers Ivan Blackstock and Julia Cheng, the writer and poet Max Porter, the jazz composer and musician Cassie Kinsoshi, the opera composer and director Conor Mitchell and the multidisciplinary artist Love Ssega. We're working with these artists to create major new projects which will be premiered in our iconic venues.

In our quest to look for new ways to present work, and inspire artists, our talented sound technicians have developed Concrete Voids - placing sound sources in the voids surrounding the Queen Elizabeth Hall auditorium that turns the Hall itself into a musical instrument. Concrete Voids inspires artists to create unique compositions and has thrilled audiences with immersive musical experiences.

The Hayward Galley continues to showcase world class exhibitions including Haegue Yang (with an international tour to Kunsthal Rotterdam and Migros Museum, Zurich), and Linder Sterling and Mickalene Thomas. We enabled 481,410 people nationwide to access great art on their doorstep through our unique Hayward Gallery Touring programme, supporting galleries in 16 towns and cities across the country.

I'm also immensely proud of the wonderful National Poetry Library, which continues to offer free access to all, as well as performances, exhibitions and work with schools. An important development for the library is a new five-year strategy that will see it become a valuable community asset for our local communities of Lambeth and Southwark.

As the UK's largest presenter of classical music, our classical music programme has gone from strength to strength. In the last year we have featured world class musicians such as Yuja Wang, Vikingur Olafsson, Max Richter as well as superb seasons from our six resident orchestras, including a glorious celebration of Chineke's 10th anniversary that foregrounded global majority composers and musicians. Music's ability to unite us in difficult times was demonstrated by the West-Eastern Divan Orchestra, in a moving concert that brought together musicians from Israel, Palestine and the wider Middle East region, conducted by the great Daniel Barenboim.

Southbank Centre has always been a place that reflects the nation's creative pulse and we are ready to rise to this challenge in our 75th year with a programme that looks to the future and that places young people, who the future belongs to, at the forefront.

I am tremendously excited for the year ahead.

Mark Ball

Artistic Director

ARTISTIC HIGHLIGHTS

- An outstanding **classical music** programme featuring exceptional musicians such as **Yuja Wang**, **Vikingsur Olafsson**, **Max Richter** as well as wonderful seasons from our six resident orchestras and visiting orchestras.
- **Chaka Khan's Meltdown** lit up the site with many wonderful performances including Emeli Sandé; global star Bruce Hornsby; old-school soul singer Lady Blackbird; trip hop duo Morcheeba; the emphatic House Gospel Choir; Malian supergroup and Les Amazones d'Afrique and West African ensemble Balimaya Project.
- We had a wonderful series of Hayward Gallery exhibitions:
 - **Tavares Strachan: There Is Light Somewhere** (18 June – 1 Sep 2024)
 - **Haegue Yang: Leap Year** (9 Oct 2024 – 5 Jan 2025)
 - **Mickalene Thomas: All About Love** and **Linder: Danger Came Smiling** (11 Feb – 5 May 2025)
- Our Summer Season **You Belong Here** – was an uplifting series of events and programming inspired by the Tavares Strachan exhibition.
- Major literature events including **RuPaul** (April 2024), **Salman Rushdie** (April 2024), **Sally Rooney** (Sep 2024), **Judith Butler** (March 2025)
- **London Literature Festival** curated by British rapper **Ghetts** and featuring high-profile guests such as actor and author **Keanu Reeves** (Oct 2024)
- We had wonderful festivals including **Sound Within Sounds** (July 2024) and **Unlimited Festival** (Sep 2024)
- We hosted **Koestler Arts'** annual UK exhibition (Nov 2024)
- London premiere of **All of this Unreal Time** featuring Cillian Murphy (Dec 2024)
- Hayward Gallery Touring opened *After the End of History: Contemporary Working Class Photography 1989 – 2024* in Coventry; *Paula Rego: Visions of English Literature* in Nottingham; and *Material Worlds: Contemporary Artists and Textiles* in Coventry and toured to 23 venues in 22 locations across the UK, with **481,410** people attending.
- Southbank Centre collaborated with **Montreux Jazz Festival**
- **Concrete Voids** turned the Queen Elizabeth Hall into a bespoke sound installation
- It was the **70th anniversary of the National Poetry Library**. We commissioned a poem from Lemn Sissay's which, in a wonderful piece of site design, celebrated the anniversary of the library on the side of the Royal Festival Hall.
- We launched our first-ever **Technical Academy**, an innovative scheme aimed at addressing a sector-wide skills shortage and diversifying the pipeline into the technical industries. The second iteration of the Technical Academy took place in January 2025. Seventy-two percent of participants have found paid work and experience in production crews, or have taken up further study or training placements
- We hosted high-profile events for the creative industries, such as the **BAFTA Film, Television and Games Awards** (Feb 2025), the **BFI London Film Festival** (Oct 2024) and the European premiere of **Wicked**

CHARITABLE IMPACT IN NUMBERS

	2024/25 (2023/24)
Venue visitors	3,500,000 (3,500,000)
Site visitors	20m+ (20m+)
Tickets issued	722,000 (790,000)
Events	5,597 (5,100)
% free public events	66% of every time slot or exhibition day (53%)
Schools engaged (from CE)	373 school groups engaged in person with a total of 8,403 children and 757 teachers (365 school groups engaged in person with a total of 8,384 children and 877 teachers) 128 teachers engaged with us through digital events from 100 schools (117 teachers engaged with us through digital events from 103 schools)
Regional audiences for Hayward Touring	481,000 (197,000)
Global Majority audiences	18% (post show surveys) (13.5%)
Lambeth and Southwark bookers	10% (10%)

RECENT ACTIVITY AND FUTURE PLANS

In 2024/25 we continued to deliver against our Strategic Principles as well as our vision to offer inspirational life-enhancing encounters with art in democratic, open spaces and to have the most vibrant, innovative, welcoming and inclusive arts spaces in the world, renowned for championing the imagination of artists, audiences and communities.

Our principles and artistic strategy align with the Arts Council's Investment Principles and Outcomes and underpin all art form and departmental strategies to enable us to achieve our purpose and vision.

Our development of the Multitudes cross-art form classical music festival demonstrated our ambitions to develop new audiences for the arts and we are very grateful for Arts Council's additional support for this initiative to introduce new audiences to classical music.

We undertook major upgrades of the Royal Festival Hall in line with phase 1 of our capital development programme to provide improvements to the visitor spaces and amenities across all levels in readiness for the 75th anniversary. We also created a new bar and cafe on level 5, the *75th*.

Hayward Touring presented new exhibitions in Southend-on-sea, Nottingham, Birmingham, Sheffield, Warwick, Woking, Basingstoke, Muddles Green, Haverhill, Hove, Durham, Woking, Cirencester, Barnsley, Maidstone and Worcester.

STRATEGIC PRINCIPLES

1. INNOVATION AND DYNAMISM

We innovate all the time, in all that we do, in all our spaces, physical and digital. We are dynamic and flexible in the way we face challenges of the future. We strive for excellence in everything we do.

- Aligning around the 75th anniversary, we developed a programme for 2026 (May to Sept) with focus on young people and public installations.
- We re-established a free programme on the Clore Ballroom.
- We delivered Phase 1A of a Front of House refurbishment. This included upgrading our ticket desk and visitor service spaces, WCs, lifts, entrance doors and WIFI. We also reviewed our security methodology.
- We created a fabulous new retail shop on Level 2 and a new bar and restaurant on Level 5, the *75th*.
- We developed a new partnership with Roblox/Karta Games and delivered year 2 of our partnership with Apple, focused on schools.
- We launched a distinctive performance and dance programme.
- We delivered year 1 of our new Associate Artists programme, targeting 6 cross-art form artists, platforming and showcasing new work.

2. COLLABORATION

Partners and Artists are critical to our success and central to our way of working. Artistic/ tech/ commercial and cross-sector partnerships as well as community and venue partnerships across the UK and the world.

- We delivered new east and south Asian festivals *ESEA Encounters* and *South Asian Sounds*.
- Developed new cross art-form festival *Multitudes*, with 6 resident orchestras focused on format innovation and audience development for classical music.
- We expanded our Clore Ballroom free offer.
- We collaborated with artists, opinion formers, partners and communities to inform the artistic programme for the 75th anniversary.
- It was the first year of operation for our new Community Connector role in Lambeth and Southwark as part of the Creative Engagement team.
- We developed, re-established and extended national partnerships, with a focus on our orchestral music festival *Multitudes*, our new Performance and Dance programme (co-commissioning with national and international partners) and work for our 75th anniversary celebrations

3. AUDIENCES AND PEOPLE

Democratic access for all is our founding and our guiding principle. We are always extending our reach and relevance.

- We complete the rollout of our Values and Behaviours internally and externally with a renewed focus on internal communication to ensure purpose, values and priorities and roadmaps are embedded in staff objectives.
- We delivered the first year new Technical Academy delivering kick starter training for up to 25 young people, with sector wide engagement and representation programme, taking learnings from the pilot programme delivered in March 2024.
- We transformed the membership programme, significantly growing this revenue stream and increasing audience engagement.
- We delivered a new website with improved information architecture, discoverability, data collection, customer acquisition to drive revenue. We also delivered content native-to-platform, driving growth across all channels in followers/subscribers and engagement, with particular emphasis on under 30s.

4. RESILIENCE AND SUSTAINABILITY

We are resilient and our organisation is stable. We make agile use of our resources so that we can invest for the long term future of Southbank Centre. We are environmentally responsible in everything we do.

- We implemented a longer-term business model from 2025, which was reviewed in September 2024.
- We delivered new revenue targets and grew commercial income as well as considered options to improve operational efficiency in order that investment levels in innovation and site refurbishment were appropriate for a national arts centre.
- Along with external consultancy we refreshed previous key metrics, and strengthened resource and focus on data across the organisation, including recruiting some key roles including Head of Audience Insight and Membership.
- We delivered near term sustainability targets for 2025 and began to invest in bio-diversity initiatives to green the site as funding is secured.

FORWARD LOOK

Our Strategic Priorities for 2025/26 are as follows:

1. Attract new audiences to SC by developing art form strategies that include greater collaboration across art forms and technological innovation, with a particular emphasis on increasing awareness and engagement with young people (under 30)
2. Improve visitor experience and maximise commercial income by delivering the first phase of refurbishment of the Royal Festival Hall, refreshing our public areas and amenities
3. Maximise the potential of the SC estate, and the possibilities to engage new and existing audiences by extending the range of our cultural offer.
4. Achieve a break-even 2025/26 budget by securing an uplift across all earned income streams, along with a new 3 year business plan which grows income annually by at least £2m and restores reserves to the target level of £5.5m.
5. Deliver a high-profile and impactful artistic programme to mark SC's 75th anniversary year, reaching 4 million people in London and 1 million people across the UK.
6. Develop a phased approach to a capital campaign that leverages public funding to maximum effect.
7. Strive to be the best place to work in the arts:
 - Reduce our ethnicity pay gap and increase diversity in all roles
 - Utilise technology to increase engagement, retention and voluntary effort among our workforce.
 - Ensure our hard working staff have a range of development opportunities and progression through the organisation
8. Increase awareness of Southbank Centre brand locally, nationally and globally - growing audience volumes and championing artists, audiences and the wider cultural eco-system

ENVIRONMENTAL REPORTING

In 2022/2023 Southbank Centre reset the target to reduce carbon emissions of our buildings to net zero by 2035 (Scope 1 and 2) and 2040 (all scopes).

Streamlined Energy and Carbon Reporting (SECR) Summary Report for Southbank Centre

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

Southbank Centre (SBC) meet SECR qualification criteria in the UK. SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2024 –31st March 2025. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 14,450,318 kWh and 2,782 tonnes of CO₂e respectively in the 2024 financial year in the UK. In their 2024 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,190.5 tCO₂e.

ENVIRONMENTAL REPORTING (continued)

SBC have chosen 'Tonnes of CO2e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2024/25 was 51.6 tCO2e/m£ compared to 54.6 CO2e/m£ in 2023/24.

Below is the energy consumption and GHG emissions summary table as well as the table outlining the year on year analysis.

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	8,700,636	1,591.4	57.2%
	Company Fleet	0.0	0.0	0.0%
	Subtotal	8,700,636	1,591.4	57.2%
Indirect (Scope 2)	Electricity	5,749,681.0	1,190.5	42.8%
	Subtotal	5,749,681.0	1,190.5	42.8%
Indirect Other (Scope 3)	Grey Fleet	0.0	0.0	0.0%
	Subtotal	0.0	0.0	0.0%
Total Energy Use (kWh)				14,450,317.7
Total (Location-based*) Gross Emissions (tCO₂e)				2,781.8
Renewable Electricity (tCO₂e)				1,190.5
Total (Market-based*) Gross Emissions (tCO₂e)				1,591.3
Gross Turnover (m£)				53.9
Tonnes of Gross CO₂e per m£				51.6

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017. They have refurbished both The Queen Elizabeth Hall & Hayward Gallery in recent years and installed low energy systems like LED Lighting; Daylight Sensing blinds etc. and has reduced its overall energy consumption by around 4% per year for 3 years. The Hayward Gallery & Queen Elizabeth Hall are being added to our ISO 50001 Certification from June 2025

Within 2024/2025, the Southbank Centre completed the following:

- RFH Chiller Upgrades (104,070 kWh)
- Level 5 Function Room Chiller Upgrades (31,450 kWh)
- Poetry Library Upgrade Project (18,015 kWh)

It is expected that 153,535 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

ENVIRONMENTAL REPORTING (continued)

Type of Emissions	Units	2024/25	2023/24	YOY % Change
Direct (Scope 1)	(kwh)	8,700,636.7	8,594,269.0	1.2%
	(tCO ₂ e)	1,592.1	1,573.1	1.2%
Indirect (Scope 2)	(kwh)	5,749,681.0	6,558,536.0	-12.3%
	(tCO ₂ e)	1,190.5	1,358.1	-12.3%
Indirect Other (Scope 3)	(kwh)	0.0	0.0	NA
	(tCO ₂ e)	0.0	0.0	NA
Total Energy Use (kWh)		14,450,317	15,152,805	-4.6%
Total Gross Emissions (tCO₂e)		2,781.8	2,931.2	-5.1%
Renewable Electricity (tCO₂e)		1,190.5	1,358.1	-12.3%
Total Net Emissions (tCO₂e)		1,591.3	1,573.1	1.2%
Tonnes of Gross CO₂e per m£		51.6	54.6	-5.5%

**In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market-based reporting approach can also be used when companies have entered into contractual agreements for renewable electricity (e.g. REGO's). Reporting on renewable energy and associated emissions is not a mandatory requirement under the SECR legislation but it is possible for organisations to use dual reporting if they wish to reflect their consumption of renewable energy. In this SECR a dual reporting approach has been used to take account for both location based and market based reporting.*

FINANCIAL REVIEW

The year to 31 March 2025 has seen significant increases in both income and expenditure as we continue to expand our activity, manage the challenge of inflation and make a limited capital investment into the Royal Festival Hall.

We aim to break even on an operational basis after allowing for regular loan repayments, including those of the Cultural Recovery Fund Repayable Finance that commenced in March 2025, and essential capital expenditure need. In the current year, as planned, we incurred a one off operating deficit, which reflected an increased cost base and investment to build new revenue streams that are expected to materialise in 2025. The total operating deficit was £1.4m, equal to the reduction in Free Reserves.

Funding, inflation and the economic environment remain key concerns. This was the second year of a three year funding agreement of Arts Council England that saw an overall reduction in core grant funding of £2.0m per annum from 2022/23 and this has not subsequently increased in line with inflation. We are therefore required to create new income streams or achieve significant operational savings and efficiencies each year to maintain the ambition, scope and quality of the artistic programme. Payroll increases have a disproportionate impact on Southbank Centre due to the proportion of people costs in the cost base and these will be compounded with increased NIC from April 2025. We remain conscious that the economic environment remains challenging particularly for the hospitality industry from which a significant amount of our commercial income derives and more general cost of living concerns may impact on future demand.

We remain aware of our responsibility to maintain and develop the Southbank Centre estate to ensure the iconic buildings remain fit for purpose in the 21st Century whilst preserving their rich architectural heritage. We continued our £13m capital improvement project to our foyer spaces and audience experience in the Royal Festival Hall from funds designated from the Cultural Recovery Fund Repayable Finance scheme. A new bar and restaurant was created on Level 5, the 75th, that takes full advantage of our riverside balcony. On Level 2 we created a stunning new shop and reconfigured our Welcome desk and bar and cafe facilities to improve the visitor experience. The Members area similarly benefited from investment to improve the service to members. The second part of the project has commenced to upgrade the WC's throughout the RFH for completion during 2025/26.

Significant additional funds in excess of our operating budgets will, however, be required in the future to maintain and develop the estate, including crucial upgrades in technology in our artistic spaces and adaptations to achieve our net-zero ambitions, ensuring our site is fit for purpose for the future.

Income

Total income has increased by £4.35m over the year to £58.3m (2024 - £53.9m) with all income streams except investment income contributing to the increase.

Donations and legacies increased by £0.45m to £21.2m (2024 - £20.8m) through growth in our core fundraising and specific ACE funding of the Arts Council Collection. Maximising our contributed income remains a key objective for the charity.

Overall we achieved an increase in income from Charitable Activities by £2.3m to £12.9m (2024 - £10.6m). Ticket income grew by £0.5m to £7.5m (2024 - £7.0m) through increases in performances, audiences and average ticket revenue in our performing spaces being partially offset by lower visitor volumes in the Hayward Gallery due to the nature of the exhibition programme during the year. Artistic rental income increased by 5% through inflationary increases. The increase in other income was due to income from our international tour partners for Hayward Gallery exhibitions.

We rely on our commercial income to support investment into the artistic programme. This increased by £1.8m over the prior year to £22.6m (£2024 - £20.8m). An increased number of commercial events increased revenue by £0.9m and an expansion of our concessions and leases added a further £0.9m. We continued our relationship with BAFTA for their three major award ceremonies: Film, TV and Games, hosted The London Film Festival and its opening and closing galas as well as the premiere of Wicked.

Income (continued)

We held 18 graduation ceremonies with a total attendance of 185,000 of which 50,000 are students graduating in the Royal Festival Hall. We are developing relationships with the creative and technology sectors and hosted Google, Telefonica, D&AD and Hubspot amongst others.

Our investment income is solely related to cash on deposit and the reduction is due to the reduction in interest rates and overall cash balances over the year. Any surplus cash is invested in cash deposits with our existing banking institutions.

Expenditure

Total Expenditure increased to £63.6m (2024 - £56.6m) predominantly due to increased charitable activity expenditure that grew by £6.6m to £54.2m (2024 - £47.6m).

We increased our direct investment into our artistic programme but felt the impact of inflation, particularly in relation to payroll that constitutes 35% of our cost base.

Payroll costs increased by £2.8m due to an increase in employees as a result of increased activity over the prior year and an increase in average pay of 5.4%. We are committed to being a London Living Wage (LLW) employer and in January 2024 we implemented the annual increase of 10% to relevant staff, though maintained increases to other staff at the same cash level. We extend our commitment to LLW increases to all our contract staff (cleaning, security and maintenance) with the increases shown within our Venue costs.

During the year we reassessed the security requirements across our entire 11 acre estate given its scale, location and prominence at a time of raised global tensions. This added £0.8m to our security costs annually and we expect this to continue at this level for the foreseeable future subject to no further increases in the underlying threat level.

Included within venue costs is £8.9m in respect of depreciation and loss on disposal. Of this amount £6.3m relates to depreciation on revalued or otherwise funded assets.

Balance Sheet

The key balance sheet movements relate to investment fixed assets, a reduction in cash and an increase in overall creditors within one year.

The net book value of tangible fixed assets fell by £1.7m. Additions total £7.8m in large part due to the investment in the foyer spaces of the Royal Festival Hall.

Cash and cash equivalents have fallen by £3.2m during the year as a result of the capital investment programme.

Creditors within one year show an increase due to the phasing of trade creditors at year end and an increase in deferred income due to the pipeline of commercial events.

Creditors over one year have reduced by £1.8m due to repayments in loans. Until March 2025 we had enjoyed a four year repayment holiday of the CRF Repayable finance. The first six-monthly repayment was made in March 2025 with full repayments totalling £832k due in 2025/26.

The Pension Scheme is in surplus based on the valuation carried out under Section 28 of FRS 102 of £2.1m (2024 - £2.3m) but as any surplus is not recoverable by Southbank Centre until the pension scheme has been wound up no asset has been recognised on the balance sheet. An estimated valuation on the current technical provisions basis specific to the scheme shows a deficit of £0.5m and a deficit on a buyout basis of £3.2m. A Triennial valuation will be carried out as at 31 March 2026.

Reserves

Our total reserve levels have decreased by £5.2m in the year and total £222m.

The overall free reserve requirements have been reviewed during the year and we seek to maintain a minimum level of £5.55m as a General Reserve for exceptional operational risks not covered by the budget contingency, and to provide us the ability to make the operational adjustments and investments required by new operating environments. The current level of £5.07m is marginally lower than our target and we will seek to supplement this during the year to 31 March 2026.

The capital reserve reflects our investment in fixed assets to date and funds reserved for future capital investment. Our capital investment budgets have therefore been increased to enable us to maintain the buildings.

An amount of £4.38m has been transferred to a specific Royal Festival Hall Refurbishment reserve representing the future spend on the current refurbishment project.

We have maintained our Strategic Investment Fund to support innovative artistic and strategic projects. Plans for 2025/26 include investment in our major classical and cross arts festival Multitudes, improvements for accessibility to the RFH stage and investment in artistic commissions.

Recognising the maturity of our long term loan in October 2027 we have provided £4.4m in the Loan Repayment Reserve as a balance to cover the amounts due at that time.

The fund to support the 75th Anniversary of the Royal Festival Hall and Festival of Britain was created in 2024 and will start to be drawn down during 2025/26 to support the Festival planned during 2026/27.

The projects fund represents restricted funds received for specific projects in future years.

Reserves Policy

The charity's reserves fall into two main categories: restricted funds which may legally be used only for the purposes specified by the donor, and unrestricted funds which are free for use for any of the purposes of the Charity as set out in the governing document.

Total funds held at 31 March 2025 are £221.9m (2024 - £227.2m) made up of Unrestricted funds of £220.0m (2024 - £225.4m) and Restricted funds of £1.9m (2024 - £1.7m).

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area. At 31 March 2025 the Group held General Reserves of £5.1m and Designated funds of £215.0m

Planned level of unrestricted reserves

The Charity budgets to deliver its charitable objectives while ensuring financial stability through aiming to keep adequate, but not excessive, levels of unrestricted reserves. It makes this assessment by looking at future cash requirements and setting annual budgets which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency based on an assessment of operational risk.

Planned level of unrestricted reserves (continued)

The Board has reviewed its Reserves Policy in the light of the post pandemic trading, current financial challenges and risks and considers reserves of approximately £5.55m, which is equivalent to 8 weeks of turnover excluding confirmed Arts Council England grant income, will provide sufficient financial resilience for the organisation at this time. On 31 March 2025 the balance of General Reserves is £5.1m (2024: £6.4m) and we will seek to supplement during the year to 31 March 2026 to reach the target level.

Designated Reserves

As of 31 March 2025 Southbank Centre held four designated reserves:

(i) Capital and Revaluation Reserve (£202.9m)

The purpose of this reserve is to reflect funds expended on capital assets net of accumulated depreciation, including the balance of surplus or deficit from the revaluation of Land and Buildings, (£200.8m) and funds designated for future capital projects (£12.6m). Funds expended on fixed assets could only be realised on sale of those assets and are subject to the restrictions noted in note 25.

(ii) RFH Refurbishment Reserve (£4.4m)

This reserve is created for future spend on the current Royal Festival Hall refurbishment project.

(ii) Strategic Investment Fund (£2.4m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to projects in the year to 31 March 2026.

(iii) Loan Repayment Reserve (£4.4m)

This reserve is to provide for the repayment of the long term loan due in October 2027.

(iii) 2026 Festival Reserve (£0.9m)

The purpose of this reserve is to fund activities to support and celebrate the 75th anniversary of the Royal Festival Hall and the Festival of Britain in 2026.

Restricted Reserves

As of 31 March 2025 Southbank Centre held £1.9m of restricted income received in advance of expenditure for operating projects in a Projects Fund.

Going Concern

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs and in employee costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our loans and obligations under our Arts Council England NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. Southbank Centre has been confirmed as a National Portfolio Organisation for the three year period commencing 1 April 2023. A one-year extension covering 2026/27 was announced in March 2023 and ACE are recommending that the Portfolio is further extended until March 2028.

Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations.

The Funding Agreement with Arts Council England requires Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at Southbank Centre and is invited to attend Southbank Centre's board meetings.

An application for funding for one year to 31 March 2027 was made during 2024/25 and we anticipate a further one year application for the year to 31 March 2028 to be made in 2025/26.

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce each risk to a level which the Governors consider to be acceptable. Governors review the Risk Register prepared by management at each Board meeting to ensure that it is comprehensive and to assess actions to mitigate those risks.

The following are the major risks identified that are specific to Southbank Centre:

Reputation

Southbank Centre presents a world class range of activity across the site. Damage to the Southbank Centre's reputation either through reduction in artistic quality or the ability to continue to provide a venue of excellence has the potential to impact the ability to attract artists and audiences to the site and a consequential impact on the ability to meet charitable objectives, obtain funding and generate audience and commercial income.

This risk is managed by having a process in place to review and approve both Southbank managed and third party events held on site and working closely with our resident orchestras. Our property and commercial strategies are reviewed quarterly by the Property, Commercial and Sustainability committee of the Board.

All strategies and business plans are discussed with Arts Council England at regular monitoring meetings.

Financial Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation due to the wider economic environment and Government policy.

The ability to develop our site and buildings to ensure Southbank Centre continues to be a venue of excellence and innovation attracting artists, audiences and commercial partners is critical to ensure our financial resilience and sustainability. This remains dependent on our ability to secure specific funding.

This is a key short term objective of the charity and is monitored regularly by the Board and Property, Commercial and Sustainability Committee.

The potential impact on demand from the significant recent increases in the cost of living present significant challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

Risk Management (continued)

Financial Resilience (continued)

Financial risk is mitigated through a reserves policy which is reviewed and approved by the Board as well as an annual budget setting process that includes a contingency for possible budget variations. Forecasts are prepared regularly to inform mitigating actions. The financial assumptions used for future years are regularly assessed and plans updated to take into account changed expectations.

Safeguarding

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults. Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to Safeguarding Leads and Deputies who act as internal advisers to the organisation on issues in relation to any aspect of safeguarding in arts programming and in relation to artists and visitors. In addition, DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by our Internal Auditor. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London. In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

Health and Safety

The Southbank Centre operates on a 11 acre site with over 3m visitors to the site and 4,500 artistic and commercial events per annum. The safety of all our visitors, staff and artists can be compromised through a terrorist incident, fire, failure of equipment, tenant activities and public order incidents and could have legal, reputational and financial ramifications.

These risks are managed by having comprehensive Health and Safety and Counter Terrorism processes including training, investigation and regular reporting of near misses and incidents, and audits of our Counter Terrorism procedures to a quarterly Executive Health and Safety Committee and the Finance Audit and Risk committee.

Data

Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information. Southbank Centre maintains a robust data management policy including departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders. To mitigate the impact of a cyber-attack Southbank Centre holds a level of cyber insurance and is increasing our cyber security resource in the year to March 2026.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity, with over 50% of the artistic programme being free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 11 acre site along the South Bank. Further details are given above under Achievements and Performance.

Our workforce

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality, skills, motivation and engagement of our employees. We are committed to policies and practices which support and improve the attraction, development, performance and retention of talented people at different points in their employee journey.

We are committed to ensuring our recruitment process is inclusive and accessible; providing targeted recruitment campaigns to reach the broadest range of candidates and communities, offering reasonable adjustments, having standardised competency-based questions and scoring, and ensuring blind screening is in place to reduce bias.

The organisation is a member of the Living Wage Foundation, which on an annual basis calculates a national and London wage rate based on the real cost of living. Southbank Centre staff are paid the London Living Wage (LLW) as a minimum and automatically receive an increase in line with this each year. The most recent London Living Wage uplift was implemented from 1 January 2025. The organisation's commitment to LLW extends to those working for facilities, security and catering contractor partners at Southbank Centre and also applies to 60% of the staff working in partner restaurants on site.

To inform the Annual Pay Award negotiations and build pay equity and transparency, we continue to benchmark salaries with other arts and cultural organisations when roles are vacant. We also participate in an annual sector-specific independent salary benchmarking survey to support more relevant benchmarking across salaries and benefits compared to similar organisations.

We provide permanent minimum hours contracts rather than zero hours contracts. We offer enhanced benefits including a generous company pension scheme, enhanced sick and family leave pay. We also have a transgender equality policy, adoption policy, IVF policy and menopause policy.

Over the last few years, we have invested consciously in building a positive culture. Following the successful launch of Southbank Centre's new values in late 2023, the organisation launched a set of Behaviours for colleagues to demonstrate as one of the ways they can contribute as individuals to a positive organisational culture. We have also developed an overarching statement on Who we are, Our Mission and Our Vision as an organisation. This explicit framework provides guidance and clarity to everyone in our workforce on the aspirations and expectations of their organisation.

Engagement of our employees remains a priority. Effective internal communications are particularly important to promote the understanding and involvement of all employees in Southbank Centre's aims and performance of all our activities. This is achieved through our 6-weekly face to face, well attended All Staff Meetings, weekly all staff news digital bulletins, a People Manager newsletter and regularly updating posted across working spaces. These channels give regular updates on the organisation's performance and major developments, celebrating our successes and reflecting our shared culture.

All of Southbank Centre's Policies and Procedures are housed on an Intranet site, which has undergone a process of improvement and re-design to ensure policies, guidelines, forms and digital content are accessible and available.

Southbank Centre has a Whistleblowing policy which exists to encourage individuals to report suspected wrongdoing, provide guidance on how to raise concerns and to protect any members of staff who make disclosures in good faith about activity which is against the public interest. The policy is made available to all permanent and temporary staff and is published on our intranet. There were no whistleblowing claims made during 2024/25.

Our workforce (continued)

Measuring employee engagement levels has been a significant focus over the last year. For the first time, in 2024 an independent survey company was appointed to conduct an online survey of all our staff and provide an analysis of the results. This analysis identified the existing strengths of our culture and areas for improvement. It enabled us to gain valuable insights into the experiences of our colleagues through specific data cuts such as role, department, management responsibility, gender and ethnicity. A working group of Departmental Leads has been established who meet regularly to consider ways to improve engagement and employee experience at both a local and team based level and organisation wide. Pulse surveys are planned in 2025 to check the progress of the actions we have implemented and to provide regular insights into how our colleagues are experiencing the Southbank Centre.

Southbank Centre is striving to promote equity, diversity and inclusion in all areas of employment including recruitment and selection, development, and progression. We are engaged with a number of diversity initiatives and partnerships in order to achieve these aims. We now monitor the make-up of our workforce regularly and are pleased to see that the proportion of employees from a Global Ethnic Majority ethnic background is growing and a significant proportion of our workforce identifies their sexual orientation as LGBTQ+. This year we have increased our focus on neurodivergence awareness through our Learning Lunch offering and through piloting team specific workshops with our Visual Arts colleagues.

Through the appointment of our Learning & Development Manager we have been able to increase our central training offering to all colleagues at the Southbank Centre. In January 2024 we launched Season one of learning, which saw 90 colleagues engaging with sessions focusing on Communication. We were also able to provide 80 colleagues of all levels and roles 1:1 coaching through a pilot partnership with Henley Business School in which their alumni coaches worked with us on a pro bono basis. We were also able to offer management training to 28 people managers

Southbank Centre participates in a quarterly Joint Negotiating and Consultative Committee with its two recognised trade unions, Unite (Amicus section) and PCS. Improved union relations have been invested in, with additional monthly meetings to ensure transparency and taking a joint consultative and partnership approach.

Remuneration policy for senior leaders

The People and Nominations Committee membership is made up of a minimum of three Governors of Southbank Centre who meet at least three times a year to consider the following matters, amongst others:

- To recommend to the Board the remuneration and particular employment terms of the Chief Executive.
- To review the Chief Executive's proposals for the contractual arrangements and remuneration of the Executive Leadership team.
- Annually, to consider the Southbank Centre reward strategy of all staff to ensure the approach is fair, robust, equitable and defensible and takes into account best practice in other relevant arts organisations.

The People and Nominations Committee co-ordinates the assessment of the annual performance of the Chief Executive and feeds into the assessment of agreed members of the Executive Leadership team, against organisational and individual objectives. The remuneration and employment terms of the Chief Executive and the Executive Leadership Team is reviewed in the context of the overall remuneration and employment terms and practices for all Southbank Centre employees and key subcontractors, in the context of salary trends within the arts sector and beyond.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 2-3 of these financial statements.

Legal Framework

Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. Southbank Centre was formed by a deed of trust on 31 March 1988. Its main objects are:

1. The promotion of the arts for the general benefit of the public and in particular the maintenance and development of the Southbank estate as a centre for the arts for the benefit of the people in Great Britain in general and London in particular.
2. The development and improvement of the knowledge, understanding and practice of the arts at the Southbank estate or any part of it.
3. The provision and support of such cultural activities related to the arts as the trustees consider desirable at the Southbank estate or any part of it.

There have not been any changes to its objects during the year.

As trustee of Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has three wholly owned subsidiaries which it holds on behalf of Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited by guarantee. The Charity Commission issued a uniting direction for registration purposes for Southbank Centre (charity 298909) and South Bank Foundation Limited (charity 1054105) in October 2004.

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 24 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustee Limited acts as the Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

The Board of Governors, who are directors of Southbank Centre Limited (the sole corporate trustee), are not remunerated for their services and have delegated management of Southbank Centre's operational affairs to a Chief Executive and an Executive Leadership Team who attend Board meetings but are not entitled to vote.

The Board has adopted a performance evaluation framework that ensures that the effectiveness of the Board, the Committees and the Chair is actively reviewed and monitored each year. As part of this process Governors and the Executive Leadership Team are asked to reflect on the skills required and size of the Board, taking into account future requirements.

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Culture, Media and Sport for their admission as a Member, and after their name has been entered in the Register of Members. Governors appointed after 1 January 2018 serve for a term of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for a further two terms, subject to a maximum tenure of 9 years. Governors appointed prior to 1 January 2018, are eligible for reappointment of a fourth term, which if approved results in a maximum tenure of 12 years. One Governor is anticipated to complete a fourth term.

An induction programme is offered to all new Governors in order to ensure that they are briefed on the charity's objectives, strategy and activities, as well as their responsibilities and legal duties.

Governance (continued)

The Governors meet six times a year, and more frequently if required.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has four sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People and Nominations; and Property, Commercial and Sustainability Committee; and Donations and Conflict of Interest Oversight Committee.

The Board supports the principles of good governance as set out in the Charity Governance Code for larger charities and also the continuous improvement model which the Code promotes.

As part of its forward succession planning the Board takes into account the importance and value of having a diverse Board coupled with the skills needed to support the Executive Leadership Team in delivering the strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board and regular diversity monitoring is carried out.

As at 31 March 2025, the profile of the Board was: 8 (57%) male, 6 (43%) female; 6 (43%) Global Majority; 0 (0%) LGBT; 1 (17%) disability; 0 (0%) under 35; 3 (22%) over 65.

Internal Financial Control

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's Finance Audit and Risk Committee, whose members are all non-executive. The Committee reviews the effectiveness of Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chair.

The Governors have delegated implementation of the system of internal financial control at Southbank Centre to senior staff. The system is based on a framework of regular management information, financial regulations, administrative procedures for segregation of duties, and a system of delegation and accountability, including:

- Comprehensive annual budgets
- Monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- Targets set to measure financial and other performance
- Clearly defined capital expenditure control guidelines.

Internal audit work is completed in line with an analysis of the risks to which Southbank Centre is exposed. Internal audit plans are endorsed by the Finance Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2025 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Disclosure of information to auditors

The annual audit of Southbank Centre is carried out by Crowe U.K. LLP, who express an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament.

In so far as the Governors are aware:

- There is no relevant audit information of which the Charity's auditor is unaware.
- They have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fundraising statement

Our aim is always to ensure we raise funds from the public in a respectful and compelling way that is consistent with our values.

Our fundraising is carried out by our in-house fundraising teams and there are no arrangements for others to act on our behalf as professional fundraisers or commercial participators.

Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. We have procedures in place to ensure our staff and volunteers comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

Southbank Centre did not receive any complaints about fundraising activities carried out.

Southbank Centre recognises the need to protect vulnerable people and ensures that no donation is sought or gained from someone who may not have the capacity to make an informed or considered decision. Southbank Centre does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present.


Political and Charitable Donations

Neither the Charity or any of its subsidiaries made any political or charitable donations in year.

Insurances

During the year Southbank Centre maintained liability insurance cover for the Governors of the Board, for the Trustees of the South Bank Centre Retirement Plan, for the Executive Directors and for the in-house solicitor against the consequences of neglect or fault on their part in performance of their respective duties and functions. Southbank Centre also held insurance cover for the operation of its commercial vehicles, business travel and, when required, for works of art on loan from third parties. Limited Public Liability and Employers Liability insurance is held together with Business Interruption insurance in respect of commercial activities only. Southbank Centre also carries cybersecurity insurance. Apart from these insurances, Southbank Centre is self-insured by HM Treasury (as confirmed by an agreement with the Department for Culture, Media and Sport).

By Order of the Board


Misan Harriman (Jul 16, 2025 10:53 GMT+1)

Misan Harriman
Chair
16 July 2025
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the applicable Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

Date: 17 July 2025

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds	
				2025 £'000	2024 £'000
INCOME FROM:					
Donations and legacies	2	17,848	3,417	21,265	20,826
Charitable Activities	3	12,941	-	12,941	10,651
Other Trading Activities	4	22,615	-	22,615	20,862
Investments	5	1,453	-	1,453	1,582
TOTAL		54,857	3,417	58,274	53,921
EXPENDITURE ON:					
Raising funds	9	1,381	-	1,381	1,396
Charitable activities	9	50,899	3,259	54,158	47,599
Other costs: Trading activities	9	8,066	-	8,066	7,591
TOTAL		60,346	3,259	63,605	56,586
Net (expenditure)/income before transfers		(5,489)	158	(5,331)	(2,665)
Other recognised (losses)/gains					
Actuarial gain on defined benefit pension schemes	23	120	-	120	1,103
Gain on derivative financial instrument		-	-	-	48
Net Movement in funds		(5,369)	158	(5,211)	(1,514)
Fund balances brought forward at 1 April 2024		225,433	1,762	227,195	228,709
Total funds carried forward at 31 March 2025		220,064	1,920	221,984	227,195

All of the above results are derived from continuing activities.
The notes on pages 35 to 60 form part of these financial statements.
The financial statements have been prepared in accordance with FRS 102.
Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.
There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

SOUTHBANK CENTRE
BALANCE SHEETS
As at 31 March 2025

	Notes	Group		Charity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Tangible assets	11	220,234	221,939	220,234	221,939
Heritage assets	13	70	70	70	70
Intangible assets	12	412	326	412	326
Investments	14	12,734	11,407	12,734	11,407
Total fixed assets		233,450	233,742	233,450	233,742
Current assets					
Stocks of consumables and goods held for resale		515	392	99	79
Short term investments	14	17,400	18,500	8,400	7,500
Debtors - due within one year	15	10,263	9,829	11,837	12,869
Cash at bank and in hand		2,086	4,204	1,416	2,658
Total current assets		30,264	32,925	21,752	23,106
Liabilities					
Creditors: amounts falling due within one year	16	(23,023)	(18,984)	(19,309)	(16,736)
Net current assets		7,241	13,941	2,443	6,370
Total assets		240,691	247,683	235,893	240,112
Creditors: amounts falling due after one year	18	(18,707)	(20,488)	(18,707)	(20,488)
Net assets excluding pension liability		221,984	227,195	217,186	219,624
Defined benefit pension asset / (liability)	23	-	-	-	-
Total net assets		221,984	227,195	217,186	219,624

THE FUNDS OF THE GROUP
As at 31 March 2025

	Notes	Group		Charity	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Unrestricted income funds					
General reserves	19	5,071	6,436	273	(1,135)
Designated funds	19	214,993	218,997	214,993	218,997
Total unrestricted income funds	19	<u>220,064</u>	<u>225,433</u>	<u>215,266</u>	<u>217,862</u>
Restricted income funds					
Projects fund	19	1,920	1,762	1,920	1,762
Total restricted income funds	19	<u>1,920</u>	<u>1,762</u>	<u>1,920</u>	<u>1,762</u>
Total group funds	19	<u>221,984</u>	<u>227,195</u>	<u>217,186</u>	<u>219,624</u>

The notes on pages 35 to 60 form part of these financial statements.

The financial statements on pages 30 to 34 were approved by the Board of trustees and signed on its behalf by


Misan Harriman (Jul 16, 2025 10:53 GMT+1)

Misan Harriman
Chair
16 July 2025

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £53,584k (2024 gross income: £45,619k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £3,378k (2024 net expenditure: £2,734k).

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash inflow from operating activities		6,525	4,973
Net cash generated from operating activities		<u>6,525</u>	<u>4,973</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(7,777)	(4,855)
Purchase of intangible fixed assets	12	(194)	(321)
(Purchase) Sale of Investments	14	(1,327)	6,689
Sale of tangible fixed assets		-	1
Interest received	5	1,453	1,582
Cash generated (used in) investing activities		<u>(7,845)</u>	<u>3,097</u>
Cash flow from financing activities			
Repayment of loan		(1,120)	(6,211)
Repayment of derivative financial instrument		-	(362)
Interest expense		(778)	(940)
Cash used in / from financing activities		<u>(1,898)</u>	<u>(7,513)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(3,218)</u>	<u>557</u>
Cash and cash equivalents at the beginning of the year		22,704	22,148
Cash and cash equivalents at the end of the year		19,486	22,704
Net (outgoing) resources before transfers		(5,331)	(2,665)
Interest received	5	(1,453)	(1,582)
Interest paid	7	778	940
Depreciation and amortisation charge	11, 12	8,862	8,492
Loss/(Gain) on FA disposal		728	(1)
(Increase) in stock		(123)	(90)
(Increase) in debtors	15	(434)	(3,418)
Increase in creditors	16, 18	3,378	2,195
Retirement benefits movements	23	120	1,103
Net cash inflow from operating activities		<u>6,525</u>	<u>4,973</u>

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2025

Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash in hand	2,086	4,204
Short term deposits	17,400	18,500
Total cash and cash equivalents	19,486	22,704

SOUTHBANK CENTRE NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 in July 2014 (SORP) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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'.

b) *General Information*

Southbank Centre is a registered charity (Registered Charity No. 298909) and is incorporated and domiciled in the United Kingdom. The address of its registered office is Belvedere Road, London, SE1 8XX.

c) *Summary of significant accounting policies*

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

d) *Going Concern*

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our loans and obligations under our ACE NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 24 for details on the results of Southbank Centre Enterprises Limited.

Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation.

f) *Income Recognition*

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The grant received from Arts Council England is recognised within income in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

Donations and sponsorship are included as income when they are receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Funding for assets under construction is credited to incoming resources when receivable.

Income from other trading activities comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the group earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued. Amounts received in respect of Creative Tax Reliefs are included as income for the relevant activity when receivable.

g) *Expenditure and resources expended*

As with income, expenditure is recognised as incurred in the financial year of the particular activity to which it relates. Resources expended are included in the Statement of Financial Activities on an accruals basis, and are classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the group's activities have been allocated to those activities using an appropriate basis. Cost allocation includes an element of judgement and consideration has been given to the cost benefit of detailed calculations and record keeping.

Costs of Raising Funds are those incurred by the Development department for the purposes of the group.

Retail and trading costs are those incurred in the running of commercial activities on the estate. Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 10 - Allocation of Support Costs

h) *Taxation*

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

1 Statement of Accounting Policies (continued)

j) *Employee Benefits*

The Group provides a range of benefits to employees, including holiday pay and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

For defined contribution plans the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

iii) Defined benefit pension plans

Southbank Centre contributed to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan). The defined benefit scheme closed to future accrual in 2022. The defined contribution funds were transferred to a master trust in 2022 and the section formally closed in 2023. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation is calculated using the projected unit credit method. Annually Southbank Centre engage independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as amounts recognised in the SOFA.

The cost of the defined benefit plan, recognised in Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the Statement of Financial Activities as finance expense.

k) *Leases*

i) Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All

1 Statement of Accounting Policies (continued)

k) Leases (continued)

other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight line basis over the life of the lease.

ii) Where income is receivable under retail unit or similar lease agreements, the basic element is recognised on a straight line basis over the period to the next rent review, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates.

l) Fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at depreciated replacement cost as at 1 April 2014 with additions since that date included at cost. All other land and buildings have been stated at cost.

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. New additions have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.

iii) Assets in the course of construction are held at cost and are not depreciated.

iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than one year and value greater than £1,000 are capitalised. All intangible assets are measured at cost. Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences	the contractual period
Website	4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage assets

Southbank Centre maintains the following types of heritage assets:

- The Southbank Centre Collection of artwork and sculptures that have been gifted to Southbank Centre.
- The Southbank Centre Archive which aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre.
- The National Poetry Library, the most comprehensive and accessible collection of modern poetry in Britain.

1 Statement of Accounting Policies (continued)

n) *Heritage asset (continued)*

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, they contribute to knowledge and culture through its retention and use and is accessible to the public for viewing and/or research.

Acquisitions to Southbank Centre's heritage assets are made by donations or purchase. Southbank Centre may occasionally dispose of assets from its collections if the Trustee believes this is in the best interest of Southbank Centre and this is not deemed to compromise the integrity of the collections.

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection. Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to sell and comprise catalogues and other goods held for resale. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the net realisable value. There is no material difference between the value of stock as stated and the replacement cost of this stock.

p) *Impairment of tangible and intangible assets*

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

q) *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

1 Statement of Accounting Policies (continued)

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

At year-end the levels of funds are reviewed and transfers are made between funds to reflect where donor requirements on restricted funds utilised for capital purchases have been met, and a change in the level of designated funds is deemed appropriate.

r) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Group has taken reduced disclosure exemptions for Sections 11 and 12 FRS 102.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables

are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Statement of Accounting Policies (continued)

s) *Financial instruments (continued)*

- t) Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Southbank Centre uses derivative financial instruments to reduce exposure to interest rate movements. Southbank Centre does not hold or issue derivative financial instruments for speculative purposes.

Derivatives including interest rate swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The swaps are derecognised when the liability are extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the SOFA.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

u) Critical accounting judgements and key source of estimation uncertainty

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

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

Critical judgements in applying the entity's accounting policies:

1 Statement of Accounting Policies (continued)

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

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2025, this has been treated as Creditors falling due after one year.

2 Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Donations and sponsorships	1,020	1,973	2,993	2,729
Arts Council England grants	16,828	1,444	18,272	18,097
Total	17,848	3,417	21,265	20,826

3 Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Artistic activities				
Ticket Income	7,451	-	7,451	6,979
Artistic rentals	2,769	-	2,769	2,631
Other income	2,721	-	2,721	1,041
Total	12,941	-	12,941	10,651

4 Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Other Trading Activities				
Retail sales	2,071	-	2,071	1,964
Concessions	12,900	-	12,900	11,992
Hall and space rentals	5,261	-	5,261	4,354
Memberships and subscriptions	880	-	880	781
Other income	1,503	-	1,503	1,771
Total	22,615	-	22,615	20,862

5 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Interest receivable	1,453	-	1,453	1,582
Total	1,453	-	1,453	1,582

6 Net Income / (Expenditure)

	2025 £'000	2024 £'000
Income is stated after crediting:		
Income from Creative Tax reliefs included within income from charitable activities	1,107	757
Expenditure is stated after charging / (crediting):		
Operating lease charges	90	90
Depreciation and amortisation charge on assets	8,864	8,492
Auditors' remuneration for audit services (Southbank Centre)	78	74
Auditors' remuneration for audit services (Enterprises)	8	8
(Surplus)/ loss on foreign exchange differences	-	(1)
Bad debt expense movement	(3)	(26)

7 Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Interest expense	778	-	778	940
Total	778	-	778	940

8 Staff Costs

	2025 £'000	2024 £'000
Employee costs amounted to:		
Wages and salaries	18,688	16,328
Social security costs	1,730	1,463
Pension costs	1,141	951
Past service cost:		
Defined benefit pension	-	1,093
Total	21,559	19,835

Costs relating to terminations in the year are included in the above and were £115k (2024: £76k) of which Nil (2024: £Nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2024: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2025 No.	2024 No.	2025 No.	2024 No.
Raising Funds	15	13	13	13
Charitable Activities	123	116	112	106
Venue Operation	262	243	163	155
Other	42	35	33	29
Support	97	77	89	73
	539	484	410	376

Visitor Experience staff who staff all of our venues are included within venue operation.

Higher paid employees received remuneration, including redundancy payments but excluding pension costs, within the following bands:

	2025 No.	2024 No.
£60,000 - £69,999	22	14
£70,000 - £79,999	8	5
£80,000 - £89,999	3	3
£90,000 - £99,999	-	2
£100,000 - £109,999	4	2
£110,000 - £119,999	1	1
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
£160,000 - £169,999	-	-
£180,000 - £189,999	1	1
£200,000 - £209,999	-	1
£210,000 - £219,000	1	-
	42	31

8 Staff costs (continued)

Of these 42 (2024: 31) employees, Southbank Centre paid pension contributions of £260,247 for 42 employees (2024: £177,385; 31 employees), who were members of the defined contribution section of the pension scheme. The group did not pay any contributions into the defined benefit section of the pension scheme (2024: none).

The Executive Leadership Team comprises of 6 posts (2025: average FTE 6.25, 2024: average FTE 6) whose remuneration in the year was £890k (2024: £828k). In addition to this, Southbank Centre also paid £74k (2024: £58k) in pension contribution and £94k in Employer National Insurance Contributions (2024: £86k) for the 6 members of the Executive Leadership Team during the year.

The Chief Executive's remuneration for the year totalled £217k, with employer pension contributions of £19k (2024: remuneration of £204k and pension contributions of £15k). No Executive Leadership Team member receives bonuses.

9 Total Resources Expended

	Direct costs of Charitable Activity £'000	Artistic and Exhibition Venue costs £'000	Support costs £'000	Total 2025 £'000	Total 2024 £'000
Costs of raising funds	974	127	280	1,381	1,396
Expenditure on charitable activities	21,127	20,266	12,765	54,158	47,599
Other costs: Trading activities	4,090	2,182	1,794	8,066	7,591
	26,191	22,575	14,839	63,605	56,586

Other includes interest payable of £778k (2024: £940k) (note 7).

10 Allocation of Support Costs

	Management Support Services £'000	Depreciation & Disposals £'000	2025 £'000	2024 £'000
Costs of raising funds	229	51	280	292
Expenditure on charitable activities	4,823	7,942	12,765	12,258
Other costs: Trading activities	925	869	1,794	1,711
Total Support Costs	5,977	8,862	14,839	14,261

Management and Support Services comprises Finance, Legal, HR and Governance. These are allocated as above based on the proportion of direct spend, headcount and floor area. Depreciation relates to all depreciation over the entire site and are allocated based on floor area.

Costs classified as governance relate to the general running of the charity and included operations of the Board of Governors and addressing constitutional, audit and other statutory matters. Governance costs are included within management and administration support costs and are made up of the following:

	2025 £'000	2024 £'000
Internal audit	32	34
External audit	87	83
Governors' indemnity insurance	13	11
Apportionment of staff costs	318	292
	450	420

11 Tangible Assets

Group and charity	Land & Buildings (Artistic) £'000	Land & Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Total £'000
<i>Cost</i>						
At 1 April 2024	257,495	26,647	2,697	9,063	11,710	307,612
Additions	2,407	-	2,324	1,573	1,473	7,777
Transfers	861	-	(1,621)	717	43	-
Disposals	(999)	-	-	-	-	(999)
At 31 March 2025	259,764	26,647	3,400	11,353	13,226	314,390
<i>Accumulated Depreciation</i>						
At 1 April 2024	62,119	8,847	-	6,377	8,329	85,672
Charge for the year	6,708	-	-	563	1,484	8,755
On disposals	(271)	-	-	-	-	(271)
At 31 March 2025	68,556	8,847	-	6,940	9,813	94,156
<i>Net Book Value</i>						
At 31 March 2025	191,208	17,800	3,400	4,413	3,413	220,234
At 31 March 2024	195,376	17,800	2,697	2,686	3,380	221,939

12 Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2024	1,035	1,035
Additions	194	194
Transfers	-	-
Disposals	-	-
At 31 March 2025	1,229	1,229
<i>Accumulated Amortisation</i>		
At 1 April 2024	709	709
Charge for the year	108	108
On disposals	-	-
At 31 March 2025	817	817
<i>Net Book Value</i>		
At 31 March 2025	412	412
At 31 March 2024	326	326

13 Heritage Assets

	Additions in year £'000	Value at 31 March 2025 £'000	Cost at 31 March 2025 £'000
Carrying amount at 1 April 2024	-	70	70
Additions: artwork	-	-	-
Carrying amount at 31 March 2025	-	70	70

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. This collection has been built up over the last sixty years and no assets were disposed of over the last five years.

Southbank Centre aims to have the majority of the collection on display to the public around its site.

The Southbank Centre Archive

Southbank Centre Archive aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre. The Archive includes print material (programmes, leaflets and festival brochures), photographs, recordings of performances and events, general ephemera (tickets, gifts, promotional items, objects and artefacts), written or recorded memories, letters or postcards describing visits, employment or other experiences of the site. The archive is maintained by Southbank Centre's Archivist.

Poetry Library

The National Poetry Library houses the National poetry collection. The collection, dating from about 1914, consists mostly of poetry from the United Kingdom and Ireland, a large selection from English-speaking countries worldwide, poetry in translation, poetry by and for children, rap and concrete poetry. Audio and video facilities are available in addition to a large variety of magazines, press cuttings and ephemera. Membership is free and the library is open 6 days a week.

The library contains over 100,000 items and is growing all the time. The library aims to hold all poetry titles published in the UK with a representation of works from other countries.

The library is funded by the ongoing support of Arts Council England.

14 Investments

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed asset investments	12,734	11,407	12,734	11,407
Short term investments	17,400	18,500	8,400	7,500
	30,134	29,907	21,134	18,907

All investments relate to term cash deposits. Those that are intended to be held for 12 months or more are treated as fixed asset investments and those under 12 months are treated as short term investments within current assets.

15 Debtors: Amounts Due Within One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	3,929	1,405	1,974	756
Amounts owed by group undertakings	-	-	5,420	5,212
Other debtors	704	864	597	759
Prepayments and accrued income	5,630	7,560	3,846	6,142
	<u>10,263</u>	<u>9,829</u>	<u>11,837</u>	<u>12,869</u>

Trade debtors - Group is net of bad debt provision of £108k (2024: £117k), and Trade debtors - Charity is also net of bad debt provisions of £95k (2024: £47k).

16 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loans and overdrafts	1,581	921	1,581	921
Trade creditors	5,155	4,066	5,062	4,011
Amounts owing to group undertakings	-	-	-	-
Advanced ticket sales	3,327	3,219	3,327	3,219
Derivative financial instrument	-	-	-	-
Accruals and deferred income	12,960	10,778	9,339	8,585
	<u>23,023</u>	<u>18,984</u>	<u>19,309</u>	<u>16,736</u>

Deferred income comprises amounts received for which the related service, project or expenditure, occurs in a future financial year.

17 Deferred Income

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Deferred income brought forward	5,376	3,505	3,496	1,987
Deferred in the year	7,447	5,323	4,011	3,444
Released in the year	(5,259)	(3,452)	(3,496)	(1,935)
Deferred income carried forward	<u>7,564</u>	<u>5,376</u>	<u>4,011</u>	<u>3,496</u>

18 Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loans	18,707	20,488	18,707	20,488
	<u>18,707</u>	<u>20,488</u>	<u>18,707</u>	<u>20,488</u>

The maturity of loans and obligations (including loans due within one year) is as follows:

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Within one year	1,582	921	1,582	921
Within two to five years	10,516	11,638	10,516	11,638
After five years	8,191	8,850	8,191	8,850
	<u>20,289</u>	<u>21,409</u>	<u>20,289</u>	<u>21,409</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2025 was £8.9m (2024: £9.8m). This loan was assigned to Promontoria Holding 463 BV a private company with limited liability incorporated in the Netherlands on 17 January 2025. The terms of the loan are unchanged.

The loan received from the Culture Recovery Fund Repayable Finance of £10.9m in March 2021 provides for a fixed interest loan for 20 years at 2% per annum. Capital and interest payments commenced in March 2025. The balance outstanding including interest at 31 March 2025 was £11.38m (2024: £11.58m).

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	22,704	(3,218)	19,486
Loans falling due within one year	(921)	(661)	(1,582)
Loans falling due after more than one year	(20,488)	1,780	(18,708)
	<u>1,295</u>	<u>(2,099)</u>	<u>(804)</u>

19 Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	6,436	54,857	(53,061)	120	(3,281)	5,071
Total General Reserves	6,436	54,857	(53,061)	120	(3,281)	5,071
<i>Designated Funds</i>						
Capital & Revaluation Reserve	213,501	-	(6,358)	-	(4,228)	202,915
RFH Refurbishment Reserve	-	-	-	-	4,387	4,387
Strategic Investment Fund	4,596	-	(927)	-	(1,278)	2,390
2026 Festival Reserve	900	-	-	-	-	900
Loan Repayment Reserve	-	-	-	-	4,400	4,400
Total Unrestricted Funds	225,433	54,857	(60,346)	120	-	220,064
<i>Restricted Funds</i>						
Projects Funds	1,762	3,417	(3,259)	-	-	1,920
Total Restricted Funds	1,762	3,417	(3,259)	-	-	1,920
Total Funds (2025)	227,195	58,274	(63,605)	120	-	221,984
Total Funds (2024)	228,709	53,921	(56,586)	1,151	-	227,195

The following table discloses the reserves for the prior year as required by the Charities SORP.

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	5,564	51,396	(47,014)	1,103	(4,613)	6,436
Total General Reserves	5,564	51,396	(47,014)	1,103	(4,613)	6,436
<i>Designated Funds</i>						
Capital & Revaluation Reserve	211,638	-	(6,358)	48	8,173	213,501
Loan repayment reserve	5,899	-	-	-	(5,899)	-
Strategic Investment Fund	3,508	-	(898)	-	1,986	4,596
2026 Festival Reserve	-	-	-	-	900	900
Total Unrestricted Funds	226,609	51,396	(54,270)	1,151	547	225,433
<i>Restricted Funds</i>						
Projects Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Restricted Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Funds (2024)	228,709	53,921	(56,586)	1,151	-	227,195
Total Funds (2023)	228,237	53,282	(53,880)	1,070	-	228,709

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives.

Designated Funds:

The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 11).

The Loan repayment reserve reflects funds designated for repayment of the loan provided by Promontoria Holding 463 BV plc (previously AIB) which is repayable in 2027.

The RFH Refurbishment Reserve reflects funds designated for the refurbishment of the Royal Festival Hall.

The Strategic Investment Fund has been set up to provide investment in artistic ambition, innovation, inclusion, sustainability and financial resilience over a 1-3 year timeframe.

The 2026 Festival Reserve reflects the balance allocated the Royal Festival Hall's 75th Anniversary.

Restricted funds: The Projects Fund holds restricted grants received in advance of expenditure for operating projects.

Transfers in the year

£3.2m was transferred from the General Reserve to the RFH Refurbishment Reserve and Loan Repayment Reserve (2024: £8.1m from the General Reserve and Loan repayment reserve to the Capital Reserve).

£4.2m was transferred from the Capital Reserve to the RFH Refurbishment Reserve and the Loan Repayment Reserve.

£1.2m from the Strategic Investment Fund was transferred into the Loan Repayment Reserve.

Charity Reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. A donation of £4.6m (2024: £7.5m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt. An advance of £5m was paid during the year in advance of the Gift Aided donation.

Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2025 £'000	2024 £'000
Tangible and intangible fixed assets	-	233,450	233,450	233,742
Current assets	1,920	28,344	30,264	32,925
Current liabilities	-	(23,023)	(23,023)	(18,984)
Creditors falling due after one year	-	(18,707)	(18,707)	(20,488)
	<u>1,920</u>	<u>220,064</u>	<u>221,984</u>	<u>227,195</u>

20 Capital Commitments

Group and Charity	2025 £'000	2024 £'000
Authorised and contracted	4,179	1,611

Capital commitments in prior year related to property costs.

21 Commitments Under Operating Leases

The Group had the following future minimum lease payments under non-cancellable operating leases, as a lessee, for each of the following periods:

	2025 £'000	2024 £'000
Payments due		
Not later than one year	21	90

22 Operating Lessor

The Group had the following future minimum lease receivables under non-cancellable operating leases, as a lessor, for each of the following periods:

	2025 £'000	2024 £'000
Receipts due	26,800	25,225
Not later than one year	4,462	4,038
Later than one year and not later than five years	15,500	14,649
Later than five year	3,249	6,538

23 Pension Costs

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Until May 2022 pension contributions were also made to Now pensions.

Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The defined benefit section was closed to future accrual in May 2022. From May 2022 all defined contribution contributions are made to the Aviva Master Trust. The defined contribution assets of the Southbank Centre Retirement Plan were transferred to that scheme in October 2023 and this section of the scheme was closed during 2023.

The amount recognised in the SOFA is as follows:

	2025 £'000	2024 £'000
Defined benefit scheme		
Current service costs	-	-
Defined contribution scheme	1,141	951
Total charge in net expenditure	<u>1,141</u>	<u>951</u>
Defined benefit scheme		
Plan expenses	222	290
Past service cost	-	1,093
Net interest (income) / expense	(102)	(280)
	<u>120</u>	<u>1,103</u>

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2023 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has not been recognised for the full balance of the surplus. As the scheme closed to future accrual as from 1 May 2022 the surplus is no longer anticipated to reduce future employer contributions to the scheme, and therefore no asset has been recognised.

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations.

23 Pension Costs (continued)

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2025 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2025	2024
Expected rate of salary increase	n/a	n/a
Expected rate of increase of pensions in payment	1.90%	1.90%
Discount rate	5.60%	4.70%
Rate of inflation (RPI)	3.30%	3.30%
Rate of inflation (CPI)	2.80%	2.80%

The mortality assumptions used were as follows:

	2025 years	2024 years
Longevity at age 65 for current pensioners		
Men	22.2	22.2
Women	24.7	24.7
Longevity at age 65 for future pensioners		
Men	23.5	23.5
Women	26.1	26.1

Reconciliation of plan assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 April 2024	46,240	(43,965)	2,275
Benefits paid	(2,087)	2,087	-
Employer contributions	-	-	-
Member's contributions	-	-	-
Current service cost	-	-	-
Past service cost	-	-	-
Plan expenses	(222)		(222)
Interest income/ (expense)	2,119	(2,017)	102
Remeasurement (losses) / gains			
Actuarial gains	(4,332)	4,227	(105)
As at 31 March 2025	41,718	(39,668)	2,050

Total amounts recognised in income or expenditure in the SOFA are as follows:

	2025 £'000	2024 £'000
Past service costs	-	1,093
Interest income	(2,119)	(2,272)
Interest cost	2,017	1,992
Plan expenses	222	290
	120	3,375

No amounts (2024: £nil) were included in the cost of assets.

23 Pension Costs (continued)

The fair value of the plan assets was:

	2025 £'000	2024 £'000
Equities		
Liability driven equities	20,294	23,964
Diversified growth fund	-	-
Corporate Bonds	16,200	16,948
Cash	764	244
London Eye asset	4,460	5,084
	<u>41,718</u>	<u>46,240</u>

The plan assets do not include any of Southbank Centre's financial instruments nor is any property occupied by any Southbank Centre entity.

The return on the plan assets was:

	2025 £'000	2024 £'000
Interest income	2,119	2,272
Return on plan assets less interest income	<u>(4,332)</u>	<u>(4,235)</u>
	<u>(2,213)</u>	<u>(1,963)</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2025 £'000	2024 £'000
Current year contributions	<u>1,141</u>	<u>951</u>
	<u>1,141</u>	<u>951</u>

24 Subsidiaries

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares of £1 each), Southbank Centre Pension Fund Corporate Trustees Limited (1 share of £1 each) and Southbank Centre Enterprises Limited (100 shares of £1 each), on behalf of Southbank Centre. Southbank Centre is the controlling party (ultimate parent company) and therefore consolidates these subsidiaries into its financial statements. Southbank Centre Limited only acts in the capacity of sole Corporate Trustee of Southbank Centre through the appointment of its directors (the Governors of Southbank Centre) and is otherwise dormant.

The South Bank Foundation Limited (number: 3174667)

The South Bank Foundation Limited was formed for the purpose of fundraising for Southbank Centre, particularly its site development. South Bank Foundation Limited was dormant during the year.

The Southbank Centre Pension Fund Corporate Trustees (number: 12510510)

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was dormant during the year.

24 Subsidiaries (continued)

Southbank Centre Enterprises Limited (Registration number: 6158790)

The principal activities of Southbank Centre Enterprises Limited are to manage certain commercial and retail activities on Southbank Centre's estate, including event hires, the bar and catering concessions and Southbank Centre's own shops. A summary of Southbank Centre Enterprises Limited's trading results are shown below:

	2025 £'000	2024 £'000
Turnover	18,948	15,832
Cost of sales	(6,358)	(6,059)
Administrative expenses	(3,214)	(2,562)
Operating profit	9,376	7,211
Interest receivable	422	360
Net profit	9,798	7,571
Profit and loss brought forward	7,571	6,398
Gift aid paid to Southbank Centre Limited	(12,571)	(6,398)
Retained in the subsidiary	4,798	7,571

As at the balance sheet date the aggregate amount of Southbank Centre Enterprises Limited assets, liabilities, share capital and reserves was:

	2025 £'000	2024 £'000
Current assets	13,930	15,031
Creditors: amount falling due within one year	(9,132)	(7,460)
Net current assets	4,798	7,571
Total net assets	4,798	7,571
Represented by:		
Profit and loss account	4,798	7,571

25 Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment in 2004 was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

25 Contingent Liabilities (continued)

The Royal Festival Hall extension building was financed by a £4m award from GLA Land and Property, formerly, London Development Agency. In the event that Southbank Centre ceases operating £4m would be repayable.

A grant of £16.7m was provided by the Arts Council for refurbishments to the Festival Wing (Queen Elizabeth Hall, Purcell Room and the Hayward Gallery). A fixed and floating charge was taken out by the Arts Council England over the assets of the charity. In the event that the Southbank Centre ceases operating, this grant would be repayable to the Arts Council.

A term loan provided by Promontoria Holding 463 BV plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027. The balance due at 31 March 2025 is £8.91m (2024: £9.83m).

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an under-lease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long under-lease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the under-lease from Southbank Centre to the British Film Institute.

26 Related Parties

Donations from Trustees were £58,250 (2024: £65,243).

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. During the year, Southbank Centre received USD 263,975 (2024: USD 151,263) from the American Fund. The American Fund had USD 103,438 (2024: USD 212,952) in cash balances available to transfer to Southbank Centre at 31 March 2025.

SC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £1,274,315 (2024: £1,006,725), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,966,641 (2024: £1,492,125) was charged to SCEL to cover overheads incurred by SC. Amounts owing between the entities at year end are shown in notes 16 and 17.

27 Full Prior Year Disclosure Of The Consolidated Statement Of Financial Activities

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
INCOME FROM:					
Donations and legacies	2	18,301	2,525	20,826	23,442
Charitable Activities	3	10,651	-	10,651	11,150
Other Trading Activities	4	20,862	-	20,862	18,225
Investments	5	1,582	-	1,582	465
TOTAL		51,396	2,525	53,921	53,282
EXPENDITURE ON:					
Raising funds	9	1,396	-	1,396	1,327
Charitable activities	9	45,283	2,316	47,599	44,898
Other	9	7,591	-	7,591	7,655
TOTAL		54,270	2,316	56,586	53,880
Net (expenditure)/income before transfers		(2,874)	209	(2,665)	(598)
Transfers	19	547	(547)	-	-
Other recognised (losses)/gains					
Actuarial (loss)/gain on defined benefit pension schemes	23	1,103	-	1,103	-
Gain/(Loss) on derivative financial instrument		48	-	48	1,070
Net Movement in funds		(1,176)	(338)	(1,514)	472

All of the above results are derived from continuing activities.

The Movements on Reserves are also described in note 19.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalents.

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000
Net movement in funds	(1,716)	(338)	(1,514)
Fund balances brought forward as at 1 April 2023	226,609	2,100	228,709
Total funds at 31 March 2024	225,433	1,762	227,195

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SOUTHBANK CENTRE

England & Wales - Charity number 298909

Accounts

SOUTHBANK CENTRE

Annual Report and Financial Statements

2023-24



Supported using public funding by
**ARTS COUNCIL
ENGLAND**



SOUTHBANK CENTRE

Annual Report and Financial Statements

2023-24

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985



Supported using public funding by
**ARTS COUNCIL
ENGLAND**



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Registered as a Charity No. 298909

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REFERENCE AND ADMINISTRATION DETAILS

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

PROFESSIONAL ADVISORS

BANKERS

Lloyds TSB Bank plc
4th Floor
25 Gresham Street
London
EC2V 7HN

AIB Group (UK) plc
9/10 Angel Court
London
EC2R 7AB

SOLICITORS

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2HS

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

INDEPENDENT AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

The Governors of the Board who served during the year and subsequently are:

Governor

Misan Harriman (Chair)
Glyn Aikins (resigned 4 May 2024)
Venetia Butterfield (resigned 30 June 2024)
Michael Hussey
Dame Vivian Hunt DBE
Luke Mayhew (Deputy Chair)
Sandy Rattray
Sir William Sargent CBE
Lisbeth Savill
Lynne Shamwana
Kieron Boyle
Anais Hayes
Salman Mahdi
Jerome Misso
Ndidi Okezie OBE

EXECUTIVE LEADERSHIP TEAM

The Chief Executive and other senior staff to whom day-to-day management of the charity is delegated by the Governors are:

Elaine Bedell OBE	CEO
Mark Ball	Artistic Director
Nicola Cardillo-Zallo	Director of People and Culture (to June 2024)
Heather Clark-Charrington	Director of Audiences
Katy Dent	Director of People and Culture (Interim – from June 2024)
Susan Johnston	Chief Operating Officer
Amy Ross	Director of Development

Our Mission

To make a difference to the lives of artists, audiences and communities through the variety of our programming and spaces.

Our Vision

To be the world's most exciting centre for the arts.

Our Values

Creating welcoming spaces

Making wonderful experiences together

Sparking new thinking

CHAIR'S FOREWORD

I have been inspired by the artistic programme and ambitions over the past year throughout the multiple genres we showcase at Southbank - from the large to the small, from the contemporary to the classical, both indoor and outdoor, both paid for and free. We aim to be an engine of creativity for a wide range of artists and audiences and some of the most innovative work has been in encouraging cross genre collaboration, something Southbank is uniquely equipped to encourage.

The exciting *Southbank Centre Studios* is a new initiative, creating an incubator space for artists to experiment and collaborate without the pressure of a performance but rather to expand art and push the boundaries of artistic practice. This builds on a proud tradition of supporting innovators from David Bowie's first performance in the Purcell Room to the UK's first electronic music performance in the Queen Elizabeth Hall.

I get particularly excited by the initiatives we have developed and delivered for young and early career creatives over the past year.

Our brand new Technical Academy has shown that there is real appetite in the wider sector for interventions that tackle the issue of skills development for those starting out in their creative careers and I'm glad we have developed a collaborative and innovative approach to supporting the talent pipeline. We had over 700 applications for 25 spaces - 52% were from the Global Majority, 60% female or in-binary, 88% on a low income and 20% neurodiverse.

Reframe and *Inspire Schools*, the programmes for young Black and Black mixed heritage creatives developed through our unique partnership with Apple, showed the power and potential of global technology companies partnering with creative organisations to support skills and training and diversifying the creative workforce which can only benefit the whole creative ecology.

We are very grateful for the continued support of Arts Council England for this outstanding artistic and creative programme.

However, while our artistic output and social impact continues to grow, the need for our venues to be fit for purpose, let alone environmentally sustainable, is becoming ever more challenging. Couple that with the unfunded responsibility Southbank holds for 11 acres of public realm along one of the most popular banks of the Thames, and there is an urgent need for a longer term programme of capital support.

2026 will be the 75th anniversary of the Festival of Britain, and the Royal Festival Hall, as the only remaining building from that Festival, will therefore also celebrate its 75th birthday. We are doing as much work as we can to tackle the maintenance priorities from existing funds, including using reserves which were shored up by our gratefully received Cultural Recovery Fund Repayable Finance following the pandemic. However, we start paying back this loan in March 2025 further increasing our financial challenges. This is not a sustainable capital funding model.

We hope that as part of celebrating and recognising those amazing 75 years, we can, with the help of the new Government and Arts Council England, generate the funding to ensure another 25 years at least of the building, the site and therefore the Art and Culture which was at the heart of the birth of what is now the Southbank Centre. We urge the new Government to actively work with us to address the historical underfunding of the capital infrastructure of our site and cultural buildings.

As ever, I want to thank Elaine and the Executive Leadership Team for all their hard work and the amazing Southbank Centre colleagues for bringing people together for wonderful experiences in our spaces every day. Working in the Arts Sector brings many personal and professional challenges and pressure; but a passion for the importance and power of Culture, Music and Art in our community and society at large still lies at the heart of the Southbank Centre as it did back in 1951.

Misan Harriman

Chair

CEO'S FOREWORD

We were very pleased that the Southbank Centre maintained its position as the UK's fifth most visited attraction this year with over 20 million visitors enjoying our 11 acre site, our bars and restaurants, our outdoor stages as well as our venues.

We've had an outstanding year artistically and commercially with some extraordinary and impactful events and successes.

Christine and the Queens curated a memorable Meltdown festival in June with the very best in contemporary music in our venues, foyers and terraces. 27,607 people attended our venues and there were 30 free and paid gigs over the festival.

Dear Earth, the flagship Hayward Gallery exhibition that anchored our Summer festival, *Planet Summer*, underpinned our commitment to sustainability and we're making strong progress against our strategy to be net zero by 2035 (this of course partly depends on our ability to invest in our infrastructure).

As a National, Arts Council England funded organisation, we take very seriously our commitment to support smaller arts organisations outside London and our renowned and unique Hayward Touring programme once again provided curated exhibitions for galleries across the UK including Arnolfini in Bristol, the Royal Albert Memorial Museum, Exeter and the Mead, in Coventry and also in the Glucksman, Cork, Republic of Ireland, in total reaching 196,460 visitors from their local communities.

I was delighted that we were able to announce our new organisational values: Creating welcoming spaces; Making wonderful experiences together; and Sparking new thinking. These were developed in partnership with Southbank Centre staff and launched in a special all-staff meeting.

Enormous challenges continue in terms of maintaining and improving our 11-acre site - all of it owned by central Government - without sustainable capital funding. We were disappointed not to receive any public funding for our estate in the 2024 spring Budget under the last Government despite making what we are told was a very strong case. While we understand there is a challenging economic condition, we will be making the case to the new Government for the need for support if we are to continue to deliver against the new Government's Missions and serve our communities.

The Southbank Centre belongs to the Nation and its very popularity attests to its continuing value. Christopher Nolan, the director of *Oppenheimer*, in accepting his Best Director award on the Royal Festival Hall stage during this year's BAFTA film awards said, "this was the place my mum and dad dragged me to get some culture, and I guess some of it stuck." And in March 2024, the now Prime Minister, Sir Keir Starmer described "the thrill" of playing at the Festival Hall as a child and the "opportunities music gave me".

But the Royal Festival Hall building itself desperately needs help and attention. We all care very much about the extraordinary buildings we look after and are united in wanting the very best for our heritage and arts sectors. We are planning a 75th birthday celebration in 2026 and hope very much we will receive the support and funding we need now to ensure the Southbank Centre can be fit for purpose for this important moment in its history, and indeed so that it can last another 75 years.

Elaine Bedell OBE

CEO

ARTISTIC DIRECTOR'S FOREWORD

The arts entertain us, allow us explore new possibilities of living, and, in increasingly turbulent times can help us make sense of the world around us. Over the last year our team has presented a truly diverse programme, supporting artists at every stage of their career and enabling audiences and communities to see their interests and experiences reflected back to them through the lens of world-class creative practice.

The Southbank Centre's two central artistic ambitions - to become an Engine of Creativity and the nation's most culturally democratic and expressive space for artists and audiences - have guided all of our work this year. As an Engine of Creativity we have supported artists to forge new and innovative artistic ideas and present and create ground breaking work. Southbank Centre Studios, our incubator for collaborative artistic practice, has given the space and support for artists to collaborate across art forms with more opportunities planned in the coming year; Reframe, our ground-breaking partnership with Apple supported 77 young Black and Mixed Heritage creatives in London, Birmingham and Manchester to develop their artistic and production skills and present their work across 3 cities.

Our reinvigorated Performance and Dance programme, under the leadership of our new Head of Performance and Dance, Aaron Wright, has seen new work by younger artists curated by the pioneer of performance art Marina Abramovic in a 5-day takeover of the Queen Elizabeth Hall; Drew McOnie and Cassie Kinsohi's wonderfully alternative Nutcracker thrilled audiences by playfully re-imagining the classic Christmas favourite; and La Horde/Ballet National de Marseille, one of the most exciting new global dance talents, played in London for the first time to sold out houses.

We once again staged a hugely successful Opening Weekend to kick off the 2023/24 Classical Music season with a curated programme attracting the widest possible audience to classical music, including the London Philharmonic Orchestra's Mahler's Resurrection, a breath taking musical panorama, and the extraordinary exquisite feat of Vikingur Olaffson's recital of Bach's Goldberg Variations. In contemporary music the brilliant Christine and the Queens took us on a ten-day musical journey with his curation of Meltdown.

Across the visual arts Hiroshi Sugimoto: Time Machine and When Forms Come Alive continued the Hayward Gallery's remarkable run of critically acclaimed exhibitions and our Hayward Touring programme continued to extend our presence across the country.

Our ambition to become the nation's most culturally democratic and expressive space for artists and audiences has started to take shape. As guest curator George the Poet launched the London Literature Festival with a provocative and engaging spoken word event that celebrated London's vibrant and diverse spoken word scene; our new South Asian Sounds festival presented new music from India, Pakistan, Bangladesh and Afghanistan to reach London's diaspora communities, and included a partnership with the promoter Dialled In that saw young Muslim audiences fill the Queen Elizabeth Hall.

The Planet Summer season brought artists, activists and communities together to inject hope into the climate debate and embedded sustainable best practices into our onsite behaviour and offer; across the wider Southbank Centre site our Public Programme and site design teams created free-to-access programmes that account for 53% of our artistic offer.

I am tremendously excited for the year ahead, not least Chaka Khan's Meltdown festival, marking a remarkable career of 50 years and the long awaited return of Daniel Barenboim and the West-Eastern Divan Orchestra that exemplifies the power of music to bring artists and communities together. Our summer Hayward Gallery exhibition Tavares Strachan: There is Light Somewhere anchors organisation-wide programming under the title You Belong Here, celebrating the different communities that have chosen to make London their home.

Mark Ball
Artistic Director

ARTISTIC HIGHLIGHTS

- Marina Abramovic Institute Takeover: Using all areas of the Queen Elizabeth Hall building for the Marina Abramovic Institute Takeover, the takeover saw 11 artists taking over the whole of the QEH with durational performance artworks. Audiences were free to wander on stage, backstage and even into dressing rooms to find the performances that ranged from the fierce to the contemplative.
- Classical Season opening weekend has an amazing array of performance for all tastes including Philharmonia playing Verdi's Requiem, Manchester Collective performed 20th Century Classics with Different Trains followed by a classical club night as part of our Alternative Experiences strand for first-timers.
- LPO played Mahler's Symphony No 2 with Sally Matthews, Christine Rice and the London Philharmonic Choir and in our Queen Elizabeth Hall Foyer the Multi-Story Orchestra stunned with the RPS-winning The Endz.
- Vikingur Olafsson performed a transcendent Goldberg Variations in a sold out Royal Festival Hall experience.
- Honey Dijon Experience, a collaboration between Grammy Award Winning Black Trans dance music icon Honey Dijon, presented a brand new orchestra for performance in the Royal Festival Hall, and we supported her to curate a sold out programme of club nights, gigs and talks across the site.
- The When Forms Come Alive exhibition received widespread critical acclaim including 5 stars in The Observer and 4 stars in Timeout and has been popular with visitors. Spanning over 60 years of contemporary sculpture, the exhibition highlights ways in which artists draw on familiar experiences of movement, flux and organic growth.
- Acts of Creation, part of our Hayward Touring programme, was launched at Arnolfini Bristol on 9 March 2024, before commencing a National Tour. It's a major new group exhibition exploring the lived experience of motherhood and being an artist.
- George the Poet guest-curated the spoken-word focus of London Literature Festival, encompassing a night of music and spoken word in the Royal Festival Hall and a specially commissioned series of animations of his poems which were projected on the RFH and at Piccadilly Circus.
- In its 70th birthday year, the National Poetry Library launched the 70-Poet Challenge, a new project to encourage people nationally to discover new poets performing and writing in the past 70 years. Breaking down hierarchies, we prompted people to engage with the poetry around them and tell us what's really exciting them.
- We collaborated with Underbelly to co-produce Drew McOnie's Nutcracker in our old Spiritland restaurant space. The partnership saw us working closely together to transform the space into an in-the-round jazz club, with late night jazz events overseen by our Contemporary Music team.
- The site design team collaborated with the architecture firm Squire and Partners- on the production of a series of light artworks that came out of workshops with children from year six at Oasis Academy in Waterloo. These neon wonders adorned the windows of the Queen Elizabeth hall as part of our Winter Lights installation.
- We continued hosting globally recognised awards ceremonies for BAFTA for the Film, TV and Video Games sectors.

CHARITABLE IMPACT IN NUMBERS

	2023/24 (2022/23)
Venue visitors	3,500,000 (3,200,000)
Site visitors	20m+
Tickets issued	790,000 (760,000)
Events	5,100 (5,400)
% free public events	53% of every time slot or exhibition day (55%)
Schools engaged (from CE)	365 school groups engaged in person with a total of 8,384 children and 877 teachers (305 school groups engaged in person with a total of 4,600 children and 658 teachers) 117 teachers engaged with us through digital events from 103 schools (164 teachers engaged with us through digital events from 160 schools)
Regional audiences for Hayward Touring	197,000 (123,000 plus 349,000 for British Art Show 9)
Global Majority audiences	13.5% (post show surveys) (14%)
Lambeth and Southwark bookers	10% (12%)

RECENT ACTIVITY AND FUTURE PLANS

In 2023/24 we continued to deliver against our Strategic Principles and artistic strategy. The principles and strategy align with the Arts Council's Investment Principles and Outcomes and underpin all artform and departmental strategies to enable us to achieve our purpose and vision.

In 2024/25 we will deliver activity in support of ACE's strategic outcomes, set out in Let's Create. We'll present an artistic programme that features world class performances and artists. Global majority artists will create and present new work and more collaborative curatorial approaches will connect audiences with themes across art-forms and the entire Southbank estate. We will develop our audiences so they better reflect the diversity of London. We'll also help grow the creative talent of the future through learning, skills and training programmes such as Inspire Schools, in partnership with Apple, and our Technical Academy and by continuing to develop Southbank Studios as a key artist development space. We will continue to upgrade the Royal Festival Hall in line with phase 1 of our capital development programme (subsequent phases are contingent on public funding and private giving).

Whilst we necessarily deliver the majority of our cultural programme on our Southbank Centre site, we will also present and develop work in the London Boroughs of Southwark and Croydon and in Birmingham, Coventry, Nottingham, Worcester, Barnsley, Barrow-in-Furness, County Durham, Sheffield, Basingstoke, Brighton and Hove, Lewes, Southend-on-Sea, West Suffolk, Woking, Bristol, Gloucester, Manchester, Newcastle, Sunderland, Norfolk and Southampton, alongside tours to Zurich, LA, Philadelphia and Toulouse. Much of our work will be accessible to global audiences online.

STRATEGIC PRINCIPLES

1. INNOVATION AND DYNAMISM

We innovate all the time, in all that we do, in all our spaces, physical and digital. We are dynamic and flexible in the way we face challenges of the future. We strive for excellence in everything we do.

- We initiated 12 *Southbank Studios* creative residencies to develop new artistic work with diverse individuals and collectives and, together with our partners Apple, Aviva Studios and SteamHouse, we hosted a new creative academy: *Reframe* to support and develop 80 young Black creatives and workforce. This was a major, new flagship programme, supported by Apple's REJI (Racial, Equity, Justice Initiative) fund. The programme was the first REJI funded partnership in Europe and was launched by Tim Cook, Apple CEO, at Southbank Centre in September 2022.
- We presented the *Marina Abramovic Institute Takeover*, using all areas of the Queen Elizabeth Hall building. The takeover saw 11 artists subverting the spaces with durational performance artworks.
- Following our incredibly successful presentation of Paraorchestra's *Anatomy of the Orchestra* during this season's *Opening Weekend*, Paraorchestra returned with *SMOOSH!* on the last day of this season. A music street parade, Paraorchestra took music out of the concert hall, animating the entire Southbank Centre site.
- We worked with structural engineers, architectural advisors and external manufacturers on the installation of two large scale inflatable artworks by the Brazilian artist Fefe Talavera. We ran the *Poets in Vogue* exhibition which connected poetry and fashion in ways which were unexpected and surprising.

2. COLLABORATION

Partners and Artists are critical to our success and central to our way of working. Artistic/ tech/ commercial and cross-sector partnerships as well as community and venue partnerships across the UK and the world.

- 2024 saw the launch of Southbank Centre's Technical Academy with 9 sector partners - the latest project in the Emerging Artists programme - a training programme which aims to create new pathways into careers in Technical Production, attract new talent and improve the diversity of the workforce.
- For the final show of his residency, cellist and Resident Artist Abel Selaocoe appeared alongside kora player Seckou Keita with a wonderfully eclectic show mixing Western Classical music and music from Abel's homeland of South Africa, accompanied by new Resident Orchestra Chineke!
- We collaborated with the author Max Porter on a staged reading of his new novel *Shy*, abridging the text and casting actors including Ruth Wilson, Toby Jones and David Alade alongside a young performer from Southbank Centre resident company ZooNation in the title role.
- We worked with Underbelly to co-produce Drew McOnie's *Nutcracker* in our old Spiritland restaurant space. The partnership saw us collaborating to transform the space into an in-the-round jazz club, with late night jazz events overseen by our Contemporary Music team.
- We developed a partnership with the architecture firm Squire and Partners- on the production of a series of light artworks that came out of workshops with children from year six at Oasis Academy in Waterloo.

3. AUDIENCES AND PEOPLE

Democratic access for all is our founding and our guiding principle. We are always extending our reach and relevance.

- Simmer Down is a new regular series of reggae music in partnership with Tomorrow's Warriors targeting older Caribbean people, which sees audiences of over 500 people on average.
- We've welcomed 700 members of our community to the Hayward Gallery, many of them first time visitors for relaxed hours exhibitions.
- We continued to introduce new audiences to the centre through our Archive drop-in volunteering sessions.
- We partnered with the Black British Book Festival for a takeover of Southbank Centre's site, which included talks, workshops, family programming and a marketplace. The majority of the programme was free, with a programme that featured leading voices including Leigh Anne Pinnock, Gary Younge, Clive Myrie and Oti Mabuse.
- We launched the *70-Poet Challenge* in our 70th birthday year, a new project to encourage people nationally to discover new poets performing and writing in the past 70 years.
- Our Creative Engagement team gave out free tickets for Alice Ripoll's *Zona Francato* to Portuguese-speaking communities based in Lambeth.
- We curated the exhibition, *Occupied Archives*. This exhibition focused on the history of the Road Protest movement and had strong links to current ecological issues. Images from the project have recently been shown at Manchester International, and the exhibition was also the inspiration for a debate and conversation forum on related issues, jointly hosted with English PEN.

4. RESILIENCE AND SUSTAINABILITY

We are resilient and our organisation is stable. We make agile use of our resources so that we can invest for the long term future of Southbank Centre. We are environmentally responsible in everything we do.

- We presented a summer of programming and advocacy under the banner of *Dear Earth* and embedded sustainable best practices into our on site behaviour and offer.
- We began a refurbishment of the Royal Festival Hall on a phased basis, prioritising and assessing improvements through the lens of sustainability.
- We delivered year 1 of our sustainability roadmap actions and initiatives.
- We rebalanced resource levels aligning with NPO activity and grew our commercial income levels a further 18% versus the prior year offsetting the impact of a cut in Arts Council Funding.
- We planned for ongoing investment in innovation and digital for the future and completed an important piece of work to review and agree significant future revenue growth targets for 2024 and beyond.

FORWARD LOOK

- We'll take the learnings from the Technical Academy pilot in March and 24/25 will see Southbank Centre develop the skills of at least 50 participants, with the view to roll out an annual plan to reach 100 participants a year and with 80% of participants securing future employment.
- We'll roll out a new Audience Development Strategy delivering an increase in under-represented audiences and we will launch a new young persons offer and new revitalised Membership Scheme
- We'll launch a distinctive Performance and Dance programme that intersects with other artforms and platforms new artists. Continuing to create the space for artists to innovate we'll develop Southbank Centre Studio sessions to support a further 12 artists in the year.
- In order to ensure the Royal Festival Hall is fit for purpose for the 21st century audiences and artists we'll deliver planned refurbishment works and will deliver year 2 sustainability initiatives to achieve 2025 near term target savings.

ENVIRONMENTAL REPORTING

In 2022/2023 Southbank Centre reset the target to reduce carbon emissions of our buildings to net zero by 2035 (Scope 1 and 2) and 2040 (all scopes).

Streamlined Energy and Carbon Reporting (SECR) Summary Report for Southbank Centre

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2023 – 31st March 2024. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 15,152,805 kWh and 2,931 tonnes of CO₂e respectively in the 2023 financial year in the UK. In their 2023 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,358 tCO₂e.

SBC have chosen 'Tonnes of CO₂e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2023/24 was 54.6 tCO₂e/m£ compared to 60.8 CO₂e/m£ in 2022/23. Below is the energy consumption and GHG emissions summary table as well as the table outlining the year on year analysis.

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	8,558,884	1,565.7	53.41%
	Company Fleet	0.0	0.0	0.0%
	LPG	35,385	7.4	0.25%
	Subtotal	8,594,269	1,573.1	53.67%
Indirect (Scope 2)	Electricity	6,558,536	1,358.1	46.33%
	Subtotal	6,558,536	1,358.1	46.33%
Indirect Other (Scope 3)	Grey Fleet	0.0	0.0	0.0%
	Subtotal	0.0	0.0	0.0%
Total Energy Use (kWh)				15,152,805
Total (Location-based*) Gross Emissions (tCO₂e)				2,931.2
Renewable Electricity (tCO₂e)				1,358.1
Total (Market-based*) Gross Emissions (tCO₂e)				1,573.1
Gross Turnover (m£)				53.7
Tonnes of Gross CO₂e per m£				54.6

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017. The RFH is going through a period of modernisation as part of its 75th Anniversary Celebration. We have also carried out lifecycle works which have reduced its overall energy consumption by around 4.5% per year for 3 years. Within 2023/2024, the Southbank Centre completed the following:

- Boiler Replacement RFH
- Office building AHU replacement to VAM units
- Office building LED Upgrade in the corridors
- BMS Time Schedule Modifications
- 5no. Lift Modernisation

It is expected that 1,036,995 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

Type of Emissions	Units	2023/24	2022/23	YOY % Change
Direct (Scope 1)	(kwh)	8,594,269	10,439,362	-17.7%
	(tCO ₂ e)	1,573.1	1,906.7	-17.5%
Indirect (Scope 2)	(kwh)	6,558,536	6,839,590	-4.1%
	(tCO ₂ e)	1,358	1,323	2.7%
Indirect Other (Scope 3)	(kwh)	0.0	0.0	NA
	(tCO ₂ e)	0.0	0.0	NA
Total Energy Use (kWh)		15,152,805	17,278,952	-12.3%
Total Gross Emissions (tCO₂e)		2,931	3,229	-9.2%
Renewable Electricity (tCO₂e)		1,358	1,323	2.7%
Total Net Emissions (tCO₂e)		1,573	1,907	-17.5%
Tonnes of Gross CO₂e per m£		54.6	60.8	-10.1%

**In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market-based reporting approach can also be used when companies have entered into contractual agreements for renewable electricity (e.g. REGO's). Reporting on renewable energy and associated emissions is not a mandatory requirement under the SECR legislation but it is possible for organisations to use dual reporting if they wish to reflect their consumption of renewable energy. In this SECR a dual reporting approach has been used to take account for both location based and market based reporting.*

- We have an actively operating Sustainability Champions group, which recently celebrated its first anniversary since its formation
- We set a biodiversity net gain target of 10% for our site, to be achieved by 2030
- We are entering design phase with our ecology consultants for native planting projects on our site
- We have early engagement with a team of consultants, working to incorporate rainwater harvesting on our site
- We've trialled reusable cups in January 2024, intending to roll out site-wide with the Royal Festival Hall refurbishment

FINANCIAL REVIEW

The year to 31 March 2024 continued the expansion of activity following the Covid pandemic with overall site visitors increasing by 10% and tickets issued by 26%.

This year was the first of a three year funding agreement of Arts Council England (ACE) that saw an overall reduction in core grant funding of £1.9m. In addition, the Centre faced increased utility costs and the impact of the inflationary environment on our cost base and demand. In order to meet these challenges and at the same time increase artistic activity, our plans required an increase in our commercial activity, together with effective cost and budgetary control to ensure financial sustainability. We successfully implemented these plans to achieve an operational break even, in line with our expectations and we were also able to benefit from interest rate rises to increase our General Reserves by £0.8m.

Inflation remains a key concern. Due to the fact our ACE grant is fixed until 2026, we are required to create new income streams or achieve significant operational savings and efficiencies each year to maintain activity and the ambition of the artistic programme. The impact on our commercial partners and cost of living pressures are still unclear.

We remain aware of our responsibility to maintain and develop the Southbank Centre estate to ensure the iconic buildings remain fit for purpose in the 21st Century whilst preserving their rich architectural heritage. The year saw the start of a significant £13m capital improvement project to our foyer spaces in the Royal Festival Hall from funds designated from the Cultural Recovery Fund Repayable Finance scheme. Significant additional funds in excess of our operating budgets will be required in the future to maintain and develop the estate, including crucial upgrades in technology in our artistic spaces and adaptations to achieve our net-zero ambitions, ensuring our site is fit for purpose for the future.

Income

Total income has increased to £53.9m (2023 - £53.2m).

Donation and Legacy income received totalled £20.8m (2023 - £23.4m). Unrestricted donation and sponsorship income was maintained at £1.5m (2023 - £1.5m) with the overall reduction of £2.6m due to a £2m reduction in our Arts Council core grant and a £0.6m reduction in our restricted donations due to the phasing of grants from Apple to support Reframe and Bloomberg to support digital innovation at Southbank Centre.

Charitable activity income totalled £10.6m (2023 - £11.1m). This reflects an increase in activity across the site but, due to a different mix of activity, a reduction in ticket income and an increase in artistic rental income.

Other trading was particularly successful during the year increasing by £2.6m to £20.9m, due to the strong performance of concessions across our estate, reflecting the increase in visitor numbers, as well as space rentals. We continued our relationship with BAFTA for three major award ceremonies: Film, TV and Games. The London Film Festival returned to the RFH for the third year with the RFH being the venue for the Opening and Closing galas. The RFH hosted the world premiere of Wonka and the last episodes of the Crown.

Investment income of £1.6m (2023 - £0.5m) was received from cash deposits. Any surplus cash is invested in cash deposits with our existing banking institutions.

Expenditure

Total Expenditure increased to £56.5m (2023 - £53.8m).

Overall charitable activity expenditure increased by £1.8m to £47.6m (2023 - £44.9m) due to increased activity and the impact of inflation.

Through careful cost management, excluding the £1.1m cost of the defined benefit pension prior service cost that is balanced by an actuarial gain, we were able to reduce spend in overall support costs from £13.7m to £13.1m and maintained spend on raising funds at £1.3m. The impact of utility price rises was felt within our venue running cost but other costs were maintained in line with our budget.

Within these figures, payroll costs increased by 10% to £18.7m, excluding the past service cost, (2023 - £17.2m) due to increased staff numbers to support the increased activity and annual pay increases taking into account the level of inflation. We are a London Living Wage employer and in January 2024 we implemented the 2023 increase of 10%. Our commitment to LLW extends to those working for our facilities, security and catering partners at Southbank Centre.

Balance Sheet

The key balance sheet movements are the reduction in the net book value in fixed assets, the repayment of the Lloyds loan and the termination of the interest rate swap (derivative financial instrument).

The net book value of fixed assets fell due to the overall depreciation charge, a significant element of which is from land and buildings revalued in 2014. During the year we commenced a £13m refurbishment project to our foyer spaces in the Royal Festival Hall of which £0.9m is included in assets under construction. This programme will continue during 2024/25 to include renewed facilities on Level 5, an improved Members level and refurbished WC's throughout the RFH.

The key movement in Creditors under one year is from the repayment of the Lloyds Loan in July 2023 and the mandatory termination of the interest rate swap in December 2023.

The Pension Scheme is in surplus based on the valuation carried out under Section 28 of FRS 102 of £2.3m (2023 - £6.7m) but as the surplus is not recoverable by Southbank Centre until the pension scheme has been wound up no asset has been recognised on the balance sheet. The reduction in the surplus during the year was caused by the agreement of the scheme to pay the scheme administration costs previously paid for by the company and also an augmentation of benefits agreed between the Trustee and the Employer following the decision to base future pension increases on CPI rather than RPI, the beneficial effect of which had been included in the prior year valuation.

The Triennial valuation on the current technical provisions basis specific to the scheme shows a surplus of £1m though there remains a deficit of £4m on a buy out basis.

Reserves

Our total reserve levels have decreased by £1.5m in the year and total £227m.

The overall free reserve requirements have been reviewed during the year and we seek to maintain a minimum level of £5.55m as a General Reserve for exceptional operational risks not covered by the budget contingency, and to provide us the ability to make the operational adjustments and investments required by new operating environments. The current level of £6.4m is £0.85m in excess of this level and this will be utilised during 2024/25 to support activity.

The capital reserve reflects our investment in fixed assets to date and funds reserved for future capital investment. Our capital investment budgets have therefore been increased to enable us to maintain the buildings and the funding from the Cultural Recovery Fund Repayable Finance has been designated for future capital investment, providing £11m of funding to the current refurbishment project (due for completion in 2024/25).

We have maintained our Strategic Investment Fund with the intention of allocating £2m per annum to innovative artistic and strategic projects. Plans for 2024/25 include investment into the artistic programme, in particular to fund and commission new work to perform at Southbank Centre and to generate future income streams and a major new orchestral project. Funds have also been allocated to increase the support to our Technical Academy scheme to provide opportunities for training in theatrical and event production (in conjunction with other cultural organisations) and for investment in sustainability initiatives. We plan to spend £2m per annum from this fund with it being replenished each year from operational surplus.

A fund to support the 75th Anniversary of the Royal Festival Hall and Festival of Britain has been able to be created during the year.

The projects fund represents restricted funds received for specific projects in future years.

Reserves Policy

The charity's reserves fall into two main categories: restricted funds which may legally be used only for the purposes specified by the donor, and unrestricted funds which are free for use for any of the purposes of the Charity as set out in the governing document.

Total funds held at 31 March 2024 are £227.2m (2023 - £228.7m) made up of Unrestricted funds of £225.4m (2023 - £226.7m) and Restricted funds of £1.7m (2023 - £2.1m).

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area. At 31 March 2024 the Group held General Reserves of £6.4m and Designated funds of £218.9m

Planned level of unrestricted reserves

The Charity budgets to deliver its charitable objectives while ensuring financial stability through aiming to keep adequate, but not excessive, levels of unrestricted reserves. It makes this assessment by looking at future cash requirements and setting annual budgets which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency based on an assessment of operational risk.

The Board has reviewed its Reserves Policy in the light of the post pandemic trading, current financial challenges and risks and considers reserves of approximately £5.55m, which is equivalent to 8 weeks of turnover excluding confirmed Arts Council England grant income, will provide sufficient financial resilience for the organisation at this time. On 31 March 2024 the balance of General Reserves is £6.4m (2023: £5.6m). The amount in excess of the policy is being retained to support activities during 2024/25.

Designated Reserves

As of 31 March 2024 Southbank Centre held three designated reserves:

(i) Capital and Revaluation Reserve (£213.5m)

The purpose of this reserve is to reflect funds expended on capital assets net of accumulated depreciation, including the balance of surplus or deficit from the revaluation of Land and Buildings, (£200.8m) and funds designated for future capital projects (£12.6m). Funds expended on fixed assets could only be realised on sale of those assets and are subject to the restrictions noted in note 25.

(ii) Strategic Investment Fund (£4.6m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to projects in the year to 31 March 2024.

(iii) 2026 Festival Reserve (£0.9m)

The purpose of this reserve is to fund activities to support and celebrate the 75th anniversary of the Royal Festival Hall and the Festival of Britain in 2026.

Restricted Reserves

As of 31 March 2024 Southbank Centre held £1.8m of restricted income received in advance of expenditure for operating projects in a Projects Fund.

Going Concern

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs and in employee costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our loans and obligations under our Arts Council England NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. Southbank Centre has been confirmed as a National Portfolio Organisation for the three year period commencing 1 April 2023. A one-year extension to this was announced in March 2023 and covers 2026-2027.

Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations.

The Funding Agreement with Arts Council England requires Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at Southbank Centre and is invited to attend Southbank Centre's board meetings.

An application for funding for one year to 31 March 2027 will be made during 2024/25.

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce each risk to a level which the Governors consider to be acceptable. Twice annually, Governors review the Risk Register prepared by management to ensure that it is comprehensive and to assess actions to mitigate those risks.

The following are the major risks identified that are specific to Southbank Centre:

Reputation

Southbank Centre presents a world class range of activity across the site. Damage to the Southbank Centre's reputation either through reduction in artistic quality or the ability to continue to provide a venue of excellence has the potential to impact the ability to attract artists and audiences to the site and a consequential impact on the ability to meet charitable objectives, obtain funding and generate audience and commercial income.

This risk is managed by having a process in place to review and approve both Southbank managed and third party events held on site and working closely with our resident orchestras. Our property and commercial strategies are reviewed quarterly by the Property, Commercial and Sustainability committee of the Board.

All strategies and business plans are discussed with Arts Council England at regular monitoring meetings.

Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London. In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

Financial Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation due to the wider economic environment and Government policy.

The ability to develop our site and buildings to ensure Southbank Centre continues to be a venue of excellence and innovation attracting artists, audiences and commercial partners is critical to ensure our financial resilience and sustainability. This remains dependent on our ability to secure specific funding. This is a key short term objective of the charity and is monitored regularly by the Board and Property, Commercial and Sustainability Committee.

The potential impact on demand from the significant recent increases in the cost of living present significant challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

Financial risk is mitigated through a reserves policy which is reviewed and approved by the Board as well as an annual budget setting process. Forecasts are prepared regularly to inform mitigating actions. The financial assumptions used for future years are regularly assessed and plans updated to take into account changed expectations.

Safeguarding

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults. Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to all members of the Committee DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by an external specialist. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

Health and Safety

The Southbank Centre operates on a 11 acre site with over 3m visitors to the site and 4,500 artistic and commercial events per annum. The safety of all our visitors, staff and artists can be compromised through a terrorist incident, fire, failure of equipment, tenant activities and public order incidents and could have legal, reputational and financial ramifications.

These risks are managed by having comprehensive Health and Safety and Counter Terrorism processes including training, investigation and regular reporting to the Finance Audit and Risk committee near misses and incidents, and audits of our Counter Terrorism procedures.

Data

Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information. Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders. To mitigate the impact of a cyber attack Southbank Centre holds a level of cyber insurance

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity, with over 50% of the artistic programme being free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 11 acre site along the South Bank. Further details are given above under Achievements and Performance.

Policies

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and Southbank Centre is committed to policies which support and improve attraction, development, performance and retention of staff at different points in their employee journey.

We are members of the London Living Wage Foundation and staff are paid the London Living Wage as a minimum and automatically receive an increase in line with this each year. The most recent London Living Wage uplift was implemented from 1 January 2024. Our commitment to LLW extends to those working for our facilities, security and catering partners at Southbank Centre.

To inform the Annual Pay Award negotiations and build pay equity and transparency, we continue to benchmark salaries with other cultural organisations whenever roles are vacant and have recently launched an annual sector-specific independent salary benchmarking project to support more relevant benchmarking across salaries and benefits for similar sized organisations.

Culture building remains a priority for Governors. In November 2023, the organisation launched a set of refreshed Values, Creating Welcoming Spaces, Making Wonderful Experiences Together and Sparking New Thinking. A set of Behaviours are now under curation with input from all staff, along with a review of our Purpose.

Engagement of staff is enhanced by impactful communications which are particularly important to promote the understanding by, and involvement of all employees in Southbank Centre's aims and performance of all its activities. This is achieved through our 6-weekly All Staff Meetings, weekly internal communications downloads and monthly People Manager newsletters, which give regular updates on Southbank Centre's performance and major developments and which celebrate Southbank Centre's successes and reflect our Culture.

All of Southbank Centre's Policies and Producers are housed on an Intranet site, which has undergone a process of improvement and re-design to ensure policies, guidelines, forms and digital content are accessible and available.

Southbank Centre participates in a quarterly Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Improved union relations have been invested in, with additional monthly meetings to ensure transparency and taking a joint consultative and partnership approach.

Southbank Centre is striving to promote equity, diversity and inclusion in all areas of employment including recruitment and selection, development, and progression. The Southbank Centre is engaged with a number of diversity initiatives and partnerships in order to achieve these aims.

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we have reported our Gender Pay Gap and our Ethnicity Pay Gap. We offer a four-part digital Anti-racism course for all staff and EDI workshops for new joiners. Southbank Centre has been selected to join a cohort of 60 organisations to join The Mayor of London's Design Lab programme alongside other organisations in the Creative sector. This is a 10 month initiative focusing on embedding anti-racism practice and tackling under-representation in the London workforce. We also hosted a sector Networks Network Event with 80 organisations represented to amplify best practice across the sector along with relaunching our internal Bring out Potential programme.

Internally, we have continued to develop a Learning Lunch series on a broad range of topics such as Accent Bias, Trans Awareness and Financial Awareness, as well as inviting our Employee Assistance Programme providers and Pension Provider in to promote these benefits to staff. We launched People Manager training reaching 69% of our People Managers giving access to 7 hours of face-to-face training with a 4.6/5 rating.

We provide permanent minimum hours contracts rather than zero hours contracts. We offer enhanced benefits including an equitable pension scheme, enhanced sick pay, enhanced maternity, paternity and shared parental leave policies. We also have a transgender equality policy, adoption policy, IVF policy and menopause policy, and we are providing sanitary products in the staff toilet facilities. We have a female CEO and majority female Executive Leadership Team. We are also committed to ensuring our recruitment process is inclusive and accessible; providing targeted recruitment campaigns to reach the broadest range of candidates and communities, offering reasonable adjustments such as having standardised competency-based questions and scoring, alongside ensuring blind screening is in place to reduce bias.

In December 2023, the Governors reviewed the Safeguarding Children and Safeguarding Adults at Risk as well as attending Safeguarding Training in November 2023. Comprehensive training has also been delivered internally to teams across the Southbank Centre in 2023/24.

Pay policy for key management personnel

The People People and Nominations Committee membership is made up of a minimum of three Governors of Southbank Centre who meet at least three times a year to consider the following matters:

- To recommend to the Board the remuneration and particular employment terms of the Chief Executive.
- To review the Chief Executive's proposals for the contractual arrangements and remuneration of the Executive Leadership team.
- Annually, to consider the Southbank Centre reward strategy of all staff to ensure the approach is fair, robust, equitable and defensible and takes into account best practice in other relevant arts organisations.

The People and Nominations Committee assesses the annual performance of the Chief Executive and agreed members of the Executive Leadership team against organisational and individual objectives. The remuneration and employment terms of the Chief Executive and the Executive Leadership Team is reviewed in the context of the overall remuneration and employment terms and practices for all Southbank Centre employees and key subcontractors and in the context of payroll trends within the cultural sector and beyond.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 2-3 of these financial statements.

Legal Framework

Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. Southbank Centre was formed by a deed of trust on 31 March 1988. It's main objects are:

1. The promotion of the arts for the general benefit of the public and in particular the maintenance and development of the Southbank estate as a centre for the arts for the benefit of the people in Great Britain in general and London in particular.
2. The development and improvement of the knowledge, understanding and practice of the arts at the Southbank estate or any part of it.
3. The provision and support of such cultural activities related to the arts as the trustees consider desirable at the Southbank estate or any part of it.

There have not been any changes to its objects during the year.

As trustee of Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has three wholly owned subsidiaries which it holds on behalf of Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited by guarantee. The Charity Commission issued a uniting direction for registration purposes for Southbank Centre (charity 298909) and South Bank Foundation Limited (charity 1054105) in October 2004.

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 24 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustee Limited acts as the Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

The Board of Governors, who are directors of Southbank Centre Limited (the sole corporate trustee), are not remunerated for their services and have delegated management of Southbank Centre's operational affairs to a Chief Executive and an Executive Leadership Team who attend Board meetings but are not entitled to vote.

The Board has adopted a performance evaluation framework that ensures that the effectiveness of the Board, the Committees and the Chair is actively reviewed and monitored each year. As part of this process Governors and the Executive Leadership Team are asked to reflect on the skills required and size of the Board, taking into account future requirements.

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Culture, Media and Sport for their admission as a Member, and after their name has been entered in the Register of Members. Governors appointed after 1 January 2018 usually serve for a period of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for two further periods of three years, subject to a maximum tenure of 9 years as a Governor. Four

Governors were appointed prior to 1 January 2018 and are available for reappointment for an additional three year period, which if approved will result in these Governors serving for a maximum of 12 years.

An induction programme is offered to all new Governors in order to ensure that they are briefed on the charity's objectives, strategy and activities, as well as their responsibilities and legal duties.

The Governors meet six times a year on a regular basis, but may meet more frequently if required.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has five sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People and Nominations; Development; Property, Commercial and Sustainability and Brand, Audience, Reach and Impact Committee.

The Board supports the principles of good governance as set out in the Charity Governance Code for larger charities and also the continuous improvement model which the Code promotes.

As part of its forward succession planning the Board takes into account the importance and value of having a diverse Board coupled with the skills needed to support the Executive Leadership Team in delivering the strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board and regular diversity monitoring is carried out.

As at 31 March 2024, the profile of the Board was: 9 (60%) male, 6 (40%) female; 8 (53%) Global Majority; 0 (0%) LGBT; 0(0%) disability; 0 (0%) under 35; 1 (7%) over 65.

Internal Financial Control

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's Finance Audit and Risk Committee, whose members are all non-executive. The Committee reviews the effectiveness of Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chair.

The Governors have delegated implementation of the system of internal financial control at Southbank Centre to senior staff. The system is based on a framework of regular management information, financial regulations, administrative procedures for segregation of duties, and a system of delegation and accountability, including:

- Comprehensive annual budgets
- Monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- Targets set to measure financial and other performance
- Clearly defined capital expenditure control guidelines.

Internal audit work is completed in line with an analysis of the risks to which Southbank Centre is exposed. Internal audit plans are endorsed by the Finance Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2023 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Disclosure of information to auditors

The annual audit of Southbank Centre is carried out by Crowe U.K. LLP, who express an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament.

In so far as the Governors are aware:

- There is no relevant audit information of which the Charity's auditor is unaware.
- They have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fundraising statement

Our aim is always to ensure we raise funds from the public in a respectful and compelling way that is consistent with our values.

Our fundraising is carried out by our in-house fundraising teams and there are no arrangements for others to act on our behalf as professional fundraisers or commercial participators.

Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. We have procedures in place to ensure our staff and volunteers comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

Southbank Centre did not receive any complaints about fundraising activities carried out.

Southbank Centre recognises the need to protect vulnerable people and ensures that no donation is sought or gained from someone who may not have the capacity to make an informed or considered decision. Southbank Centre does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present.


Political and Charitable Donations

Neither the Charity or any of its subsidiaries made any political or charitable donations in year.

Insurances

During the year Southbank Centre maintained liability insurance cover for the Governors of the Board, for the Trustees of the South Bank Centre Retirement Plan, for the Executive Directors and for the in-house solicitor against the consequences of neglect or fault on their part in performance of their respective duties and functions. Southbank Centre also held insurance cover for the operation of its commercial vehicles, business travel and, when required, for works of art on loan from third parties. Limited Public Liability and Employers Liability insurance is held together with Business Interruption insurance in respect of commercial activities only. Southbank Centre also carries cybersecurity insurance. Apart from these insurances, Southbank Centre is self-insured by HM Treasury (as confirmed by an agreement with the Department for Culture, Media and Sport).

By Order of the Board


Misan Harriman (Dec 10, 2024 14:03 GMT)

Misan Harriman
Chair
10 December 2024
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the applicable Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities,

including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 12 December 2024

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds	
				2024 £'000	2023 £'000
INCOME FROM:					
Donations and legacies	2	18,301	2,525	20,826	23,442
Charitable Activities	3	10,651	-	10,651	11,150
Other Trading Activities	4	20,862	-	20,862	18,225
Investments	5	1,582	-	1,582	465
TOTAL		51,396	2,525	53,921	53,282
EXPENDITURE ON:					
Raising funds	9	1,396	-	1,396	1,327
Charitable activities	9	45,283	2,316	47,599	44,898
Other costs: Trading activities	9	7,591	-	7,591	7,655
TOTAL		54,270	2,316	56,586	53,880
Net (expenditure)/income before transfers		(2,874)	209	(2,665)	(598)
Transfers	19	547	(547)	-	-
Other recognised (losses)/gains					
Actuarial (loss)/gain on defined benefit pension schemes	23	1,103	-	1,103	-
Gain/(Loss) on derivative financial instrument		48	-	48	1,070
Net Movement in funds		(1,176)	(338)	(1,514)	472
Fund balances brought forward at 1 April 2023		226,609	2,100	228,709	228,237
Total funds carried forward at 31 March 2024		225,433	1,762	227,195	228,709

All of the above results are derived from continuing activities.
The notes on pages 35 to 60 form part of these financial statements.
The financial statements have been prepared in accordance with FRS 102.
Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.
There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

SOUTHBANK CENTRE
BALANCE SHEETS
As at 31 March 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11	221,939	225,492	221,939	225,492
Heritage assets	13	70	70	70	70
Intangible assets	12	326	89	326	89
Investments	14	11,407	18,097	11,407	18,097
Total fixed assets		233,742	243,748	233,742	243,748
Current assets					
Stocks of consumables and goods held for resale		392	303	79	31
Short term investments	14	18,500	-	7,500	-
Debtors - due within one year	15	9,829	6,411	12,869	5,296
Cash at bank and in hand		4,204	22,147	2,658	15,322
Total current assets		32,925	28,861	23,106	20,649
Liabilities					
Creditors: amounts falling due within one year	16	(18,984)	(22,657)	(16,736)	(20,844)
Net current assets		13,941	6,204	6,370	(195)
Total assets		247,683	249,951	240,112	243,553
Creditors: amounts falling due after one year	18	(20,488)	(21,243)	(20,488)	(21,243)
Net assets excluding pension liability		227,195	228,709	219,624	222,310
Defined benefit pension asset / (liability)	23	-	-	-	-
Total net assets		227,195	228,709	219,624	222,310

THE FUNDS OF THE GROUP
As at 31 March 2024

	Notes	Group		Charity	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Unrestricted income funds					
General reserves	19	6,436	5,564	(1,135)	(835)
Designated funds	19	218,997	221,045	218,997	221,045
Pension reserve	23	-	-	-	-
		<u>218,997</u>	<u>221,045</u>	<u>218,997</u>	<u>221,045</u>
Total unrestricted income funds	19	<u>225,433</u>	<u>226,609</u>	<u>217,862</u>	<u>220,210</u>
Restricted income funds					
Projects fund	19	1,762	2,100	1,762	2,100
Total restricted income funds	19	<u>1,762</u>	<u>2,100</u>	<u>1,762</u>	<u>2,100</u>
Total group funds	19	<u>227,195</u>	<u>228,709</u>	<u>219,624</u>	<u>222,310</u>

The notes on pages 35 to 60 form part of these financial statements.

The financial statements on pages 30 to 34 were approved by the Board of trustees and signed on its behalf by



Misan Harriman (Dec 10, 2024 14:03 GMT)

Misan Harriman
Chair
10 December 2024

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £45,619k (2023 gross income: £44,406k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £2,734k (2023 net expenditure: £2,651k).

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash inflow from operating activities		4,973	8,496
Net cash generated from operating activities		<u>4,973</u>	<u>8,496</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(4,855)	(3,080)
Purchase of intangible fixed assets	12	(321)	-
Investments	14	6,689	(2,068)
Sale of tangible fixed assets		1	51
Interest received	5	<u>1,582</u>	<u>465</u>
Cash used in investing activities		3,097	(4,632)
Cash flow from financing activities			
Loan received		-	-
Repayment of loan		(6,211)	(1,482)
Repayment of derivative financial instrument		(362)	
Interest expense		(940)	(1,063)
Cash generated (used in) / from financing activities		(7,513)	(2,545)
Net (decrease) / increase in cash and cash equivalents		<u>557</u>	<u>1,319</u>
Cash and cash equivalents at the beginning of the year		22,148	20,829
Cash and cash equivalents at the end of the year		22,704	22,148
Net (outgoing) / incoming resources before transfers		(2,665)	(598)
Interest received	5	(1,582)	(465)
Interest paid	7	940	1,063
Depreciation and amortisation charge	11, 12	8,492	8,379
Loss/(Gain) on FA disposal		(1)	(50)
Impairment of Intangible Fixed Assets	12	-	-
(Increase)/Decrease in stock		(90)	(10)
Decrease/(increase) in debtors	15	(3,418)	(67)
(Decrease)/ increase in creditors	16, 18	2,195	244
Retirement benefits movements	23	<u>1,103</u>	<u>-</u>
Net cash inflow from operating activities		<u>4,973</u>	<u>8,496</u>

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2024

Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash in hand	4,204	22,148
Short term deposits	18,500	-
Total cash and cash equivalents	22,704	22,148

SOUTHBANK CENTRE NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 in July 2014 (SORP) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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'.

b) *General Information*

Southbank Centre is a registered charity (Registered Charity No. 298909) and is incorporated and domiciled in the United Kingdom. The address of its registered office is Belvedere Road, London, SE1 8XX.

c) *Summary of significant accounting policies*

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

d) *Going Concern*

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able to meet all the requirements of our loans and obligations under our ACE NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 24 for details on the results of Southbank Centre Enterprises Limited.

Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation.

f) *Income Recognition*

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The grant received from Arts Council England is recognised within income in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

Donations and sponsorship are included as income when they are receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Funding for assets under construction is credited to incoming resources when receivable.

Income from other trading activities comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the group earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued. Amounts received in respect of Creative Tax Reliefs are included as income for the relevant activity when receivable.

g) *Expenditure and resources expended*

As with income, expenditure is recognised as incurred in the financial year of the particular activity to which it relates. Resources expended are included in the Statement of Financial Activities on an accruals basis, and are classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the group's activities have been allocated to those activities using an appropriate basis. Cost allocation includes an element of judgement and consideration has been given to the cost benefit of detailed calculations and record keeping.

Costs of Raising Funds are those incurred by the Development department for the purposes of the group.

Retail and trading costs are those incurred in the running of commercial activities on the estate. Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 10 - Allocation of Support Costs

h) *Taxation*

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

1 Statement of Accounting Policies (continued)

j) *Employee Benefits*

The Group provides a range of benefits to employees, including holiday pay, annual bonus arrangements and defined benefit and defined contribution pension plans.

i) *Short term benefits*

Short term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) *Defined contribution pension plans*

For defined contribution plans the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

iii) *Defined benefit pension plans*

Southbank Centre contributed to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan). The defined benefit scheme closed to future accrual in 2022. The defined contribution funds were transferred to a master trust in 2022 and the section formally closed in 2023. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation is calculated using the projected unit credit method. Annually Southbank Centre engage independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit pension plan'.

The cost of the defined benefit plan, recognised in Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the Statement of Financial Activities as finance expense.

k) *Leases*

- i) Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All

1 Statement of Accounting Policies (continued)

k) Leases (continued)

other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight line basis over the life of the lease.

ii) Where income is receivable under retail unit or similar lease agreements, the basic element is recognised on a straight line basis over the period to the next rent review, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates.

l) Fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at depreciated replacement cost as at 1 April 2014 with additions since that date included at cost. All other land and buildings have been stated at cost.

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. New additions have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.

iii) Assets in the course of construction are held at cost and are not depreciated.

iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than one year and value greater than £1,000 are capitalised. All intangible assets are measured at cost.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences	the contractual period
Website	4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage assets

Southbank Centre maintains the following types of heritage assets:

- The Southbank Centre Collection of artwork and sculptures that have been gifted to Southbank Centre.

- The Southbank Centre Archive which aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre.

- The National Poetry Library, the most comprehensive and accessible collection of modern poetry in Britain.

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, they contribute to knowledge and culture through its retention and use and is accessible to the public for viewing and/or research.

1 Statement of Accounting Policies (continued)

n) *Heritage asset (continued)*

Acquisitions to Southbank Centre's heritage assets are made by donations or purchase. Southbank Centre may occasionally dispose of assets from its collections if the Trustee believes this is in the best interest of Southbank Centre and this is not deemed to compromise the integrity of the collections.

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection. Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell and comprise catalogues and other goods held for resale. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the net realisable value. There is no material difference between the value of stock as stated and the replacement cost of this stock.

p) Impairment of tangible and intangible assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset."

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

1 Statement of Accounting Policies (continued)

r) Funds (continued)

At year-end the levels of funds are reviewed and transfers are made between funds to reflect where donor requirements on restricted funds utilised for capital purchases have been met, and a change in the level of designated funds is deemed appropriate.

s) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Group has taken reduced disclosure exemptions for Sections 11 and 12 FRS 102.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Southbank Centre uses derivative financial instruments to reduce exposure

1 Statement of Accounting Policies (continued)

- s) Financial instruments (continued)
to interest rate movements. Southbank Centre does not hold or issue derivative financial instruments for speculative purposes.

Derivatives including interest rate swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The swaps are derecognised when the liability are extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the SOFA.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

1 Statement of Accounting Policies (continued)

t) Critical accounting judgements and key source of estimation uncertainty (continued)

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2023, this has been treated as Creditors falling due after one year.

2 Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
Donations and sponsorships	1,466	1,263	2,729	3,769
Arts council grant	16,835	1,262	18,097	19,673
Total	18,301	2,525	20,826	23,442

3 Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
Artistic activities				
Ticket Income	6,979	-	6,979	8,107
Artistic rentals	2,631	-	2,631	2,311
Other income	1,041	-	1,041	732
Total	10,651	-	10,651	11,150

4 Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
Other Trading Activities				
Retail sales	1,964	-	1,964	1,687
Concessions	11,992	-	11,992	10,834
Hall and space rentals	4,354	-	4,354	3,195
Memberships and subscriptions	781	-	781	882
Other income	1,771	-	1,771	1,627
Total	20,862	-	20,862	18,225

5 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
Interest receivable	1,582	-	1,582	465
Total	1,582	-	1,582	465

6 Net Income / (Expenditure)

	2024 £'000	2023 £'000
Income is stated after crediting:		
Income from Creative Tax reliefs included within income from charitable activities	757	642
Expenditure is stated after charging / (crediting):		
Operating lease charges	90	367
Depreciation and amortisation charge on assets	8,492	8,367
Auditors' remuneration for audit services (Southbank Centre)	74	70
Auditors' remuneration for audit services (Enterprises)	8	8
(Surplus)/ loss on foreign exchange differences	(1)	25
Bad debt expense movement	(26)	45

7 Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
Interest expense	940	-	940	1,063
Total	940	-	940	1,063

8 Staff Costs

	2024 £'000	2023 £'000
Employee costs amounted to:		
Wages and salaries	16,328	14,887
Social security costs	1,463	1,452
Pension costs	951	834
Past service cost:		
Defined benefit pension	1,093	-
Total	<u>19,835</u>	<u>17,173</u>

The past service cost in respect of the defined benefit pension scheme is balanced by an actuarial gain of £1.1m (see note 23).

Costs relating to terminations in the year are included in the above and were £76k (2023: £64k) of which Nil (2023: £nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2023: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2024 No.	2023 No.	2024 No.	2023 No.
Raising Funds	13	14	13	14
Charitable Activities	116	111	106	100
Venue Operation	243	208	155	133
Other	35	28	29	23
Support	77	86	73	79
	<u>484</u>	<u>447</u>	<u>376</u>	<u>349</u>

Visitor Experience staff who staff all of our venues are included within venue operation.

Higher paid employees received remuneration, including redundancy payments but excluding pension costs, within the following bands:

	2024 No.	2023 No.
£60,000 - £69,999	14	10
£70,000 - £79,999	5	3
£80,000 - £89,999	3	3
£90,000 - £99,999	2	3
£100,000 - £109,999	2	1
£110,000 - £119,999	1	1
£120,000 - £129,999	1	1
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
£150,000 - £159,999	-	-
£160,000 - £169,999	-	1
£180,000 - £189,999	1	1
£200,000 - £209,999	1	-
	<u>31</u>	<u>25</u>

8 Staff costs (continued)

Of these 31 (2023: 25) employees, Southbank Centre paid pension contributions of £177,385 for 25 employees (2023: £270,895; 25 employees), who were members of the defined contribution section of the pension scheme. The group did not pay any contributions into the defined benefit section of the pension scheme (2023: £15,527; 1 employee).

The Executive Leadership Team comprises of 6 full time staff (2023 - 6 staff) whose remuneration in the year was £828k (2023: £753k). In addition to this, Southbank Centre also paid £58k (2023: £45k) in pension contribution and £86k in Employer National Insurance Contributions (2023: £95k) for the 6 members of Executive Leadership Team during the year.

The Chief Executive has opted to continue taking a voluntary reduction in total pre covid remuneration including employer pension contributions, amount to 13%. The Chief Executive's remuneration for the year totalled £204k, with employer pension contributions of £15k (2023: remuneration of £186k and no pension contributions). No Executive Leadership Team member received bonuses.

9 Total Resources Expended

	Direct costs of Charitable Activity £'000	Artistic and Exhibition Venue costs £'000	Support costs £'000	Total 2024 £'000	Total 2023 £'000
Costs of raising funds	993	109	294	1,396	1,328
Expenditure on charitable activities	18,092	17,251	12,256	47,599	44,898
Other costs: Trading activities	3,799	2,082	1,710	7,591	7,655
	22,884	19,442	14,260	56,586	53,881

Other includes interest payable of £940k (2023: £1,063k) (note 7).

10 Allocation of Support Costs

	Management Support Services £'000	Depreciation & Disposals £'000	2024 £'000	2023 £'000
Costs of raising funds	244	48	292	283
Expenditure on charitable activities	4,647	7,611	12,258	11,706
Other costs: Trading activities	878	833	1,711	1,689
Total Support Costs	5,769	8,492	14,261	13,678

Management and Support Services comprises Finance, Legal, HR and Governance. These are allocated as above based on their proportionate costs to overall Artistic, Exhibition, Creative Learning and Public Participation costs. Depreciation relates to all depreciation over the entire site and are allocated based on floor area.

Costs classified as governance relate to the general running of the charity and included operations of the Board of Governors and addressing constitutional, audit and other statutory matters. Governance costs are included within management and administration support costs and are made up of the following:

	2024 £'000	2023 £'000
Internal audit	34	36
External audit	83	77
Governors' indemnity insurance	11	15
Apportionment of staff costs	292	244
	420	372

11 Tangible Assets

Group and charity	Land & Buildings (Artistic) £'000	Land & Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Total £'000
<i>Cost</i>						
At 1 April 2023	257,495	26,647	231	8,523	10,053	302,949
Additions	-	-	3,149	563	1,143	4,855
Transfers	-	-	(683)	68	615	-
Disposals	-	-	-	(91)	(102)	(193)
At 31 March 2024	257,495	26,647	2,697	9,063	11,710	307,611
<i>Accumulated Depreciation</i>						
At 1 April 2023	55,468	8,847	-	5,951	7,191	77,457
Charge for the year	6,651	-	-	517	1,240	8,408
On disposals	-	-	-	(91)	(102)	(193)
At 31 March 2024	62,119	8,847	-	6,377	8,329	85,672
<i>Net Book Value</i>						
At 31 March 2024	195,376	17,800	2,697	2,686	3,380	221,939
At 31 March 2023	202,027	17,800	231	2,572	2,862	225,492

12 Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2023	805	805
Additions	321	321
Transfers	-	-
Disposals	(92)	(92)
At 31 March 2024	1,035	1,035
<i>Accumulated Amortisation</i>		
At 1 April 2023	716	716
Charge for the year	84	84
On disposals	(91)	(91)
At 31 March 2024	709	709
<i>Net Book Value</i>		
At 31 March 2024	326	326
At 31 March 2023	89	89

13 Heritage Assets

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. This collection has been built up over the last sixty years and no assets were disposed of over the last five years.

Southbank Centre aims to have the majority of the collection on display to the public around its site.

During the year ended 31 March 2023, SC has purchased two new pieces of artwork that have been added to the Southbank Centre Collection. These have been included at cost of purchase.

	Additions in year £'000	Value at 31 March 2024 £'000	Cost at 31 March 2024 £'000
Carrying amount at 1 April 2023	-	70	70
Additions: artwork	-	-	-
Carrying amount at 31 March 2024	-	70	70

The Southbank Centre Archive

Southbank Centre Archive aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre. The Archive includes print material (programmes, leaflets and festival brochures), photographs, recordings of performances and events, general ephemera (tickets, gifts, promotional items, objects and artefacts), written or recorded memories, letters or postcards describing visits, employment or other experiences of the site. The archive is maintained by Southbank Centre's Archivist.

Poetry Library

The National Poetry Library houses the National poetry collection. The collection, dating from about 1914, consists mostly of poetry from the United Kingdom and Ireland, a large selection from English-speaking countries worldwide, poetry in translation, poetry by and for children, rap and concrete poetry. Audio and video facilities are available in addition to a large variety of magazines, press cuttings and ephemera. Membership is free and the library is open 6 days a week.

The library contains over 100,000 items and is growing all the time. The library aims to hold all poetry titles published in the UK with a representation of works from other countries.

The library is funded by the ongoing support of Arts Council England.

14 Investments

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed asset investments	11,407	18,097	11,407	18,097
Short term investments	18,500	-	7,500	-
	29,907	18,097	18,907	18,097

All investments relate to term cash deposits. Those that are intended to be held for 12 months or more are treated as fixed asset investments and those under 12 months are treated as short term investments within current assets.

15 Debtors: Amounts Due Within One Year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	1,405	1,765	756	677
Amounts owed by group undertakings	-	-	5,212	1,249
Other debtors	864	844	759	774
Prepayments and accrued income	7,560	3,802	6,142	2,596
	<u>9,829</u>	<u>6,411</u>	<u>12,869</u>	<u>5,296</u>

Trade debtors - Group is net of bad debt provision of £117k (2023: £154k), and Trade debtors - Charity is also net of bad debt provisions of £47k (2023: £97k).

16 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans and overdrafts	921	6,429	921	6,429
Trade creditors	4,066	3,118	4,011	3,035
Amounts owing to group undertakings	-	-	-	-
Advanced ticket sales	3,219	2,797	3,219	2,797
Derivative financial instrument	-	362	-	362
Accruals and deferred income	10,778	9,951	8,585	8,221
	<u>18,984</u>	<u>22,657</u>	<u>16,736</u>	<u>20,844</u>

Deferred income comprises amounts received for which the related service, project or expenditure, occurs in a future financial year.

17 Deferred Income

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred income brought forward	3,505	2,793	1,987	1,853
Deferred in the year	5,323	3,403	3,444	1,885
Released in the year	(3,452)	(2,691)	(1,935)	(1,751)
Deferred income carried forward	<u>5,376</u>	<u>3,505</u>	<u>3,496</u>	<u>1,987</u>

18 Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans	20,488	21,191	20,488	21,191
Accruals and deferred income	-	52	-	52
	<u>20,488</u>	<u>21,243</u>	<u>20,488</u>	<u>21,243</u>

The maturity of loans and obligations (including loans due within one year) is as follows:

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year	921	6,429	921	6,429
Within two to five years	11,638	11,694	11,638	11,694
After five years	8,850	9,497	8,850	9,497
	<u>21,409</u>	<u>27,620</u>	<u>21,409</u>	<u>27,620</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2024 was £9.8m (2023: £10.7m).

The loan received from the Culture Recovery Fund Repayable Finance of £10.9m is to provide additional liquidity in order to mitigate the effects of COVID-19 lockdown on the organisation. This provides for a fixed interest loan for 20 years at 2% per annum with a four-year capital repayment and interest payment holiday.

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	22,147	557	22,704
Loans falling due within one year	(6,429)	5,508	(921)
Loans falling due after more than one year	(21,192)	703	(20,488)
	<u>(5,474)</u>	<u>6,768</u>	<u>1,295</u>

19 Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	5,564	51,396	(47,014)	1,103	(4,613)	6,436
Total General Reserves	5,564	51,396	(47,014)	1,103	(4,613)	6,436
<i>Designated Funds</i>						
Capital & Revaluation Reserve	211,638	-	(6,358)	48	8,173	213,501
Loan repayment reserve	5,899	-	-	-	(5,899)	-
Strategic Investment Fund	3,508	-	(898)	-	1,986	4,596
2026 Festival Reserve	-	-	-	-	900	900
Total Unrestricted Funds	226,609	51,396	(54,270)	1,151	547	225,433
Restricted Funds						
Projects Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Restricted Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Funds (2024)	228,709	53,921	(56,586)	1,151	-	227,195
Total Funds (2023)	228,237	53,282	(53,880)	1,070	-	228,709

The following table discloses the reserves for the prior year as required by the Charities SORP.

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	7,882	50,154	(44,957)	-	(7,515)	5,564
Total General Reserves	7,882	50,154	(44,957)	-	(7,515)	5,564
<i>Designated Funds</i>						
Capital & Revaluation Reserve	-	214,816	-	(6,502)	1,070	2,254
Loan repayment reserve	-	-	-	-	5,899	5,899
Strategic Investment Fund	4,503	-	(287)	-	(708)	3,508
Total Unrestricted Funds	227,201	50,154	(51,746)	1,070	(70)	226,609
Restricted Funds						
Projects Funds	1,036	3,128	(2,134)	-	70	2,100
Total Restricted Funds	-	1,036	3,128	(2,134)	-	70
Total Funds (2023)	228,237	53,282	(53,880)	1,070	-	228,709
Total Funds (2022)	227,004	43,155	(42,448)	526	-	228,237

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives.

Designated Funds:

The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 11).

The Loan repayment reserve reflects funds designated for repayment of the loan provided by Lloyds Bank plc. This balance reflects the outstanding loan (£5.5m) and the fair value of the swap agreement (£0.36m) which were paid during the year.

The Strategic Investment Fund has been set up to provide investment in artistic ambition, innovation, inclusion, sustainability and financial resilience over a 1-3 year timeframe.

The 2026 Festival Reserve reflects the balance allocated the Royal Festival Hall's 75th Anniversary.

Restricted funds: The Projects Fund holds restricted grants received in advance of expenditure for operating projects.

Transfers in the year

£8.1m was transferred from the General Reserve and Loan repayment reserve to the Capital Reserve (2023: £5.9m to the loan repayment reserve).

£0.5m was transferred from the Restricted Reserve to the Capital Reserve (2023 £0.07m from General Reserve to Restricted Reserve).

£2.0m was transferred from the General Reserve to the Strategic Investment Fund (2022: £1.32m).

£0.9k was transferred from the General Reserve to the 2026 Festival Reserve.

Charity Reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £7.5m (2023: £6.4m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2024 £'000	2023 £'000
Tangible and intangible fixed assets	-	233,742	233,742	243,748
Current assets	1,762	31,163	32,925	28,861
Current liabilities	-	(18,984)	(18,984)	(22,657)
Creditors falling due after one year	-	(20,488)	(20,488)	(21,243)
	<u>1,762</u>	<u>225,433</u>	<u>227,195</u>	<u>228,709</u>

20 Capital Commitments

Group and Charity	2024 £'000	2023 £'000
Authorised and contracted	<u>1,611</u>	<u>1,727</u>

Capital commitments in prior year related to property costs.

21 Commitments Under Operating Leases

The Group had the following future minimum lease payments under non-cancellable operating leases, as a lessee, for each of the following periods:

	2023 £'000	2023 £'000
Payments due		
Not later than one year	90	367

22 Operating Lessor

The Group had the following future minimum lease receivables under non-cancellable operating leases, as a lessor, for each of the following periods:

	2024 £'000	2023 £'000
Receipts due	25,225	28,972
Not later than one year	4,038	4,053
Later than one year and not later than five years	14,649	15,900
Later than five year	6,538	9,019

23 Pension Costs

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Until May 2022 pension contributions were also made to Now pensions.

Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The defined benefit section was closed to future accrual in May 2022. From May 2022 all defined contribution contributions are made to the Aviva Master Trust. The defined contribution assets of the Southbank Centre Retirement Plan were transferred to that scheme in October 2023 and this section of the scheme was closed during 2023.

The amount recognised in the SOFA is as follows:

	2024 £'000	2023 £'000
Defined benefit scheme		
Current service costs	-	10
Defined contribution scheme	951	824
Total charge in net expenditure	<u>951</u>	<u>834</u>
Defined benefit scheme		
Net interest (income) / expense	(280)	(298)
	<u>671</u>	<u>536</u>

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2023 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has not been recognised for the full balance of the surplus. As the scheme closed to future accrual as from 1 May 2022 the surplus is no longer anticipated to reduce future employer contributions to the scheme, and therefore no asset has been recognised.

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations.

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2024 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2024	2023
Expected rate of salary increase	n/a	2.8%
Expected rate of increase of pensions in payment	1.90%	2.0%
Discount rate	4.70%	4.6%
Rate of inflation (RPI)	3.30%	3.3%
Rate of inflation (CPI)	2.80%	2.8%

23 Pension Costs (continued)

The mortality assumptions used were as follows:

	2024 years	2023 years
Longevity at age 65 for current pensioners		
Men	22.2	22.8
Women	24.7	25.1
Longevity at age 65 for future pensioners		
Men	23.5	24.1
Women	26.1	26.5

Reconciliation of plan assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 April 2023	50,552	(43,778)	6,774
Benefits paid	(2,059)	2,059	-
Employer contributions	-	-	-
Member's contributions	-	-	-
Current service cost	-	-	-
Past service cost	-	(1,093)	(1,093)
Plan expenses	(290)		(290)
Interest income/ (expense)	2,272	(1,992)	280
Remeasurement (losses) / gains			
Actuarial gains	(4,235)	839	(3,396)
As at 31 March 2024	<u>46,240</u>	<u>(43,965)</u>	<u>2,275</u>

Total cost recognised as an expense:

	2024 £'000	2023 £'000
Current service costs	-	10
Past service costs	1,093	-
Interest cost	1,992	1,565
Plan expenses	290	-
	<u>3,375</u>	<u>1,575</u>

No amounts (2023: £nil) were included in the cost of assets.

The fair value of the plan assets was:

	2024 £'000	2023 £'000
Equities		
Liability driven equities	23,964	34,126
Diversified growth fund	-	10,467
Corporate Bonds	16,948	-
Cash	244	254
London Eye asset	5,084	5,705
	<u>46,240</u>	<u>50,552</u>

The plan assets do not include any of Southbank Centre's financial instruments nor is any property occupied by any Southbank Centre entity.

23 Pension Costs (continued)

The return on the plan assets was:

	2024 £'000	2023 £'000
Interest income	2,272	1,863
Return on plan assets less interest income	<u>(4,235)</u>	<u>(19,366)</u>
	<u>(1,963)</u>	<u>(17,503)</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2024 £'000	2023 £'000
Current year contributions	<u>951</u>	<u>824</u>
	<u>951</u>	<u>824</u>

Southbank Centre is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the scheme. At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities

24 Subsidiaries

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares of £1 each), Southbank Centre Pension Fund Corporate Trustees Limited (1 share of £1 each) and Southbank Centre Enterprises Limited (100 shares of £1 each), on behalf of Southbank Centre. Southbank Centre is the controlling party (ultimate parent company) and therefore consolidates these subsidiaries into its financial statements. Southbank Centre Limited only acts in the capacity of sole Corporate Trustee of Southbank Centre through the appointment of its directors (the Governors of Southbank Centre) and is otherwise dormant.

The South Bank Foundation Limited (number: 3174667)

The South Bank Foundation Limited was formed for the purpose of fundraising for Southbank Centre, particularly its site development. South Bank Foundation Limited was dormant during the year.

The Southbank Centre Pension Fund Corporate Trustees (number: 12510510)

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was dormant during the year.

Southbank Centre Enterprises Limited (Registration number: 6158790)

The principal activities of Southbank Centre Enterprises Limited are to manage certain commercial and retail activities on Southbank Centre's estate, including event hires, the bar and catering concessions and Southbank Centre's own shops. A summary of Southbank Centre Enterprises Limited's trading results are shown below:

24 Subsidiaries (continued)

	2024 £'000	2023 £'000
Turnover	15,832	13,325
Cost of sales	(6,059)	(4,713)
Administrative expenses	(2,562)	(2,314)
Operating profit	7,211	6,297
Interest receivable	360	101
Net profit	7,571	6,398
Profit and loss brought forward	6,398	4,344
Gift aid paid to Southbank Centre Limited	(6,398)	(4,344)
Retained in the subsidiary	7,571	6,398

As at the balance sheet date the aggregate amount of Southbank Centre Enterprises Limited assets, liabilities, share capital and reserves was:

	2024 £'000	2023 £'000
Current assets	15,031	9,461
Creditors: amount falling due within one year	(7,460)	(3,063)
Net current assets	7,571	6,398
Total net assets	7,571	6,398
Represented by:		
Profit and loss account	7,571	6,398

Southbank Centre's subsidiary, Southbank Centre Enterprises Limited, has restated income and expenditure for the year ended 31 March 2024 for expected tax credits receivable. This has resulted in an increase to income and expenditure of £1.2m respectively. There is a £nil effect on the Southbank Centre consolidated accounts as a result of this restatement.

25 Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

The Royal Festival Hall extension building was financed by a £4m award from GLA Land and Property, formerly, London Development Agency. In the event that Southbank Centre ceases operating £4m would be repayable.

A grant of £16.7m was provided by the Arts Council for refurbishments to the Festival Wing (Queen Elizabeth Hall, Purcell Room and the Hayward Gallery). A fixed and floating charge was taken out by the Arts Council England over the assets of the charity. In the event that the Southbank Centre ceases operating, this grant would be repayable to the Arts Council.

25 Contingent Liabilities (continued)

A term loan of £17.7m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027.

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an under-lease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long under-lease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the under-lease from Southbank Centre to the British Film Institute.

26 Related Parties

During the year, Southbank Centre Enterprises Ltd entered into a venue hire agreement with Culture3 Limited for an event in the Royal Festival Hall. Southbank Centre Enterprises Ltd is the trading subsidiary of Southbank Centre. Misan Harriman is a Director of Culture3 Limited and Chair of Southbank Centre's Board. The contract was entered into on normal commercial terms and Misan Harriman was not involved in the negotiations. Southbank Centre Enterprises Ltd received £348,000 (excluding VAT) from Culture3 Limited in line with terms of the agreement. There were no amounts owed from Culture3 Limited as at 31 March 2024.

Donations from Trustees were £65,243 (2023: £77,574).

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. During the year, Southbank Centre received USD 151,263 (2023: USD nil) from the American Fund. The American Fund had USD 212,952 (2023: USD 147,182) in cash balances available to transfer to Southbank Centre at 31 March 2024.

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £1,006,725 (2023: £779,952), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,492,125 (2023: £1,164,357) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

27 Full Prior Year Disclosure Of The Consolidated Statement Of Financial Activities

	Note	Unrestricted Funds		Restricted Funds		Total Funds	
		Operations £'000	Designated £'000	Project £'000	Capital £'000	2023 £'000	2022 £'000
INCOME FROM:							
Donations and legacies	2	20,314	-	3,128	-	23,442	22,753
Charitable Activities	3	11,150	-	-	-	11,150	5,747
Other Trading Activities	4	18,225	-	-	-	18,225	14,603
Investments	5	465	-	-	-	465	52
TOTAL		50,154	-	3,128	-	53,282	43,155
EXPENDITURE ON:							
Raising funds	9	1,290	37	-	-	1,327	1,059
Charitable activities	9	36,649	6,115	2,134	-	44,898	37,158
Other	9	7,018	637	-	-	7,655	4,231
TOTAL		44,957	6,789	2,134	-	53,880	42,448
Net (expenditure)/income before transfers		5,197	(6,789)	994	-	(598)	707
Transfers	19	(7,515)	7,445	70	-	-	-
Other recognised (losses)/gains							
Actuarial (loss)/gain on defined benefit pension schemes	23	-	-	-	-	-	(500)
Gain/(Loss) on derivative financial instrument		-	1,070	-	-	1,070	1,026
Net Movement in funds		(2,318)	1,726	1,064	-	472	1,233

All of the above results are derived from continuing activities.
The Movements on Reserves are also described in note 19.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalents.

	Unrestricted funds		Restricted funds		Total funds
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	2023 £'000
Net movement in funds	(2,318)	1,726	1,064	-	472
Fund balances brought forward as at 1 April 2022	7,882	219,319	1,036	-	228,237
Total funds at 31 March 2023	5,564	221,045	2,100	-	228,709

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ENGLAND**



SOUTHBANK CENTRE

England & Wales - Charity number 298909

Accounts

SOUTHBANK CENTRE

Annual Report and Financial Statements

2022-23

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985



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ENGLAND**



SOUTHBANK CENTRE

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2022-23

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ENGLAND**



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This publication is available at southbankcentre.co.uk/about/what-we-do/governance

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Registered as a Charity No. 298909

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REFERENCE AND ADMINISTRATION DETAILS

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

PROFESSIONAL ADVISORS

BANKERS

Lloyds TSB Bank plc
4th Floor
25 Gresham Street
London
EC2V 7HN

AIB Group (UK) plc
9/10 Angel Court
London
EC2R 7AB

SOLICITORS

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2HS

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

INDEPENDENT AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

The Governors of the Board who served during the year and subsequently are and subsequently are:

Governor

Misan Harriman (Chair)	
Glyn Aikins	
Venetia Butterfield	
Michael Hussey	
Dame Vivian Hunt	
Luke Mayhew (Deputy Chair)	
Sandy Rattray	
William Sargent	
Lisbeth Savill	
Lynne Shamwana	
Kieron Boyle	appointed 14 December 2022
Anais Hayes	appointed 14 December 2022
Salman Mahdi	appointed 14 December 2022
Jerome Misso	appointed 14 December 2022
Ndidi Okezie OBE	appointed 14 December 2022

EXECUTIVE LEADERSHIP TEAM

The Chief Executive and other senior staff to whom day-to-day management of the charity is delegated by the Governors are:

Elaine Bedell	CEO
Mark Ball	Artistic Director
Nicola Cardillo-Zallo	Director of People and Culture
Heather Clark-Charrington	Director of Audiences
Susan Johnston	Chief Operating Officer
Amy Ross	Director of Development

Purpose

To offer inspirational life-enhancing encounters with art in democratic, open spaces.

Vision

To have the most vibrant, innovative, welcoming and inclusive arts spaces in the world, renowned for championing the imagination of artists, audiences and communities.

Chair's foreword

This has been my first full year as Chair of the Southbank Centre and seeing the organisation hitting its stride has been truly invigorating.

The work that we've been doing this last year demonstrates more than ever our determination to be the most open and accessible as well as the most innovative arts centre in the world. The year has been another one full of challenges, especially financial, but the Southbank Centre has remained resilient and robust.

Audiences have returned in large numbers to our world-class classical and contemporary music concerts, literature and performances in the UK's three pre-eminent concert halls and enjoyed highly rated visual art exhibitions in the internationally-acclaimed Hayward Gallery.

We were proud to play our part in the national story as we hosted the queues for Her late Majesty's lying in state and we remained open all night during the extraordinary period of National Mourning, providing warm spaces, cafes and facilities for those queuing. We were honoured to live-stream HM The Queen's funeral to audiences in the Queen Elizabeth Hall.

As we look to redefine access to artistic forms we have started rolling out a bold new plan for Classical Music - *New Future* - based on innovation, diversity, inclusivity and excellence. Classical music is a key part of what we do but we have not seen audiences return to the Royal Festival Hall in the same way as in many other genres. We want to ensure classical music remains relevant and can respond to and reflect our rapidly changing society as well as celebrate world class classical music performances on our stages. *New Future* shows that Southbank Centre wants to push artforms, drive innovation and create new opportunities to access arts and culture.

But as well as innovation in programming, we have a chance and responsibility to show innovation in improving the opportunities for the artists of the future. We were therefore thrilled to announce our groundbreaking partnership with Apple to create *Reframe*, which is empowering the next generation of Black creatives in the UK. We're also delighted to be working with Bloomberg Philanthropies' Digital Accelerator Programme. This allows us to enhance our digital infrastructure and stay at the cutting edge of artistic and technical development.

These are the kinds of international partnerships I want us to build on and do more of in the future.

As we look to 2023/24, our innovation hub *Southbank Centre Studio* will enable the most cutting edge creatives to develop their art and collaborate using the Purcell Room as their base demonstrating our commitment to supporting artists and pushing innovation in art forms.

This summer the whole site will reflect the Hayward Gallery's *Dear Earth* exhibition; creating a site-wide festival focussed on climate activism, *Planet Summer*.

I'd like to thank the Executive Team for their hard work and all the incredible Southbank Centre staff for continuing to provide world-beating cultural experiences day after day.

I'm also grateful for the continued support of Arts Council England. Their support is critical to the challenge we face of not just creating an outstanding artistic programme but maintaining the 11-acre site we are responsible for on behalf of the government.

The reduction of that support by nearly £1.9m, the prospect of our energy costs increasing annually by over £1.8m, and the increasing need for us to reinvest in the Royal Festival Hall means that the coming years will undoubtedly be challenging and require us to find new ways to generate more revenue and to find new funding if we are going to keep our burning artistic ambition alight.

I'll be doing all I can, with my Board colleagues and the Executive team, to meet that challenge and ensure the Southbank Centre can play an even more vibrant role in the Arts and the communities it serves.

Misan Harriman

CEO's foreword

Regaining our place as one of the top 5 most visited attractions in the UK this year was testament to the very hard work everyone at Southbank has done to restore public confidence in our site as a must-visit place for memorable experiences and entertainment. It's been wonderful to see our terraces, walkways and foyers so lively and busy again and to witness our visitors enjoy the benefits of congregation, whether it's simply having a coffee in our cafes and feeling part of our diverse Southbank Centre community, or experiencing the thrill of world class live performance.

After a busy summer culminating with Grace Jones's Meltdown Festival (nominated for Music Week Festival of the Year) and our *In the Black Fantastic* site-wide programme, we were also delighted to be awarded the first ever Platinum Award for accessibility from Attitude is Everything. The award demonstrates our determination to make the Southbank Centre the most welcoming and accessible place possible and we are the only cultural organisation in the UK with such an award. I want to thank our amazing Visitor Experience and event management teams whose work makes the award possible.

The New York Times also recognised the excellence of our work, the vibrancy and popularity of our venues, in an article ahead of us hosting of the BAFTA Film Awards: "*The Southbank Center, the host of this year's British Academy Film Awards, has become a focal point of the city's arts and culture scene.*"

We were pleased to welcome Tim Cook, Apple CEO, to the Southbank Centre last Autumn to launch our new innovative skills development partnership with Apple. As part of the partnership, *Reframe* is a new national programme to support emerging Black and Black Mixed Heritage artists develop their creative and digital skills. This programme reaches out across England as it's produced by the Southbank Centre in London with Factory International in Manchester, Birmingham City University's STEAMhouse and Midlands Arts Centre. This unique collaboration is a model that we believe has great potential for the creative sector.

This has been Mark Ball's first full year as Artistic Director and it's been fantastic to see his creative ambition for Southbank Centre take shape, with some innovative and very successful events and interventions, including emotional concerts in support of Ukraine and the Women of Iran.

The Hayward Gallery cemented its reputation as the most innovative contemporary art gallery in London with a string of critically acclaimed exhibitions including *Strange Clay: Ceramics in Contemporary Art*: the first large-scale group exhibition in the UK to explore how contemporary artists are reinventing the possibilities of ceramics as well as *Louise Bourgeois, The Woven Child*.

Our Hayward Touring programme, which is created and managed by our Hayward touring curatorial team specifically for regional galleries to present free exhibitions around the UK, has been engaging audiences with *Hollow Earth: Art, Caves and The Subterranean Imaginary* in Nottingham, while *British Art Show 9* opened in its final two cities in 2022/23, Manchester in May 2022 and in Plymouth in October 2022.

Although we have a business model which enables us to be bold, ambitious and to support new work, artists and staff, our Government-owned heritage estate increasingly needs renovation - not least to meet our sustainability goals - and we are making the case strongly to the Government and the Arts Council for urgent help with this work. We have met with much goodwill and sympathy but there now needs to be an urgent plan to provide a suitably robust fund that can support our pressing need as well as the needs of the rest of the performing arts real estate.

Notwithstanding these challenges, I'm confident with our new artistic strategy, our organisational priorities and our entrepreneurial flair we are looking forward to another exciting year. I'd like to thank all the hard working staff at Southbank Centre, our freelancers, partners and all the artists and communities who've contributed this year to making us "the buzziest site in London" (Daily Telegraph).

Elaine Bedell

Artistic Director foreword

2022/23 has been my first full year as Artistic Director of the Southbank Centre. The year, which began with us tentatively emerging from the surge of Omicron Covid variant, has seen audiences and the public return with increasing confidence to engage with a rich and diverse artistic programme. We have ended the year too by implementing a new artistic vision for Southbank Centre that focuses and coheres our work across multiple artforms and our 11-acre site.

That vision foregrounds two interconnected ambitions. Firstly to become the nation's most culturally democratic and expressive space for artists and audiences: a deeply inclusive space for everyone to engage in art and culture regardless of their economic, social and cultural backgrounds, made manifest by our commitment to maintaining a large and free-to-access arts programme; a space that celebrates and legitimises popular culture and where all of us can look together at how we live now and in the future through the lens of the arts. Secondly, to become an Engine of Creativity, supporting artists to forge new artistic ideas and projects and driving innovation in artistic practices that will define our culture over the coming decades, whilst always investing in growing the skills and creative careers of young talent, especially talent drawn from backgrounds that have historically locked people out of our sector.

In 2022/23 the Southbank Centre's artistic programme successfully signalled this new focus. The Hayward Gallery's ground-breaking *In the Black Fantastic* exhibition platformed new aesthetics and thinking from Black artists. The launch of our classical music season driven by our *New Future For Classical Music* strategy profiled glorious new interpretations of the canon, new formats and a feast of new music, including work from our recently refreshed cohort of Resident Orchestras: London Philharmonic Orchestra, Philharmonia Orchestra, Chineke!, Aurora, the Orchestra of the Age of Enlightenment and the London Sinfonietta. Southbank Centre Studios was initiated to support adventurous artists to collaborate across art forms, experiment with new technologies and create the art of the future. *Dolly Parton's Christmas Carol* and *Hey Duggee* packed in children and families during five weeks of Christmas entertainment and our Arts and Wellbeing programme developed with the National Centre for Social Prescribing continued to improve the lives and health of clinically vulnerable people.

Looking forward to 2023/24 we have a lot to be excited by. Our summer-wide climate change programme, *Planet Summer*, anchored by the Hayward Gallery's *Dear Earth* exhibition is a multi-artform exploration of climate care and activism; Performance and Dance returns centre stage with an ambitious programme of new international work from some of the world's greatest live and performing artists; Christine and the Queens steers a truly diverse and inclusive Meltdown that platforms searing new musical talent; the London Literature Festival focuses on the city's outstanding spoken word scene and, for the first time in its history, is led by a curator, the incomparable wordsmith George the Poet; and the Imagine children's festival ventures into the metaverse.

As the new artistic vision takes hold across the organisation in the coming months I am confident that the art and engagement our teams work so hard to enable will define what we, as Southbank Centre, stand for.

Mark Ball

ARTISTIC HIGHLIGHTS IN 2022/23

- Two outstanding concerts from the LPO and PO: Gurrelieder and Mahler's Resurrection Symphony
- Presenting some of the very greatest musicians performing in the world today, including Yuja Wang, Imogen Cooper, Alice Sara Ott, Tan Dun, Sheku Kanneh-Mason, Nicola Benedetti, Evelyn Glennie, Roderick Williams, Mitsuko Uchida and Bryn Terfel
- Welcoming 27% first-time audiences to the opening weekend of our new classical season.
- Grace Jones' Meltdown was nominated for Festival of the Year (Music Week Awards 2023) and was the second most successful Meltdown festival in terms of audience numbers and revenue. Other contemporary music headliners included two exclusive London dates from Erykah Badu.
- Hayward Gallery exhibitions in 2022/23 included *In the Black Fantastic*: an exhibition of 11 contemporary artists from the African diaspora, who draw on science fiction, myth and Afrofuturism; *Strange Clay: Ceramics in Contemporary Art*: the first large-scale group exhibition in the UK to explore how contemporary artists are reinventing the possibilities of ceramics; and *Mike Nelson: Extinction Beckons*: the first major surveyor the artist's large-scale immersive installations and sculptural works.
- Outdoor commissions in 2022/23 were *Jyll Bradley, The Hop*: A luminous public pavilion growing from the side of the Hayward Gallery; and *Monira Al Qadiri, Devonian*: mesmerising outdoor sculpture, the second Bagri Foundation Commission.
- Hayward Touring produced *Hollow Earth: Art, Caves and The Subterranean Imaginary* at Nottingham Contemporary and *British Art Show 9* which opened in its final two cities in 2022/23, Manchester in May and in Plymouth in October 2022.
- REFRAME: In September, Apple expanded its Racial Equity and Justice Initiative into the UK for the first time through a groundbreaking partnership with Southbank Centre to support young Black creatives in London, Birmingham and Manchester.
- Hosting flagship spoken word events with Greta Thunberg, Michaela Coel, Bernie Sanders, Edward Enninful, Bret Easton Ellis and Ian McEwan.
- One of the most successful ever Imagine Children's Festivals, with over 17,000 tickets sold and 100 events programmed. "*How cool that one of London's greatest annual arts festivals is for an audience half of which are scarcely out of training pants*" ... "*genuinely brilliant*" (Time Out).
- Ai Weiwei's curation of the 60th anniversary of Koestler Arts, the ambitious Southbank Centre exhibition of art by people in the justice system.
- Welcoming the celebrated and world-leading Aurora Orchestra and Chineke! to our group of Resident Orchestras.
- International-class awards ceremonies for the BAFTA for the Film, TV and Video Games sectors.
- A celebration of the Queen's Platinum Jubilee that included a large scale tea party for hundreds of elderly residents from our local community and events curated with Danny Boyle focussing on the culture of 1977, including the explosive rise of punk.
- Slava Ukraini, a fundraising concert in solidarity with Ukraine and London's Ukrainian community featuring leading Ukrainian and British artists including Ben Whishaw and Jonathan Price.
- 'New Future' plan for Classical Music based on innovation, diversity, inclusivity and excellence, to ensure classical music remains relevant and can respond to and reflect our rapidly changing society. 'New Future' is driving in-house programming focussed on artist development and audience representation and is refreshing the classical repertoire.
- Southbank Centre remained open all night during the extraordinary period of National Mourning, providing warm spaces, cafe and facilities for those queuing for Her Majesty The Queen's Lying-in-State at the Palace of Westminster. We screened HM The Queen's funeral to audiences in the Queen Elizabeth Hall.

CHARITABLE IMPACT IN NUMBERS

	2022/23	2021/22
Venue visitors	3,055,000	1,342,000
Tickets Issued	761,000	484,000
Events	4,613	3,616
% free public events	55% of public events or exhibition days	44%
Schools engaged	305 school groups engaged in person with a total of 4,600 children and 658 teachers 164 teachers engaged with us through digital events from 160 schools	55 school groups engaged in person with a total of 1,920 children 162 school groups engaged with us through digital events
Regional Audiences for Hayward Touring	420,000	62,000
Black, Asian and Ethnically Diverse audiences	14% (post show surveys)	14%
Lambeth and Southwark bookers	12%	12%

Review of Activity and Future Plans

2021/22 saw Southbank Centre's proposed Strategic Principles formally adopted by the Board, and then cascaded through the organisation. These principles which align with the Arts Council's Investment Principles underpin all art form and departmental strategies to enable us to achieve our purpose and vision.

In 2023/24 we will also deliver activity in support of ACE's strategic outcomes, set out in Let's Create. We'll present an artistic programme that both features world class performances and artists. More diverse, global majority artists will create and present new work and more collaborative curatorial approaches will connect audiences with themes across art-forms and the entire Southbank estate. We'll also help grow the creative talent of the future through skills and training programmes and by establishing the Purcell Rooms (Southbank Studio) as a key artist development space.

Whilst we necessarily deliver the majority of our cultural programme on our Southbank Centre site, we also present and develop work in the London Boroughs of Southwark, Croydon and Lewisham and in Birmingham, Manchester, Newcastle, South Tyneside, South Lakeland, Sunderland, Norwich, King's Lynn and West Norfolk, Coventry, Bristol and Exeter, alongside tours to East Asia and the Pacific, and North America. Much of our work will be accessible to global audiences online.

OUR STRATEGIC PRINCIPLES

1 INNOVATION AND DYNAMISM

We innovate all the time, in all that we do, in all our spaces, physical and digital. We are dynamic and flexible in the way we face challenges of the future. We strive for excellence in everything we do.

- Our newly formatted Southbank Centre Studio was announced in January 2023 to continue the Purcell Sessions programme and to provide emerging artists with valuable space to workshop and develop their practice.
- Our bold summer site-wide programme was developed in response to our 5-star Hayward Gallery exhibition In the Black Fantastic which was curated by Ekow Eshun and featured artists Nick Cave, Sedrick Chisom, Ellen Gallagher, Hew Locke, Wangechi Mutu, Rashaad Newsome, CHRIS Ofili, Tabita Rezaire, Cauleen Smith, Lina Iris Viktor and Kara Walker.
- Our popular free, open-air site installation and exhibition Winter Lights ran from 10 November to 8 January, featuring 11 low-energy LED light works from ten internationally acclaimed contemporary artists.
- We secured funding from Bloomberg Philanthropies' Digital Accelerator to enhance our digital infrastructure in two interconnected areas, website redevelopment and to provide new editing and broadcasting facilities.
- A new 2023 Climate-focussed season Planet Summer was developed across the year, and new partnerships were forged that bring expertise to our ongoing work on sustainability, including with ZSL London Zoo.
- An assessment of the carbon footprint of our Hayward Gallery exhibitions began with Strange Clay (October 22 - January 23). We are now capturing Scope 1-3 carbon emissions using the Gallery Climate Coalitions carbon footprint calculator. This includes logistics of artwork, loans and curator/artist travel.

2 COLLABORATION

Partners and Artists are critical to our success and central to our way of working. Artistic/tech/commercial and cross-sector partnerships as well as community and venue partnerships across the UK and the world.

- Our In The Black Fantastic events were co-curated with artists, grassroots and community organisations, including Brownston Abbey and SX WKS collective.
- As part of London Literature Festival we hosted the inaugural announcement of the Poet Laureate for Lambeth in collaboration with Lambeth Council.

- The addition of both Aurora Orchestra and Chineke! marked the first change in our Resident Orchestras roster since 1992. Both orchestras joined the London Philharmonic Orchestra, the London Sinfonietta, Orchestra of the Age of Enlightenment and Philharmonia Orchestra to form a new cohort of six Resident Orchestras.
- We received transformational investment from Apple for our programme for emerging Black and mixed black heritage creatives. We established key creative engagement partnerships in with The Factory in Manchester and STEAMhouse in Birmingham.

3 AUDIENCES AND PEOPLE

Democratic access for all is our founding and our guiding principle. We are always extending our reach and relevance.

- We launched the refresh of our Purpose and Vision.
- We expanded our staff networks (including BAED, Proud and Wellbeing), with a programme of events to platform the networks and build awareness and opportunities for community-building.
- We published our sixth Gender Pay Gap Report and our Second Ethnicity Pay Gap Report.
- From April 2022 - March 2023 we hired 129 FTE new members of staff which by March 2023 made up 28% of a total staff of 463. 22.2% staff were Black, Asian or Ethnically diverse staff compared to 21% pre-COVID. 7.1% staff declared a disability with 3% identifying as neurodivergent. LGBTQI+ representation was at 16.9%. Gender split was 36.5% male, 54.4% female with 7.34% of staff identifying as non-binary. 27.2% of staff were below the age of 30.
- We have engaged in partnerships with Tickets for Good to provide tickets for NHS, charity workers/volunteers/service users by arrangement, and cost-of-living recipients, and the new Ticket Bank scheme.
- We increased the number of free public events/exhibition days we provide (from 44% to 55%) including on our outdoor stage.
- Using the ACE Impact and Insights Toolkit, a variety of evaluations took place throughout the year (including peer assessments), with the results shared with our Executive Leadership Team as well as programming Heads.

4 RESILIENCE AND SUSTAINABILITY

We are resilient and our organisation is stable. We make agile use of our resources so that we can invest for the long term future of Southbank Centre. We are environmentally responsible in everything we do.

- A business plan was developed to take into account the result of the reduced NPO grant award ensuring that investment and innovation funding was preserved. We have allocated £2m to invest in artistic, digital, sustainability, skills and new income generating initiatives.
- We secured an additional £3m of commercial income and opened a new restaurant beneath the Royal festival Hall, *La Gamba*.
- A new Director of Development was appointed in June 2022 with a remit to increase Southbank Centre's fundraised income and ensure we are realising the potential of our programmes and our site to secure high value sponsorships, grants and major gifts.
- We have reset our target to reduce carbon emissions of our buildings to net zero by 2035 (Scope 1 and 2) and 2040 (all scopes).
- We began work in developing a list of essential works and a plan for their initiation without closing the Royal Festival Hall. We have also begun to formulate the vision for the redevelopment: more public spaces, re-orientation to optimise access, net zero carbon impact, and have undertaken early work with architects to better understand the funding model for capex investment longer-term.

For our sustainability and energy reporting please refer to the Environmental Reporting section below.

FORWARD LOOK

Our objectives in 2023 will include further investment in a refreshed public realm with interactive and free programming, including new activity on the Clore Ballroom. We will embed innovation and sustainability within our Phase 1 RFH project, which will begin in late 2023 and include a new catering offer on level 2, 5 and 6 of the Royal Festival Hall.

We will reshape existing partnerships to deliver NPO outcomes as well as expanding into other artforms in line with our new artistic vision. In 2025 we will partner with Bradford for their 2025 City of Culture year.

We will work to develop, share and embed new values across the organisation. We will pilot a new technical academy which will seek to develop pathways for under-represented groups into tech based roles and grow key audiences in line with NPO funding targets.

We will continue to navigate financial and economic challenges that flow from reduced Arts Council annual funding, along with a challenging inflationary environment. We will deliver our challenging targets in development funding and develop new opportunities to grow our earned income.

ENVIRONMENTAL REPORTING

Streamlined Energy and Carbon Reporting (SECR) Summary Report for Southbank Centre
The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2022 – 31st March 2023. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 17,278,952 kWh and 3,229 tonnes of CO₂e respectively in the 2023 financial year in the UK. In their 2023 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,323 tCO₂e.

SBC have chosen 'Tonnes of CO₂e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2023 was 60.8 tCO₂e/m£ compared to 143.3CO₂e/m£ in 2023.

Below is the energy consumption and GHG emissions summary table as well as the table outlining the year on year analysis

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	10,405,263	1,899	58.8%
	Company Fleet	0.0	0.0	0.00%
	LPG	34,099	7	0.06%
	Subtotal	10,439,362	1,906	59.0%
Indirect (Scope 2)	Electricity	6,839,590	1,333	41.0%
	Subtotal	6,839,590	1,333	41.0%
Indirect Other (Scope 3)	Grey Fleet	0.0	0.0	0.00%
	Subtotal	0.0	0.0	0.00%
	Total Energy Use (kWh)			17,278,952
	Total (Location-based) Gross Emissions (tCO₂e)			3,229
	Renewable Electricity (tCO₂e)			1,323
	Total (Market-based) Gross Emissions (tCO₂e)			1,907
	Gross Turnover (m£)			53.1
	Tonnes of Gross CO₂e per m£			60.8

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017 they have refurbished both The Queen Elizabeth Hall & Hayward Gallery in recent years and installed low energy systems like LED Lighting; Daylight Sensing blinds etc. has reduced its overall energy consumption by around 4.5% per year for 3 years.

Within 2022/2023, the Southbank Centre completed the following:

- Installation of HG Chiller
- LED Lighting Upgrade in the Office Building and Longside Gallery
- BMS Upgrade from Honeywell to ALC
- BMS Time Schedule Modifications
- 5no. Lift Modernisation

It is expected that 750,963 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

Type of Emissions	Units	2022/2023	2021/2022	YOY % Change
Direct (Scope 1)	(kwh)	10,439,362	11,412,072	-8.5%
	(tCO ₂ e)	1,907	2,098	-9.1%
Indirect (Scope 2)	(kwh)	6,839,590	8,509,669	-19.6%
	(tCO ₂ e)	1,333	1,807	-26.8%
Indirect Other (Scope 3)	(kwh)	0.0	0.0	NA
	(tCO ₂ e)	0.0	0.0	NA
Total Energy Use (kWh)		17,278,952	19,921,741	-13.3%
Total Gross Emissions (tCO ₂ e)		3,230	3,905	-17.3%
Renewable Electricity (tCO ₂ e)		1,323	1,807	-26.8%
Total Net Emissions (tCO ₂ e)		1,907	2,098	-9.1%
Tonnes of Gross CO ₂ e per £m		60.8	143.3	-57.6%

**In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market-based reporting approach can also be used when companies have entered into contractual agreements for renewable electricity (e.g. REGO's). Reporting on renewable energy and associated emissions is not a mandatory requirement under the SECR legislation but it is possible for organisations to use dual reporting if they wish to reflect their consumption of renewable energy. In this SECR a dual reporting approach has been used to take account for both location based and market based reporting.*

- We have a target to reduce carbon emissions of our buildings by 50% by 2025 and have so far achieved a 42% reduction. We aim to reduce emissions by 80% by 2030. The targets for net zero have been set at 2035 (Scope 1 and 2) and 2040 (all scopes).
- We have appointed Buro Happold to help devise a decarbonisation strategy to achieve this (this will include plans to switch to alternative heating sources and assess existing plant). We are also tackling large energy using aspects of our buildings, such as switching all lighting to LED.
- A Sustainability Advisor was appointed in October 2022 to lead on environmental projects and help to embed sustainability throughout the organisation's operations, planning and culture.
- The Southbank Centre aims to become a single-use plastic free site by 2025. Work has commenced with regards to this, with all coffee cups and lids, cutlery, barware and other elements being switched to compostables.
- We have appointed ecology consultants at Arup to devise a Nature Based Strategy for the site.

FINANCIAL REVIEW

Our financial results demonstrate the significant increase in activity across site as we emerged from closure due to COVID and were able to deliver the first full programme of artistic activity across Southbank Centre since 2019. This was also the first year of the full implementation of our revised 5-day operating model.

The overall result was in line with our expectations with revenue increasing by £10m to £53m (2022 - £43m) and our cost base to £53.9m (2022 - £42.5m), both reflecting the growth of free and ticketed activity and visitor numbers across the site.

Our Group free reserve level of £5.6m is in accordance with our reserves policy to provide for exceptional contingencies not covered in our operating budget. Other reserves provide for an investment of £2m per annum into funding agreed innovative strategic and artistic projects and capital works. The Charity free reserve level is in a deficit of £835k and will be supplemented by the £6.4m Gift Aid payment approved by the Board of SCEL, to be made in July 2023.

Income

Total revenue increased by £10m to £52m (2022 - £43m) reflecting the increase in the number of visitors to Southbank Centre from 1.3m to 3.1m, artistic events from 3,600 to 4,055 (13%) and paid ticket sales increasing from 484,000 to 739,000 (52%).

Ticket revenue increased to £10.4m. Overall ticket revenue per event is now at or exceeding or pre-pandemic levels although traditional classical audiences have been slower to return.

Donation and membership income increased by £1.5m to £4.7m including support from Apple to support Reframe and Bloomberg for digital innovation projects at Southbank Centre.

Commercial income increased to £15.7m (2022 - £12.7m). Concession and lease income increased to £10.8m (2022 - £7.2m) due to the higher audiences and visitor numbers. Retail income grew, to £1.7m as a result of the increased visitors and the successful sales linked to Hayward Gallery exhibitions. Commercial events increased to £3.2m (2022 - 25% to £2.5m) due to an increased number of events, including the first BAFTA film and craft awards at the Royal Festival Hall in February 2023, joining the BAFTA TV and BAFTA Games awards at Southbank Centre.

Expenditure

Total expenditure increased to £53m (2022 - £42m) to service the increased activity across Southbank Centre of which £45m (2022 - £35m) is directly attributable to our charitable activities.

Our payroll costs increased to £17.1m (2022 - £13.4m) as we returned to a complete staff complement (2023 - 349, 2022 - 291) predominantly within our visitor experience department.

The core operating costs of running and maintaining the Royal Festival Hall, The Queen Elizabeth Hall, the Purcell Room and the Hayward Gallery together with the 11 acre site, including payroll, increased to £18.3m (2022 - £15.1m), excluding depreciation and capital investment.

Although we have emerged from the pandemic, significant financial challenges remain. Whilst we were re-confirmed as an ACE National Portfolio organisation, our funding was reduced by £1.9m per annum due to ACE responding to the requirement to transfer grants outside of London. As a result we reviewed our future activity levels that, together with efficiency savings, has allowed us to plan a break even budget.

As we go forward a key concern is the level and variability of energy costs and the impact of inflation more widely.

Energy costs are a significant element of our cost base and whilst we are shielded until the Autumn of 2023 when our current contract ends, there will be a significant increase in the region of £1.8m per annum. These increases have been factored into our operational budgets.

The underlying level of inflation remains challenging on two fronts. Due to the fixed nature of the ACE grant until 2026 we are required to create new income streams or achieve significant operational savings and efficiencies each year to maintain activity and the ambition of the artistic programme even on the assumption that we are able to increase all existing revenue streams in line with inflation. This will potentially be compounded by the impact of the economic environment and cost of living pressures on demand. Whilst this has not been seen significantly to date, we are conscious of the impact on our revenue streams of reduced consumer income and are closely monitoring sales levels for any impact. We are taking this into account when considering the required contingency levels in forward budgeting and free reserve levels.

Balance Sheet

The balance sheet remains broadly comparable to the prior years with the exception of the transfer of the Lloyds loan to balances due within one year as it is repayable in January 2024. Provision for a full repayment has been made within designated funds and future cash flows.

The Pension Scheme is in surplus based on the valuation carried out under Section 28 of FRS 102 of £6.7m (2022 - £11.0m) but as the surplus is not recoverable by Southbank Centre until the pension scheme has been wound up no asset has been recognised on the balance sheet. Whilst the surplus reduced by £4.3m during the year on this basis, an estimated position on the current technical provisions basis specific to the scheme suggests an increase in surplus during the year. A triennial valuation of the scheme is due as at 31 March 2023 and the extent of any technical provisions surplus will not be known until these results are finalised

Reserves

Our total reserve levels have increased by £472k in the year and total £229m. The overall reserve requirements have been reviewed during the year and we seek to maintain a minimum level of £5.6m for exceptional operational risks not covered by the budget contingency, and to provide us the ability to make the operational adjustments and investments required by new operating environments.

We have maintained our Strategic Investment Fund with the intention of allocating £2m per annum to innovative artistic and strategic projects. Plans for 2023/24 include investment in Dear Earth, our summer climate festival, support of an international season of performance and dance, a sound project utilising the voids of the Queen Elizabeth Hall and a technical academy to provide opportunities for training in theatrical and event production (in conjunction with other cultural organisations). We plan to spend £2m per annum from this fund with it being replenished each year from operational surplus.

We are very cognizant of our responsibility to maintain and develop the Southbank Centre estate to ensure the iconic buildings remain fit for purpose in the 21st Century whilst preserving their rich architectural heritage. Our capital investment budgets have therefore been increased to enable us to maintain the buildings and the funding from the Cultural Recovery Fund repayable finance has been designated for future capital investment. £11m of additional funds have been designated within the Capital Reserve for spend in 2023 - 2025 for core refurbishment projects. Significant additional funds will be required to provide improvements, including those to achieve our net-zero ambitions and expand the artistic, community and commercial provision on the site.

Reserves Policy

The charity's reserves fall into two main categories: restricted funds which may legally be used only for the purposes specified by the donor, and unrestricted funds which are free for use for any of the purposes of the Charity as set out in the governing document.

Total funds held at 31 March 2023 are £228.7m (2022 - £228.2m) made up of Unrestricted funds of £226.6m (2022 - £227.2m) and Restricted funds of £2.1m (2022 - £1m).

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area. At 31 March 2023 the Group held General Reserves of £5.6m and Designated funds of £221.0m.

Planned level of unrestricted reserves

The Charity budgets to deliver its charitable objectives while ensuring financial stability through aiming to keep adequate, but not excessive, levels of unrestricted reserves. It makes this assessment by looking at future cash requirements and setting annual budgets which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency based on an assessment of operational risk.

The Board has reviewed its Reserves Policy in the light of the post pandemic trading, current financial challenges and risks and considers reserves of approximately £5.1m will provide sufficient financial resilience for the organisation at this time. On 31 March 2023 the balance of General Reserves is £5.6m (2022: £7.9m) which is equivalent to 8 weeks of turnover excluding confirmed ACE grant income.

Designated Reserves

As of 31 March 2023 Southbank Centre held three designated reserves:

(i) Capital and Revaluation Reserve (£211.6m)

The purpose of this reserve is to reflect funds expended on capital assets net of accumulated depreciation, including the balance of surplus or deficit from the revaluation of Land and Buildings, (£197.9m) and funds designated for future capital projects (£13.7m). Funds expended on fixed assets could only be realised on sale of those assets and are subject to the restrictions noted in note 25.

(ii) Strategic Investment Fund (£3.5m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to projects in 2023/24 (£3m) and 2024/25 (£0.5m).

(ii) Loan Repayment Reserve (£5.89m)

The purpose of this reserve is to designate an amount to repay the loan and interest rate swap agreement provided by Lloyds Bank plc.

Restricted Reserves

As of 31 March 2023 Southbank Centre held £2.1m of restricted income received in advance of expenditure for operating projects in a Projects Fund.

Going Concern

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our loans and obligations under our ACE NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at

least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. Southbank Centre has been confirmed as a National Portfolio Organisation for the three year period commencing 1 April 2023.

Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations.

The Funding Agreement with Arts Council England requires Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at Southbank Centre and is invited to attend Southbank Centre's board meetings.

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce each risk to a level which the Governors consider to be acceptable. Twice annually, Governors review the Risk Register prepared by management to ensure that it is comprehensive and to assess actions to mitigate those risks.

The following are the major risks identified that are specific to Southbank Centre:

Reputation

Southbank Centre presents a world class range of activity across the site. Damage to the Southbank Centre's reputation either through reduction in artistic quality or the ability to provide a venue of excellence has the potential to impact the ability to attract artists and audiences to the site and a consequential impact on the ability to meet charitable objectives, obtain funding and generate audience and commercial income.

This risk is managed by having a process in place to review and approve both Southbank managed and third party events held on site and working closely with our resident orchestras. Our property and commercial strategies are reviewed quarterly by the Property, Commercial and Sustainability committee of the Board. All strategies and business plans are discussed with Arts Council England at regular monitoring meetings.

Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London. In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

Financial Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation due to the wider economic environment and Government policy.

The current inflationary environment and the increases in, and volatility of, energy prices present significant challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

Financial risk is mitigated through a reserves policy which is reviewed and approved by the Board as well as an annual budget setting process. Forecasts are prepared regularly to inform mitigating actions. The financial assumptions used for future years are regularly assessed and plans updated to take into account changed expectations.

Safeguarding

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults. Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to all members of the Committee DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by an external specialist. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

Health and Safety

The Southbank Centre operates on a 11 acre site with over 3m visitors to the site and 4,500 artistic and commercial events per annum. The ability to ensure the safety of all or visitors, staff and artists can be compromised through a terrorist incident, fire, failure of equipment, tenant activities and public order incidents and could have legal, reputational and financial ramifications.

These risks are managed by having comprehensive Health and Safety and Counter Terrorism processes including training, investigation and regular reporting to the Finance Audit and Risk committee near misses and incidents, and audits of our Counter Terrorism procedures.

Data

Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information.

Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity aiming to ensure that 37% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 17 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and Southbank Centre is committed to policies which support and improve attraction, development, performance and retention of staff at different points in their employee journey.

From 1 May 2022 we have revised our pension arrangements to ensure equity across all staff. For staff earning below £16,620 per annum the Southbank Centre makes a contribution of 5% without requiring any contribution from the employee. This is designed to enable all our staff to take advantage of our pension arrangements from day 1 of employment.

We are members of the London Living Wage Foundation and staff are paid the London Living Wage as a minimum and automatically receive an increase in line with this each year. The most recent London Living Wage uplift was implemented from 1 January 2023. We continue to benchmark salaries with other cultural organisations whenever roles are vacant and have recently launched an Annual Sector-Specific independent salary benchmarking project to support more relevant benchmarking across salaries and benefits for similar sized organisations.

Engaging and impactful communications are particularly important and it is the Governors' policy to promote the understanding by, and the involvement of all employees in Southbank Centre's aims and performance of all its activities. This is achieved through our 6-weekly All Staff Meetings, weekly internal

communications downloads which give regular updates on Southbank Centre's performance and major developments, celebrates Southbank Centre's successes and reflects our Culture. In addition all of Southbank Centre's Policies and Producers are housed on an Intranet site, which is under the process of improvement and re-design to ensure information is accessible and available in different formats including policies, briefings, guidelines and videos.

Southbank Centre participates in the Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Pay negotiations are conducted within this Committee for all staff. Improved union relations have been invested in, with additional monthly meetings to ensure transparency and taking a joint partnership approach.

The Southbank Centre is striving to promote equity, diversity and inclusion in all areas of employment including recruitment and selection, development, and progression. The Southbank Centre is engaged with a number of diversity initiatives and partnerships in order to achieve these aims.

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we have reported our Gender Pay Gap for the 6th time and our Ethnicity Pay Gap for the 2nd time. We have invested in membership with The Business Disability Forum, a four-part Anti-racism course for all staff (both available in hybrid and in person) and regular Learning Lunches on a broad range of topics such as Trans Awareness, Social Mobility and the Menopause, as well as inviting our Employee Assistance Programme providers and Pension Provider in to promote these benefits to staff. We are also committed to ensuring our recruitment process is inclusive and accessible; providing targeted recruitment campaigns to reach the broadest range of candidates and communities, offering reasonable adjustment such as sharing interview questions in advance, having standardised competency-based questions and scoring, alongside ensuring blind screening is in place to reduce bias. In March 2023 the Menopause Policy was also launched as part of creating an inclusive working environment for our female, trans and non-binary colleagues.

In October 2022, the Governors approved revised Safeguarding Children, Safeguarding Adults at Risk, Digital Safeguarding Guidelines and Code of Conduct, which are also available externally on our website as well as internally for staff.

Pay policy for key management personnel

The People Committee membership is made up of a minimum of three Governors of Southbank Centre who meet at least three times a year to consider the following matters:

- To recommend to the Board the remuneration and particular employment terms of the Chief Executive.
- To review the Chief Executive's proposals for the contractual arrangements and remuneration of the Executive Leadership team.
- Annually, to consider the Southbank Centre reward strategy of all staff to ensure the approach is fair, robust, equitable and defensible and takes into account best practice in other relevant arts organisations.

The People Committee assesses the annual performance of the Chief Executive and agreed members of the Executive Leadership team against organisational and individual objectives. The remuneration and employment terms of the Chief Executive and the Executive Leadership Team is reviewed in the context of the overall remuneration and employment terms and practices for all Southbank Centre employees and key subcontractors and in the context of payroll trends within the cultural sector and beyond.

It was a condition of the CRF Repayable Finance scheme that the Charity operates pay restraint until at least September 2022. Beyond this requirement the Chief Executive and Chief Operating Officer have continued to take a voluntary reduction in pay based on pre-COVID salaries respectively in the year to 31 March 2023.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 2-3 of these financial statements.

Legal Framework

Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. Southbank Centre was formed by a deed of trust on 31 March 1988. It's main objects are:

1. The promotion of the arts for the general benefit of the public and in particular the maintenance and development of the Southbank estate as a centre for the arts for the benefit of the people in Great Britain in general and London in particular.
2. The development and improvement of the knowledge, understanding and practice of the arts at the Southbank estate or any part of it.
3. The provision and support of such cultural activities related to the arts as the trustees consider desirable at the Southbank estate or any part of it.

There have not been any changes to its objects during the year.

As trustee of Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has three wholly owned subsidiaries which it holds on behalf of Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited by guarantee. The Charity Commission issued a uniting direction for registration purposes for Southbank Centre (charity 298909) and South Bank Foundation Limited (charity 1054105) in October 2004.

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 24 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustee Limited acts as the Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

The Board of Governors, who are directors of Southbank Centre Limited (the sole corporate trustee), are not remunerated for their services and have delegated management of Southbank Centre's operational affairs to a Chief Executive and an Executive Leadership Team who attend Board meetings but are not entitled to vote.

The Board's effectiveness is internally monitored and considered each year including the skills required and size of the Board taking into account future retirements.

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Culture, Media and Sport for his or her admission as a Member, and after his or her name has been entered in the Register of Members. Governors appointed after 1 January 2018 usually serve for a period of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for two further periods of three each, subject to a maximum tenure of 9 years as a Governor. Three Governors were appointed prior to 1 January 2018 and are available for reappointment for an additional three year period, which if approved will result in these Governors serving for a maximum of 12 years.

An induction programme is offered to all new Governors in order to ensure that they are briefed on the charity's objectives, strategy and activities.

The Governors meet six times a year on a regular basis, but may meet more frequently if required.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing

documents. The Board currently has six sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People; Nominations; Development; Property, Commercial and Sustainability and Brand, Audience, Reach and Impact Committee.

The Board supports the principles of good governance as set out in the Charity Governance Code for larger charities and also the continuous improvement model which the Code promotes.

As part of its forward succession planning the Board has prepared a diversity plan linked to the skills needed to support the Executive Leadership Team in delivering a new strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board.

The Board has also widened and strengthened the Terms of Reference of the Nominations Committee both to oversee the changes in Governance practice but also ensure continuous improvement and the People Committee which now oversees EDI policies and practice.

Internal Financial Control

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's Finance Audit and Risk Committee, whose members are all non-executive. The Committee reviews the effectiveness of Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chair.

The Governors have delegated implementation of the system of internal financial control at Southbank Centre to senior staff. The system is based on a framework of regular management information, financial regulations, administrative procedures for segregation of duties, and a system of delegation and accountability, including:

- Comprehensive annual budgets
- Monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- Targets set to measure financial and other performance
- Clearly defined capital expenditure control guidelines.

Internal audit work is completed in line with an analysis of the risks to which Southbank Centre is exposed. Internal audit plans are endorsed by the Finance Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2023 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Disclosure of information to auditors

The annual audit of Southbank Centre is carried out by Crowe U.K. LLP, who express an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament.

In so far as the Governors are aware:

- There is no relevant audit information of which the Charity's auditor is unaware.
- They have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fundraising statement

Our aim is always to ensure we raise funds from the public in a respectful and compelling way that is consistent with our values.

Our fundraising is carried out by our in-house fundraising teams and there are no arrangements for others to act on our behalf as professional fundraisers or commercial participators.

Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. We have procedures in place to ensure our staff and volunteers comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

Southbank Centre did not receive any complaints about fundraising activities carried out.

Southbank Centre recognises the need to protect vulnerable people and ensures that no donation is sought or gained from someone who may not have the capacity to make an informed or considered decision. Southbank Centre does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present.

Political and Charitable Donations

In March 2022, Southbank Centre Enterprises Limited held an event with net proceeds to donated to the Disaster Emergency Committee (DEC) for the Ukrainian Humanitarian Appeal. The net proceeds of this event totalled £49k and this was paid to DEC in April 2022.

Insurances

During the year Southbank Centre maintained liability insurance cover for the Governors of the Board, for the Trustees of the South Bank Centre Retirement Plan, for the Executive Directors and for the in-house solicitor against the consequences of neglect or fault on their part in performance of their respective duties and functions. Southbank Centre also held insurance cover for the operation of its commercial vehicles, business travel and, when required, for works of art on loan from third parties. Limited Public Liability and Employers Liability insurance is held together with Business Interruption insurance in respect of commercial activities only. Apart from these insurances, Southbank Centre is self-insured by Treasury (as confirmed by an agreement with the Department for Culture, Media and Sport).

By Order of the Board


Misan Harriman (Jul 18, 2023 15:08 GMT+1)

Misan Harriman
Chair
18 July 2023
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the applicable Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities

(Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

18 July 2023

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2023

	Note	Unrestricted Funds		Restricted Funds		Total Funds	
		Operations £'000	Designated £'000	Project £'000	Capital £'000	2023 £'000	2022 £'000
INCOME FROM:							
Donations and legacies	2	20,314	-	3,128	-	23,442	22,753
Charitable Activities	3	11,150	-	-	-	11,150	5,747
Other Trading Activities	4	18,225	-	-	-	18,225	14,603
Investments	5	465	-	-	-	465	52
TOTAL		50,154	-	3,128	-	53,282	43,155
EXPENDITURE ON:							
Raising funds	9	1,290	37	-	-	1,327	1,059
Charitable activities	9	36,649	6,115	2,134	-	44,898	37,158
Other	9	7,018	637	-	-	7,655	4,231
TOTAL		44,957	6,789	2,134	-	53,880	42,448
Net (expenditure)/income before transfers		5,197	(6,789)	994	-	(598)	707
Transfers	19	(7,515)	7,445	70	-	-	-
Other recognised (losses)/gains							
Actuarial (loss)/gain on defined benefit pension schemes	23	-	-	-	-	-	(500)
Gain/(Loss) on derivative financial instrument		-	1,070	-	-	1,070	1,026
Net Movement in funds		(2,318)	1,726	1,064	-	472	1,233
Fund balances brought forward at 1 April 2022		7,882	219,319	1,036	-	228,237	227,004
Total funds carried forward at 31 March 2023		5,564	221,045	2,100	-	228,709	228,237

All of the above results are derived from continuing activities.

The notes on pages 34 to 56 form part of these financial statements.

The financial statements have been prepared in accordance with FRS 102.

Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

SOUTHBANK CENTRE
BALANCE SHEETS
As at 31 March 2023

	Notes	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible assets	11	225,492	230,627	225,492	230,627
Heritage assets	13	70	-	70	--
Intangible assets	12	89	252	89	252
Investments	14	18,097	16,029	18,097	12,029
Total fixed assets		243,748	246,908	243,748	242,908
Current assets					
Stocks of consumables and goods held for resale		303	292	31	45
Debtors - due within one year	15	6,411	6,344	5,296	9,703
Cash and cash equivalents		22,147	20,829	15,322	16,075
Total current assets		28,861	27,465	20,649	25,823
Liabilities					
Creditors: amounts falling due within one year	16	(22,657)	(17,202)	(20,844)	(15,904)
Net current assets		6,204	10,263	(195)	9,919
Total assets		249,952	257,171	243,553	252,827
Creditors: amounts falling due after one year	18	(21,243)	(28,934)	(21,243)	(28,934)
Net assets excluding pension liability		228,709	228,237	222,310	223,893
Defined benefit pension asset / (liability)	23	-	-	-	-
Total net assets		228,709	228,237	222,310	223,893

THE FUNDS OF THE GROUP

As at 31 March 2023

	Notes	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unrestricted income funds					
General reserves	19	5,564	7,882	(835)	3,538
Designated funds	19	221,045	219,319	221,045	219,319
Pension reserve	23	-	-	-	-
		<u>221,045</u>	<u>219,319</u>	<u>221,045</u>	<u>219,319</u>
Total unrestricted income funds	19	<u>226,609</u>	<u>227,201</u>	<u>220,210</u>	<u>222,857</u>
Restricted income funds					
Projects fund	19	2,100	1,036	2,100	1,036
Total restricted income funds	19	<u>2,100</u>	<u>1,036</u>	<u>2,100</u>	<u>1,036</u>
Total group funds	19	<u>228,709</u>	<u>228,237</u>	<u>222,310</u>	<u>223,893</u>

The notes on pages 34 to 56 form part of these financial statements.

The financial statements on pages 28 to 31 were approved by the Board of trustees and signed on its behalf by

Misan Harriman

Misan Harriman (Jul 18, 2023 15:08 GMT+1)

Misan Harriman
Chair
18 July 2023

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £44,406k (2022 gross income: £36,735k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £2,651k (2022 net expenditure: £2,458k).

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash inflow from operating activities		8,496	17,066
Net cash generated from operating activities		<u>8,496</u>	<u>17,066</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(3,080)	(1,881)
Purchase of intangible fixed assets	12	-	(10)
Investments	14	(2,068)	(4,028)
Sale of tangible fixed assets		51	-
Interest received	5	465	52
Cash used in investing activities		<u>(4,632)</u>	<u>(5,867)</u>
Cash flow from financing activities			
Loan received		-	-
Repayment of loan		(1,482)	(978)
Interest expense		(1,063)	(1,105)
Cash generated (used in) / from financing activities		<u>(2,545)</u>	<u>(2,083)</u>
Net (decrease) / increase in cash and cash equivalents		<u>1,319</u>	<u>9,116</u>
Cash and cash equivalents at the beginning of the year		20,829	11,713
Cash and cash equivalents at the end of the year		22,148	20,829
Net (outgoing) / incoming resources before transfers		(598)	707
Interest received	5	(465)	(52)
Interest paid	7	1,063	1,105
Depreciation and amortisation charge	11, 12	8,379	8,108
Loss/(Gain) on FA disposal		(50)	85
Impairment of Intangible Fixed Assets	12	-	-
(Increase)/Decrease in stock		(10)	(6)
Decrease/(increase) in debtors	15	(67)	2,952
(Decrease)/ increase in creditors	16, 18	244	4,167
Retirement benefits movements	23	-	-
Net cash inflow from operating activities		<u>8,496</u>	<u>17,066</u>

SOUTHBANK CENTRE

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 in July 2014 (SORP) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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'.

b) *General Information*

Southbank Centre is a registered charity (Registered Charity No. 298909) and is incorporated and domiciled in the United Kingdom. The address of its registered office is Belvedere Road, London, SE1 8XX.

c) *Summary of significant accounting policies*

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

d) *Going Concern*

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

The key financial risk to Southbank Centre is considered to be the impact of inflation on the organisation through any reduction in demand due to the increases in cost of living on our visitors or our artistic and commercial partners and the impact on the cost base, in particular the level and variability of energy costs. The Charity has therefore modelled various scenarios in order to assess the impact of variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able to meet all the requirements of our loans and obligations under our ACE NPO Funding Agreement. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve and cash levels in order to operate.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 24 for details on the results of Southbank Centre Enterprises Limited.

Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation.

f) *Income Recognition*

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The grant received from Arts Council England is recognised within income in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

Donations and sponsorship are included as income when they are receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Funding for assets under construction is credited to incoming resources when receivable.

Income from other trading activities comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the group earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued. Amounts received in respect of Creative Tax Reliefs are included as income for the relevant activity when receivable.

g) *Expenditure and resources expended*

As with income, expenditure is recognised as incurred in the financial year of the particular activity to which it relates. Resources expended are included in the Statement of Financial Activities on an accruals basis, and are classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the group's activities have been allocated to those activities using an appropriate basis. Cost allocation includes an element of judgement and consideration has been given to the cost benefit of detailed calculations and record keeping.

Costs of Raising Funds are those incurred by the Development department for the purposes of the group.

Retail and trading costs are those incurred in the running of commercial activities on the estate. Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 10 - Allocation of Support Costs

h) *Taxation*

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

1 Statement of Accounting Policies (continued)

j) *Employee Benefits*

The Group provides a range of benefits to employees, including holiday pay, annual bonus arrangements and defined benefit and defined contribution pension plans.

i) *Short term benefits*

Short term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) *Defined contribution pension plans*

For defined contribution plans the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

iii) *Defined benefit pension plans*

Southbank Centre contributes to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan), in which there are defined benefit and defined contribution sections. The defined benefit scheme was closed to future accrual during the year and the defined contribution funds transferred to a master trust. The defined contribution section will be formally closed in 2023. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation is calculated using the projected unit credit method. Annually Southbank Centre engage independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit pension plan'.

The cost of the defined benefit plan, recognised in Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the Statement of Financial Activities as finance expense.

k) *Leases*

- i) Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element

representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All

1 Statement of Accounting Policies (continued)

k) Leases (continued)

other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight line basis over the life of the lease.

ii) Where income is receivable under retail unit or similar lease agreements, the basic element is recognised on a straight line basis over the period to the next rent review, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates.

l) Fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at depreciated replacement cost as at 1 April 2014 with additions since that date included at cost. All other land and buildings have been stated at cost.

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. New additions have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.

iii) Assets in the course of construction are held at cost and are not depreciated.

iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than more than one year and value greater than £1,000 are capitalised. All intangible assets are measured at cost.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences the contractual period

Website 4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage assets

Southbank Centre maintains the following types of heritage assets:

- The Southbank Centre Collection of artwork and sculptures that have been gifted to Southbank Centre.

- The Southbank Centre Archive which aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre.

- The National Poetry Library, the most comprehensive and accessible collection of modern poetry in Britain.

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, they contribute to knowledge and culture through its retention and use and is accessible to the public for viewing and/or research.

1 Statement of Accounting Policies (continued)

n) *Heritage asset (continued)*

Acquisitions to Southbank Centre's heritage assets are made by donations or purchase. Southbank Centre may occasionally dispose of assets from its collections if the Trustee believes this is in the best interest of Southbank Centre and this is not deemed to compromise the integrity of the collections.

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection. Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell and comprise catalogues and other goods held for resale. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the net realisable value. There is no material difference between the value of stock as stated and the replacement cost of this stock.

p) Impairment of tangible and intangible assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset."

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the

Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

1 Statement of Accounting Policies (continued)

r) Funds (continued)

At year-end the levels of funds are reviewed and transfers are made between funds to reflect where donor requirements on restricted funds utilised for capital purchases have been met, and a change in the level of designated funds is deemed appropriate.

s) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Group has taken reduced disclosure exemptions for Sections 11 and 12 FRS 102.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Southbank Centre uses derivative financial instruments to reduce exposure

1 Statement of Accounting Policies (continued)

- s) Financial instruments (continued)
to interest rate movements. Southbank Centre does not hold or issue derivative financial instruments for speculative purposes.

Derivatives including interest rate swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The swaps are derecognised when the liability are extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the SOFA.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

1 Statement of Accounting Policies (continued)

t) Critical accounting judgements and key source of estimation uncertainty (continued)

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2023, this has been treated as Creditors falling due after one year.

2 Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Donations and sponsorships	1,456	2,313	3,769	1,990
Arts council grant	18,858	815	19,673	20,350
Funding for asset construction	-	-	-	350
Other grant income	-	-	-	63
Total	20,314	3,128	23,442	22,753

3 Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Artistic activities				
Ticket Income	8,107	-	8,107	3,456
Artistic rentals	2,311	-	2,311	1,819
Other income	732	-	732	472
Total	11,150	-	11,150	5,747

4 Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Other Trading Activities				
Retail sales	1,687	-	1,687	1,061
Concessions	10,834	-	10,834	7,238
Hall and space rentals	3,195	-	3,195	2,551
Memberships and subscriptions	882	-	882	764
Other income	1,627	-	1,627	2,989
Total	18,225	-	18,225	14,603

5 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Interest receivable	465	-	465	52
Total	465	-	465	52

6 Net Income / (Expenditure)

	2023 £'000	2022 £'000
Net income/ (expenditure) is stated after charging (crediting):		
Operating lease charges	367	173
Depreciation and amortisation charge on assets	8,367	8,108
Auditors' remuneration for audit services (Southbank Centre)	70	60
Auditors' remuneration for audit services (Enterprises)	8	7
Losses on foreign exchange differences	25	5
Income from Creative Tax reliefs included within income from charitable activities	(642)	(270)
Bad debt expense	45	(923)

7 Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Interest expense	1,063	-	1,063	1,105
Total	1,063	-	1,063	1,105

8 Staff Costs

	2023 £'000	2022 £'000
Employee costs amounted to:		
Wages and salaries	14,887	11,709
Social security costs	1,452	1,116
Pension costs	834	645
Total	17,173	13,470

Costs relating to terminations in the year are included in the above and were £64k (2022: £26k) of which Nil (2022: £nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2022: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2023 No.	2022 No.	2023 No.	2022 No.
Raising Funds	14	12	14	12
Charitable Activities	111	97	100	88
Other	28	21	23	18
Support	294	229	212	173
	447	359	349	291

Visitor Experience staff who staff all of our venues are included within support staff.

Higher paid employees received remuneration, including redundancy payments but excluding pension costs, within the following bands:

	2023 No.	2022 No.
£60,000 - £69,999	10	12
£70,000 - £79,999	3	1
£80,000 - £89,999	3	1
£90,000 - £99,999	3	3
£100,000 - £109,999	1	2
£110,000 - £119,999	1	-
£120,000 - £129,999	1	-
£130,000 - £139,999	1	1
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-
£180,000 - £189,999	1	-
	25	21

Of these 25 (2022: 21) employees, Southbank Centre paid pension contributions of £270,895 for 24 employees (2022: £70,103; 13 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee of £15,527 (2022: £19,954; 1 employee) who was a member of the defined benefit section of the pension scheme.

The Executive Leadership Team comprises of 6 full time staff (2022 - 5 staff) whose remuneration in the year was £752k (2022: £480k). In addition to this, Southbank Centre also paid £45k (2022: £9k) in pension contribution and £95k in Employer National Insurance Contributions (2022: £61k). The increase in remuneration for the Executive Leadership Team in 2023 is due to vacancies in senior positions during 2022 which have now been filled. In 2022 the full-time equivalent ELT staff was 3.8 as compared to 5.8 in 2023.

The Chief Executive's total remuneration for the year totalled £186k (2022 - £154k). The Chief Executive has opted to continue taking a voluntary reduction in total pre covid remuneration, amounting to 27%. No Executive Leadership Team member receives bonuses.

9 Total Resources Expended

	Artist, Exhibition, Creative Learning and Public Participation costs £'000	Artist and Exhibition Venue running costs £'000	Total support costs £'000	Total 2023 £'000	Total 2022 £'000
Costs of raising funds	942	103	283	1,328	1,059
Expenditure on charitable activities	16,974	16,218	11,706	44,898	37,158
Other	4,028	1,938	1,689	7,655	4,231
	<u>21,944</u>	<u>18,259</u>	<u>13,678</u>	<u>53,881</u>	<u>42,448</u>

Other includes interest payable of £1,063k (2022: £1,105k) (note 7).

10 Allocation of Support Costs

	Management Support Services £'000	Depreciation & Disposals £'000	2023 £'000	2022 £'000
Costs of raising funds	235	48	283	299
Expenditure on charitable activities	4,197	7,509	11,706	11,632
Other	868	821	1,689	1,260
Total Support Costs	<u>5,300</u>	<u>8,378</u>	<u>13,678</u>	<u>13,191</u>

Management and Support Services comprises Finance, Legal, HR and Governance. These are allocated as above based on their proportionate costs to overall Artist, Exhibition, Creative Learning and Public Participation costs. Depreciation relates to all depreciation over the entire site and are allocated based on floor area.

Costs classified as governance relate to the general running of the charity and included operations of the Board of Governors and addressing constitutional, audit and other statutory matters. Governance costs are included within management and administration support costs and are made up of the following:

	2023 £'000	2022 £'000
Internal audit	36	22
External audit	77	67
Governors' indemnity insurance	15	14
Apportionment of staff costs	244	218
	<u>372</u>	<u>321</u>

11 Tangible Assets

Group and charity	Land & Buildings (Artistic) £'000	Land & Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Total £'000
<i>Cost</i>						
At 1 April 2022	257,309	26,647	224	7,656	8,107	299,943
Additions	77	-	116	879	2,008	3,080
Transfers	109	-	(109)	-	-	-
Disposals	-	-	-	(12)	(62)	(74)
At 31 March 2023	257,495	26,647	231	8,523	10,053	302,949
<i>Accumulated Depreciation</i>						
At 1 April 2022	48,672	8,847	-	5,484	6,313	69,316
Charge for the year	6,796	-	-	479	940	8,215
On disposals	-	-	-	(12)	(62)	(74)
At 31 March 2023	55,468	8,847	-	5,951	7,191	77,457
<i>Net Book Value</i>						
At 31 March 2023	202,027	17,800	231	2,572	2,862	225,492
At 31 March 2022	208,637	17,800	224	2,172	1,794	230,627

12 Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2022	805	805
Additions	-	-
Transfers	-	-
Disposals	-	-
At 31 March 2023	805	805
<i>Accumulated Amortisation</i>		
At 1 April 2022	553	553
Charge for the year	163	163
On disposals	-	-
At 31 March 2023	716	716
<i>Net Book Value</i>		
At 31 March 2023	89	89
At 31 March 2022	252	252

13 Heritage Assets

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. 90% of the collection in 2004 was valued at approximately £200,000. This collection has been built up over the last sixty years and no assets were acquired or disposed of over the last five years.

Southbank Centre aims to have the majority of the collection on display to the public around its site.

During the year ended 31 March 2023, SC has purchased two new pieces of artwork that have been added to the Southbank Centre Collection. These have been included at cost of purchase.

	Additions in year £'000	Value at 31 March 2023 £'000	Cost at 31 March 2023 £'000
Carrying amount at 1 April 2022	-	-	-
Additions: artwork	70	70	70
Carrying amount at 31 March 2023	70	70	70

The Southbank Centre Archive

Southbank Centre Archive aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre. The Archive includes print material (programmes, leaflets and festival brochures), photographs, recordings of performances and events, general ephemera (tickets, gifts, promotional items, objects and artefacts), written or recorded memories, letters or postcards describing visits, employment or other experiences of the site. The archive is maintained by Southbank Centre's Archivist.

Poetry Library

The National Poetry Library houses the National poetry collection. The collection, dating from about 1914, consists mostly of poetry from the United Kingdom and Ireland, a large selection from English-speaking countries worldwide, poetry in translation, poetry by and for children, rap and concrete poetry. Audio and video facilities are available in addition to a large variety of magazines, press cuttings and ephemera. Membership is free and the library is open 6 days a week.

The library contains over 100,000 items and is growing all the time. The library aims to hold all poetry titles published in the UK with a representation of works from other countries.

The library is funded by the ongoing support of Arts Council England.

14 Investments

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash on Short Term	18,097	16,029	18,097	12,029
	18,097	16,029	18,097	12,029

15 Debtors: Amounts Due Within One Year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	1,765	2,276	677	1,664
Amounts owed by group undertakings	-	-	1,249	4,545
Other debtors	844	1,250	774	1,243
Prepayments and accrued income	3,802	2,818	2,596	2,251
	<u>6,411</u>	<u>6,344</u>	<u>5,296</u>	<u>9,703</u>

Trade debtors - Group is net of bad debt provision of £154k (2022: £111k), and Trade debtors - Charity is also net of bad debt provisions of £97k (2022: £111k).

16 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans and overdrafts	6,429	1,270	6,429	1,270
Trade creditors	3,118	4,198	3,035	3,965
Amounts owing to group undertakings	-	-	-	-
Advanced ticket sales	2,797	2,897	2,797	2,897
Derivative financial instrument	362	-	362	-
Accruals and deferred income	9,951	8,837	8,221	7,772
	<u>22,657</u>	<u>17,202</u>	<u>20,844</u>	<u>15,904</u>

Deferred income comprises amounts received for which the related service, project or expenditure, occurs in a future financial year.

17 Deferred Income

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Deferred income brought forward	2,793	2,933	1,853	1,767
Deferred in the year	3,403	2,080	1,885	1,697
Released in the year	(2,691)	(2,220)	(1,751)	(1,611)
Deferred income carried forward	<u>3,505</u>	<u>2,793</u>	<u>1,987</u>	<u>1,853</u>

18 Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans	21,191	27,400	21,191	27,400
Derivative financial instrument	-	1,432	-	1,432
Accruals and deferred income	52	102	52	102
	<u>21,243</u>	<u>28,934</u>	<u>21,243</u>	<u>28,934</u>

The maturity of loans and obligations (including loans due within one year) is as follows:

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	6,429	1,270	6,429	1,270
Within two to five years	11,694	10,356	11,694	10,356
After five years	9,497	17,044	9,497	17,044
	<u>27,620</u>	<u>28,670</u>	<u>27,620</u>	<u>28,670</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2023 was £10.7m (2022: £11.5m).

A term loan of £7.0m was provided by Lloyds Bank plc in June 2018 to fund estate development and is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is partially repayable in quarterly instalments commencing in June 2019 until January 2024 when a balance of £5.2m will remain outstanding. The balance outstanding at 31 March 2023 was £5.5m (2022: £6.0m).

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and expires in April 2027 which is subject to a mandatory early termination in January 2024. At 31 March 2023, the fair value of the contracts outstanding was £362k (2022: £1.4m).

The loan received from the Culture Recovery Fund Repayable Finance of £10.9m is to provide additional liquidity in order to mitigate the effects of COVID-19 lockdown on the organisation. This provides for a fixed interest loan for 20 years at 2% per annum with a four-year capital repayment and interest payment holiday.

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	20,829	1,318	22,147
Loans falling due within one year	(1,271)	(5,158)	(6,429)
Loans falling due after more than one year	(27,400)	6,208	(21,192)
	<u>(7,842)</u>	<u>2,368</u>	<u>(5,474)</u>

19 Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	7,882	50,154	(44,957)	-	(7,515)	5,564
Total General Reserves	7,882	50,154	(44,957)	-	(7,515)	5,564
<i>Designated Funds</i>						
Capital & Revaluation Reserve	214,816	-	(6,502)	1,070	2,254	211,638
Loan repayment reserve	-	-	-	-	5,899	5,899
Strategic Investment Fund	4,503	-	(287)	-	(708)	3,508
Total Unrestricted Funds	227,201	50,154	(51,746)	1,070	(70)	226,609
Restricted Funds						
Projects Funds	1,036	3,128	(2,134)	-	70	2,100
Total Restricted Funds	1,036	3,128	(2,134)	-	70	2,100
Total Funds (2023)	228,237	53,282	(53,880)	1,070	-	228,709
Total Funds (2022)	227,004	43,155	(42,448)	526	-	228,237

The following table discloses the reserves for the prior year as required by the Charities SORP.

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	2,400	40,257	(34,081)	-	(694)	7,882
CRF Repayable Finance Fund	9,082	-	-	-	(9,082)	-
Total General Reserves	11,482	40,257	(34,081)	-	(9,776)	7,882
<i>Designated Funds</i>						
Capital & Revaluation Reserve	207,874	-	(6,063)	1,026	11,979	214,816
2021/22 Restart Fund	4,156	-	-	-	(4,156)	-
Strategic Investment Fund	2,200	-	-	-	2,303	4,503
Pension Plan Reserve (note 23)	500	-	-	(500)	-	-
Total Unrestricted Funds	226,212	40,257	(40,144)	526	350	227,201
Restricted Funds						
Capital Reserve	-	350	-	-	(350)	-
Projects Funds	792	2,548	(2,304)	-	-	1,036
Total Restricted Funds	792	2,898	(2,304)	-	(350)	1,036
Total Funds (2022)	227,004	43,155	(42,448)	526	-	228,237

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives.

Designated Funds: The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 11).

The Loan repayment reserve reflects funds designated for repayment of the loan provided by Lloyds Bank plc. This balance reflects the outstanding loan (£5.5m) and the fair value of the swap agreement (£0.36m) at 31 March 2023.

The Strategic Investment Fund has been set up to provide investment in artistic ambition, innovation, inclusion, sustainability and financial resilience over a 1-3 year timeframe.

Restricted funds: The Projects Fund holds restricted grants received in advance of expenditure for operating projects.

Transfers in the year

In 2022/23, £5.9m was transferred from the General Reserve to the loan repayment reserve (2022: £nil).

£1.5m was transferred from the General Reserve to the Capital Reserve (2022: £nil).

£0.7m was transferred from the Strategic Investment Fund to the Capital Reserve (2022: £nil).

£0.07m was transferred from the General Reserve to the Restricted Reserve (2022: £nil).

Charity Reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £6.4m (2022: £4.3m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2023 £'000	2022 £'000
Tangible and intangible fixed assets	-	243,748	243,748	246,908
Current assets	2,100	26,761	28,861	27,465
Current liabilities	-	(22,657)	(22,657)	(17,202)
Creditors falling due after one year	-	(21,243)	(21,243)	(28,934)
	<u>2,100</u>	<u>226,609</u>	<u>228,709</u>	<u>228,237</u>

20 Capital Commitments

Group and Charity	2023 £'000	2022 £'000
Authorised and contracted	<u>1,727</u>	<u>604</u>

Capital commitments in prior year related to property costs.

21 Commitments Under Operating Leases

The Group had the following future minimum lease payments under non-cancellable operating leases, as a lessee, for each of the following periods:

	2023 £'000	2022 £'000
Payments due		
Not later than one year	367	173

22 Operating Lessor

The Group had the following future minimum lease receivables under non-cancellable operating leases, as a lessor, for each of the following periods:

	2023 £'000	2022 £'000
Receipts due	28,972	28,987
Not later than one year	4,053	3,818
Later than one year and not later than five years	15,900	14,636
Later than five year	9,019	10,533

23 Pension Costs

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Until May 2022 pension contributions were also made to Now pensions.

Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The defined benefit section was closed to future accrual in May 2022. From May 2022 all defined contribution contributions are made to the Aviva Master Trust. The defined contribution assets of the Southbank Centre Retirement Plan were transferred to that scheme in October 2023 and this section of the scheme will be closed during 2023.

The amount recognised in the SOFA is as follows:

	2023 £'000	2022 £'000
Defined benefit scheme		
Current service costs	10	111
Defined contribution scheme	824	534
Total charge in net expenditure	<u>834</u>	<u>645</u>
Defined benefit scheme		
Net interest (income) / expense	(298)	(172)
	<u>536</u>	<u>473</u>

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2020 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has not been recognised for the full balance of the surplus. As the scheme closed to future accrual as from 1 May 2022 the surplus is no longer anticipated to reduce future employer contributions to the scheme, and therefore no asset has been recognised.

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations.

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2022 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2023	2022
Expected rate of salary increase	2.8%	3.3%
Expected rate of increase of pensions in payment	2.0%	2.1%
Discount rate	4.6%	2.7%
Rate of inflation (RPI)	3.3%	3.8%
Rate of inflation (CPI)	2.8%	3.3%

23 Pension Costs (continued)

The mortality assumptions used were as follows:

	2023 years	2022 years
Longevity at age 65 for current pensioners		
Men	22.8	22.7
Women	25.1	25.1
Longevity at age 65 for future pensioners		
Men	24.1	24.0
Women	26.5	26.5

Reconciliation of plan assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 April 2022	69,925	(58,923)	11,002
Benefits paid	(1,893)	1,893	-
Employer contributions	22	-	22
Member's contributions	1	(1)	-
Current service cost	-	(10)	(10)
Interest income/ (expense)	1,863	(1,565)	298
Remeasurement (losses) / gains		60	60
Actuarial gains	(19,366)	14,768	(4,598)
As at 31 March 2023	<u>50,552</u>	<u>(43,778)</u>	<u>6,774</u>

Total cost recognised as an expense:

	2023 £'000	2022 £'000
Current service costs	10	111
Interest cost	1,565	1,210
	<u>1,575</u>	<u>1,321</u>

No amounts (2021: £nil) were included in the cost of assets.

The fair value of the plan assets was:

	2023 £'000	2022 £'000
Equities		-
Liability driven equities	34,126	46,896
Diversified growth fund	10,467	15,523
Cash	254	770
London Eye asset	5,705	6,736
	<u>50,552</u>	<u>69,925</u>

The plan assets do not include any of Southbank Centre's financial instruments nor is any property occupied by any Southbank Centre entity.

The return on the plan assets was:

2023 £'000	2022 £'000
---------------	---------------

Interest income	1,863	1,382
Return on plan assets less interest income	(19,366)	124
	<u>(17,503)</u>	<u>1,506</u>

23 Pension Costs (continued)

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2023 £'000	2022 £'000
Current year contributions	824	534
	<u>824</u>	<u>534</u>

24 Subsidiaries

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares of £1 each), Southbank Centre Pension Fund Corporate Trustees Limited (1 share of £1 each) and Southbank Centre Enterprises Limited (100 shares of £1 each), on behalf of Southbank Centre. Southbank Centre is the controlling party (ultimate parent company) and therefore consolidates these subsidiaries into its financial statements. Southbank Centre Limited only acts in the capacity of sole Corporate Trustee of Southbank Centre through the appointment of its directors (the Governors of Southbank Centre) and is otherwise dormant.

The South Bank Foundation Limited (number: 3174667)

The South Bank Foundation Limited was formed for the purpose of fundraising for Southbank Centre, particularly its site development. South Bank Foundation Limited was dormant during the year.

The Southbank Centre Pension Fund Corporate Trustees (number: 12510510)

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was dormant during the year.

Southbank Centre Enterprises Limited (Registration number: 6158790)

The principal activities of Southbank Centre Enterprises Limited are to manage certain commercial and retail activities on Southbank Centre's estate, including event hires, the bar and catering concessions and Southbank Centre's own shops. A summary of Southbank Centre Enterprises Limited's trading results are shown below:

	2023 £'000	2022 £'000
Turnover	13,325	10,248
Cost of sales	(4,713)	(2,417)
Administrative expenses	(2,314)	(3,493)
Operating profit	<u>6,297</u>	<u>4,337</u>
Interest receivable	101	7
Net profit	<u>6,398</u>	<u>4,344</u>
Profit and loss brought forward	4,344	1,181
Gift aid paid to Southbank Centre Limited	(4,344)	(1,181)
Retained in the subsidiary	<u>6,398</u>	<u>4,344</u>

24 Subsidiaries (continued)

As at the balance sheet date the aggregate amount of Southbank Centre Enterprises Limited assets, liabilities, share capital and reserves was:

	2023 £'000	2022 £'000
Current assets	9,461	10,183
Creditors: amount falling due within one year	(3,063)	(5,839)
Net current assets	<u>6,398</u>	<u>4,344</u>
Total net assets	<u>6,398</u>	<u>4,344</u>
Represented by:		
Profit and loss account	<u>6,398</u>	<u>4,344</u>

Southbank Centre's subsidiary, Southbank Centre Enterprises Limited, has restated income and expenditure for the year ended 31 March 2022 for expected tax credits receivable. This has resulted in an increase to income and expenditure of £1.8m respectively. There is a £nil effect on the Southbank Centre consolidated accounts as a result of this restatement.

25 Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

The Royal Festival Hall extension building was financed by a £4m award from GLA Land and Property, formerly, London Development Agency. In the event that Southbank Centre ceases operating £4m would be repayable.

A grant of £16.7m was provided by the Arts Council for refurbishments to the Festival Wing (Queen Elizabeth Hall, Purcell Room and the Hayward Gallery). A fixed and floating charge was taken out by the Arts Council England over the assets of the charity. In the event that the Southbank Centre ceases operating, this grant would be repayable to the Arts Council.

A term loan of £17.7m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027.

A term loan of £7m provided by Lloyds Bank plc and Lloyds Corporate Markets plc is secured by an assignment and charge over the retail lease income from property at the Southbank Centre. The loan is repayable in quarterly instalments with the final balance repayable in January 2024.

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an under-lease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings

represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long under-lease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the under-lease from Southbank Centre to the British Film Institute.

26 Related Parties

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £235,283 (2022: £220,672) for the year ended 31 March 2023.

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. During the year, Southbank Centre received USD nil (2022: USD 89,725) from the American Fund. The American Fund had USD 147,182 (2022: USD 53,401) in cash balances available to transfer to Southbank Centre at 31 March 2023.

Donations from Trustees were £77,574 (2022: £68,548).

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £779,952 (2022: £603,845), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,164,357 (2022: £844,754) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

27 Full Prior Year Disclosure Of The Consolidated Statement Of Financial Activities

	Note	Unrestricted Funds		Restricted Funds		Total Funds 2022 £'000
		Operations £'000	Designated £'000	Project £'000	Capital £'000	
INCOME FROM:						
Donations and legacies	2	19,855	-	2,548	350	22,753
Charitable Activities	3	5,747	-	-	-	5,747
Other Trading Activities	4	14,603	-	-	-	14,603
Proceeds from sale of fixed assets		-	-	-	-	-
Investments	5	52	-	-	-	52
TOTAL		40,257	-	2,548	350	43,155
EXPENDITURE ON:						
Raising funds	9	1,025	34	-	-	1,059
Charitable activities	9	29,419	5,435	2,304	-	37,158
Other	9	3,637	594	-	-	4,231
TOTAL		34,081	6,063	2,304	-	42,448
Net (expenditure)/income before transfers		6,176	(6,063)	244	350	707
Transfers	19	(9,776)	10,126	-	(350)	-
Other recognised (losses)/gains						
Actuarial (loss)/gain on defined benefit pension schemes	23	-	(500)	-	-	(500)
Gain/(Loss) on derivative financial instrument		-	1,026	-	-	1,026
Net Movement in funds		(3,600)	4,589	244	-	1,233

All of the above results are derived from continuing activities.
The Movements on Reserves are also described in note 19.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalents.

	Unrestricted funds		Restricted funds		Total funds 2022 £'000
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	
Net movement in funds	(3,600)	4,589	244	-	1,233
Fund balances brought forward as at 1 April 2021	11,482	214,730	792	-	227,004
Total funds at 31 March 2022	7,882	219,319	1,036	-	228,237

SOUTHBANK CENTRE

England & Wales - Charity number 298909

Accounts

SOUTHBANK CENTRE

Annual Report and Financial Statements

2021-22

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985



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**ARTS COUNCIL
ENGLAND**



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London
WC2A 3LH

INDEPENDENT AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

The Governors of the Board who served during the year and subsequently are and subsequently are:

Governor

Mr Misan Harriman (Chair)	appointed 1 July 2021
Ms Susan Gilchrist (Chair)	resigned 1 July 2021
Mr Glyn Aikins	
Venetia Butterfield	
Mr Brett Hansen	resigned 1 July 2021
Mr Michael Hussey	
Dame Vivian Hunt	
Mr David Kershaw (Deputy Chair)	resigned 1 July 2021
Luke Mayhew (Deputy Chair)	
Mr Cornelius Medvei	
Dr Maggie Semple OBE	
Mr Sandy Rattray	
Mr William Sargent	
Ms Lisbeth Savill	
Ms Lynne Shamwana	appointed 1 July 2021

EXECUTIVE LEADERSHIP TEAM

The Chief Executive and other senior staff to whom day-to-day management of the charity is delegated by the Governors are:

Elaine Bedell	CEO
Mark Ball	Artistic Director
Nicola Cardillo-Zallo	Director of People and Culture
Susan Johnston	Chief Operating Officer
Heather Clark-Charrington	Director of Audiences

CHAIR'S FOREWORD

I'm delighted to present my first annual review as Chair of the Southbank Centre. It's been an inspiring year of re-awakening. We have re-opened to our audiences, artists and participants with live performances and workshops, after the prolonged and painful period of closure due to the pandemic.

As the UK's largest arts centre, we are the beating heart of a world-leading, extraordinary cultural ecosystem, reaching out to the widest possible audience while remaining true to our history of excellence, relevance, innovation and providing the most extensive free arts programme in the UK. I love the energy, range and diversity of ideas and events at the Southbank Centre - it makes it harder for people to label us, but the variety of offers here is what makes us so unique and exciting.

Re-opening gave us the opportunity to evolve the next stage of our strategy to reflect the rapidly changing world in which we operate. We have a new set of Strategic Principles that will accelerate our work as a change-maker, equalising opportunity for people and communities who for too long have been excluded from an artistic life or a creative career. It also responds to our principal funder Arts Council England's vision as set out in its *Let's Create* strategy, and embeds our commitment to helping ACE achieve its vision for 2030.

We staged many events in 2021/22 that resonated with the new direction we are taking. Personal highlights included *Chineke!*'s triumphant return in May to perform the first live audience event of our classical music programme, in a concert featuring alumnus Sheku Kanneh-Mason and the newly commissioned *Remnants*. This piece was inspired by the image of Patrick Hutchinson carrying a white counter-protester to safety during the Black Lives Matter protests, an image that was captured outside the Southbank Centre by Dylan Martinez and which inspired *Remnants* - a poem written by Yomi Sode and set to music by James B. Wilson. I'm particularly pleased to add that *Chineke!* are now a resident orchestra at Southbank Centre.

As we responded to the public need for culture to reflect the seismic events of the recent past, we also enabled hundreds of thousands of people to experience live music and art as restrictions eased by staging 15 weekends of free outdoor events, as well as the very successful Hayward show *Mixing It Up: Painting Today*.

We also demonstrated how the nation's largest art centre can respond quickly and powerfully to the national mood with the rapid production and staging of *Slava Ukraini!* in March. Developed by our new Artistic Director Mark Ball, only weeks in post, in partnership with the British Council and the Ukrainian Institute, the whole organisation came together to deliver this concert at speed. It was a statement of our intent to programme events which resonate with the public mood, and show that we can still - 71 years on from our opening - provide a "tonic for the nation."

In September 2021, we built on our multi award-nominated Art by Post programme by opening *Art by Post - Of Home and Hope*, an exhibition in the Clore Ballroom and on Queen's Walk. 200 works of art produced by talented individuals across the country were chosen by curator Persilia Caton. A national billboard and bus stop exhibition of photographic portraits of some of our participants also featured in locations around the country and served to highlight the vital role of creativity in the nation's health and wellbeing - a key theme for us going forward.

Critical and continuing investment from our principal funder, Arts Council England and the vital support of the government's Culture Recovery Fund helped mitigate against the severity of the financial and cultural impact of closure and social distancing on Southbank Centre. On behalf of my fellow Trustees, I'm hugely grateful to the government and to the Arts Council for their essential support during such an unprecedented period.

I've inherited an engaged and supportive Board from my predecessor Susan Gilchrist, who led the Trustees and supported the organisation through recovery and a successful reopening. The Southbank Centre thanks her for her commitment, as well as the tremendous work of Elaine Bedell and the Executive team. A number of Governors have come to the end of their tenure and we thank them too. I look forward to announcing new Governors shortly – the enthusiasm to be involved has been very encouraging and speaks to the reputation and vision of Southbank Centre.

I've spent much time walking the site and meeting many enthusiastic and opinionated members of the team, neighbours and partners working on the site. I've enjoyed meeting skateboarders, volunteers, members of both the frontline and behind the scenes teams as well as the Executive Leadership team. We all have in common a great passion and commitment to the Southbank Centre and a diversity of views, interests and opinions is something we welcome and try to harness. Art is not mono-cultural; it thrives through the creative tension of the new and the traditional, the cross fertilisation of the genres that embrace the Southbank Centre as their home and a willingness to reach out to artists and audiences across the spectrum. All are welcome, must be made welcome and I hope that we can provide the opportunity for the arts to help them as it has helped and inspired me on my journey.

It really feels as though the Southbank Centre is back and firing on all cylinders again and with exciting plans ahead and with a new artistic leadership, I'm looking forward to sharing the coming year's activity with you.

Misan Harriman

Chair of the Board of Governors

July 2022

CEO'S FOREWORD

It was with much relief and excitement that we re-opened our doors to the public in April 2021 and returned to doing what we do best at Southbank Centre: producing and presenting life-enhancing, accessible, live events for everyone, across all our venues (the Royal Festival Hall, Queen Elizabeth Hall, Hayward Gallery, Purcell Room, Clore Ballroom) as well as our many outdoor spaces.

Beautiful, soaring music once again rang out loud and clear from the Southbank as our resident and associate orchestras made a triumphant return to live concerts and to enthusiastic audiences.

We staged the biggest outdoor summer festival we've ever had before - and the longest festival in the UK - with 15 weekends of free live outdoor stage events. Our *Summer Reunion* programme hosted DJs to bands and comedy to cabaret, so that people could once again freely mingle and enjoy our markets and pop-ups whilst also bumping into our specially-commissioned outdoor art installations.

The diversity of our offer and the audiences who came was inspiring. Over 250 artists delivered a programme of 240 hours of high quality, free multi-artform events to audiences of over 20,000 of all ages and backgrounds, with the majority showcasing artists who are under-represented in the arts.

Importantly, we were able once again to provide a much-missed platform for all those freelance artists and performers who'd suffered so much during closure, as well as a new dedicated space for exciting, emerging talent to create new collaborative, cross-disciplinary work in our Purcell Sessions.

We invited the public back in to explore extraordinary, moving, art exhibitions in the Hayward Gallery - culminating in a major retrospective of the legendary Louise Bourgeois which focused on her work using fabric and textiles. Visitors also returned to the National Poetry Library, where they could once again revel in the world's largest collection of modern poetry.

Whilst we were welcoming so many returning visitors to our 11-acre site in London, we were also renewing our commitment to offer great cultural experiences to everyone across the UK.

Our Hayward Touring programme team worked with curators on 14 regional exhibitions, including *British Art Show 9*. We continued to look after the Arts Council's own art Collection, co-curating exhibitions across England and Wales with cultural partners in Yorkshire, Nottingham, Plymouth, Hull, Walsall, Leicester, Norwich and Swansea. In addition to our acclaimed national billboard exhibition, our *Art By Post* exhibition of works by participants toured to venues in Oxfordshire, Sunderland, Canterbury and Manchester.

We also returned to working in-person with schools, communities and individuals across the UK, delivering a packed Creative Engagement programme that continued to enable everyone to express their creativity. Our landmark *Art By Post* project reached over 4,000 people across the UK and helped tackle loneliness and social isolation.

Since reopening, and as we've been able to successfully extend the reach and impact of our programme, so we've been able to rebuild our organisation. I'm very grateful that many of those that sadly had to leave us during the dark days of 2020 when we had so little work, have now returned to us: 72 new colleagues joining in this year had worked with us before and I'm so pleased to welcome them back.

I'd like to express my wholehearted thanks to the brilliant team at Southbank, who've worked so hard this year to get us back open and with such an amazing offer. I'd like to thank the tireless efforts of the Executive Leadership Team and the supportive Governors of the Southbank Centre, who've all made it possible for us to provide the most exciting artistic programme, for the widest possible audiences

Elaine Bedell
CEO Southbank Centre
July 2022

REPORT OF THE TRUSTEE

A NEW STRATEGIC FRAMEWORK

Southbank Centre's Charitable Objects set out our responsibility to steward our extraordinary spaces for the nation, and to provide a cultural programme from which everyone can benefit:

Charitable Objects

- The promotion of the arts for the general benefit of the public and in particular the maintenance and development of the Southbank estate as a centre for the arts for the benefit of the people in Great Britain in general and London in particular.
- The development and improvement of the knowledge, understanding and practice of the arts at the Southbank estate or any part of it.
- The provision and support of such cultural activities related to the arts as the trustees consider desirable at the Southbank estate or any part of it.

In support of our Charitable Objects and in response to the rapidly changing external environment a new Strategic Framework was developed and approved by Trustees in 2021. The new framework builds on our past successes, while recognising the challenging external environment we're operating in and the need for flexibility and agility.

Alongside a revised Purpose and Vision, we developed a set of four Strategic Principles and desired outcomes that provide us with a robust planning framework. This framework embeds the Investment Principles of our principal funder Arts Council England (ACE). We also began working with staff to develop a new set of values, an internal compass that reflects how we behave and how we expect others to behave towards us, internally and externally. This piece of work is due to be finalised in autumn 2022.

Set out below is our revised Purpose, Vision and Strategic Priorities, followed by a summary of what was delivered in the year to 31 March 2022 and an outline of key outcomes we will be focused on in the next 12 months.

Purpose

To offer inspirational life-enhancing encounters with art in democratic, open spaces.

Vision

To have the most vibrant, innovative, welcoming and inclusive arts spaces in the world, renowned for championing the imagination of artists, audiences and communities.

Strategic Priorities

We are Innovative and Dynamic.

We innovate all the time, in all that we do, in all our spaces, physical and digital. We are *dynamic and flexible* in the way we face challenges of the future. We strive for excellence in everything we do.

We build Audiences and our People reflect London.

Democratic access for all is our founding and our guiding principle. We are always extending our reach and relevance. We are a truly modern arts centre which looks like it belongs in Lambeth and London and the wider UK.

We Collaborate.

Partners and Artists are critical to our success and central to our way of working. Artistic/ tech/ commercial and cross-sector partnerships as well as community and venue partnerships across the UK and the world.

We are Resilient and Sustainable.

We are resilient and our organisation is stable. We make agile use of our resources so that we can invest for the long term future of Southbank Centre. We are environmentally responsible in everything we do.

REVIEW OF ACTIVITY

2021/22 was a year of transition as we finalised and adopted our new Strategic Framework, responded to changing COVID-19 restrictions and - enabled by the Culture Recovery Fund - reopened and continued to plan ahead with confidence. We were finally able to deliver a programme of live performance events, encompassing music, dance, literature and spoken word, many of which had been necessarily postponed from 2020/21. We reopened the Hayward Gallery and recommenced our national touring programme and also began to implement programming and curatorial responses that aligned with our Strategic Principles.

At the same time, COVID-19 continued to present us with significant planning and delivery challenges that were beyond our control. Several major events were cancelled due to social distancing, travel restrictions, COVID illness and a lack of certainty around audience willingness to gather and engage. All contributed to an exceptionally difficult business planning environment.

Despite these challenges, we succeeded in delivering a programme that had democratic access to arts and culture as a key driver, delivering:

- A classical music season that included landmark farewell concerts for two of the world's greatest conductors, Esa-Pekka Salonen and Vladimir Jurowski, outgoing Principal Conductors of Southbank Resident Orchestras the Philharmonia and the London Philharmonic Orchestra respectively
- Concerts with world-renowned orchestras and artists including Víkingur Ólafsson, Nicola Benedetti, Christian Tetzlaff, Steven Isserlis, Julia Fischer, Alice Sara Ott, Shekhu Kanneh-Mason, Tamara Stefanovich, Stephen Hough, Maurizio Pollini, and a sold-out debut from rising star Alexandre Kantorow
- The 'breathtakingly beautiful' (New York Times) *Matthew Barney: Redoubt* exhibition in the Hayward Gallery, which launched a year of exhibitions that also included a major Louise Bourgeois retrospective and three major new outdoor commissions, as well as the touring British Art Show 9
- David Medalla's *A Stitch in Time* loaned from the Arts Council Collection; a mass-participation piece that captured visitors' reflections as Southbank Centre re-opened its doors to the public
- *Summer Reunion*: the UK's longest running summer festival, with 15 weekends of free culture on the Riverside Terrace stage, including nine curator-led weekends, employing 250+ artists and delivering a programme of 242 hours of high quality, free multi-artform events to audiences of 20,000+
- *Imagine Children's Festival* which celebrated its 20th anniversary with 160 events over 12 days, with 16,850 tickets sold
- Ravi Shankar's centenary celebration: we delivered a programme of events to celebrate the life of the most influential Indian classical music composer and instrumentalist of all time, culminating in a centenary concert led by Artist in Residence Anoushka Shankar
- The second edition of our popular *Winter Light* project that illuminated our public spaces
- Literature and spoken word events that included global exclusives with Sally Rooney and Sir Paul McCartney, the latter receiving a British Media Awards nomination for Event of the Year
- A touring exhibition of works by our participants in our landmark *Art by Post* programme which distributed art packs to socially isolated people during the pandemic - to Banbury, Sunderland, Canterbury, Manchester and Leicester reaching over 14,000 people
- The launch of our national *New Poets Collective* supporting emerging talent amongst spoken word and page poets attracting 425 applications for 15 coveted places
- *Imagine a Story*: engaging 1,000 KS2 children who collaborated with children's author Zanib Mian and illustrator Selom Sunu to write a brand new book - *Dawn of the Zombie Rays* - that was professionally published.
- We hosted the BFI London Film festival, we've opened up a new market for premieres and held two world film and TV premieres and a number of British Film premieres all within 6 months of reopening. We will be welcoming BFI back again for 2022.

Charitable Impact in Numbers

Events	3,616
Tickets Issued	484,000
% free public events	44%
Venue visitors	1.342 million
Schools engaged	55 school groups engaged in person with a total of 1,920 children 162 school groups engaged with us through digital events, with a total of 3,240 children 8,168 school groups engaged with our digital resources, with a total of 163,360 children
Regional Audiences for Hayward Touring	62,000
Black, Asian and Ethnically Diverse audiences	14%
Under 30s	8%
Lambeth and Southwark bookers	12%

SOUTHBANK CENTRE STRATEGIC PRINCIPLES

2021/22 saw Southbank Centre's new Strategic Principles formally adopted by the Board, and then cascaded through the organisation.

In response to the creation of the Strategic Principles, new activity was developed, artform-specific strategic plans were redeveloped, leadership in the organisation was restructured to better enable ownership and accountability and appointments were made to lead on new work that will further the embedding of the principles throughout the organisation's artistic and operational work.

INNOVATION AND DYNAMISM

Under our Director of Music and Performing Arts Gillian Moore and our new Head of Classical Music Toks Dada we accelerated our plan to redefine Southbank Centre as a centre for innovation, diversity and excellence in classical music, reaching the widest possible audience through the launch of our *New Future* classical music strategy.

Designed to ensure classical music remains relevant and can respond to and reflect our rapidly changing society, we presented *New Future* to the leadership of four of our Resident Orchestras (London Philharmonic Orchestra, Philharmonia Orchestra, London Sinfonietta, Orchestra of the Age of Enlightenment) and shared plans around collaborative programming to develop new audiences; accelerate diverse representation on stage and through commissioning; as well as a commitment to collective responsibility for transforming the demographic make-up of audiences.

We launched *Purcell Sessions*, a re-imagined use of the Purcell Room to become a home for new work incubation, artistic innovation and collaboration between artists keen to explore new creative frontiers. We hosted 56 residencies and specialist shows with acts including Gigi Masin, Ill Considered and Neil Cowley, as we took the first steps towards building an audience of culturally curious arts lovers seeking out new and innovative work.

We continued to develop free and accessible, vibrant, engaging and thought-provoking outdoor installations. These included three major new outdoor commissions - Anthea Hamilton, Slavs & Tatars and Klaus Weber - as well as a programme embracing a broad and diverse range of artists (Samson

Kambalu and Ilke Gers) and art forms and a second edition of our popular Winter Light project, using light based artworks to illuminate our public spaces.

We set new areas of focus for our Creative Learning offer for communities, individuals, and emerging practitioners:

- Southbank Centre as a centre of excellence for Arts and Wellbeing;
- Supporting Southbank Centre as a home for artists, and the development of new artists, via our Emerging Artists and Creatives programme;
- Development of a vibrant, inclusive, national curriculum linked nationwide schools programme, drawing on all our core artforms;

Work was undertaken in support of all of these areas over the course of the year, with the latter developed in response to the crisis in music education provision and dovetailing into our *New Future* classical music strategy.

We appointed Mark Ball as Artistic Director and Mark began his full time role in February 2022.

COLLABORATION

We understand that our impact is amplified through partnership working.

In March 2022 we formally invited two existing Associate Orchestras (Aurora and Chineke! Orchestras) to become Resident Orchestras, together with the London Sinfonietta, London Philharmonic Orchestra, Orchestra of the Age of Enlightenment and the Philharmonia.

This recognised the important contribution both these orchestras are making to the Equality, Diversity and Inclusivity ambitions within *New Future*, and to our classical music programme as a whole. A signifier of our commitment to evolving classical music at Southbank Centre, this expansion of our Resident Orchestra portfolio was announced publicly as we launched our Classical Music 2022/23 wave 1 season.

We established a new partnership with Google Arts & Culture, who supported our *Art by Post* tour and collaborated with us to create an online gallery featuring the work and voices of the participants, partners and artists involved in *Art by Post*.

Tomorrow's Warriors and carnival performance group Kinetika Bloco remained integral to our music offer, further strengthened by a growing relationship with Chineke! Juniors.

The National Academy for Social Prescribing (NASP) continued to be an important strategic partner in our ambition to establish Southbank Centre as the home and sector leader in arts and wellbeing, working together to deliver an exhibition and tour highlighting the community and artistic work of the *Art By Post* programme. In March 2022, we partnered with NASP to host and co-present a Social Prescribing Day as part of National Social Prescribing week, bringing together organisations across the arts, health, community, environment and voluntary sectors.

Throughout 2021/22 we also played a critical part in the economic regeneration of London in general and the South Bank, Lambeth and Southwark, and we worked closely with the GLA to support their *Let's Do London* campaign to encourage audiences back to London and the South Bank.

AUDIENCES AND PEOPLE

We share Arts Council England's commitment to achieving greater fairness, access and opportunity and in 2021/22 we delivered projects and strategies to increase diverse representation in the work we produce and within our workforce..

Audiences

We were delighted to start welcoming audiences back on site in the summer of 2021. We undertook detailed work to ensure the site was COVID-secure and we programmed an extensive free outdoor summer programme for 15 consecutive weekends, which were a great success, delivering a programme of 242 hours of high quality, free multi-artform events to audiences of over 20,000 of all ages and backgrounds.

We began to develop new insight around audience behaviour in a post pandemic world by revising our post show surveys, and are working with external organisations like AVLA to better understand audience behaviours.

We extended our reach out of London with *The British Art Show 9*. The British Art Show takes place every 5 years, and *The British Art Show 9*, curated by Irene Aristizábal and Hammad Nasar and postponed from 2020, bringing the work of artists developing new directions in contemporary art, to multiple venues across four cities in the UK. The exhibition took on extra significance for each city, as we worked to develop a number of significant new commissions and site specific installations that would particularly resonate with local communities and audiences.

Our work on the *New Future* music strategy to increase accessibility began with a new series of classical music experiences for families, launching with the Multi-Story Orchestra's *A Musical Journey*, that took audiences aged 7 up around our site and culminated in a seated performance in the Queen Elizabeth Hall.

As part of London Literature Festival 2021, we produced a live event *Happy Here* - an anthology for middle grade readers, featuring stories and poems written by ten Black British authors and illustrated by ten Black British illustrators. In September 2021, every primary school in England received a free copy of the book to help teachers bring representative and inclusive stories into the classroom, as part of an initiative by BookTrust, the Centre for Literacy in Primary Education (CLPE) and Knights Of.

We invested in the development of more diverse work for children and brought a new show, *Mmm ah Whoosh* by Mellow Baku, and *Little Murmur* by Akash Adedra to the Imagine festival. We also leveraged our size and scope to scale up other participatory projects, including a national roll-out of our young people's writing programme Imagine a Story and working with MOBO Award winner Yolanda Brown and online education provider Twinkl to support home learning with live streamed education performances, reaching 200k+ views worldwide.

In March 2022, WOW London returned for an in-person 3 day festival of events celebrating women, girls and non-binary people across Southbank Centre venues.

People

From April 2021 to March 2022, we hired 150 FTE new members of staff in total, out of which 72 (35%) are rejoiners and 144 (65%) are new joiners. Of these Visitor Experience Hires were 97 overall of which 76 were Visitor Assistants (VAs).

- Staff Numbers as at 31 March 2022 - 404
- Black, asian and ethnically diverse staff have increased to 20.5% of total staff since 2021
- Staff declaring a disability have increased in overall percentage to 7.2% since the last report.
- Staff under the age of 30 have increased further from 22.3% in March 2021 to 25.7%.
- LGBTQI+ figures are at 14.9% and our gender split is currently overall 57.4% female, 41.8% male and 0.7% non-binary.

Our Equality, Diversity and Inclusion (EDI) Strategy was launched in November, and 250 staff members have benefited from training via compulsory EDI workshops, with ongoing workshops running monthly.

A staff Lunch & Learn Series launched covering topics on *Navigating Anxiety*, *Mental Health*, *Social Mobility*, *Neurodiversity* and *Being on a Board*, with on the day engagement of up to 50% and video recordings being made available on the intranet.

Our Visitor Experience team has undergone customer service training and 16 new Mental Health First Aiders were trained.

We introduced a new method of data capture via a Reset and Reflect review process which has already better captured training and development needs across teams. This will inform the development of a more structured Learning and Development Framework for 2022/23.

The Frequency of All Staff meetings increased to monthly, with diverse voices from across the organisation represented and the work of teams celebrated. These are now recorded and shared on the intranet.

Like many other industries and organisations, we have experienced a high churn in staff numbers and a key focus for 2022/23 will be on hiring, retention and development of staff.

Our new Purpose, Vision, and Strategic Principles were cascaded to all staff in October 2021 and a new streamlined Executive Leadership Team structure was established in January 2022. We commenced work with all staff to develop a new set of organisational values.

RESILIENCE AND SUSTAINABILITY

We reopened our main cultural spaces on a phased basis, adapting and responding to various levels of COVID. The Hayward Gallery opened for *Matthew Barney: Redoubt* and *Igshaan Adams: Kicking Dust* in May. The Royal Festival Hall re-opened on 28 May with a concert by Chineke! The Queen Elizabeth Hall opened with David Harewood on 2 September and the Purcell Room on 16 September with Sarah Devachi and the LCO. We also began to implement our new 5 day operating model.

Our new operating model is centred around programming our main spaces 5 days per week (Wednesday to Sunday), re-building our commercial revenues and increasing our cost base/ allocating resources in line with secure funding levels. Alongside the need to ensure the organisation retains strong financial discipline and the ability to manage in what continues to be a very uncertain, fast changing operating environment, we have prioritised funding for innovation as a key strategic imperative.

Despite a number of challenges with COVID restrictions and the Omicron variant over Christmas, overall we delivered a strong result that sets us up well to move forward optimistically as audiences return and restrictions, we hope, become a thing of the past.

An outline of our financial performance in the year is set out below in the Financial Review section.

The Southbank Centre is committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and business practices. We acknowledge that we need to make a rapid reduction in our overall carbon footprint across all of our operations.

During 2021 we completed our carbon footprint baseline calculation, using 2019 data and developed, with external expertise, a high level gap analysis and draft roadmap for carbon reduction. Our biggest impact areas are energy and carbon emissions, procurement of materials and goods, waste, transport and the activities of our commercial tenants. These areas therefore form the priority focus of our strategy going forward.

During the year we shared the findings of our baseline calculation and gap analysis with staff. We held internal workshops focused on specific areas of operating and collaborated with stakeholders and neighbours, joining the Lambeth Climate Action Partnership. Our focus on securing specialist expertise in energy and waste management will determine key areas for investment in the immediate and medium term. We do not under-estimate the challenges and cost of improving the sustainability of legacy listed buildings and, alongside a reset of targets (September 2022), we are developing a funding model for capital investment longer term.

Streamlined Energy and Carbon Reporting (SECR) Summary Report for Southbank Centre

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

Southbank Centre (SBC) meet SECR qualification criteria in the UK. SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2021 – 31st March 2022. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK.

Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 19,921,741 kWh and 3,905 tonnes of CO₂e respectively in the 2021 financial year in the UK. In their 2021 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,807 tCO₂e.

SBC have chosen 'Tonnes of CO₂e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2021 was 143.3 tCO₂e/m£ compared to 36.4 CO₂e/m£ in 2020. The increase in energy usage and carbon emissions from 2021 was due to the re-opening of the venue after the pandemic had closed its venues for much of 2020/21. The latest year's usage represents a reduction in total energy use by 16% and of total (market based) gross emission of 65% from 2019/20.

Below is the energy consumption and GHG emissions summary table as well as the table outlining the year on year analysis

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	11,412,072	2,098	53.7%
	Company Fleet	0.0	0.0	0.00%
	Subtotal	11,412,072	2,098	53.7%
Indirect (Scope 2)	Electricity	8,509,669	1,807	46.3%
	Subtotal	8,509,669	1,807	46.3%
Indirect Other (Scope 3)	Grey Fleet	0	0	0%
	Subtotal	0	0	0%
Total Energy Use (kWh)				19,921,741
Total (location based) Gross Emissions (tCO ₂ e)				3,905
Renewable Electricity (tCO ₂ e)				1,807
Total (market based) Gross Emissions (tCO ₂ e)				2,098
Gross Turnover (m£)				27.3
Tonnes of Gross CO ₂ e per m£				143.3

Southbank Centre is investing significantly over the next few years to reduce E,F and G properties down to a D rating. The aim over the next 5 years is to reduce our carbon footprint by 50%.

Within the 2020/ 2021 financial year, the following energy efficiency measures were implemented:

- Adjusted Hvac plant time schedules to reflect the new 5 day event week model
- Replace the HG Humidifier
- Replace our emergency light UPS systems
- Upgrade our Luron lighting control system

It is expected that 7,105,000 kWh energy is going to be saved over the next 5 years through these energy efficiency measures.

Type of Emissions	Units	2021/2022	2020/2021	YOY % Change
Direct (Scope 1)	(kwh)	11,412,072	3,025,474	277.3%
	(tCO ₂ e)	2,098	556	277.3%
Indirect (Scope 2)	(kwh)	8,509,669	3,262,854	160.8%
	(tCO ₂ e)	1,807	761	137.5%
Indirect Other (Scope 3)	(kwh)	0	2,6150	-100%
	(tCO ₂ e)	0	1	-100%
Total Energy Use (kWh)		19,921,741	6,290,043	216.7%
Total Gross Emissions (tCO ₂ e)		3,905	1,317	196.5%
Renewable Electricity (tCO ₂ e)		1,807	761	137.4%
Total Net Emissions (tCO ₂ e)		2,098	556	277.4%
Tonnes of Gross CO ₂ e per £m		143	36	293.8%

**In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market-based reporting approach can also be used when companies have entered into contractual agreements for renewable electricity (e.g. REGO's). Reporting on renewable energy and associated emissions is not a mandatory requirement under the SECR legislation but it is possible for organisations to use dual reporting if they wish to reflect their consumption of renewable energy. In this SECR a dual reporting approach has been used to take account for both location based and market based reporting.*

FUTURE PLANS

Set out below is an outline of the key outcomes we are seeking to deliver against each of our strategic priorities in 2022/23. Each outcome is monitored and reviewed by the Board twice a year.

Innovation & Dynamism

We innovate all the time, in all that we do, in all our spaces, physical and digital. We are dynamic and flexible in the way we face challenges of the future. We always look for innovative ways of working. We strive for excellence in everything we do.

Ambition/Outcomes: World-class artists choose to perform here. We will be recognised for our groundbreaking artistic programme, in all our spaces, physical and digital. We are a place where people want to come to work.

Launch Purcell sessions: Support Artists across all artforms, representing the diversity of London, to experiment and develop innovative, interdisciplinary practice. Achieve a consistently high attending audiences of 80% capacity. Creating a new recognisable brand, whereby new and emerging Artists approach SC as their partner of choice.

Extend site design strategy/ free activity on site: Investing £250k in an expanded free outdoor and Clore Ballroom offer. Investing in commissioning installations and projects that can be presented at venues across England.

Invest in digital and develop new platforms: Launch our own Broadcast/Streaming channel in September 2022, with Meltdown 2022 or other impactful new content. Commission our first digital-first project for the Metaverse.

New artistic vision for a new era, begin refreshing artistic strategy: Develop the 2023/24 artistic programming strategy and communicate key changes to stakeholders, including ACE and partners by December 2022

Develop and begin to implement refinements to the Artistic Programme for sustainability: Review committed programming (Visual Arts and Performance) between now and 2024 in workshops to reduce carbon impact, with key actions. Use learnings to inform new programming choices selected and planned for 2025 onwards.

Audiences & People

Democratic access for all is our founding and our guiding principle. We are always extending our reach and relevance. We are a truly modern arts centre which is representative of Lambeth, London and the wider UK.

Ambition/outcomes: We will curate, schedule, plan and develop our activity, our site and how we engage, so we inspire people from all walks of life and throughout their lives. We understand our audiences better and we're ambitious about opening up access to new diverse audiences. We develop the talent of tomorrow.

Embed values and org strategy in teams and team objectives with improved internal comms: Create and embed a new set of shared values with a programme of work involving all staff with values being published and shared more widely both internally and externally by September 2022. Review employee objective setting process (April 2022) to align new priorities strategically into individual objectives. Developing Board Engagement Series (22/23)

Implement EDI and staff development strategy with clear agreed priorities: Launch new expanded monitoring survey for staff to improve our knowledge and understanding of our workforce, alongside tracking and publishing our gender & ethnicity pay gap. Investing in work placements, launching pilot shadowing scheme and introducing leadership and management support/development framework (22/23)

Optimise use of seating/spaces - Review low cost tickets strategy to expand access to our best cultural programming: Make at least 5% of tickets for all programming available to low-income groups. Explore partnerships to extend the reach of our free/low cost offer with Student Pulse, Tickets for Good and Speakers for School's Youth Card.

Create benchmarks to measure artistic excellence/quality/ as well as audience volume:

Embed principles of ACE Impact and Insight toolkit alongside peer to peer evaluation, focusing on 6 key identified areas in 2022/23

Develop capability for better audience data capture: Partner with neighbours to secure more robust footfall data and revamp regular short surveys with all visitors to develop insight. Expand a Data and Insight team to strengthen capabilities, and embed insights across the organisation.

Develop new staff working groups to contribute to strategy and new ways of operating:

Establish a Sustainability network. Introduce Ideas and Innovation breakfasts, open to all staff. Use cross departmental groups to work up initiatives eg: around key areas of investment and operating.

Collaboration

Partners and Artists are critical to our success and central to our way of working. Artistic/ tech/ commercial and cross-sector partnerships as well as community and venue partnerships across the UK and the world.

Ambition/outcomes: We will expand our work across the UK (levelling up) and the world (Global Britain). We will collaborate with those that are most innovative/world class. We will be sector-leading and good allies.

Assess and evaluate all existing partnerships against an agreed framework of value & potential:

Create a new framework to define future expected outcomes. Reassess all associate artists and partner relationships against this framework. Create space for new associates and partners.

Open up SC for community/audience curation. Assess all current community partnerships:

Form an Arts and Wellbeing Lived Experience Advisory Group to help shape our Arts and Wellbeing programme. Our family programme and in particular the Imagine Festival for 2023, will be informed by input from families in our local community.

Re-calibrate partnerships in classical music in order to develop the cultural offer: Implement new Orchestral Strategy, with funding of £300k and diary dates ringfenced to support new work and attract new audiences.

Develop new tech partnerships to drive digital ambition: Create and appoint new senior Artistic Innovation role. Develop and collaborate with key tech partners to explore opportunities to shift SC into the metaverse, extend our reach and support artists and performers across the UK. NDA signed with the first potential partner.

Develop new partnerships inside and outside London and UK: Review activity which could be relocated/co-located outside of London and update ACE in Q3 2022.

Resilience & Sustainability

We are resilient and our organisation is stable. We make agile use of our resources so that we can invest for the long term future of SC. We are environmentally responsible in everything we do.

Ambition/outcomes: We will be future relevant. Financial resilience means we have the ability to invest in artistic ambition, innovation, developing our spaces and our people. We have a clear roadmap on sustainability to 2030. We will deliver our business plan. We will transform the RFH to become a more sustainable, innovative, civic space for the next era.

Optimise (rather than maximise) activity levels within new operating model. Monitor audience behaviour and income levels. Calibrate resource levels: Undertake a formal review in September 2022, with a focus on emerging audience behaviour and future income visibility. Manage inflation risks.

Deliver business plan (CRF obligations and new 3 year ACE grant) which affords the ability to invest and replenish innovation funding: Ensure SC hits the reserve target level set out in the CRF model, alongside protecting ongoing confirmed innovation and capital spend levels.

Develop data plan across the org and KPI's/ Insight to track delivery of ambitions and outcomes of Strategic Principles: Establish a framework for data collection and insight across the organisation, with a focus on evidence based impact. Develop and embed KPI's across the organisation February 2023 (to coincide with budget 2023 approval) and recruit resource to support.

Develop new commercial opportunities: Secure a portfolio of high value, high profile events, complementary to cultural offer that attracts new audiences. Secure income targets for the next 3 years, alongside reviewing space utilisation to open up new opportunities.

Develop roadmap to sustainability 2030: Complete high level roadmap, reviewing target net zero date by September 2022, embedding sustainability throughout the organisation, with a shared understanding. Recruit sustainability lead in June 2022.

Develop RFH masterplan, including funding model for capex investment longer term: Deliver a new master plan for RFH 75th redevelopment by December 2022, with the ambition to commence staged 3 year refurbishment; beginning in April 2023/24.

FINANCIAL REVIEW

The results for the year reflect the increase of activity and audiences in line with the easing of COVID-19 restrictions. This was the first year of implementing our new operating model designed to ensure artistic agility and innovation whilst maintaining financial sustainability and resilience. Our ability to reopen in such an uncertain economic environment was underpinned by the Culture Recovery Fund repayable finance received in 2021.

Albeit short of pre-pandemic levels, the reopening attracted significant audiences, visitors and commercial activity in line with our most optimistic scenario. Total income increased by £6.855m from 2020/21 (2021/22 £43.155m; 2020/21 £36.300m) representing 71% of the income received in 2019/20.

The Royal Festival Hall and the Hayward Gallery reopened in May 2021 and together with the Queen Elizabeth Hall and Purcell Room the site returned to a full operating level in September 2021. The combination of increasing activity and growing audiences resulted in our artistic income increasing by £4.7m from 2020/21, representing 50% of the income achieved in 2019/20.

Development and grant income reduced in the year by £3.862m predominantly as a result of the end of the Coronavirus Job Retention Scheme that had contributed £4.897m to the total in 2020/21. Donations and sponsorships were broadly level with the prior year (2021/22 - £1.99m; 2020/23 £2.085m). The Arts Council England core grant increased by £338k as part of an inflationary uplift with additional grants received for specific projects.

Other trading income grew to £13.7m (2020/21 £8.5m), representing 75% of the income achieved in 2019/20. This includes events within the venues, concessions including restaurant leases, catering services and food market, memberships and other activity across the site. Commercial event income has proved relatively resilient post COVID as events returned from May onwards and is currently achieving targeted income levels. Our other commercial income in the summer was in line with pre-pandemic levels though winter activity was curtailed by the concerns over the Omicron variant. Retail income from our gift shops has been the slowest to return due to the level of activity and the impact of the Omicron variant in the December – March period though is now trading more successfully. The number of members grew by 6% during the year though total income reduced due to the timing of receipts that were weighted towards the second half of the year and phased over the year of membership.

The gradual re-opening of activity was reflected in a controlled increase in the cost base and a steady growth in staff numbers to reflect the gradual increase in the operation of the site. Total expenditure increased to £43m (2020/2021 - £37m), a 22% reduction from the total cost base in 2019/20.

We continued to invest surplus cash not required for operations with UK banks with terms of up to one year. All investments are cash deposits and the charity held no other investments.

We have continued to work with our on-site tenants to collect debts outstanding at 31 March 2021. Whilst we have been cognisant of the huge financial challenges they themselves have faced, over the year have been able to agree payments plans for the full sums due for all continuing leases. The total amount outstanding at 31 March 2022 was £1.9m (2021 - £2.4m net of £1.9m bad debt provision). Whilst we consider these to be recoverable in the current economic conditions, they remain contingent on the successful trading and financial viability of each restaurant group.

Our current assets reflect the collection of debts due and have reduced by £3m from 2021. The increase in current liabilities from £11.1m to £17.2m reflects the increase in activity between the two years and the consequent increase in trade creditors and advance box office income at year end.

Due to the closure to future accrual of the defined benefit section of the Southbank Centre Retirement Plan we are no longer recognising any asset in respect of the scheme's surplus under the valuation prepared under Section 28 of FRS 102 (see note 23). This resulted in the £500k loss of the defined benefit pension scheme recognised in the SOFA.

The overall net income of £706k was in line with our most positive scenarios and has allowed the release of the £4.3m fund reserved at 31 March 2021 in respect of potential deficit in 2021/22. As at 31 March 2022 our General Reserves comprised £7.9m in a General Fund. Following transfers in the year the

Strategic Investment Fund now totals £4.5m to provide investment in exceptional projects that deliver artistic ambition, digital innovation, inclusion, sustainability and financial resilience.

As we enter 2022/23 we have fully implemented our new operating model and this will be the first full year of operation. Whilst 2021/22 exceeded our expectations, it is clear that audiences and visitors are yet to return to pre-pandemic levels and we all now face the challenges of an increasingly inflationary environment.

We are planning on a positive basis and on the understanding there may be significant challenges to be overcome. We will continue to ensure that in the current ever changing environment our activity levels and cost base are appropriate for the level of revenue we are able to generate, funds are available to ensure artistic agility and innovation and we remain financially resilient and sustainable.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity aiming to ensure that 45% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 17 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and Southbank Centre is committed to policies which attract, retain and motivate high performing employees. Good and effective communications are particularly important and it is the Governors' policy to promote the understanding by, and the involvement of all employees in Southbank Centre's aims and performance of all its activities. This is achieved through regular internal briefings on Southbank Centre's performance and major developments.

Southbank Centre participates in the Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Pay negotiations are conducted within this Committee for all staff.

We are members of the London Living Wage Foundation and staff are paid the London Living Wage as a minimum and automatically receive an increase in line with this each year. We continue to benchmark salaries with other cultural organisations whenever roles are vacant.

From 1 May 2022 we have revised our pension arrangements to ensure equity across all staff. For staff earning below £16,620 per annum the Southbank Centre makes a contribution of 5% without requiring any contribution from the employee. This is designed to enable all our staff to take advantage of our pension arrangements.

The Southbank Centre is striving to promote equality and diversity in all areas of employment including recruitment and selection, training, development, and promotion. The Southbank Centre is engaged with a number of diversity initiatives and partnerships in order to achieve these aims.

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we are a Disability Confident Employer. We are committed to ensuring our recruitment process is inclusive and accessible; offering an interview to disabled people who meet the minimum criteria for a job; anticipating and providing reasonable adjustments as required; and supporting any existing employee who acquires a disability or long-term health condition.

Pay policy for key management personnel

The People Committee membership is made up of a minimum of four Governors of the Southbank Centre who meet twice a year to consider the following matters:

- to oversee the pay, performance and particular employment terms of the Chief Executive
- to oversee the performance and bonuses for senior staff eligible for bonuses.
- to ensure Southbank Centre has a fair, robust and defensible reward strategy for all staff that is in line with other arts organisations.

It is a condition of the CRF Repayable Finance scheme that the Charity operates pay restraints until at least September 2022. This includes imposing a pay freeze for all Executive Leadership Team employees at pre-COVID-19 levels and a 10% reduction in remuneration to the pre-COVID-19 remuneration packages for all employees contracted to receive above £150,000 per annum. Salary reductions in excess of the required 10% were again volunteered this year by the Chief Executive and Chief Operating Officer.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 44-45 of these financial statements.

Reserves Policy

The charity's reserves fall into two main categories: restricted funds which may legally be used only for the purposes specified by the donor, and unrestricted funds which are free for use for any of the purposes of the Charity as set out in the governing document.

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area.

Planned level of unrestricted reserves

The Charity budgets to deliver its charitable objectives while ensuring financial stability through aiming to keep adequate, but not excessive, levels of unrestricted reserves. It makes this assessment by looking at future cash requirements and setting annual budgets which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency based on an assessment of operational risk.

The Board has reviewed its Reserves Policy in the light of the remaining challenges left by the pandemic and considers reserves of 8 weeks of full operating turnover would provide sufficient financial resilience for the organisation at this time. On 31 March 2022 the balance of General Reserves is £7.9m (2021: £11.5m) from a General Fund which approximates this level.

Designated Reserves

As of 31 March 2022 Southbank Centre held two designated reserves:

(i) Capital and Revaluation Reserve (£214.8m)

The purpose of this reserve is to reflect costs relating to capital projects (including interest) and depreciation on funded assets and funds designated for future capital projects and maintenance. Income and expenditure are allocated to this reserve if they relate to capital purchases which have been funded by grants and donations whose restricted terms have been fulfilled. In addition, the reserve reflects the balance of surplus or deficit from the revaluation of Land and Buildings.

From time to time surpluses are also allocated to this reserve to fund future asset purchases. Southbank Centre reviews its reserve levels in order to ensure sufficient future liquidity for its plans, including capital expenditure and major capital projects. The level of transfers to and from this reserve is budgeted to reflect this.

(ii) Strategic Investment Fund (£4.5m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to 2022/23 and 2023/24.

Going Concern

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

Southbank Centre re-opened its venues in May 2021 with increasing activity until September 2021 when Southbank Centre started to fully implement its new operating model. The trading position up to March 2022 was in excess of our expectations though is still to reach pre-COVID levels. There remains significant risks from any restrictions or reduced demand from any recurrence of COVID or reduction in confidence due to the current inflationary environment. The Charity has modelled various scenarios in order to assess the impact of any likely variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve level in order to operate.

Southbank Centre substantially relies on funding by grants from Arts Council England and is one of Arts Council England's National Portfolio Organisations funded via a funding agreement. The year ended 31 March 2022 was the last year of a four year agreement. Due to COVID-19, the funding cycle was extended for a further year until 31 March 2023. Southbank Centre has recently submitted an application to continue as a National Portfolio Organisation for the next three year period commencing 1 April 2023. Any significant variation in funding will require us to review our activity level and operations to ensure that Southbank Centre remains financially sustainable within the income levels earned by the organisation. These financial statements have been prepared upon the expectation that Southbank Centre will continue to receive the current level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. The year ended 31 March 2022 was the last year of a four year agreement. Due to COVID-19, the funding cycle was extended for a further year until 31 March 2023. Southbank Centre has recently submitted an application to continue as a National Portfolio Organisation for the next three year period commencing 1 April 2023.

Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations.

The Funding Agreement with Arts Council England requires Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at Southbank Centre and is invited to attend Southbank Centre's board meetings.

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce each risk to a level which the Governors consider to be acceptable. Twice annually, Governors review the Risk Register prepared by management to ensure that it is comprehensive and to assess actions to mitigate those risks.

The following are the major risks identified that are specific to Southbank Centre:

Implications of COVID-19

Coronavirus had a significant impact on the Southbank Centre affecting its ability to meet its charitable objectives and a significant impact on the financial stability of the organisation and the working lives of employees. Whilst we have been successful in attracting audiences and commercial activity back to the

Southbank Centre so that the current trading position is positive we are aware that further restrictions may be imposed or reductions in demand suffered due to a recurrence of COVID-19.

We continue to monitor our performance and take necessary actions to ensure that we maintain an activity level appropriate to anticipated funding levels and audience demand. We will continue to operate with a significant level of reserves.

Reputation

Southbank Centre presents a world class range of activity across the site. Damage to the Southbank Centre's reputation either through reduction in artistic quality or the ability to provide a venue of excellence has the potential to impact the ability to attract artists and audiences to the site and a consequential impact on the ability to meet charitable objectives, obtain funding and generate audience and commercial income.

This risk is managed by having a process in place to review and approve both Southbank managed and third party events held on site, working with our resident orchestras and reviewing current business plans and strategies with Arts Council England.

Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London. In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

Financial Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation due to the wider economic environment and Government policy.

The current inflationary environment presents challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

Financial risk is mitigated through a reserves policy which is reviewed and approved by the Board as well as an annual budget setting process. During the COVID-19 period, we have reviewed our cost base and seek to ensure the operating budgets are appropriate to expected income levels,

Safeguarding

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults. Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to all members of the Committee DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by an external specialist. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

Health and Safety

The Southbank Centre operates on a 11 acre site with over xm visitors to the site and x artistic and commercial events per annum. The ability to ensure the safety of all or visitors, staff and artists can be compromised through a terrorist incident, fire, failure of equipment, tenant activities and public order incidents and could have legal, reputational and financial ramifications.

These risks are managed by having comprehensive Health and Safety and Counter Terrorism processes including training, investigation and regular reporting to the Finance Audit and Risk committee near misses and incidents, and audits of our Counter Terrorism procedures.

Data

Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information.

Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders.

Southbank Centre is in the process of applying for Cyber Essentials + accreditation and expects to be accredited by December 2022.

Arts Council England Funding

Southbank Centre has submitted an application to continue as a Arts Council England National Portfolio Organisation for the three year period from 1 April 2023. The result of this application will be known in October 2022.

Southbank Centre has planned on a constant level of funding from ACE. Any significant variation in funding will require us to review our activity level and operations to ensure that Southbank Centre remains financially sustainable within the income levels earned by the organisation.

Legal Framework

Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. Southbank Centre was formed by a deed of trust on 31 March 1988. Its main objects are stated below and there have not been any changes to these during the year. As trustee of Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Digital, Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has three wholly owned subsidiaries which it holds on behalf of Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited by guarantee. The Charity Commission issued a uniting direction for registration purposes for Southbank Centre (charity 298909) and South Bank Foundation Limited (charity 1054105) in October 2004.

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 24 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustee Limited acts as the Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

The Board of Governors, who are directors of Southbank Centre Limited (the sole corporate trustee), are not remunerated for their services and have delegated management of Southbank Centre's operational affairs to a Chief Executive and a Senior Leadership Team who attend Board meetings but are not entitled to vote.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has five sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People; Nominations; Development; and Property, Commercial and Sustainability. A Committee covering the development of audiences and the impact of Southbank Centre's activities will be introduced during the current year.

The Board supports the principles of good governance as set out in the Charity Governance Code for larger charities and also the continuous improvement model which the Code promotes.

As part of its forward succession planning the Board has prepared a diversity plan linked to the skills needed to support the Executive Leadership Team in delivering a new strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board.

The Board has also widened and strengthened the Terms of Reference of the Nominations Committee both to oversee the changes in Governance practice but also ensure continuous improvement.

Internal Financial Control

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's Finance Audit and Risk Committee, whose members are all non-executive. The Committee reviews the effectiveness of Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chair.

The Governors have delegated implementation of the system of internal financial control at Southbank Centre to senior staff. The system is based on a framework of regular management information, financial regulations, administrative procedures for segregation of duties, and a system of delegation and accountability, including:

- Comprehensive annual budgets
- Monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- Targets set to measure financial and other performance
- Clearly defined capital expenditure control guidelines.

Internal audit work is completed in line with an analysis of the risks to which Southbank Centre is exposed. Internal audit plans are endorsed by the Finance Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2022 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Annual audit

The annual audit of Southbank Centre is carried out by Crowe U.K. LLP, who express an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament.

In so far as the Governors are aware:

- There is no relevant audit information of which the Charity's auditor is unaware.
- They have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fundraising statement

Our aim is always to ensure we raise funds from the public in a respectful and compelling way that is consistent with our values.

Our fundraising is carried out by our in-house fundraising teams and there are no arrangements for others to act on our behalf as professional fundraisers or commercial participators.

Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. We have procedures in place to ensure our staff and volunteers comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

Southbank Centre did not receive any complaints about fundraising activities carried out.

Southbank Centre recognises the need to protect vulnerable people and ensures that no donation is sought or gained from someone who may not have the capacity to make an informed or considered decision. Southbank Centre does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present.

Political and Charitable Donations

During the year Southbank Centre did not make any donations to political parties or charities.

Insurances

During the year Southbank Centre maintained liability insurance cover for the Governors of the Board, for the Trustees of the South Bank Centre Retirement Plan, for the Executive Directors and for the in-house solicitor against the consequences of neglect or fault on their part in performance of their respective duties and functions. Southbank Centre also held insurance cover for the operation of its commercial vehicles, business travel and, when required, for works of art on loan from third parties. Limited Public Liability and Employers Liability insurance is held together with Business Interruption insurance in respect of commercial activities only. Apart from these insurances, Southbank Centre is self-insured by Treasury (as confirmed by an agreement with the Department for Digital, Culture, Media and Sport).

By Order of the Board

Misan Harriman

Misan Harriman (Jul 19, 2022 14:53 GMT+1)

Misan Harriman
Chair
19 July 2022
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and of the charity for that period. In preparing these financial statements, the trustee 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.
- State whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities

(Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
London

19 July 2022

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2022

	Note	Unrestricted Funds		Restricted Funds		Total Funds	
		Operations £'000	Designated £'000	Project £'000	Capital £'000	2022 £'000	2021 £'000
INCOME FROM:							
Donations and legacies	2	19,855	-	2,548	350	22,753	26,615
Charitable Activities	3	5,747	-	-	-	5,747	1,057
Other Trading Activities	4	14,603	-	-	-	14,603	8,501
Proceeds from sale of fixed assets		-	-	-	-	-	-
Investments	5	52	-	-	-	52	27
TOTAL		40,257	-	2,548	350	43,155	36,200
EXPENDITURE ON:							
Raising funds	9	1,025	34	-	-	1,059	1,054
Charitable activities	9	29,419	5,435	2,304	-	37,158	29,789
Other	9	3,637	594	-	-	4,231	6,377
TOTAL		34,081	6,063	2,304	-	42,448	37,220
Net (expenditure)/income before transfers		6,176	(6,063)	244	350	707	(1,020)
Transfers	19	(9,776)	10,126	-	(350)	-	-
Other recognised (losses)/gains							
Actuarial (loss)/gain on defined benefit pension schemes	23	-	(500)	-	-	(500)	(800)
Gain/(Loss) on derivative financial instrument		-	1,026	-	-	1,026	429
Net Movement in funds		(3,600)	4,589	244	-	1,233	(1,391)
Fund balances brought forward at 1 April 2021		11,482	214,730	792	-	227,004	228,395
Total funds carried forward at 31 March 2022		7,882	219,319	1,036	-	228,237	227,004

All of the above results are derived from continuing activities.

The notes on pages 34 to 59 form part of these financial statements.

The financial statements have been prepared in accordance with FRS 102.

Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

SOUTHBANK CENTRE BALANCE SHEETS

As at 31 March 2022

	Notes	Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible assets	11	230,627	236,749	230,627	236,749
Intangible assets	12	252	433	252	433
Investments	14	16,029	12,001	12,029	12,001
Total fixed assets		246,908	249,183	242,908	249,183
Current assets					
Stocks of consumables and goods held for resale		292	286	45	54
Debtors - due within one year	15	6,344	9,296	9,703	9,279
Cash and cash equivalents		20,829	11,713	16,075	9,363
Total current assets		27,465	21,295	25,823	18,696
Liabilities					
Creditors: amounts falling due within one year	16	(17,202)	(11,098)	(15,904)	(10,237)
Net current assets		10,263	10,197	9,919	8,459
Total assets		257,171	259,380	252,827	257,642
Creditors: amounts falling due after one year	18	(28,934)	(32,876)	(28,934)	(32,319)
Net assets excluding pension liability		228,237	226,504	223,893	225,323
Defined benefit pension asset / (liability)	23	-	500	-	500
Total net assets		228,237	227,004	223,893	225,823

THE FUNDS OF THE GROUP

As at 31 March 2022

	Notes	Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Unrestricted income funds					
General reserves	19	7,882	11,482	3,538	10,301
Designated funds	19	219,319	214,230	219,319	214,230
Pension reserve	23	-	500	-	500
		<u>219,319</u>	<u>214,730</u>	<u>219,319</u>	<u>214,730</u>
Total unrestricted income funds	19	<u>227,201</u>	<u>226,212</u>	<u>222,857</u>	<u>225,031</u>
Restricted income funds					
Projects fund	19	1,036	792	1,036	792
Total restricted income funds	19	<u>1,036</u>	<u>792</u>	<u>1,036</u>	<u>792</u>
Total group funds	19	<u>228,237</u>	<u>227,004</u>	<u>223,893</u>	<u>225,823</u>

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £36,735k (2021 gross income: £40,780k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £2,458k (2021 net expenditure: £4,779k).

The notes on pages 34 to 59 form part of these financial statements.

The financial statements on pages 30 to 33 were approved by the Board of trustees and signed on its behalf by

Misan Harriman

Misan Harriman (Jul 19, 2022 14:53 GMT+1)

Misan Harriman
Chair
19 July 2022

SOUTHBANK CENTRE
 CONSOLIDATED STATEMENT OF CASH FLOW
 As at 31 March 2022

	Note	2022 £'000	2021 £'000
Net cash inflow from operating activities		17,066	1,587
Net cash generated from operating activities		<u>17,066</u>	<u>1,587</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(1,881)	(1,408)
Purchase of intangible fixed assets	12	(10)	(189)
Investments	14	(4,028)	(3,996)
Sale of tangible fixed assets		-	16
Interest received	5	52	27
Cash used in investing activities		<u>(5,867)</u>	<u>(5,550)</u>
Cash flow from financing activities			
Loan received		-	10,911
Repayment of loan		(978)	(288)
Interest expense		(1,105)	(969)
Cash generated (used in) / from financing activities		<u>(2,083)</u>	<u>9,654</u>
Net (decrease) / increase in cash and cash equivalents		<u>9,116</u>	<u>5,691</u>
Cash and cash equivalents at the beginning of the year		11,713	6,022
Cash and cash equivalents at the end of the year		20,829	11,713
Net (outgoing) / incoming resources before transfers		707	(1,020)
Interest received	5	(52)	(27)
Interest paid	7	1,105	969
Depreciation and amortisation charge	11, 12	8,108	8,318
Loss/(Gain) on FA disposal		85	16
Impairment of Intangible Fixed Assets	12	-	-
(Increase)/Decrease in stock		(6)	83
Decrease/(increase) in debtors	15	2,952	(2,870)
(Decrease)/ increase in creditors	16, 18	4,167	(3,882)
Retirement benefits movements	23	-	-
Net cash inflow from operating activities		<u>17,066</u>	<u>1,587</u>

SOUTHBANK CENTRE NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 in July 2014 (SORP) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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'.

b) *General Information*

Southbank Centre is a registered charity (Registered Charity No. 298909) and is incorporated and domiciled in the United Kingdom. The address of its registered office is Belvedere Road, London, SE1 8XX.

c) *Summary of significant accounting policies*

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

d) *Going Concern*

The Governors are required to consider whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements.

Southbank Centre re-opened its venues in May 2021 with increasing activity until September 2021 when Southbank Centre started to fully implement its new operating model. The trading position up to March 2022 was in excess of our expectations though is still to reach pre-COVID levels. There remains significant risks from any restrictions or reduced demand from any recurrence of COVID or reduction in confidence due to the current inflationary environment. The Charity has modelled various scenarios in order to assess the impact of any likely variability in demand or increases in its cost base.

Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we maintain an appropriate reserve level in order to operate.

Southbank Centre substantially relies on funding by grants from Arts Council England and is one of Arts Council England's National Portfolio Organisations funded via a funding agreement. The year ended 31 March 2022 was the last year of a four year agreement. Due to COVID-19, the funding cycle was extended for a further year until 31 March 2023. Southbank Centre has recently submitted an application to continue as a National Portfolio Organisation for the next three year period commencing 1 April 2023. Any significant variation in funding will require us to review our activity level and operations to ensure that Southbank Centre remains financially sustainable within the income levels earned by the organisation. These financial statements have been prepared upon the expectation that Southbank Centre will continue to receive the current level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have prepared the financial statements on a going concern basis.

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 24 for details on the results of Southbank Centre Enterprises Limited.

Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation.

f) *Income Recognition*

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The grant received from Arts Council England is recognised within income in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

Donations and sponsorship are included as income when they are receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Funding for assets under construction is credited to incoming resources when receivable.

Income from other trading activities comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the group earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued. Amounts received in respect of Creative Tax Reliefs are included as income for the relevant activity when receivable.

g) *Expenditure and resources expended*

As with income, expenditure is recognised as incurred in the financial year of the particular activity to which it relates. Resources expended are included in the Statement of Financial Activities on an accruals basis, and are classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the group's activities have been allocated to those activities using an appropriate basis. Cost allocation includes an element of judgement and consideration has been given to the cost benefit of detailed calculations and record keeping.

Costs of Raising Funds are those incurred by the Development department for the purposes of the group.

Retail and trading costs are those incurred in the running of commercial activities on the estate. Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 10 - Allocation of Support Costs

h) *Taxation*

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

1 Statement of Accounting Policies (continued)*j) Employee Benefits*

The Group provides a range of benefits to employees, including holiday pay, annual bonus arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

For defined contribution plans the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

iii) Defined benefit pension plans

Southbank Centre contributes to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan), in which there are defined benefit and defined contribution sections. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation is calculated using the projected unit credit method. Annually Southbank Centre engage independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit pension plan'.

The cost of the defined benefit plan, recognised in Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the Statement of Financial Activities as finance expense.

k) Leases

- i) Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All

1 Statement of Accounting Policies (continued)*k) Leases (continued)*

other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight line basis over the life of the lease.

ii) Where income is receivable under retail unit or similar lease agreements, the basic element is recognised on a straight line basis over the period to the next rent review, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates.

l) Fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at depreciated replacement cost as at 1 April 2014 with additions since that date included at cost. All other land and buildings have been stated at cost.

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. New additions have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.

iii) Assets in the course of construction are held at cost and are not depreciated.

iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than one year and value greater than £1,000 are capitalised. All intangible assets are measured at cost.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences	the contractual period
Website	4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage assets

Southbank Centre maintains the following types of heritage assets:

- The Southbank Centre Collection of artwork and sculptures that have been gifted to Southbank Centre.

- The Southbank Centre Archive which aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre.

- The National Poetry Library, the most comprehensive and accessible collection of modern poetry in Britain.

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, they contribute to knowledge and culture through its retention and use and is accessible to the public for viewing and/or research.

1 Statement of Accounting Policies (continued)*n) Heritage asset (continued)*

Acquisitions to Southbank Centre's heritage assets are made by donations or purchase. Southbank Centre may occasionally dispose of assets from its collections if the Trustee believes this is in the best interest of Southbank Centre and this is not deemed to compromise the integrity of the collections.

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection. Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell and comprise catalogues and other goods held for resale. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the net realisable value. There is no material difference between the value of stock as stated and the replacement cost of this stock.

p) Impairment of tangible and intangible assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset."

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

1 Statement of Accounting Policies (continued)

r) Funds (continued)

At year-end the levels of funds are reviewed and transfers are made between funds to reflect where donor requirements on restricted funds utilised for capital purchases have been met, and a change in the level of designated funds is deemed appropriate.

s) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Group has taken reduced disclosure exemptions for Sections 11 and 12 FRS 102.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Southbank Centre uses derivative financial instruments to reduce exposure

1 Statement of Accounting Policies (continued)

- s) Financial instruments (continued)
to interest rate movements. Southbank Centre does not hold or issue derivative financial instruments for speculative purposes.

Derivatives including interest rate swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The swaps are derecognised when the liability are extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the SOFA.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

- t) Critical accounting judgements and key source of estimation uncertainty

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

1 Statement of Accounting Policies (continued)

t) Critical accounting judgements and key source of estimation uncertainty (continued)

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2022, this has been treated as Creditors falling due after one year.

2 Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Donations and sponsorships	1,094	896	1,990	2,085
Arts council grant	18,698	1,652	20,350	19,627
Funding for asset construction	-	350	350	6
Other grant income	63	-	63	4,897
Total	19,855	2,898	22,753	26,615

Other income comprises of the Job Retention Scheme Grant of £63k (2021: £4,828k) and COVID Local Support Grant income of nil (2021: £69k).

3 Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Artistic activities				
Ticket Income	3,456	-	3,456	587
Artistic rentals	1,819	-	1,819	420
Other income	472	-	472	50
Total	5,747	-	5,747	1,057

4 Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Other Trading Activities				
Retail sales	1,061	-	1,061	329
Concessions	7,238	-	7,238	5,778
Hall and space rentals	2,551	-	2,551	594
Memberships and subscriptions	764	-	764	946
Other income	2,989	-	2,989	854
Total	14,603	-	14,603	8,501

5 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Interest receivable	52	-	52	27
Total	52	-	52	27

6 Net Income / (Expenditure)

	2022 £'000	2021 £'000
Net income/ (expenditure) is stated after charging (crediting):		
Operating lease charges	173	173
Depreciation and amortisation charge on assets	8,108	8,318
Auditors' remuneration for audit services (Southbank Centre)	60	75
Auditors' remuneration for audit services (Enterprises)	7	6
Losses on foreign exchange differences	5	2
Impairment losses	-	-
Income from Creative Tax reliefs included within income from charitable activities	(270)	(112)
Bad debt expense	(923)	1,062

7 Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Interest expense	1,105	-	1,105	969
Total	1,105	-	1,105	969

8 Staff Costs

	2022 £'000	2021 £'000
Employee costs amounted to:		
Wages and salaries	11,709	13,530
Social security costs	1,116	1,137
Pension costs	645	793
Total	13,470	15,460

Costs relating to terminations in the year are included in the above and were £26k (2021: £1,284k) of which Nil (2021: £14k) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2021: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2022 No.	2021 No.	2022 No.	2021 No.
Raising Funds	12	12	12	11
Charitable Activities	97	112	88	101
Other	21	29	18	24
Support	229	307	173	209
	359	460	291	345

Visitor Experience staff who staff all of our venues are included within support staff.

Higher paid employees received remuneration, including redundancy payments but excluding pension costs, within the following bands:

	2022 No.	2021 No.
£60,000 - £69,999	12	6
£70,000 - £79,999	1	2
£80,000 - £89,999	1	3
£90,000 - £99,999	3	1
£100,000 - £109,999	2	-
£110,000 - £119,999	-	1
£130,000 - £139,999	1	1
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
	21	15

Of these 21 (2021: 15) employees, Southbank Centre paid pension contributions of £70,103 for 13 employees (2021: £46,352; 9 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee £19,954 (2021: £7,261; 1 employee) who was a member of the defined benefit section of the pension scheme and £12,633 was paid for 6 members of the auto-enrolment pension scheme (2021: £7,841; 4 employees).

In February 2022 the leadership structure was simplified to an Executive Leadership Team of 5 staff whose total remuneration in the year was £480k. The remuneration of the staff who were members of the Senior Leadership Team or Executive under the previous leadership structure totalled £1.3m, 17 staff (2021 18 employees, £1.28m) for the entire year. The Southbank Centre paid £9k in pension contribution for the 5 members of the Executive Leadership Team, £72k under the previous structure (2021: £62k) and £61k in Employers National Insurance Contribution, £154k under the previous structure (2021: £139k).

In recognition of the continuing impact of COVID-19 on Southbank Centre, the Chief Executive volunteered to cap her total remuneration for the year to 31 March 2022 to £154k, a 39% reduction of pre COVID remuneration (2021 £147k).

9 Total Resources Expended

	Direct Costs £'000	Support Costs £'000	2022 £'000	2021 £'000
Costs of raising funds	569	490	1,059	1,054
Expenditure on charitable activities	10,161	26,997	37,158	29,789
Other	1,136	3,095	4,231	6,377
	<u>11,866</u>	<u>30,582</u>	<u>42,448</u>	<u>37,220</u>

Other includes interest payable of £1,105k (2021: £969k) (note 7).

10 Allocation of Support Costs

	Management & Admin £'000	Marketing & Comms £'000	Human Resources £'000	Operations £'000	Depreciation & Disposals £'000	2022 £'000	2021 £'000
Costs of raising funds	208	107	44	85	46	490	580
Expenditure on charitable activities	3,705	1,917	670	13,449	7,256	26,997	24,457
Other	418	217	49	1,617	794	3,095	4,247
Total Support Costs	<u>4,331</u>	<u>2,241</u>	<u>763</u>	<u>15,151</u>	<u>8,096</u>	<u>30,582</u>	<u>29,284</u>

Support costs have been allocated to the charity's activities as follows:

Support Costs	Allocation Basis
Management and Administration	Direct spend on those activities
Marketing and Communications	Direct spend on those activities
Human Resources	Headcount
Operations	Floor area
Depreciation	Floor area
Governance	Estimated time spent on governance activities

Costs classified as governance relate to the general running of the charity and included operations of the Board of Governors and addressing constitutional, audit and other statutory matters. Governance costs are included within management and administration support costs and are made up of the following:

	2022 £'000	2021 £'000
Internal audit	22	6
External audit	67	63
Governors' indemnity insurance	14	15
Apportionment of staff costs	218	260
	<u>321</u>	<u>344</u>

11 Tangible Assets

Group and charity	Land & Buildings (Artistic) £'000	Land & Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Total £'000
<i>Cost</i>						
At 1 April 2021	256,764	26,647	260	8,181	6,950	298,802
Additions	517	-	165	38	1,161	1,881
Transfers	28	-	(201)	112	61	-
Disposals	-	-	-	(675)	(65)	(740)
At 31 March 2022	257,309	26,647	224	7,656	8,107	299,943
<i>Accumulated Depreciation</i>						
At 1 April 2021	42,304	8,847	-	5,561	5,341	62,053
Charge for the year	6,368	-	-	512	1,037	7,917
On disposals	-	-	-	(589)	(65)	(654)
At 31 March 2022	48,672	8,847	-	5,484	6,313	69,316
<i>Net Book Value</i>						
At 31 March 2022	208,637	17,800	224	2,172	1,794	230,627
At 31 March 2021	214,460	17,800	260	2,620	1,609	236,749

12 Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2021	795	795
Additions	10	10
Transfers	-	-
Disposals	-	-
At 31 March 2022	805	805
<i>Accumulated Amortisation</i>		
At 1 April 2021	362	362
Charge for the year	191	191
On disposals	-	-
At 31 March 2022	553	553
<i>Net Book Value</i>		
At 31 March 2022	252	252
At 31 March 2021	433	433

13 Heritage Assets

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. 90% of the collection in 2004 was valued at approximately £200,000. This collection has been built up over the last sixty years and no assets were acquired or disposed of over the last five years.

Southbank Centre aims to have the majority of the collection on display to the public around its site.

The Southbank Centre Archive

Southbank Centre Archive aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre. The Archive includes print material (programmes, leaflets and festival brochures), photographs, recordings of performances and events, general ephemera (tickets, gifts, promotional items, objects and artefacts), written or recorded memories, letters or postcards describing visits, employment or other experiences of the site. The archive is maintained by Southbank Centre's Archivist.

Poetry Library

The National Poetry Library houses the National poetry collection. The collection, dating from about 1914, consists mostly of poetry from the United Kingdom and Ireland, a large selection from English-speaking countries worldwide, poetry in translation, poetry by and for children, rap and concrete poetry. Audio and video facilities are available in addition to a large variety of magazines, press cuttings and ephemera.

The library contains over 100,000 items and is growing all the time. The library aims to hold all poetry titles published in the UK with a representation of works from other countries.

The library is funded by the ongoing support of Arts Council England.

Membership is free and the library is open 6 days a week. Opening hours on Tuesday is 12pm to 6pm and from Wednesday to Sunday 12pm to 8pm.

14 Investments

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash on Short Term	16,029	12,001	12,029	12,001
	<u>16,029</u>	<u>12,001</u>	<u>12,029</u>	<u>12,001</u>

15 Debtors: Amounts Due Within One Year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	2,276	3,902	1,664	3,495
Amounts owed by group undertakings	-	-	4,545	1,001
Other debtors	1,250	1,787	1,243	1,787
Prepayments and accrued income	2,818	3,607	2,251	2,996
	<u>6,344</u>	<u>9,296</u>	<u>9,703</u>	<u>9,279</u>

Trade debtors - Group is net of bad debt provision of £111k (2021: £1,984k), and Trade debtors - Charity is also net of bad debt provisions of £111k (2021: £1,959k).

16 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans and overdrafts	1,270	1,209	1,270	1,209
Trade creditors	4,198	822	3,965	773
Amounts owing to group undertakings	-	-	-	-
Advanced ticket sales	2,897	1,547	2,897	1,547
Accruals and deferred income	8,837	7,520	7,772	6,708
	<u>17,202</u>	<u>11,098</u>	<u>15,904</u>	<u>10,237</u>

Deferred income comprises amounts received for which the related service, project or expenditure, occurs in a future financial year.

17 Deferred Income

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred income brought forward	2,933	3,124	1,767	2,099
Deferred in the year	2,080	2,451	1,697	1,767
Released in the year	(2,220)	(2,642)	(1,611)	(2,099)
Deferred income carried forward	<u>2,793</u>	<u>2,933</u>	<u>1,853</u>	<u>1,767</u>

18 Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans	27,400	28,440	27,400	28,440
Derivative financial instrument	1,432	2,459	1,432	2,459
Advanced ticket sales	-	1,264	-	1,264
Accruals and deferred income	102	713	102	156
	<u>28,934</u>	<u>32,876</u>	<u>28,934</u>	<u>32,319</u>

The maturity of loans and obligations (including loans due within one year) is as follows:

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	1,270	1,209	1,270	1,209
Within two to five years	10,356	9,732	10,356	9,732
After five years	17,044	18,707	17,044	18,707
	<u>28,670</u>	<u>29,648</u>	<u>28,670</u>	<u>29,648</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2022 was £11.5m (2021: £12.3m).

A term loan of £7.0m was provided by Lloyds Bank plc in June 2018 to fund estate development and is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is partially repayable in quarterly instalments commencing in June 2019 until 2024 when a balance of £5.2m will remain outstanding. The balance outstanding at 31 March 2022 was £6.0m (2021: £6.5m).

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and expires in April 2027 which is subject to a mandatory early termination in January 2024. At 31 March 2022, the fair value of the contracts outstanding was £1.4m (2021: £2.5m).

The loan received from the Culture Recovery Fund Repayable Finance of £10.9m is to provide additional liquidity in order to mitigate the effects of COVID-19 lockdown on the organisation. This provides for a fixed interest loan for 20 years at 2% per annum with a four-year capital repayment and interest payment holiday.

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	11,713	9,116	20,829
Loans falling due within one year	(1,209)	(61)	(1,270)
Loans falling due after more than one year	(28,439)	1,039	(27,400)
	<u>(17,935)</u>	<u>10,094</u>	<u>7,841</u>

19 Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	2,400	40,257	(34,081)	-	(694)	7,882
CRF Repayable Finance Fund	9,082	-	-	-	(9,082)	-
Total General Reserves	11,482	40,257	(34,081)	-	(9,776)	7,882
<i>Designated Funds</i>						
Capital & Revaluation Reserve	207,874	-	(6,063)	1,026	11,979	214,816
2021/22 Restart Fund	4,156	-	-	-	(4,156)	-
Strategic Investment Fund	2,200	-	-	-	2,303	4,503
Pension Plan Reserve (note 23)	500	-	-	(500)	-	-
Total Unrestricted Funds	226,212	40,257	(40,144)	526	350	227,201
Restricted Funds						
Capital Reserve	-	350	-	-	(350)	-
Projects Funds	792	2,548	(2,304)	-	-	1,036
Total Restricted Funds	792	2,898	(2,304)	-	(350)	1,036
Total Funds (2022)	227,004	43,155	(42,448)	526	-	228,237
Total Funds (2021)	228,395	36,200	(37,220)	(371)	-	227,004

The following table discloses the reserves for the prior year as required by the Charities SORP.

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	4,687	34,384	(29,728)	-	(6,943)	2,400
CRF Repayable Finance Fund	-	-	-	-	9,082	9,082
Total General Reserves	4,687	34,384	(29,728)	-	2,139	11,482
<i>Designated Funds</i>						
Capital & Revaluation Reserve	222,020	-	(6,080)	429	(8,495)	207,874
2021/22 Restart Fund	-	-	-	-	4,156	4,156
Strategic Investment Fund	-	-	-	-	2,200	2,200
Pension Plan Reserve (note 23)	1,300	-	-	(800)	-	500
Total Unrestricted Funds	228,007	34,384	(35,808)	(371)	-	226,212
Restricted Funds						
Capital Reserve	-	3	(3)	-	-	-
Projects Funds	388	1,813	(1,409)	-	-	792
Total Restricted Funds	388	1,816	(1,412)	-	-	792
Total Funds (2021)	228,395	36,200	(37,220)	(371)	-	227,004

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives. The CRF Repayable Finance Fund was created from the proceeds of the CRF Repayable Finance scheme and will be used to achieve the transition to a financially viable business and to supplement the general reserves of the Charity.

Designated Funds: The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 11).

2021/22 Restart Fund was to provide funding for the expected deficit in 2021/22 due to the continued impact of COVID 19 on the operations of the Southbank Centre during the year to 31 March 2022. This fund is no longer required and the balance was transferred to the General Reserve.

The Strategic Investment Fund has been set up to provide investment in artistic ambition, innovation, inclusion, sustainability and financial resilience over a 1-3 year timeframe.

The Pension Plan Reserve reflects the balance of surplus or deficit on the pension scheme and moves in line with annual actuarial valuations.

Restricted funds - There are two restricted funds which hold a number of projects:

The Capital Reserve holds unspent grants received for various public realm developments.

The Projects Fund holds restricted grants received in advance of expenditure for operating projects.

Transfers in the year

In 2021/22, £0.35m was transferred in the year from the Restricted Capital Reserve to the Unrestricted Designated Capital Reserve reflecting grant income and Arts Council England capital funding received where the restricted purpose has been fulfilled. In 2020/21, this was £1.5m.

£0.161m was transferred from the General Reserve to the Capital and Revaluation reserve (2021: £8.5m transferred from the Capital and Revaluation Reserve to to the General reserve).

£4.2m was transferred from the 2021/22 Restart Fund to the General Reserve (2021: £4.2m was transferred from the General Reserve to set up the 2021/22 Restart Fund).

£2.4m was transferred from the General Reserve to the Strategic Investment Fund (2021: £2.2m).

Charity Reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £4.3m (2021: £1.2m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2022 £'000	2021 £'000
Tangible and intangible fixed assets	-	246,908	246,908	249,183
Current assets	1,036	26,429	27,465	21,295
Current liabilities	-	(17,202)	(17,202)	(11,098)
Creditors falling due after one year	-	(28,934)	(28,934)	(32,876)
Pension plan asset	-	-	-	500
	<u>1,036</u>	<u>227,201</u>	<u>228,237</u>	<u>227,004</u>

20 Capital Commitments

Group and Charity	2022 £'000	2021 £'000
Authorised and contracted	-	604

Capital commitments in prior year related to system upgrades and property costs.

21 Commitments Under Operating Leases

The Group had the following future minimum lease payments under non-cancellable operating leases, as a lessee, for each of the following periods:

	2022 £'000	2021 £'000
Payments due		
Not later than one year	173	173

22 Operating Lessor

The Group had the following future minimum lease receivables under non-cancellable operating leases, as a lessor, for each of the following periods:

	2022 £'000	2021 £'000
Receipts due		
Not later than one year	3,818	4,013
Later than one year and not later than five years	14,636	16,063
Later than five year	10,533	15,691

23 Pension Costs

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The amount recognised in the SOFA is as follows:

	2022 £'000	2021 £'000
Defined benefit scheme		
Current service costs	111	145
Past service costs	-	-
Defined contribution scheme	534	648
Total charge in net expenditure	<u>645</u>	<u>793</u>
Defined benefit scheme		
Net interest (income) / expense	(172)	(177)
	<u>473</u>	<u>616</u>

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2020 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has not been recognised for the full balance of the surplus. As the scheme closed to future accrual as from 1 May 2022 the surplus is no longer anticipated to reduce future employer contributions to the scheme, and therefore no asset has been recognised. In 2021 it has been estimated that the surplus would be anticipated to reduce future employer contributions by £0.5m and therefore the value of the surplus was capped at this value.

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. Southbank Centre has agreed to a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2022 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2022	2021
Expected rate of salary increase	3.3%	2.7%
Expected rate of increase of pensions in payment	2.1%	2.2%
Discount rate	2.7%	2.0%
Rate of inflation (RPI)	3.8%	3.4%
Rate of inflation (CPI)	3.3%	2.7%

23 Pension Costs (continued)

The mortality assumptions used were as follows:

	2022 years	2021 years
Longevity at age 65 for current pensioners		
Men	22.7	22.3
Women	25.1	24.3
Longevity at age 65 for future pensioners		
Men	24.0	23.6
Women	26.5	25.8

Reconciliation of plan assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 April 2021	69,784	(61,239)	8,545
Benefits paid	(1,515)	1,515	-
Employer contributions	145	-	145
Member's contributions	5	(5)	-
Current service cost	-	(111)	(111)
Interest income/ (expense)	1,382	(1,210)	172
Remeasurement (losses) / gains			
Actuarial gains	124	2,127	2,251
Return on plan assets excluding interest income	-	-	-
As at 31 March 2022	<u>69,925</u>	<u>(58,923)</u>	<u>11,002</u>

Total cost recognised as an expense:

	2022 £'000	2021 £'000
Current service costs	111	145
Interest cost	1,210	1,318
	<u>1,321</u>	<u>1,463</u>

No amounts (2021: £nil) were included in the cost of assets.

The fair value of the plan assets was:

	2022 £'000	2021 £'000
Equities	-	13,803
Liability driven equities	46,896	19,795
Diversified growth fund	15,523	28,057
Cash	770	537
London Eye asset	6,736	7,592
	<u>69,925</u>	<u>69,784</u>

The plan assets do not include any of Southbank Centre's financial instruments nor is any property occupied by any Southbank Centre entity.

The return on the plan assets was:

	2022 £'000	2021 £'000
Interest income	1,382	1,495
Return on plan assets less interest income	124	6,902
	<u>1,506</u>	<u>8,397</u>

23 Pension Costs (continued)**(b) Defined contribution plan**

Southbank Centre provides a defined contribution plan for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2022 £'000	2021 £'000
Current year contributions	534	648
	<u>534</u>	<u>648</u>

24 Subsidiaries

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares of £1 each), Southbank Centre Pension Fund Corporate Trustees Limited (1 share of £1 each) and Southbank Centre Enterprises Limited (100 shares of £1 each), on behalf of Southbank Centre. Southbank Centre is the controlling party (ultimate parent company) and therefore consolidates these subsidiaries into its financial statements. Southbank Centre Limited only acts in the capacity of sole Corporate Trustee of Southbank Centre through the appointment of its directors (the Governors of Southbank Centre) and is otherwise dormant.

The South Bank Foundation Limited (number: 3174667)

The South Bank Foundation Limited was formed for the purpose of fundraising for Southbank Centre, particularly its site development. South Bank Foundation Limited was dormant during the year.

The Southbank Centre Pension Fund Corporate Trustees (number: 12510510)

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was dormant during the year.

Southbank Centre Enterprises Limited (Registration number: 6158790)

The principal activities of Southbank Centre Enterprises Limited are to manage certain commercial and retail activities on Southbank Centre's estate, including event hires, the bar and catering concessions and Southbank Centre's own shops. A summary of Southbank Centre Enterprises Limited's trading results are shown below:

	2022 £'000	2021 £'000
Turnover	8,438	2,478
Cost of sales	(2,417)	(620)
Administrative expenses	(1,684)	(679)
Operating profit	<u>4,337</u>	<u>1,179</u>
Interest receivable	7	2
Net profit	<u>4,344</u>	<u>1,181</u>
Profit and loss brought forward	1,181	6,846
Gift aid paid to Southbank Centre Limited	(1,181)	(6,846)
Retained in the subsidiary	<u>4,344</u>	<u>1,181</u>

As at the balance sheet date the aggregate amount of Southbank Centre Enterprises Limited assets, liabilities, share capital and reserves was:

	2022 £'000	2021 £'000
Current assets	10,183	3,614
Creditors: amount falling due within one year	(5,839)	(1,876)
Net current assets	<u>4,344</u>	<u>1,738</u>
Creditors: amounts falling due after one year	-	(557)
Total net assets	<u>4,344</u>	<u>1,181</u>
Represented by:		
Profit and loss account	<u>4,344</u>	<u>1,181</u>

25 Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

The Royal Festival Hall extension building was financed by a £4m award from GLA Land and Property, formerly, London Development Agency. In the event that Southbank Centre ceases operating £4m would be repayable.

A grant of £16.7m was provided by the Arts Council for refurbishments to the Festival Wing (Queen Elizabeth Hall, Purcell Room and the Hayward Gallery). A fixed and floating charge was taken out by the Arts Council England over the assets of the charity. In the event that the Southbank Centre ceases operating, this grant would be repayable to the Arts Council.

A term loan of £17.7m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027.

A term loan of £7m provided by Lloyds Bank plc and Lloyds Corporate Markets plc is secured by an assignment and charge over the retail lease income from property at the Southbank Centre. The loan is repayable in quarterly instalments with the final balance repayable in January 2024.

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an under-lease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long under-lease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the under-lease from Southbank Centre to the British Film Institute.

26 Related Parties

Chris Denton, a member of the Executive team of Southbank Centre until April 2021, is closely related to a director of Jane Denton Creative Services Limited. During the course of the year Southbank Centre paid Jane Denton Creative Services Limited £6,860 (2021: £2,594) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £220,672 (2021: £204,773) for the year ended 31 March 2022.

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD 89,725 (2021: USD nil) from the American Fund. The American Fund had USD 53,401 (2021: USD 153,197) in cash balances available to transfer to Southbank Centre at 31 March 2022.

Donations from Trustees were £68,548 (2021: £142,209).

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £603,845 (2021: £459,280), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £844,754 (2021: £214,031) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 15 and 16.

27 Full Prior Year Disclosure Of The Consolidated Statement Of Financial Activities

	Note	Unrestricted Funds		Restricted Funds		Total Funds 2021 £'000
		Operations £'000	Designated £'000	Project £'000	Capital £'000	
INCOME FROM:						
Donations and legacies	2	24,799	-	1,813	3	26,615
Charitable Activities	3	1,057	-	-	-	1,057
Other Trading Activities	4	8,501	-	-	-	8,501
Proceeds from sale of fixed assets		-	-	-	-	-
Investments	5	27	-	-	-	27
TOTAL		34,384	-	1,813	3	36,200
EXPENDITURE ON:						
Raising funds	9	1,019	35	-	-	1,054
Charitable activities	9	27,781	596	1,409	3	29,789
Other	9	928	5,449	-	-	6,377
TOTAL		29,728	6,080	1,409	3	37,220
Net (expenditure)/income before transfers		4,656	(6,080)	404	-	(1,020)
Transfers	19	2,139	(2,139)	-	-	-
Other recognised (losses)/gains						
Actuarial (loss)/gain on defined benefit pension schemes	23	-	(800)	-	-	(800)
Gain/(Loss) on derivative financial instrument		-	429	-	-	429
Net Movement in funds		6,795	(8,590)	404	-	(1,391)

All of the above results are derived from continuing activities.
The Movements on Reserves are also described in note 19.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalents.

	Unrestricted funds		Restricted funds		Total funds 2021 £'000
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	
Net movement in funds	6,795	(8,590)	404	-	(1,391)
Fund balances brought forward as at 1 April 2020	4,687	223,320	388	-	228,395
Total funds carried forward as at 31 March 2021	11,482	214,730	792	-	227,004

SOUTHBANK CENTRE

England & Wales - Charity number 298909

Accounts

SOUTH BANK CENTRE

Annual Report and Financial Statements 2020 – 2021

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985



HERE
FOR
CULTURE

SOUTHBANK CENTRE

Annual Report and Financial Statements 2020 – 2021

Presented to Parliament pursuant to Section 47 (3) of the Local Government Act 1985

On the cover:
Installation View of Tala Madani, *A Solo*, 2019
and David Batchelor's *Sixty Minute Spectrum* installation at Hayward Gallery
Photo © Morley Von Sternberg



Culture Recovery Fund recipient

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The Cinematic Orchestra live broadcast from the Royal Festival Hall, as part of *Inside Out* © Dan Medhurst

Chair's Foreword



The Southbank Centre presents great cultural experiences that bring people together. We achieve this by offering unique and iconic venues and spaces as well as an enthusiasm and

expertise that encourages artists to present their best work and welcome ever more diverse audiences to experience the power of live performance and shared passions.

It has been a year beyond anything we could have imagined and was by far the toughest period in the Southbank Centre's history. We found ourselves in an unprecedented position due to COVID-19 - with public concerts, performances and exhibitions no longer allowed - and we immediately lost 60% of our commercial income. With these significant losses it is incumbent upon the Board and Executive leadership to ensure we protect our income to survive and continue to deliver our charitable objectives for the benefit of the public. The Board and Executive leadership faced hard choices in order to remain solvent and protect the future of the organisation. We had the unimaginable situation of having no work for a significant number of staff and sadly we had to take the difficult decision to say goodbye to valued colleagues across the organisation.

The decisive measures taken by the Board and Senior Leadership Team - along with Government support, for which we are hugely grateful - has meant that we are now in a better position to weather the pandemic and reopen in 2021. The repayable finance award from the Government's Culture Recovery Fund (CRF) as well as funding from the Coronavirus Job Retention Scheme, has allowed us to plan for our future with more confidence and certainty.

The Southbank Centre emerges from this moment with a vibrant and relevant artistic programme and ambition, supported by a robust and sustainable business model. As we prepare for reopening, we're delighted to have been able to rehire a number of staff through our re-engagement programme.

The return of live audiences will help our much-loved artists and the wider economy. We know that the Southbank Centre, like the rest of the culture sector, is an essential driver for prosperity. As the UK's largest multi-arts centre, we have an essential role in driving the economic recovery of London. Our important work would not be possible without the support of our principal funder, Arts Council England, and we continue to be grateful to them for their essential funding.

Our reliance on public funding has reduced from nearly 60% to under 40% in recent years but this left us uniquely vulnerable when our revenue from bars and restaurants and commercial hires collapsed in lockdown. Nevertheless, maintaining our highly entrepreneurial approach across all aspects of our organisation remains a vital objective in order to ensure we add real value to our public funding and to taxpayers and to extend our reach, impact and relevance as a flagship cultural organisation at the centre of the nation's cultural ecology. We are committed to delivering our Recovery Plan and honouring the obligations of our CRF repayable finance.

It has been my great pleasure to Chair the Southbank Centre and I am delighted that the Secretary of State has approved the Board's recommendation of the appointment of Misan Harriman to take the reins in July 2021 to lead us into the future - the Southbank Centre will be a 'tonic for the nation' once again.

Susan Gilchrist
Chair of the Board of Governors, July 2021

ON NURSES

by Roger Robinson

Surely this is more a calling than a job. The doldrums of the nightshift pierced with the odd life-threatening injury, applying pressure to a gaping wound. Their nurses' shoes clip-clopping down the halls, the thoughts of patients' suffering or dead following them back home. Surely they know that life is random, how death can creep up on the innocent. But how their instincts can sometimes pull spirits back from the brink into their bodies. Like midwives to the spirit. In that moment, do they forget the training and think, if I do this, perhaps they will live? Can you train instinct? I'm not sure. They see it all: the birth, the death, the vomit, the blood, the shock, the diseased, the perturbed, the pain, the smiles. I see them pressing their uniforms for the next shift, washing their hands with a soap that makes their palms peel.



SOUTHWANK
CENTRE

Roger Robinson

CEO's Foreword



It's been an extraordinarily challenging year for the cultural sector and for the Southbank Centre.

Like most organisations we've had to learn to adapt quickly: in a normal year, we would have been able to present over 3,000 events, but this year we've only been able to host a fraction of that. We had 436 very long, dark, nights with no audiences in the seats of our iconic concert halls. But we were not completely silent during this time - we successfully pivoted to provide an entirely online artistic offering streaming over 100 events as part of our *Inside Out* season including working in partnership with our orchestras so that they could perform on stage at the Royal Festival Hall for streaming and broadcast. We continue to take great pride in the work of our four Resident Orchestras (London Philharmonic Orchestra; Philharmonia Orchestra; London Sinfonietta and Orchestra of the Age of Enlightenment) and four Associate Orchestras (Aurora Orchestra; National Youth Orchestra; Chineke! Orchestra; and BBC Concert Orchestra).

We hosted BBC Radio 3 for a series of live concerts from the Royal Festival Hall including an extraordinary commission, *Remnants* by poet Yomi Sode and composer James B Wilson, which was written in response to an incident which took place outside the Royal Festival Hall during the Black Lives Matter protests in June 2020 and performed by Chineke! Orchestra.

We were able to open the Hayward Gallery when restrictions eased in summer 2020 for a very successful re-run of *Among The Trees* and we made use of our wonderfully extensive site to mount pandemic-proof outdoor exhibitions, from *Everyday Heroes* - the first exhibition in Europe conceived, delivered and referencing

the pandemic, which paid tribute to our key workers - to *Winter Light*, our fantastic neon installations offering some much needed joy to the dark days of the third national lockdown.

We continue to fulfil our social mission of bringing arts and creativity to people's everyday lives, even while the buildings were closed. We moved many of our events online - including an entire festival with *Unlimited* - our Festival celebrating the work of disabled artists.

Our lockdown project *Art by Post* now reaches over 4,500 socially isolated people each month and has been recognised by the World Health Organisation and is shortly to be displayed as part of a world tour organised by the WHO. We are looking forward to staging an exhibition of the participants' art here at the Southbank Centre later in 2021.

The arts will once again be instrumental in curating spaces for a nation to recover and heal, providing shared cultural experiences that we've all missed so much. To that end, we unveiled an ambitious four-month programme of summer activity on our river terraces and inside the Royal Festival Hall - *Summer Reunion* - providing opportunities for people to reconnect, reunite and enjoy a colourful, joyful celebration of art, culture and entertainment. The packed programme features ballet, classical music, contemporary music, literature, poetry and visual art as well as 15 weekends of free programming on the River Terrace including events curated by specially invited artists and performers.

We've learned much about ourselves over this last year and importantly, that we are resilient and can work in flexible ways. We've successfully pivoted to provide an entirely online artistic programme - including worldwide large-scale live streamed gigs - and have a new understanding of how usefully a digital offering can coexist with our venues.

We have learned to work in new and different but dynamic ways and we are rebuilding our future with care and consideration to all the issues that need to be addressed - not least, the structural issues around equity, diversity and inclusion.

I'd like to offer heartfelt thanks to everyone who works at the Southbank Centre for their dedication and patience during this last year - and for their passion: for the Southbank Centre itself, for its purpose, vision and values - which came shining through those long dark months and helped to power us through the crisis.

Elaine Bedell
CEO Southbank Centre, July 2021



Chineke! Orchestra presents Remnants (World premiere) broadcast live on BBC Radio 3 © Mark Allan

Trustee Report

Impact of Covid and Recovery Plan

The financial impact of Covid-19 put Southbank Centre in critical jeopardy in 2020. The lockdown caused the complete cessation of all our commercial and ticket income, as well as impacting our ability to fundraise. The funds from the sale in February 2020 of the Waterloo Undercroft had to be diverted into supporting survival - not innovation and development.

The loss of up to £25m revenue in the year and no certainty as to when Southbank Centre would be able to operate at full capacity meant that significant mitigating actions were required. The venues were closed and operating costs reduced to a minimum. Salary and hours reductions were made to all staff as well as making use of the Coronavirus Job Retention Scheme (CJRS). Capital and interest deferrals were agreed with our major lenders.

With no sign of being able to re-open the venues and the end of the CJRS confirmed, a major and painful redundancy programme was undertaken in July and August 2020 to ensure that essential running costs were able to be met from reliable income streams. These measures stabilised and offset the financial losses faced by the Southbank Centre.

The award of a significant loan from the CRF fund in March 2021 has allowed us to refresh our reserves and has enabled us to plan the rebuilding of our activity and impact while recognising the continued uncertainty and risks. We have developed a new operational model for when social distancing is eased that will sustain reduced income expectations in 2021/22.

Our revised operating model allows us to reopen all of the site, once social distancing measures are removed, with less financial risk on a strong impactful 5-day programme (Wednesday to Sunday). With this model, we can make more effective use of the time and resources available in the venues and build on our artistic strengths. We will reopen on a lower cost base than pre-Covid and, as income rebuilds and audience behaviour post-pandemic, consider how to best deliver and extend cultural programming in the future.

This operating model, underpinned by the CRF loan, will allow us to return to our role as a cornerstone of the UK's cultural ecology, supporting the huge numbers of artists, musicians and creatives (over 100,000) who depend on us for their livelihoods.

The period ahead will undoubtedly be challenging, but our track record evidences our ability to combine successful entrepreneurship and business model development with the delivery of a world-leading artistic programme.

Strategic Focus and Activities

Charitable Objects

1. The promotion of the arts for the general benefit of the public and in particular the maintenance and development of the Southbank estate as a centre for the arts for the benefit of the people in Great Britain in general and London in particular
2. The development and improvement of the knowledge, understanding and practice of the arts at the Southbank estate or any part of it.
3. The provision and support of such cultural activities related to the arts as the trustees consider desirable at the Southbank estate or any part of it.

Vision and mission

- ▶ Our purpose is to present great cultural experiences that bring people together
- ▶ Our vision is to provide the space for artists to create and present their best work.
- ▶ We are the place where people come together through powerful shared experiences.
- ▶ Our mission is to seek out, nurture and showcase the best of the arts. The unusual, the eye-opening and the brave. We take people out of the everyday, every day.

Our values

The values that drive how we think and behave and which underpin the decisions we take in how to serve our audiences, recruit our staff or engage with artists are, to:

Champion greatness

We seek out great artists and give them the space to create their best work.

Take the lead

We make sure we're at the forefront of the arts – provoking and inspiring culture, not just following it.

Have fun

We're serious about the arts – but not stuffy. Culture here can be playful, provocative, exciting and entertaining.

Open up the arts

Not everyone will love everything, but we make sure there's something for everyone.

Mission statement

The Southbank Centre exists to present great cultural experiences that bring people together. We achieve this by offering not just unique and iconic venues and spaces but also an enthusiasm and expertise that encourages and supports artists to create and present their best work and welcome ever more diverse audiences to experience the power of live performance and shared passions. We help take people out of the everyday, every day, and act as a vital antidote to the challenges of daily life – offering a place and culture where people from every background are welcome.



Achievements and Performance

The COVID pandemic required the closure of our venues and severely curtailed our activities during the year. We were, however, successfully able to mount an online programme of activity from the autumn, reopened Among the Trees at the Hayward Gallery and utilised the entire Southbank Centre site for four outdoor exhibitions. Our Creative Learning programmes continued and innovated, in particular the Art by Post programme developed in response to the social isolation caused by the pandemic.



Matthew Krishanu, *Hospital Chaplain – PPE* (Rehanah Sadiq) 2020. Photo © Matthew Krishanu

Performance and Music Activities

Classical Music

When the Southbank Centre closed due to the pandemic in March 2020, all of our classical programme was cancelled, including the *SoundState* festival of diverse new music, a mass-participation Beethoven 9 and all of the public concerts of our partner orchestras.

We focused on working with our partner orchestras to ensure that musicians could be back together in a safe space in which to perform, even if they were not able to do it in front of live audiences. We worked with the orchestras and other artists to create a coherent programme for streaming and broadcast under the banner of *Inside Out*, all of which has been delivered behind closed doors in the Royal Festival Hall and, for a period, in the Queen Elizabeth Hall.

In total, over 90 classical performances as well as our literature and spoken word programme and contemporary music concerts took place during *Inside Out* between September 2020 and the end of March 2021.

We formed a close group with our orchestral partners to plan new programmes, once it became clear that repertoire and artists had to change. The orchestras streamed their concerts either through their own channels or through companies such as Marquee TV, and everything was available through the Southbank Centre website.

We were planning the first Autumn concerts when the shocking murder of George Floyd took place and there was no option but to respond. Together we made a commitment to present as many composers of colour as possible throughout the Autumn season of streamed concerts. All eight orchestras as well as soloists in the programme responded, with some presenting entire concerts by black composers. This commitment came into focus during a two week residency from BBC Radio 3, when all of the Southbank Centre concerts were broadcast, and considerable additional content was generated through our spoken word programme and creative learning and public programmes. We were able to present



Chineke! Orchestra © Mark Allan

a narrative about classical music live on air which addressed the urgent issues of the day. We worked with our orchestras, and with soloists such as Tasmin Little who gave her final Royal Festival Hall recital before retirement during this period, to ensure that 30 percent of the music performed during this time was from composers of black origin. We commissioned a new work for this period, *Remnants* by poet Yomi Sode and composer James B Wilson, which was written in response to an incident which took place outside the Royal Festival Hall during the Black Lives Matter protests in June 2020 when Patrick Hutchinson, a supporter of Black Lives Matter, carried counter-protester Bryn Maleto safety. This work was performed by Chineke! Orchestra and broadcast on BBC Radio 3 reaching prime-time BBC television news and other media.

In January, the planned live concerts in *Inside Out* were interrupted by the second lockdown. Some major projects were cancelled, including the London Philharmonic Orchestra's Ring Cycle. But by mid-February, recordings and streaming had begun again. *Inside Out* included a broad and diverse range of content aimed at different audiences: there were performances for children, families and schools, a substantial amount of new music, chamber music, performances from the National Youth Orchestra and Chineke! Juniors as well as great performances of major orchestral repertoire. Special highlights include Esa-Pekka Salonen conducting the Philharmonia with soloists Julia Bullock in a searing performance of Britten's *Les Illuminations*, the London Sinfonietta's revelatory concert of contemporary black composers curated by George Lewis and



London Contemporary Orchestra live-streamed event as part of *Inside Out*. Photo © Takis Zontiris

Vladimir Jurowski conducting the UK premiere of Elena Kats Chernin's *Piano Concerto* and, in another streamed concert, the complete ballet music of Tchaikovsky's *Swan Lake*.

Overall, this very tough and challenging year has also brought some revelations: about the streaming of performances, about lighting and presenting concerts for the camera, about finding new repertoire from a wide range of composers of colour, about the joy of being liberated from the long-term planning cycles of classical music and being spontaneous and about the strength of partnership.

Contemporary Music

In line with the rest of the organisation, as COVID-19 hit, we had to decide whether to postpone or cancel a year's worth of concerts and events into late 2020 and then to 2021. We also postponed our Meltdown Festival curated by Grace Jones to June 2022.

As the UK went into lockdown, the Southbank Centre invited audiences to enjoy live streamed performance and discussion from the comfort of their own living rooms. The contemporary music team produced three concerts and helped promote and stream many more.

On 29 January, the globally-loved UK band, The Cinematic Orchestra made their much-anticipated Royal Festival Hall debut to perform exclusive new music from their upcoming album. Elsewhere, on 6 March, one of the country's most exciting new prospects, Black Country, New Road played at the Southbank Centre for the first time, presenting music from their debut and chart-topping album. Finally, the London Contemporary Orchestra returned for a night of new music on 19 March, including specially-commissioned orchestral versions of 2020 electronic masterpieces by Kelly Lee Owens and Duval Timothy, both of which were world premieres. All three events were streamed globally on DICE, exclusively for the Southbank Centre.

Other Music

All of the remaining performance programme in the Royal Festival Hall, Queen Elizabeth Hall and Purcell Room were cancelled. However, we are delighted that we've been able to find alternative dates for a significant number of events in 2021-22, including major artists such as Chilly Gonzales, Amadou & Mariam, Wardruna, Rumer, David Sedaris and Ira Glass.

Both WOW Festival and EFG London Jazz Festival were unable to go ahead in 2020/21 but we look forward to welcoming them both back as valued partners in 2021/22.

Performing Arts Touring

Due to the ongoing impact of COVID-19, all originally scheduled performing arts touring activity in 2020/21 was postponed or cancelled.

Intended activity included presentations of *2001: A Space Odyssey* in Athens, Greece; Moscow, Russia; and *Taxi Driver* in Tampere, Finland as well as the remounting of the immersive exhibition *Adventures in Moominland*, for which we were in advanced discussions with international venues in Finland and Singapore.



Black Country New Road, broadcast from the Queen Elizabeth Hall as part of *Inside Out* © Mark Allan

Literature and Spoken Word

Overview

During this pandemic period the Literature & Spoken Word programme has successfully pivoted towards virtual events, presenting a sector-leading and diverse line-up of talks featuring world renowned authors and rising talent. Several of our virtual events exceeded the capacities of our physical venues, growing the national and international reach of our audience, while aligning with our strategic goals of reflecting artistic excellence and inclusive values. Building on our track record of providing access provisions for literature and spoken word events at the Southbank Centre, all our events were captioned and several had British Sign Language interpreted versions.

Inside Out

From September 2020 onwards we launched a series of world and UK exclusive talks as part of the Southbank Centre's *Inside Out* series. The line-up reflected our ongoing commitments to artistic excellence, diversity and inclusion, while being both timely and uplifting. Highlights include a virtual keynote from Angela Davis, an in-conversation with co-founder of the Black Lives Matter movement Alicia Garza, Booker Prize winner Arundhati Roy on populism and the pandemic, critically acclaimed poet Claudia Rankine, Kae Tempest on connection and beloved comedians John Cleese and Dawn French

Inside Out 2

Building on this successful first wave of virtual events, we continued into the new year with major talks with leading literary figures, including welcoming back Nobel Prize-winning novelist Kazuo Ishiguro who made his first public appearance with his daughter, fellow novelist Naomi Ishiguro, for an exclusive event

discussing writing across the generations. The series also included cultural icons Ethan Hawke and Skin, acclaimed authors Jhumpa Lahiri and Olivia Laing, and rising literary stars Raven Leilani and Hanif Abdurraqib. Our resident music and poetry night *Out-Spoken* went online for the first time, in an event featuring award-winning poets Caleb Femi and Jay Bernard, and singer-songwriter Mysie. *Out-Spoken* is London's best music and poetry night. They sold out every month in the 19/20 financial year, and we are delighted to be continuing their residency at the Southbank Centre as we grow their audience in the coming months.

Literature and Poetry Prizes

The Southbank Centre has long been home to major literary prizes, consolidating our reputation for artistic excellence and placing us at the heart of the literary community. It was important to us that we honoured these relationships by pivoting to virtual events, including in November 2020 the first exclusive interview with 2020 Booker Prize winner Douglas Stuart, who was in conversation with last year's winner Bernardine Evaristo. We then started the new year with the readings and announcement of the TS Eliot Prize featuring all ten shortlisted poets, culminating in the announcement of the 2021 winner.

Collaborations and New Partnerships

In April 2020 the Literature & Spoken Word programme pivoted towards virtual events, converting a keynote and in-conversation with David Wallace Wells on his global bestseller *The Uninhabitable Earth* into a live stream event in partnership with Penguin Live, Cambridge Literature Festival and linked to the Hayward Gallery's *Among the Trees* exhibition.



In Conversation: Dawn French & Bernardine Evaristo, broadcast from the Royal Festival Hall as part of *Inside Out* © Mark Allan

Working with the Classical Music team we also jointly commissioned Yomi Sode and James B. Wilson to write a new piece of music and spoken word inspired by Patrick Hutchinson's intervention at an anti-BLM protest outside the Royal Festival Hall, which was performed by Chineke! resulting in substantial positive media coverage in the UK and US.

During this period the Literature & Spoken Word team were also successful in securing funding from the TS Eliot Foundation for the Southbank Centre New Poets Collective which we have launched in partnership with Creative Learning, led by poets Vanessa Kisuule and Will Harris. The Collective will be based out of the National Poetry Library.

Comedy

In early 2020, we appointed our first dedicated Comedy Programmer (Pax Lowey) to lead and develop this programme with a more curated approach. Although the impact of the COVID-19 pandemic slowed this transition and reduced the amount of activity in 20/21, we remain

excited about the potential of Comedy having its own focused strand at the Southbank Centre.

The planned Summer programme was to include the internationally renowned Stewart Lee performing six nights in the Royal Festival Hall, Bafta-winning comedian Alex Horne performing with his comedy band *The Horne Section*, comedian and novelist Jenny Eclair, and the Olivier-nominated writer/comedian David Baddiel's new show. This season also included Edinburgh Comedy Award nominees Olga Koch and Sophie Duker, as well as Simon Munnery reprising his Sony Radio Award winning alter ego *Alan Parker Urban Warrior*. All sadly either cancelled or rescheduled to 2021/22 due to the Covid-19 pandemic.

In 20/21, Comedy worked closely with the Public Programming team to programme comedy into Refugee Week and *Unlimited* festival. Together, we programmed Counterpoints Arts' project *No Direction Home* featuring stand-up comedians from refugee and migrant backgrounds and guest headliner

Nish Kumar. This Refugee Week performance was originally programmed into the Purcell Room but after closure forced its cancellation, we worked with Counterpoints Arts to move the performance online to a sell-out live audience of 300.

We later collaborated with Counterpoints Arts to programme a follow-up online performance of *No Direction Home* with guest headliner Rosie Jones as part of *Inside Out* in Autumn 2020. This performance built on the success of the first show and had an even bigger audience.

Prior to the pandemic, we met with comedy collective *Abnormally Funny People*, intending to programme a live performance into one of the hall spaces during *Unlimited* festival. While this was not possible due to closure, we collaborated on a unique and innovative streamed show to close the first ever online *Unlimited* festival in January 2021. This digital performance featured live stand-up from disabled comedians throughout the UK, as well as prerecorded sketches and audience interaction.

Performance

The original Performance and Dance plan for 20/21 was a season of work curated by Performance Consultant, Wendy Martin (formerly Head of Performance and Dance). A diverse range of projects was lined up to be staged, balancing commercial led programming (Wise Children's *Malory Towers*, Selladoor's *Bring It On* and Fiery Angel's *Circus 1903*) and rentals (English National Ballet's *Emerging Dancer* and Ballet Biarritz's *Marie Antoinette*), with a strong line up of own promotions, including: a season curated by Ursula Martinez (*Free Admission*, *Triple Threat*, *Wild Bore*, and *Family Outing - 20 Years On*); *The Argonauts* - a commission in collaboration with LIFT, Lost Dog, CandoCo and British Council; *The Portal* - a commission with Martin Green; *You Know We Belong Together* - an international work by disabled artist Julia Hales; and a number of other commissions and international works which were on the cusp of being confirmed.

Sadly the impact of COVID-19 was significant for the Performance and Dance programme. A number of productions were about to go on sale at the point we had to close the Southbank Centre's doors. The majority of productions had to be cancelled due to financial constraints and the international travel ban. However, the Performance and Dance programme contributed to the *Culture Fix* offer online through archive pieces (eg: *MK ULTRA* by Rosie Kay Dance Company), and we have been able to reschedule some key projects, including: Akram Khan's *Kaash* (now being performed in April 2022); *Bring It On* (scheduled for December 2021) and *Circus 1903* (scheduled for December 2021). A new Senior Performance Programmer (Heather Ruck) started with us in April 2021. We are very excited by what Heather will bring to the Southbank Centre and look forward to her reigniting the Performance and Dance programme for 2021/22 and beyond.



Ugo Rondinone, *Cold Moon*, 2011,
at *Among the Trees*, Hayward Gallery, 2020.
© Ugo Rondinone 2020. Courtesy of Hayward
Gallery. Photo © Linda Nyland

Hayward Gallery and visual arts

The Hayward Gallery reopened *Among the Trees* with COVID-secure measures from 1 August to 31 October 2020. This exhibition drew attention to the beauty, scale and complexity of trees and forests. Alongside sculptures and installations, drawings, paintings and photographs, there were artworks that celebrate the soaring scale of trees. The show opened with 3 and 4 star reviews from the press in March 2020 and proved popular despite growing concerns over the COVID-19 outbreak, before closing to the public for four months. On reopening, we welcomed 48,000 visitors to the exhibition, with the total visitor figure exceeding target by 22%.

Hayward Gallery Touring

British Art Show 9

The 9th edition of the British Art Show was originally scheduled to open in Manchester in September 2020. The opening was moved to Wolverhampton in March 2021. Due to the impact of the COVID pandemic and lockdown restrictions, and in dialogue with the partner institutions in each city and the artists in the exhibition, the dates and the order of the exhibition tour were rescheduled. British Art Show 9 will now open in Aberdeen on 10 July 2021.

The British Art Show is the biggest touring exhibition of contemporary art in the UK and it is widely acknowledged as the most important recurrent exhibition of contemporary art produced in this country, unrivalled in its ambition, scope and national reach. British Art Show 9 will be presented across numerous galleries and exhibition spaces in the cities

of Aberdeen, Wolverhampton, Manchester and Plymouth, resulting in an ambitious and wide-ranging programme that explores new tendencies in artistic practice.

Many of the participating artists are developing new works for the exhibition, including significant new commissions supported by Art Fund that will be acquired by museum partners in each city. British Art Show 9 will also benefit from the support of Arts Council England's Project Grant for National Activities to produce an ambitious programme of creative learning and engagement opportunities across the four partner cities.

This edition explores three overarching themes – healing, care and reparative history; tactics for togetherness; and imagining new futures – these conceptual frameworks were devised prior to the pandemic, however, with the recent global recognition of racial injustice sparked by the Black Lives Matter protests of summer 2020, all three thematics have become even more relevant to the present moment.

Not Without My Ghosts

The exhibition brings together more than 30 international artists from the 19th century to the present day, exploring the changing terms of artistic engagement with mediumship. The exhibition was also designed to connect to the rich legacy of Spiritualism in the locations of our national partners.

The exhibition was due to launch in Drawing Room, London, in April 2020 but was rescheduled due to the Coronavirus pandemic.



The exhibition subsequently opened at Drawing Room on 10th Sept until 1st November 2020. The exhibition received very positive reviews from The Guardian, The Times, iNews, HyperAllergic, Studio International and Art Forum.

The rest of the exhibition tour has been substantially rescheduled following the closure of museum partners during the second lockdown. The tour period has now been significantly extended to accommodate new exhibition dates and will open in The Grundy, Blackpool in Oct 2021; Millennium Gallery Sheffield Jan 2022; and Glynn Vivian Swansea in March 2022.

Slow Painting

The exhibition, a major survey of contemporary painting featuring nineteen artists whose work spans a myriad of styles and applications, was due to continue its tour to the University of Bath and Bath Spa School of Art and Design, and the Inverness Museum and Art Gallery, and Thurso Art Gallery, throughout summer and autumn 2020. These final partners on the tour were unable to present the exhibition due to the covid-19 outbreak and we were unable to find new exhibition dates. As a result the exhibition was retired.

Site Design

Everyday Heroes

Taking place across the Southbank Centre, *Everyday Heroes* was an outdoor exhibition that celebrated the contributions that key workers and frontline staff have made during the pandemic. It featured more than 40 portraits of some of the entirely ordinary but also utterly remarkable people – among them health workers, bus drivers, faith workers and shop assistants – who have helped to keep this country going during the crisis, often working in extremely challenging circumstances and putting their own personal safety at risk. The project also featured six new poetry commissions which were exhibited in the Southbank’s outside spaces along with artworks.

The project also included a collaboration

with an advertising agency, which saw all the portraits from the project displaced on advertising spaces throughout the UK.

Phenomenal Women

Phenomenal Women: Portraits of UK Black Female Professors built on research carried out by academic Dr Nicola Rollock on the career experiences of Black female professors. Published in early 2019, Rollock’s study reveals the barriers faced by Black women as they work to navigate their way through higher education and the strategies they use to help them reach professorship. The display, *Phenomenal Women* took place on The Queens Walk, next to the river Thames. The project, which moved outside after Covid-19 consisted of 35 portraits of black female professors in



Phenomenal Women Exhibition. Photo © Elliott Franks



the UK, displayed on specially made stands, which aimed to reproduce a museum quality viewing experience in an outdoor setting.

No Lockdown in the Imagination

This outdoor exhibition, made up of entries to the 2020 Koestler Awards for arts in criminal justice, reveals the power of creativity in tough times. The project was moved to be viewable across the Southbank Centre's outdoor spaces, after Covid-19 meant that exhibition could not take place inside, as originally planned. Audio, visual and written artworks were emblazoned across our windows and also appeared on the Koestler Arts website.

Winter Light

Featuring more than 15 artworks and new commissions, the exhibition was installed across our buildings and along the riverfront. While the buildings were closed, this project aimed to bring light to the spaces of the Southbank Centre. The artworks explored

ideas about nature, politics and society, gender, aesthetics and the act of looking. *Winter Light* also featured a series of newly commissioned writings by author Jini Reddy, inspired by seasonal variations in light.



Loomin (2020), David Ogle,
part of *Winter Light* at the Southbank Centre.
Photo © Morley Von Sternberg

Arts Council Collection

Touring Exhibitions

Grayson Perry

COVID-19 disrupted the latest tour of Grayson Perry's *The Vanity of Small Differences* but we were able to open it in one venue for around 6 weeks. Newlyn Art Gallery and The Exchange, one of our National Partner venues. The gallery received 5,620 visitors. They also arranged a filmed interview with Grayson Perry and Collection Curator, Beth Hughes, which was broadcast to around 170 people via Zoom.

The Printed Line

Showings which would have taken place in Canterbury, Inverness and Berwick in 2020 have been rescheduled for Summer and Autumn 2021. The showing at Worcester Art Gallery went ahead successfully 19 September-14 November. It was installed virtually and with careful planning to ensure that it complied with COVID-19 safety. The tour period has now been extended to accommodate the new showing dates and a potential additional showing.

Breaking the Mould: Sculpture by Women since 1945

Opening was rescheduled to 2021 after a substantial postponement caused by the pandemic. This major Arts Council Collection Touring Exhibition seeks to redefine post-war British sculpture by presenting a diverse range of work by women. Spanning more than seventy years, this extensive survey - the first of its kind - provides a radical recalibration, addressing the many accounts of British sculpture that have marginalised women or airbrushed their work out of the art historical canon altogether.

There were no Curators' Days during this period. We began informal monthly 'Time to Talk' online sessions in February 2021.

National Partners Programme (NPP)

The National Partners Programme was launched in 2016 to mark the 70th anniversary of the Arts Council Collection by creating a network of regional galleries and museums to present and curate exhibitions drawn from the Arts Council Collection.

All three partner venues experienced various periods of closure during 2020-21, so programming shifted to accommodate extended exhibition dates and rescheduling of previously planned activity. Sunderland Culture extended their exhibition *Received Wisdom*, which presented works by artists working in their later years, and Newlyn Art Gallery & The Exchange extended both their in-house curated exhibition, *Hippo Campus: Where We Learn*, and *Go On Being So*, an exhibition curated by students from Mounts Bay Academy.

Arts Council Collection collaborated with Sunderland Culture on the development of *Art Crush*, an app which offers a fun and interactive introduction to the Collection. The app features 1,000 works from the collection and, since its launch in October 2020, has been downloaded 2,000 times.

Firstsite opened *My Name is Not Refugee*, an exhibition curated by members of Refugee Action: Colchester in December, just weeks before the national lockdown came into force. The exhibition will reopen in May 2021, and will be extended into the summer. A virtual walkthrough of the exhibition is currently live on both Firstsite's and the Arts Council Collection's website. A virtual walkthrough of

Sunderland Culture's *Paint the Town in Sound* exhibition, curated by Field Music, is also available online, as the exhibition was unable to open to the public as originally planned.

All three partners are working with local groups of young people to co-curate a series of exhibitions which will explore key issues and concerns for young people across Britain today. Originally planned to open in September 2020, each venue now hopes to present their exhibitions in Autumn 2021. An online launch event was hosted in February 2021 which brought the young people together for the first time to discuss their projects, and re-engage them with the Collection. The youth groups each partner are working with are as follows:

Firstsite, Colchester: Young Artist Kollektive (YAK), 15-25yrs

Newlyn Art Gallery and the Exchange: SEEN (LGBTQI+ group), 12-15 years
Sunderland Culture: Celebrate Different, 13-35 years

Two artist profile films were produced focussing on the work of Antony Gormley and Evan Ifekoya respectively, programmed to coincide with National Partners exhibitions.

Loans

The Arts Council Collection is the principal source of modern and contemporary loans to museums and galleries across the UK. Due to Covid loans activity was heavily impacted with just 174 UK loans to 24 venues and 8 international loans to 6 venues. However we have had very few fully cancelled loans with most choosing to postpone their exhibitions until restrictions allow. Visitors figures are still coming in, but to date our works have been seen by 160,260 people in the UK and 13,181 people internationally.

National Poetry Library

In line with the rest of the Royal Festival Hall building within which the National Poetry Library (NPL) is situated, the NPL was closed from April 2020. In April 2020 the NPL commissioned four LGBTQ+ poets to write new work as part of the centenary celebrations of poet Edwin Morgan: Carline Bergvall, Keith Jarrett, Chris Beckett and Richard Scott. Originally planned as an exhibition and event, this activity was moved online and shared widely in partnership with the Edwin Morgan trust.

Digital has been at the forefront of the library's work, with its e-loans collections growing in response to demand from hundreds of new members wishing to access poetry from their homes, from as far away as Penzance and Fife. The library has responded to 3,657 public enquiries from the public, providing information on poetry and access to lost poems.

The NPL has partnered on two publishing ventures, with *Instagram Poetry For Every Day* (Laurence King) being launched in October 2020, expanding on the library's work in this area. *No, Love is Not Dead: An Anthology of Love Poetry from Around the World* (Chambers) was launched in February 2021 at an Insta Live event with Navajo Nation Poetry Laureate, Laura Tohe.

Poetry as an artform has flourished, and the NPL has continued with its ongoing acquisitions and cataloguing of UK poetry produced in this period, ensuring a national documentation of poetry published throughout the coronavirus pandemic.

Archive and Heritage

The Archive work programme, including Archive Studio displays and events, research access, collections volunteering and the development of the digital archive, was interrupted during 2020/21, as the small core team was furloughed from April to October and staff reduced to a single part-time professional post.

We are pleased that our trainee as part of year 2 of CultureAnd’s New Museum School programme was able to complete her traineeship with us in September.

The Archivist’s primary recent focus has been on tackling the backlog of research enquiries and collections management work. Archive has also contributed to new Creative Learning projects and workstreams, including delivering a new joint session with the National Poetry Library for the Kings MA course, scoping work and identifying new heritage partners for a new schools programme in development, as well as for the growing Arts and Wellbeing programme. Through work on digitising and archiving the outputs of the *Art by Post* project we are actively embedding archiving in the project process for the first time.

The pandemic has intensified focus on digital archives and a key strategic priority for 2021/22 is to open up digital access to the Southbank Centre’s collections, including pulling

together the substantial cataloguing and digitisation work undertaken with volunteers as part of the Heritage Lottery funded *Saving Southbank Centre’s 60s buildings* project (2015-2018).

We have begun to plan the delivery of an online digital archive system in spring 2022; in the meantime, we are producing archive content for a series of new online image galleries over the summer, to celebrate the 70th anniversary of the Festival of Britain and Royal Festival Hall, as well as scoping remote volunteering opportunities.

Our close involvement with the Association of Performing Arts Collections (APAC) has been especially valuable during this difficult year for the sector.



National Poetry Library

Creative Learning

In line with the rest of the organisation, much of Creative Learning's originally planned programme had to be cancelled or postponed due to the pandemic. However, our Arts and Wellbeing programme has run throughout 20/21, supporting our participants and partners with online and postal activity, and for the first time extending to a national reach. Our Schools programme also regrouped around online support and resources for teachers, and digital project delivery. Whilst this last year has undoubtedly brought many challenges, we have also managed to create opportunities for our programmes to grow and develop, including expanding many of our projects nationally, developing new, relevant and inspirational partnerships and broadening our network of artists. We have also invested in significant research and planning time in order to bring a number of new projects and initiatives into our programme from 2022 onwards.

Schools Programme

Imagine a Story

Imagine a Story is a creative writing project for primary schools that gives KS2 pupils the chance to become published authors in a diverse and inclusive new children's book. Inspired by a 'game of consequences,' each school group writes one segment of a creative story based on a framework devised by the author of brilliant and diverse children's fiction, Zanib Mian (*Planet Omar: Operation Kind* - published for World Book Day 2021; *Planet Omar: Incredible Rescue Mission*; *Planet Omar: Unexpected Super Spy*). Zanib's brief inspires children to develop their collaborative work in classrooms, and supports their development and personal wellbeing.

ArtsDrop

As a response to the impact on schools during the Covid-19 pandemic and the shift from traditional learning formats within the classroom to a variety of online homeschooling platforms, we supported this shift in learning by providing a suite of arts-themed resources for teachers to use in primary school classrooms (be that virtually or in person), and which were also suitable to be used at home or for families to access and enjoy together.

Seven free downloadable resources for primary schools and families have been made accessible via our Southbank Centre website. These resources have been inspired by the Arts and Wellbeing team's project *Art by Post* and works with nine of the artists who were featured within their resources, including Shazea Quraishi, a Pakistani-born Canadian poet and artist; illustrator Rebecca Strickson, whose work explores the power of community and working together; and textile designer Seiwa Cunningham, whose work uses print to capture memories.

YolanDa's Band Jam

Whilst schools and teachers pivoted regular classroom activity to remote teaching and home learning, music was one of the most challenging subject areas to deliver remotely and safely in a meaningful and engaging way. In partnership with MOBO Award winner and CBeebies, Radio 2 and Jazz FM presenter YolanDa Brown, Sony Music UK's Magic Star, kids creative-media agency SUPER and one of the world's largest provider of online education resources, Twinkl, the Southbank Centre responded to this need with an educational and celebratory performance of live music available for free on-demand to classrooms and home-learning situations across the world.





In the early days of school lockdowns in the 2020/2021 academic year, Yolanda launched a collection of free online music lessons, learning materials and videos for teachers, parents and young children to promote music education in primary schools. Over 30,000 children worldwide made use of these educational resources. The Southbank Centre invited Yolanda and her band to perform a celebratory educational concert filmed in the Queen Elizabeth Hall in March 2021 to acknowledge all the children, families and teachers who had taken part.

Partnerships

The Southbank Centre remains a key partner in the Lambeth Local Cultural Educational Partnership, Elevate, and maintains close contact via the informal 'South Bank Partners' collaboration with the National Theatre, Rambert, and BFI, especially as the return to onsite activity for schools approaches. Throughout this year, the Southbank Centre has also kept in close contact with key Lambeth primary school clusters and local

music services (in particular, Lambeth and Southwark) to support their future plans. Looking ahead to the 2021/2022 academic year, it is through these partnerships developed and deepened under lockdown that the Southbank Centre will be able to expand the reach and impact of its schools programme, and strengthen its relevance and robustness through continued consultation.

Emerging Artists and Creatives

Under the new Director of Creative Learning (who joined Southbank in March 2020), the Creative Learning team has refocused an element of its programme delivery around supporting the next generation of diverse artists and creatives. Within this programme, the Southbank Centre will maintain and develop its existing partnerships with Tomorrow's Warriors and Kinetika Bloco, as well as seek to develop new partners that will enable it to be a hub of emerging talent across all its major artforms.

New Poets Collective

After several months of planning and consultation work, the New Poets Collective opened for applications in April 2021, an exciting new annual venture for emerging poets led by the Creative Learning and Literature teams and centred in the National Poetry Library - the first example of this revitalised area of our work. Lead tutors and established poets, Vanessa Kisuule and Will Harris, will select 15 diverse poets aged 22+ and based all around the UK, to join them for their first session during the London Literature Festival in October 2021.

Youth Music Partners

Fortunately, we have been able to support our Creative Learning partners Kinetika Bloco and Tomorrow's Warriors. Both organisations delivered some in-person work at the Southbank Centre during periods of eased lockdown restrictions.

During our *Inside Out* programme in November/December 2020, we were able to invite our Creative Youth Partners back on site for much needed face-to-face sessions. Tomorrow's Warriors ran 3 sessions for their Junior Warriors and Young Development group and Binker Golding ran a Jazz hang session for more advanced players. 20 young musicians participated across these socially distanced workshops. Kinetika Bloco ran six sessions for 25 young brass and steel pan players, drummers and dancers across a weekend.

We opened up our Spirit Level spaces for a second residency across the Easter Holidays as part of our *Inside Out* programme. Kinetika Bloco ran 27 sessions for 49 young people and 13 staff members. Tomorrow's Warriors followed this with 12 sessions for 51 young musicians and emerging artists and 11 staff members and facilitators.

Adult Learning

Kings MA: Creative Learning at Southbank Centre

Our partnership with King's College London on the MA Education in Arts and Cultural Settings programme has continued despite the pandemic and our lengthy building closure as we have successfully pivoted to online delivery. Not only has this enabled us to continue to provide a rich and enjoyable HE accredited learning module - 'Creative Learning at Southbank Centre' - but we have also reached significantly more students, teaching 41 students from across the globe. Running from October 2020 to March 2021 and convened by Dr Sophie Frost, module sessions were held fortnightly via Zoom and included live Q&As, whiteboard working and breakout rooms alongside more traditional lecture formats.

Arts and Wellbeing Programme

Art by Post

In May 2020 the Southbank Centre launched *Art by Post* to continue the work of our Arts and Wellbeing programme during the pandemic. The Arts and Wellbeing programme pre-pandemic addressed social isolation and loneliness, and when Covid-19 hit we knew this work was more critically-needed than ever, despite the unique challenges of lockdown. Specifically, we made it our priority to target people without digital technology.

Art by Post distributes free creative activity booklets through the letterboxes of those most isolated by the pandemic, and with long term health conditions. Monthly booklets guide participants through writing and art activities that have been designed by professional artists. Participants receive a freepost envelope to send their artworks back to the Southbank Centre for an exhibition planned for autumn 2021.

Our goal is to keep minds active and creative, create a sense of purpose, and build a connected community of participants. We have focused on supporting those living with long-term health conditions (88% of participants), living alone (60%), or in care settings. Through our partnership with the National Academy for Social Prescribing (NASP) many link workers have referred people into the project and support them to participate. Booklets are also received by care homes, hospitals, prisons and housing initiatives. We now have 4,500 participants aged 18 - 103 from across the UK, and to date have received over 400 works of art.

In the first phase of the project, from May - September 2020, 100% of organisations who signed up said it had improved their Covid-19 response in supporting their community; 85% of participants agreed *Art by Post* helped them feel more positive; 85% of participants said *Art by Post* gave them something to look forward to; 90% of participants felt inspired to be more creative; and 80% of participants would recommend a friend or family member to take part in *Art by Post*.

As the project has grown we have developed a network of 13 national partners to provide local support for participants and to enable us to extend the reach of the project without diluting the depth of engagement for participants. These new partnerships, representing the arts and health sectors, have brought further expertise to the project which we aim to build on in the future. The partners include Age UK Camden and Oxfordshire, NAPA - Arts in Care Homes, Nightingale Hammerson (care home), HOME in Manchester, artsdepot in Barnet, Philharmonia Orchestra (working in Bedford, Leicester, Basingstoke and Kent), Sunderland Culture, Dulwich Picture Gallery, King's College Hospital in London, The Barn in Aberdeenshire, The Beacon in Inverclyde and Platform in Glasgow.

In addition to the activity booklets, each month our guest artists have been invited to host two 'Meet the artist' sessions on Zoom. The first workshop includes a session aimed at creative practitioners or activity coordinators working in health and social care settings, and the second workshop is open to all *Art by*

Post participants and is more focussed around coming together as a community, taking part in a creative activity and having some fun. We've met over 200 people through our online community supporting *Art by Post*.

We have engaged Flow Associates to help us evaluate the project and are in the process of consulting with our partners to establish how *Art by Post* can be sustained and its legacy guaranteed.

Thanks to the support and strategic partnership with NASP, we will be presenting an *Art by Post* exhibition at the Southbank Centre in autumn 2021, followed by a tour to 4 other locations in England and a national billboard campaign. The project has also been chosen as an example of global best practice in Arts and Wellbeing by the World Health

Organisation and will be featured in their summer exhibition on Arts Impact for Health at the UN Palais in Geneva.

Virtual Tea Dance

In December 2020 we hosted our first online virtual tea dance. Our monthly dances in the Clore Ballroom are very popular, especially with older people, and we wanted to create this for people at home and in care settings, in the run up to Christmas. Hosted by one of our regular DJs - Mr Wonderful - with performances from professional dancers and *Tomorrow's Warriors*, and guest appearances from the BBC *Strictly Come Dancing* judges and dancers, we streamed a live event on YouTube which was watched by over 1,600 people. Our relationship with NAPA enabled us to reach many care homes, and we created additional interactive elements on zoom, and craft packs in advance, to enhance the experience for those most isolated at this time. We hope to build on this in the future to create a more regular online offer for care homes that will include tea dances and other performances.

Arts and Wellbeing Partnerships

Throughout the pandemic Grounded EcoTherapy have been on site to keep the Queen Elizabeth Hall Rooftop Garden watered, and since January have been working hard alongside their volunteers to resume gardening duties. Volunteers from Good Gym and the Southbank Centre staff have also been supporting the work. We're working closely with Thriving North Lambeth to support their development and to connect other local green spaces and communities together - as we look to reopening, we are exploring ways to offer more regular workshops in our rooftop garden.

Public Programming

Beethoven

COVID-19 closed our venues four weeks before the culmination of a year-long participation project with 500 non-professionals preparing to perform Beethoven 9 in the Royal Festival Hall, conducted by Marin Alsop. Although the performances couldn't take place, we managed to mark the occasion with six pieces of digital content, including a reading of the newly commissioned *O Human*, by Anthony Annaxagourou and a film from Marin Alsop discussing the work.

Easter, May Half Term and Families

Whilst our in-person family content couldn't take place during the Easter and May half term holidays, we managed to work closely with nearly all of our programmed artists to create on-line alternatives of their work including beatboxing at home, a street dance workshop and battle, a family tree trail and some basic planting and rangoli making tutorials for the Easter holidays. In May, we programmed a podcast designed for visually impaired children, a Pippi Longstocking storytelling event and a Michael Morpurgo Q&A. Following the success of the Easter content, collaboratively with the Creative Learning team we released a series of 11 weekly family activity blogs between April and June which included themed online creative activities to be enjoyed at home. Working with partners, we used these to highlight important moments in the year that we couldn't mark onsite, including Mental Health Awareness Week.

Unlimited

Unlimited 2020 moved to January 2021 to be our first nearly entirely digital *Unlimited*. It was important for us to capture that live festival feeling and include interactive elements in the programme which we achieved with an ambitious series of Zoom-hosted events. *Unlimited* included 33 events across performance, dance, visual art, film, comedy, music and talks, with 21 of those events live on Zoom, and 19 available to audiences later on demand. The festival reached a national and global audience of 7000 people across the five days. The access provision was the most comprehensive we've organisationally achieved online, with 21 events BSL interpreted, 30 with speech to text and a number of audio described versions available on demand. The Suzi Larke exhibition *Unseen* was more broadly part of Winter, displayed on giant vinyls across the site for three months, giving it much more exposure than would have been possible in the original *Unlimited* festival dates.

February Half Term

Continuing our commitment to family audiences during closure, and taking forward all the learnings we gained from live work in *Unlimited*, we created a modest programme of live family events over the half term holiday. *Kaleidoscope* from Filskit Theatre returned to us but on Zoom, with three sell-out shows for early years, and *DYSCO*, a neurodivergent-led dance and music party, played out a joyful show to a fully booked intergenerational family audience.

Equity/Equality, Diversity & Inclusion

The Southbank Centre is wholly committed to becoming a truly inclusive organisation which is representative of society at all levels within our organisation, across our programming, with the artists we engage and in the communities we serve.

Before we went into the pandemic in March 2020, the Southbank Centre's representation across the protected characteristics of declared disability, race, gender and age put us in the top 10% of Arts Council England National Portfolio Organisations for diversity and inclusion. Our Black, Asian and Ethnically Diverse staff (BAED, previously described as BAME) representation was at 23%.

Due to the sudden significant financial impact of the pandemic, a site that was closed and no certainty on when it could reopen, we lost a large number of close colleagues, many in front of house roles. Many had a declared disability, or were young, or Black, Asian or Ethnically Diverse. Our representation across the protected characteristics dropped to 14.5% for Black, Asian and Ethnically Diverse staff and 5.3% for staff with a declared disability.

This showed us that there are clearly structural inequalities which exist due to the disproportionate number of our diverse colleagues who were impacted in lower paid roles.

In response, Leadership committed to embarking on a transformation journey with the aim to repair and rebuild through engaging in the right conversations and to concretely, and tangibly, address barriers to

equity, inclusion and diversity. To achieve this the Southbank Centre engaged Questions of Difference (QoD) and The Equality Trust, both respected leaders in their field.

Workforce diversity plan

Given our changed circumstances throughout the course of 2020/2021, our previous strategy is under review and our going forward commitments are as follows:

- Carry out the change and transformation work with QoD and The Equality Trust (January to June 2021)
- Review our 3 year strategy and ambitions in line with ACE Investment Principles (Sept 2021)
- Focus on rebuilding through our re-engagement framework and delivering a people-focussed plan of initiatives which will build an inclusive workplace which reflects the community we serve and where everyone feels they belong, can grow and bring their best selves to work (ongoing over next three years).

We will expand diversity of leadership voices and as we rebuild we'll improve our pre-redundancy BAED proportion of staff (21%) to better reflect our communities.

The Southbank Centre Board is one of the most diverse with 3 black Governors and 7 female Governors. Our Chair, CEO and COO are all women.

We have some of the most diverse audiences in the sector. According to ALVA we have the highest BAED visitors among comparable London attractions at 24%. Up to 36% of audiences are BAED for some artforms eg

literature; 61% are new audiences and 20% are under 30; and 30,000 under 30 year olds are signed up to our Under 30s ticket scheme.

We have much to do and will look to build on our track record. We have a 'strong' rating under ACE's 2019/20 Creative Case for Diversity report.

Property

Health, Safety and Security

Activating our Business Continuity processes and ensuring our site and all of our activities were safe and secure, as well as COVID compliant, has been a key priority throughout the year. All of our planned COVID secure activity was able to proceed without incident, a considerable achievement given the continuous changes and adaptations that were required. During the course of the year we reviewed and adjusted many of our security processes and procedures, responding to new and emerging challenges as required.

Estate Management

In April 2020 we appointed Engie as our new facilities management provider, combining cleaning, portage and engineering services under one contract. The focus of the team quickly pivoted from integration of a new provider looking after a busy site, to maintaining a closed site at minimal cost. The negotiated contract was therefore restructured with implementation in phases beginning with a hibernation phase to cover the periods of closure. A large amount of restructuring was unfortunately necessary given the financial challenges of the Southbank Centre. A new future operating model was developed that could support the organisation re-opening in phases once COVID restrictions were lifted. We have established a strong partnership with Engie. They have implemented smart technology to enable demand cleaning, revised cleaning schedules and changed to chemical free solutions. Other new cleaning technologies were researched and implemented to protect our staff from COVID-19.

As the financial viability of the Southbank Centre became more secure, planned maintenance and site improvement work restarted. Two new boilers, an ultralox dosing system to reduce our hot water temperatures and business management system time schedule modifications to manage our major plant were installed during the year - all contributing additional energy savings in line with our sustainability improvement plans.

With the support of GLA via the Good Growth Fund and in consultation with our Long Life South Bank community we began work to significantly improve the public realm around the Skatepark. This work is expected to finish in July 2021 and has the following objectives

Create visible, accessible, welcoming and safe public spaces

Enable greater access to free sports provision and high quality, diverse cultural opportunities for Lambeth and London residents

Support London's cultural and creative industries by providing young Londoners with opportunities for sustained cultural engagement

To deter anti-social behaviour from that area

Strengthen the South Bank as an inclusive and diverse cultural destination

Environmental Sustainability

In 2019 we committed to becoming a net-zero carbon organisation by 2050. Building on that commitment we have engaged Bioregional, a South London based sustainability consultancy, to work with us to develop a roadmap to 2030, embedding action and targets throughout the organisation. We expect to share this plan in our next annual report.

We use 100% renewable electrical energy, and we have a zero waste to landfill operation. 44% of all waste generated is segregated on site. During the year we added a WEEE (Waste Electrical and Electronic Equipment) recycling station as an additional waste collection stream and we upgraded our compactors and weigh-station with state of the art models to increase site collection accuracy and efficiency. We carried out an audit of waste

management for all our onsite restaurants and put in place new processes to increase waste segregation.

We further improved our energy efficiency this year with the plant improvements set out under the Estate Management section above. During 2021 we plan to invest in a Combined Heat and Power (CHP) plant and replace the Royal Festival Hall chiller plant. The intention is to use the CHP to generate electricity that will contribute to the running of the chiller plant.

Improvements to further reduce our use of plastic has been challenging in a COVID environment but we are reducing our reliance on plastic as much as possible and expect to accelerate improvements in this area in the near term.



Southbank Centre Food Market Credit © India Roper-Evans

Environmental Sustainability

At the Southbank Centre we recognise the urgency of the climate crisis and the need for action at all levels. We have a strategy to put environmental sustainability at the heart of all of our operations, from our buildings to how our workplace operates, and we are already making progress.

In 2019 we committed to becoming a net-zero carbon organisation by 2050, and have already reduced our CO₂ emissions by 48% over the past four years. We continue to use 100% renewable electrical energy, and plan to switch to wind and solar power as soon as we are able. We have maintained our commitment to

sending zero waste to landfill, and reduced our use of plastic bottles by 95% in 2019, as well as consciously using less plastic overall.

We were awarded our new ISO50001 Energy Management certification in December 2020.

Our action plan

We are committed to reducing CO₂ emissions by 10% by 2023 and working to achieve net zero CO₂ emissions by 2050.

We are signed up to the Arts Council England (ACE)-approved 2019 – 2023 Environmental Policy and Action Plan and the ACE Spotlight

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	3,024,574.6	556.1	42.21%
	Company Fleet	0.0	0.0	0.00%
	Subtotal	3,024,574.6	556.1	42.21%
Indirect (Scope 2)	Electricity	3,262,853.6	760.7	57.74%
	Subtotal	3,262,853.6	760.7	57.74%
Indirect Other (Scope 3)	Grey Fleet	2,615.0	0.6	0.05%
	Subtotal	2,615.0	0.6	0.05%
Total Energy Use (kWh)				6,290,043
Total Gross Emissions (tCO₂e)				1,317
Renewable Electricity (tCO₂e)				761
Total Net Emissions (tCO₂e)				557
Tonnes of Gross CO₂e per £m				36.4
Tonnes of Gross CO₂e per Visitor				0.036

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017. They have refurbished both The Queen Elizabeth Hall & Hayward Gallery in recent years and installed low energy systems like LED Lighting; Daylight Sensing blinds etc. which has reduced its overall energy consumption by around 4.5% per year for 3 years.

Within their 2020 /2021 reporting period, the Southbank Centre completed the following Energy efficiency measures:

- Installation of 2 Boilers
- Installation of Utralox Dosing System to reduce water temp
- BMS Upgrade from Trend to ALC
- BMS Time Schedule Modifications
- JCB Lift Modernisation

It is expected that 750,963 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

The closure of the venues resulted in a significant reduction in energy use across the site. In addition the company completed energy efficiency measures across the portfolio which also reduced usage in all areas. By buying 100% green electricity the company reduced indirect scope 2 emissions by 761 tonnes. Below are the results comparing 2020/2021 with 2019/2020:

Type of Emissions	Units	2020/2021	2019/2020	YOY % Change
Direct (Scope 1)	(kwh)	3,024,574.6	13,757,857.5	-78.02%
	(tCO ₂ e)	556.1	2,535.0	-78.06%
Indirect (Scope 2)	(kwh)	3,262,853.6	9,840,787.4	-66.84%
	(tCO ₂ e)	760.7	2,515.3	-69.76%
Indirect Other (Scope 3)	(kwh)	2615	24,494.0	-89.32%
	(tCO ₂ e)	0.6	933.7	-99.94%
Total Energy Use (kWh)		6,290,043	23,623,139	-73.37%
Total Gross Emissions (tCO₂e)		1,317	5984	-77.99%
Renewable Electricity (tCO₂e)		760.7	0	100+%
Total Net Emissions (tCO₂e)		557	5984	-90.69%
Tonnes of Gross CO₂e per £m		36.4	114	-68.07%
Tonnes of Gross CO₂e per Visitor		0.036	0.001	3500%

programme for building-based National Portfolio Organisations, which include these goals.

CO2

Over the past five years, we've reduced our CO2 emissions by 48%.

We did this by replacing inefficient equipment, introducing LED lighting and improving our buildings (particularly the refurbishment of Queen Elizabeth Hall and Hayward Gallery last year), among other things.

Energy

We currently use 100% renewable electrical energy (biomass) and we'll be switching to wind/solar power soon.

The Southbank Centre was one of the first organisations in the arts sector to be certified as energy efficient under the internationally recognised standard (ISO 50001) in 2017.

Waste

We send zero waste to landfill.

Our general waste is separated into mixed dry recyclables, food waste and glass. 39% of our waste is dry mixed recyclables, which are sent to a recycling facility where they are sorted into paper, card, plastics, metals and wood and sent to reprocessing plants to be made ready for reuse.

53% of our general waste is not suitable for recycling. We send it by barge (saving 50,000 lorry trips) to a high performance Waste to Energy plant where it generates 67MW of green electricity a year.

We collect glass on our site daily to be recycled and used by industry.

We also collect food waste on our site daily and send it to an anaerobic digestion plant, which converts the waste into methane gas used for energy and high quality fertilizer.

Plastics

In 2018 we decided to try to reduce our use of plastics as much as possible. We introduced water fountains and glass bottles for meetings, and now use 95% fewer plastic bottles.

Water

We are currently working to stop using most cleaning-related chemicals on our site by installing a new chemical-free cleaning system which uses purified micro-filtered water instead.

Streamlined Energy and Carbon Report (SECR) summary Prepared for Southbank Centre

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. .

Southbank have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2020 – 31st March 2021. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that Southbank's total energy use and total gross Green House Gas (GHG) emissions amounted to 6,290,043 kWh and 1,317 tonnes of CO₂e respectively in the 2020/21 financial year in the UK. Within their financial year, Southbank purchased 100% green electricity, as a result, Southbank's indirect (Scope 2) emissions dropped by 761 tonnes.

Southbank have chosen 'Tonnes of CO₂e per million turnover and ' Tonnes of CO₂e per visitor' as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2020/201 was 36.4 tCO₂e/£m and 0.036 tCO₂e/v compared to 114 tCO₂e/ £m and 0.001 tCO₂e/v in 2019/2020.

Future Plans

We will gradually open our venues to coincide with the Government's roadmap to easing restrictions starting with the Hayward Gallery on 19 May with *Matthew Barney and Igshaan Adams Kicking Dust*. We will open the Royal Festival Hall 3 nights per week to socially distanced audiences from late May and all venues as social distancing restrictions are removed and audiences return. There will be cultural activity in our outdoor spaces this summer, including our River Terrace stage.

Over the year to 31 March 2022 we are anticipating:

As part of the Southbank Centre's summer programme from May to July 2021, Classical Music will feature a number of performances specially adapted for socially distanced audiences including:

- Organist James McVinnie performing a programme of J. S. Bach, Philip Glass, and Nico Muhly
- Percussion ensemble Colin Currie Group



Installation view of Matthew Barney Redoubt at Hayward Gallery, 2021 © Matthew Barney, 2021. Photo Mark Blower

performing multiple performances of Steve Reich's *Music for 18 Musicians* as part of a 1-day marathon programme

- Olivier Messiaen's *Quartet for the End of Time* led by Alina Ibragimova
- Concerts from the Southbank Centre Resident Orchestras (including farewell concerts for the Philharmonia's Principal Guest Conductor Esa-Pekka Salonen and London Philharmonic Orchestra's Principal Guest Conductor Vladimir Jurowski) and & Associate Orchestra Chineke!

Following Matthew Barney: *Redoubt* and Igshaan Adams: *Kicking Dust* in May 2021, two further major exhibitions in the Hayward Gallery will take place from September 2021.

British Art Show 9

British Art Show 9 will now open in Aberdeen, Scotland on 10 July 2021 and tour to Wolverhampton, Manchester and Plymouth through 2022.

Not Without My Ghosts: The Artist as Medium

Not Without My Ghosts is an exhibition ranging from the 19th century to the current day that brings together artists and works inspired by spiritualist methodologies and the mediumistic channelling of external forces.

Meanwhile we are continuing our popular online series *Inside Out* representing classical music, gigs and literature events from our venues without live audiences.

Our music strand *futuretense* commits to 50% BAED artists and 50% female artists. Purcell Room is set to become London's creative playground for arts and ideas with 40% BAED talent and our disability artist-led work continues with *Unlimited* festival. Hayward Gallery will include 40% of artists from diverse cultural and socio-economic backgrounds; 40% of artists for solo exhibitions will be from BAED backgrounds; 40% of artists will be female. We'll continue to engage artists who identify as LGBTQI+.

We will expand diversity of leadership voices and as we rebuild we'll improve our pre-redundancy BAED proportion of staff (21%) to

better reflect our communities. Funding will enable us to progress our planned timeline of recruitment, preventing delay in rebuilding the organisation and providing opportunities in the cultural sector as soon as possible.

Furthering our digital presence through established and new channels and embracing digital opportunities to improve audience interaction and engagement will be a high priority that will

require investment and focus over the next 18 months. The ever increasing challenges associated with cyber security will also necessitate a continuous improvement approach and attention on new tools, techniques and staff training to mitigate risk.

Work has been undertaken to explore the potential of the latest digital omnichannel technology to help create a new and more efficient and tailored user experience for customers when we reopen. A specialist agency (Deeson) has been commissioned to help us refine the ideal user journey, identify the technology partners and solutions we might need to deliver and provide scoping cost reports.

Funding for maintenance and capital spend during 2021 will be directed at health, safety and security initiatives including improvements around the Skatespace and The Queen's Walk areas together with improved lighting around the site to reduce opportunities for anti-social behaviour and visitors' use of outside spaces. We will also replace end of life equipment for cooling and heating with energy efficient alternatives and other technical equipment. As we progress into 2022 we hope to accelerate investment in sustainability improvements.

Financial Review

The Southbank Centre's results for the year were severely impacted by the COVID-19 pandemic that required the closure of the Royal Festival Hall and Queen Elizabeth Hall to the public for the entire year. The Hayward Gallery was only able to open for 13 weeks and commercial activity across the site was severely limited. *Inside Out*, a series of streamed events, was held from the Autumn of 2020.

With the onset of the pandemic it was clear that artistic and commercial income streams would be severely reduced and that income from our concessions and lessees could no longer be guaranteed. The potential loss of £25m revenue and the uncertainty as to when the Southbank Centre would be able to open, and artistic and commercial income streams return, required significant mitigating action.

The performing venues were immediately closed to the public. As we became aware of the extent and potential length of the lockdown, all costs were minimised and non-essential capital expenditure and maintenance deferred.

Many staff had no work or reduced workloads or had roles which could not be performed at home. The majority of these roles were visitor experience, production or retail positions and there was no opportunity to redeploy these staff elsewhere in the business. Where there was no work, staff were furloughed and Coronavirus Job Retention Scheme was claimed. In total £4.8m was claimed with an average of 314 staff members claimed for each month and a total of 575 staff members took some period of time on furlough and were claimed for at some point over the year.

All staff working hours and salaries were reduced by up to 20% from 1st May to 7th September 2020 with Senior Leadership Team

member salary reductions extended to March 2021. Increased reductions were volunteered by the Chief Executive and Chief Operating Officer.

In the summer of 2020, with the Job Retention Scheme confirmed to end, no sign of the Royal Festival Hall or Queen Elizabeth Hall being able to reopen or of our commercial tenants paying their rents, further action was needed to ensure the Southbank Centre's viability. The organisation went through a large scale restructure which sadly resulted in 318 people being made redundant. Some of these staff have since been re-employed with activities returning to site in May and June 2021.

These actions stabilized the operating income and expenditure of the Southbank Centre to ensure that running costs were able to be met from our anticipated revenue streams.

One of the largest challenges over the year related to the collection of lease income from our on-site tenants who themselves were facing huge financial challenges. Many of these leases have been or are being re-negotiated, with a number of restaurants involved in restructuring and administration processes. Where possible we have agreed payment plans; as a result we still have large uncollected debtor balances at year end. Whilst we consider these to be recoverable in the current climate, they remain contingent on the ongoing successful trading and financial viability of each restaurant group and their individual financial positions. The ability to collect these debts, which was highly uncertain until the second quarter of 2021, has contributed £5.8m income to the Southbank Centre, of which £2.4m was outstanding at 31 March 2021.

The overall impact of COVID-19 on the finances in the year was therefore a reduction in income

of £24.2m, from £60.4m in 2020 to £36.2m this year with artistic income falling by 90% (£10.4m) and commercial income by 53% (£9.5m). The increase in the Donations and legacy income category is wholly due to the £4.8m Job Retention Scheme Grant, with actual donation and legacy income reducing by £1.4m.

Expenses were also reduced from £55.0m in 2020 to £37.2m in the year ended 31st March 2021. This reduction of 32% was due to reduced artistic activity, lower property operating costs and salary savings from both headcount and salary reductions.

Due to the measures taken by the Southbank Centre in the year, the overall deficit was limited to £1.4m in the year (2020: £5.4m surplus).

The financial resilience of the Southbank Centre was supported by the award of £10.911m from the Cultural Recovery Fund (CRF) Repayable Finance scheme. The funds are being used to support the charity to achieve a financially viable position during the year to 31 March 2022 and to supplement the Unrestricted Reserves of the charity. This loan is repayable from 2025 until 2041.

The Southbank Centre was also able to negotiate a two quarter interest and payment deferral from both of our other lenders. This has had the effect of increasing our loan balances by £0.9m.

Our General Reserves were supplemented by the receipt of £10.911m from the Cultural Recovery Fund Repayable Finance scheme.

At 31 March 2021 our General Reserves comprised of £2.4m in a General Fund and £9.1m from a fund created by the CRF loan.

£4.2m has been set aside in a 2021/22 Restart Fund to cover expected losses in the year to 31 March 2022 as COVID 19 continues to impact on the operations of the Southbank Centre. In addition a Strategic Investment Fund (£2.2m) has been created to provide investment during the recovery in exceptional projects which deliver artistic ambition, innovation, inclusion, sustainability and financial resilience.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing the Southbank Centre's aims and objectives and planning future activities. The Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of the Southbank Centre's artistic activity to those on low income. The Southbank Centre provides a wide range of artistic activity aiming to ensure that at least 40% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoy the Southbank Centre's 11 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

The Governors recognise that the Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and the Southbank Centre is committed to policies which attract, retain and motivate high performing employees. Good and effective communications are particularly important and it is the Governors' policy to promote the understanding by, and the involvement of all employees in the Southbank Centre's aims and performance of all its activities. This is achieved through regular internal briefings on the Southbank Centre's performance and major developments.

The Southbank Centre participates in the Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Pay negotiations are conducted within this Committee for all staff.

We have signed up to the London Living Wage which means that staff on the lowest salaries automatically receive an increase in line with this every November. We continue to benchmark salaries with other cultural organisations whenever roles are vacant.

The Southbank Centre is striving to promote equity, diversity and inclusion in all areas of employment including recruitment and selection, training and development, and promotion. The Southbank Centre is engaged with a number of diversity initiatives and partnerships in order to achieve these aims.

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we are a Disability Confident Employer. We are committed to ensuring our recruitment process is inclusive and accessible; offering an interview to disabled people who meet the minimum criteria for a job; anticipating and providing reasonable adjustments as required; and supporting any existing employee who acquires a disability or long-term health condition.

Pay policy for key management personnel

The remuneration committee membership is made up of a minimum of four Governors of the Southbank Centre who meet twice a year to consider the following matters:

- to oversee the pay, performance and particular employment terms of the Chief Executive
- to oversee the performance and bonuses for senior staff eligible for bonuses.
- to ensure the Southbank Centre has a fair, robust and defensible reward strategy for all staff that is in line with other arts organisations.

In the period following the outbreak of Covid-19, remuneration of all staff was considered. Staff salaries were reduced from 1st May to 7th September 2020. The Senior Leadership Team extended the reductions in their salaries to 31st March 2021 and salary reductions continue into the new financial year for the Chief Executive and Chief Operating Officer.

It is a condition of the CRF Repayable Finance scheme that the Charity operates pay restraint until at least September 2022. This includes imposing a pay freeze for all senior employees at pre-Covid-19 levels and a 10% reduction in remuneration to the pre-Covid-19 remuneration packages for employees

contracted to receive above £150,000 per year.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 53 – 55 of these financial statements.

Reserves Policy

The charity's reserves fall into two main categories: restricted funds which may legally be used only for the purposes specified by the donor, and unrestricted funds which are free for use for any of the purposes of the Charity as set out in the governing document.

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves.

The General Reserves are available for any charitable purpose. It is intended to ensure adequate cash liquidity and to provide contingency against operational risk and unforeseen events.

Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds.

Planned level of General reserves

The Charity budgets to deliver its charitable objectives while ensuring financial stability through aiming to keep adequate, but not excessive, levels of General Reserves. It makes this assessment by looking at future cash requirements and setting annual budgets which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency based on an assessment of operational risk.

The Board has reviewed its Reserve Policy in the light of the challenges left by the pandemic and considers that reserves in excess of 8 weeks of full operating turnover would provide sufficient financial resilience for the organisation at this highly uncertain time.

On 31 March 2021 the balance totals £11.5m (2020: £4.7m) from a General Fund of £2.4m and £9.1m from a fund created from the

Cultural Recovery Fund Repayable Finance scheme. The Board considers this to be an appropriate level of reserve given the continued operating uncertainty due to COVID 19.

Long term funding scheduled to be repaid from future operating cashflows is included within the General Reserve balance and these were supplemented during the year by £10.911m support from the Cultural Recovery Fund Repayable Finance scheme.

Designated Reserves

As of 31 March 2021 the Southbank Centre held three designated reserves:

(i) Capital and Revaluation Reserve (£207.9m)

The purpose of this reserve is to reflect expenditure already incurred relating to capital projects (net of depreciation) and funds authorised for future capital projects.

Grants and donation income is allocated to this reserve if it is restricted to capital purchases and where the restricted terms have been fulfilled.

The reserve also reflects the net book value from the revaluation of Land and Buildings.

(ii) 2021/22 Restart Fund (£4.2m)

The purpose of this reserve is to fund a potential deficit in the year to 31 March 2022 caused by the continued impact of COVID 19 on the operations of the Southbank Centre.

(iii) Strategic Investment Fund (£2.2m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience.

(iv) Pension Plan (£0.5m)

This fund reflects the balance of surplus or deficit on the pension scheme calculated in line with Financial Reporting Standards and moves in line with annual valuations.

Review of the policy

The Reserves Policy is reviewed annually.

Going Concern

The Governors have considered whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the organisation into the foreseeable future.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that uncertainty remains. In particular, the timescale for full re-opening is yet to be confirmed and audience demand will take some time to rebuild to pre-COVID levels. Social distancing and other measures may also be re-imposed in the future.

In order to assess the impact of this uncertainty, business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and have been further assessed on the basis of an extension, or re-imposition, of social distancing during the year. Scenarios have also been considered where further lockdowns require the closure of the site.

Given the increase in reserves and cash holdings, predominantly due to the £10.911m support from the Cultural Recovery Fund Repayable Finance scheme, the Board considers that there are sufficient cash resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

The Southbank Centre substantially relies on funding by grants from Arts Council England. Arts Council England has confirmed funding for the Southbank Centre to March 2022 and confirmed its intention to extend the current funding agreement to 31 March 2023. These financial statements have been prepared upon the expectation that the Southbank Centre will continue to receive the agreed level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that the Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve

months from the date of approval of these financial statements and, for this reason, have therefore prepared the financial statements on a going concern basis.

Funding Agreement

The Southbank Centre is one of Arts Council England's National Partner Organisations and is funded via a four-year funding agreement. The year ended 31 March 2019 was the first year in that cycle ending on 31 March 2022. Due to Covid-19, the funding cycle was extended for a further year until 31 March 2023. The Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations. The Funding Agreement with Arts Council England requires the Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring the Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at the Southbank Centre and is invited to attend the Southbank Centre's board meetings.

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce each risk to a level which the Governors consider to be acceptable. Twice annually, Governors review the Risk Register prepared by management to ensure that it is comprehensive and to assess actions to mitigate those risks.

The following are the major risks identified that are specific to the Southbank Centre:

► COVID-19

Coronavirus has had a significant impact on the Southbank Centre affecting its ability to meet its charitable objectives as well as having a significant impact on the financial stability of the organisation and the working lives of employees.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that demand is likely to be lower and that social distancing and other measures may be re-imposed in the future.

Business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and are updated on a frequent basis. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

► Reputation

The Southbank Centre presents a world class range of activity across the site. Damage to the Southbank Centre's reputation either through reduction in artistic quality or the ability to provide a venue of excellence has the potential to impact the ability to attract artists and audiences to the site and a consequential impact on the ability to meet charitable objectives, obtain funding and generate audience and commercial income.

This risk is managed by having a process in place to review and approve both Southbank Centre-managed and third party events held on site, working with our resident orchestras and reviewing current business plans and strategies with Arts Council England.

► Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London.

In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is developing and implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

► Financial Performance and Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation

due to the wider economic environment and Government policy, particularly on social distancing and travel.

Financial risk is mitigated through budget approval and monitoring of results against the budget by the Finance, Audit and Risk Committee. The Southbank Centre seeks to maintain an appropriate level of reserves and the reserves policy is reviewed and approved by the Board on an annual basis.

► **Health and Safety**

The Southbank Centre operates on an 11 acre site with Grade I listed buildings to maintain as well as plant and equipment with many visitors and tenants also on site. Damage through a terrorist incident, fire, systems failure of equipment, tenant activities could have legal, reputational and financial ramifications.

These risks are managed by having comprehensive Health and Safety and Counter Terrorism processes including training, investigation and regular reporting to the Finance Audit and Risk committee near misses and incidents, and audits of our Counter Terrorism procedures.

► **Safeguarding**

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults.

Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to all members of the Committee. DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by an external specialist. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

► **Data**

The Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information.

The Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is

monitored through regular meetings of key internal stakeholders.

► **Post BREXIT**

There may be a small direct risk to the organisation due to any possible restriction on the movement of artists and suppliers between the EU and UK and any increased currency volatility. We continue to monitor and assess the situation as it progresses and the added impact current COVID-19 restrictions have on movement.

The impact of any indirect macro economic consequences are considered annually through review of budgets and within the reserves policy.

Legal Framework

The Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. The Southbank Centre was formed by a deed of trust on 31 March 1988. Its main objects are stated below and there have not been any changes to these during the year. As trustee of the Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has three wholly owned subsidiaries which it holds on behalf of the Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited by guarantee. The Charity Commission issued a uniting direction for registration purposes for the Southbank Centre (charity 298909) and South Bank Foundation Limited (charity 1054105) in October 2004.

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of the

Southbank Centre. See note 25 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustee Limited acts as the Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

The Board of Governors, who are directors of Southbank Centre Limited (the sole corporate trustee), are not remunerated for their services and have delegated management of the Southbank Centre's operational affairs to a Chief Executive and a Senior Leadership Team who attend Board meetings but are not entitled to vote.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has seven sub-committees to assist its governance of the Southbank Centre: Finance Audit and Risk, People, Nominations, Property, Commercial and Sustainability, Development, Chairs and Donations and Sponsorship Approval and Refusal Committees.

The Board supports the principles of good governance as set out in the new Charity Governance Code published in 2017 for larger charities and also the continuous improvement model which the Code promotes.

As part of its forward succession planning the Board has agreed to prepare a diversity plan linked to the skills needed to support the Senior Leadership Team in delivering a new strategic business plan. During the year, the Nomination Committee led an open and transparent search for a new Chair as the incumbent is retiring in July 2021.

The Board has also widened and strengthened the Terms of Reference of the Nominations Committee both to oversee the changes in Governance practice but also ensure continuous improvement.

Internal Financial Control

The Board of Governors has overall responsibility for the Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's Finance Audit and Risk Committee, whose members are all non-executive. The Committee reviews the effectiveness of the Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chair.

The Governors have delegated implementation of the system of internal financial control at the Southbank Centre to senior staff. The system is based on a framework of regular management information, financial regulations, administrative procedures for segregation of duties, and a system of delegation and accountability, including:

- ▶ Comprehensive annual budgets
- ▶ Monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- ▶ Targets set to measure financial and other performance
- ▶ Clearly defined capital expenditure control guidelines.

Internal audit work is completed in line with an analysis of the risks to which the Southbank Centre is exposed. Internal audit plans are endorsed by the Finance Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that the Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2021 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Annual audit

The annual audit of the Southbank Centre is carried out by Crowe U.K. LLP, who express an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament.

In so far as the Governors are aware:

- ▶ There is no relevant audit information of which the Charity's auditor is unaware.
- ▶ They have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- ▶ The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Fundraising statement

Our aim is always to ensure we raise funds from the public in a respectful and compelling way that is consistent with our values.

The Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. All fundraising conducted on behalf of the the Southbank Centre, whether by committees, volunteers or staff must comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation.

The Southbank Centre did not receive any complaints about fundraising activities carried out.

The Southbank Centre recognises the need to protect vulnerable people and ensures that no donation is sought or gained from someone who may not have the capacity to make an informed or considered decision. The Southbank Centre does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present across the Southbank Centre for voluntary donations.

Political and Charitable Donations

During the year the Southbank Centre did not make any donations to political parties or charities.

Insurances

During the year the Southbank Centre maintained liability insurance cover for the Governors of the Board, for the Trustees of the South Bank Centre Retirement Plan, for the Executive Directors and for the in-house solicitor against the consequences of neglect or fault on their part in performance of their respective duties and functions. The Southbank Centre also held insurance cover for the operation of its commercial vehicles, business travel and, when required, for works of art on loan from third parties. Limited Public Liability and Employers Liability insurance is held together with Business Interruption insurance in respect of commercial activities only. Apart from these insurances, the Southbank Centre is self-insured by the Treasury (as confirmed by an agreement with the Department for Culture, Media and Sport).

By Order of the Board



Luke Mayhew, Governor

05 July 2021

Southbank Centre Limited

As Trustee for Southbank Centre

Structure, Governance and Management

Board of Governors

The Governors of the Board who served during the year and subsequently are:

Governor	Appointed	Resigned/ retired	Last re-appointment
Ms Susan Gilchrist Chair	24 Sep 2008	01 Jul 2021	05 Jul 2018
Mr Brent Hansen	24 Sep 2008	01 Jul 2021	06 Jul 2018
Ms Fionnuala Hogan	21 Nov 2007	24 Sep 2020	06 Jul 2018
Mr David Kershaw Deputy Chair	24 Sep 2008	01 Jul 2021	
Mr Cornelius Medvei	01 Oct 2009		04 Jul 2019
Dr Maggie Semple OBE	23 Sep 2010		06 Jul 2017
Mr Michael Zaoui	02 Jul 2012	24 Sep 2020	02 Jul 2015
Ms Venetia Butterfield	03 Mar 2016		01 Jul 2021
Mr Mike Hussey	03 Mar 2016		01 Jul 2021
Sir William Sargent	03 Mar 2016		01 Jul 2021
Ms Nicola Benedetti	18 Mar 2016	24 Sep 2020	04 Jul 2019
Mr Luke Mayhew	27 Apr 2017		24 Sept 2020
Ms Vivian Hunt DBE	27 Apr 2017		24 Sept 2020
Mr Glyn Aikins	02 Jul 2020		24 Sept 2020
Mr Sandy Rattray	02 Jul 2020		24 Sept 2020
Ms Lisbeth Savill	02 Jul 2020		24 Sept 2020
Ms Lynne Shamwama	25 Feb 2021		01 Jul 2021
Mr Misan Harriman	01 Jul 2021		

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Digital, Culture, Media and Sport for his or

her admission as a Member, and after his or her name has been entered in the Register of Members. A Governor usually serves for a period of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for three further periods of three each, subject to a maximum tenure of 12 years as a Governor.

An induction programme is offered to all new Governors in order to ensure that they are briefed on the charity's objectives, strategy and activities.

The Governors meet six times a year on a regular basis, but may meet more frequently if required.

The Board also has a number of sub-committees which meet at different times. The Governors who currently serve on committees are:

Finance, Audit and Risk Committee

Luke Mayhew (C), Misan Harriman, Cornelius Medvei, William Sargent, Lynne Shamwana.
Non-board member: James Ainscough

People Committee

Venetia Butterfield (C), Glyn Aikins, Luke Mayhew, Cornelius Medvei, Maggie Semple

C = Chairman of that Committee

Nominations Committee

Vivian Hunt, Glyn Aikins, Cornelius Medvei, Maggie Semple, Misan Harriman

Property, Commercial and Sustainability Committee

Mike Hussey (C), Cornelius Medvei, Luke Mayhew, Lisbeth Savill, Lynne Shamwana

Development Committee

Sandy Rattray (C), Venetia Butterfield, Vivian Hunt, William Sargent, Misan Harriman.
Non-board member: Juliet Estridge, Alex Graham

Chairs Committee

Luke Mayhew (C), Venetia Butterfield, Misan Harriman, Vivian Hunt, Mike Hussey, Sandy Rattray, Lisbeth Savill

Donations and Sponsorship Approval and Refusal Committee

Lisbeth Savill (C), Luke Mayhew, Sandy Rattray, Lisbeth Savill, Misan Harriman

Senior staff

Chief Executive and other Senior Staff

The Chief Executive and other senior staff to whom day-to-day management of the charity is delegated by the Governors are:

Elaine Bedell	Chief Executive
Alexandra Brierly	Director of Creative Learning
Beth Byrne	Executive Producer (left March 2021)
Nicola Cardillo-Zallo	Director of People and Culture (started February 2021)
Toks Dada	Head of Classical Music (started December 2020)
Jan Davies	Interim HR Director (left January 2021)
Chris Denton	Executive Director, Audiences (left April 2021)
Andrew Gambrell	Finance Director
Rebecca Hanna-Grindall	Director, Arts Planning (started January 2021)
Anthony Hewitt	Director of Development (started May 2020)
Ted Hodgkinson	Head of Literature & Spoken Word
Susan Johnston	Chief Operating Officer
Mike McCart	Director of Partnerships and Property
Gillian Moore CBE	Director of Music and Performing Arts
Sunita Pandya	Director of Arts Planning, Partnerships and Admin (left December 2020)
Ruth Pelopida	Technical Director
Ralph Rugoff	Director, Hayward Gallery
Mark Rushworth	Property Director (left June 2020)
Bengi Unsal	Head of Contemporary Music

Reference And Administrative Details

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

Professional Advisors

Bankers

Lloyds TSB Bank plc
4th Floor
25 Gresham Street
London
EC2V 7HN

AIB Group (UK) plc
9/10 Angel Court
London
EC2R 7AB

Solicitors

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2HS

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

Independent Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Statement of Trustee Responsibilities

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and of the charity for that period.

In preparing these financial statements, the trustee is required to:

- ▶ Select suitable accounting policies and then apply them consistently. u Observe the methods and principles in the Charities SORP.
- ▶ Make judgements and estimates that are reasonable and prudent.
- ▶ State whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act

2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

to the Trustee of Southbank Centre

Opinion

We have audited the financial statements of the Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- ▶ the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- ▶ sufficient and proper accounting records have not been kept by the parent charity; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and

the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
London
7th July 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the Year ended 31 March 2021

	Note	Unrestricted funds		Restricted funds		Total funds	
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	2021 £'000	2020 £'000
INCOME FROM:							
Donations and legacies	2	24,799	-	1,813	3	26,615	23,212
Charitable activities	3	1,057	-	-	-	1,057	11,419
Other trading activities	4	8,501	-	-	-	8,501	18,011
Proceeds from sale of fixed assets	5	-	-	-	-	-	7,739
Investments	6	27	-	-	-	27	40
<i>Total</i>		<u>34,384</u>	<u>-</u>	<u>1,813</u>	<u>3</u>	<u>36,200</u>	<u>60,421</u>
EXPENDITURE ON:							
Raising funds	10	1,019	35	-	-	1,054	1,182
Charitable activities	10	27,781	596	1,409	3	29,789	45,294
Other	10	928	5,449	-	-	6,377	8,564
Total		<u>29,728</u>	<u>6,080</u>	<u>1,409</u>	<u>3</u>	<u>37,220</u>	<u>55,040</u>
Net (expenditure)/income before transfers		<u>4,656</u>	<u>(6,080)</u>	<u>404</u>	<u>-</u>	<u>(1,020)</u>	<u>5,381</u>
Transfers	20	<u>2,139</u>	<u>(2,139)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised (losses) / gains							
Actuarial (loss)/gain on defined benefit pension schemes	24	-	(800)	-	-	(800)	97
Gain/(Loss) on derivative financial instrument		-	429	-	-	429	(117)
Net movement in funds		<u>6,795</u>	<u>(8,590)</u>	<u>404</u>	<u>-</u>	<u>(1,391)</u>	<u>5,361</u>
Fund balances brought forward at 1 April 2020	20	<u>4,687</u>	<u>223,320</u>	<u>388</u>	<u>-</u>	<u>228,395</u>	<u>223,034</u>
Total funds carried forward at 31 March 2021	20	<u>11,482</u>	<u>214,730</u>	<u>792</u>	<u>-</u>	<u>227,004</u>	<u>228,395</u>

All of the above results are derived from continuing activities.

The notes on pages 64 to 86 form part of these financial statements.

The financial statements have been prepared in accordance with FRS 102.

Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 28.

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

BALANCE SHEETS

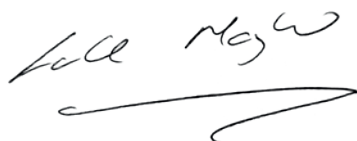
As at 31 March 2021	Notes	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12	236,749	243,636	236,749	243,636
Intangible assets	13	433	297	433	297
Investments	15	12,001	8,005	12,001	8,005
Total fixed assets		249,183	251,938	249,183	251,938
Current assets					
Stocks of consumables and goods held for resale		286	369	54	110
Debtors - due within one year	16	9,296	6,427	9,279	4,575
Cash and cash equivalents		11,713	6,022	9,363	1,025
Total current assets		21,295	12,818	18,696	5,710
Liabilities					
Creditors: amounts falling due within one year	17	(11,098)	(13,703)	(10,237)	(13,925)
Total current liabilities		(11,098)	(13,703)	(10,237)	(13,925)
Net current (liabilities)		10,197	(885)	8,459	(8,215)
Total assets less current liabilities		259,380	251,053	257,642	243,723
Creditors: amounts falling due after one year	19	(32,876)	(23,958)	(32,319)	(23,475)
Net assets excluding pension liability		226,504	227,095	225,323	220,248
Defined benefit pension asset / (liability)	24	500	1,300	500	1,300
Total net assets		227,004	228,395	225,823	221,548

THE FUNDS OF THE GROUP

As at 31 March 2021	Notes	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Unrestricted income funds					
General reserves	20	11,482	4,687	10,301	(2,160)
Designated funds	20	214,230	222,020	214,230	222,020
Pension reserve	24	500	1,300	500	1,300
		214,730	223,320	214,730	223,320
Total unrestricted income funds	20	<u>226,212</u>	<u>228,007</u>	<u>225,031</u>	<u>221,160</u>
Restricted income funds					
Projects fund	20	<u>792</u>	<u>388</u>	<u>792</u>	<u>388</u>
Total restricted income funds	20	<u>792</u>	<u>388</u>	<u>792</u>	<u>388</u>
Total group funds	20	<u>227,004</u>	<u>228,395</u>	<u>225,823</u>	<u>221,548</u>

The notes on pages 64 – 86 form part of these financial statements

The financial statements on pages 60 – 86 were approved by the Board of trustees and signed on its behalf by



Luke Mayhew, Governor
05 July 2021

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £40,780k
(2020 gross income: £48,155k)

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £4,488k
(2020 net expenditure: £1,715k)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities		1,587	7,078
Net cash generated from operating activities		<u>1,587</u>	<u>7,078</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	12	(1,408)	(3,261)
Purchase of intangible fixed assets	13	(189)	(126)
Investments	15	(3,996)	(8,005)
Sale of tangible fixed assets		16	7,739
Interest received	6	27	40
Cash used in investing activities		<u>(5,550)</u>	<u>(3,613)</u>
Cash flow from financing activities			
Loan received		10,911	-
Repayment of loan		(288)	(837)
Interest expense		(969)	(1,026)
Cash generated (used in) / from financing activities		<u>9,654</u>	<u>(1,863)</u>
Net (decrease) / increase in cash and cash equivalents		<u>5,691</u>	<u>1,602</u>
Cash and cash equivalents at the beginning of the year		6,022	4,420
Cash and cash equivalents at the end of the year		<u>11,713</u>	<u>6,022</u>

RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) / SURPLUS TO NET CASH FLOW FROM OPERATIONS

Net (outgoing) / incoming resources before transfers		(1,020)	5,381
Interest received	6	(27)	(40)
Interest paid	8	969	1,026
Depreciation and amortisation charge	12, 13	8,318	8,194
Loss/(Gain) on FA disposal		16	(7,739)
Impairment of Intangible Fixed Assets	13	-	229
(Increase)/Decrease in stock		83	9
Decrease/(increase) in debtors	16	(2,869)	(326)
(Decrease)/ increase in creditors	17, 19	(3,882)	476
Retirement benefits movements	24	-	(133)
Net cash inflow from operating activities		<u>1,587</u>	<u>7,078</u>

Notes to the Financial Statements

1) Statement of Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 in July 2014 (SORP) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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'.

b) General information

Southbank Centre is a registered charity (Registered Charity No. 298909) and is incorporated and domiciled in the United Kingdom. The address of its registered office is Belvedere Road, London, SE1 8XX.

c) Summary of significant accounting policies

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

d) Going concern

The Governors have considered whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the organisation into the foreseeable future.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that uncertainty remains. In particular, the timescale for full re-opening is yet to be confirmed and audience demand will take some time to rebuild to pre-COVID levels. Social distancing and other measures may also be re-imposed in the future.

In order to assess the impact of this uncertainty, business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and have been further assessed on the basis of an extension, or re-imposition, of social distancing during the year. Scenarios have also been considered where further lockdowns require the closure of the site.

Given the increase in reserves and cash holdings, predominantly due to the £10.911m support from the Cultural Recovery Fund Repayable Finance scheme, the Board consider that there are sufficient cash resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

Southbank Centre substantially relies on funding by grants from Arts Council England. Arts Council England has confirmed funding for Southbank Centre to March 2022 and confirmed its intention to extend the current funding agreement to 31 March 2023. These financial statements have been prepared upon the expectation that Southbank Centre will continue to receive the agreed level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve months from the date of approval of these financial statements and, for this reason, have therefore prepared the financial statements on a going concern basis.

e) Group financial statements

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 26 for details on the results of Southbank Centre Enterprises Limited.

Uniform accounting policies are used across the group, and intra-group transactions are eliminated on consolidation.

1 Statement of Accounting Policies continued

f) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The grant received from Arts Council England is recognised within income in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

Donations and sponsorship are included as income when they are receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Funding for assets under construction is credited to incoming resources when receivable.

Income from other trading activities comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the group earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued. Amounts received in respect of Creative Tax Reliefs are included as income for the relevant activity when receivable.

g) Expenditure and resources expended

As with income, expenditure is recognised as incurred in the financial year of the particular activity to which it relates. Resources expended are included in the Statement of Financial Activities on an accruals basis, and are classified under headings that aggregate all costs related to that category. The costs of those activities which support one or more of the group's activities have been allocated to those activities using an appropriate basis. Cost allocation includes an element of judgement and consideration has been given to the cost benefit of detailed calculations and record keeping.

Costs of Raising Funds are those incurred by the Development department for the purposes of the group.

Retail and trading costs are those incurred in the running of commercial activities on the estate.

Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 11 - Allocation of Support Costs

h) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

i) Foreign currencies

The functional and presentational currency is pounds sterling.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

j) Employee benefits

The Group provides a range of benefits to employees, including holiday pay, annual bonus arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

For defined contribution plans the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1 Statement of Accounting Policies continued

j) Employee benefits (continued)

iii) Defined benefit pension plans

Southbank Centre contributes to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan), in which there are defined benefit and defined contribution sections. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation is calculated using the projected unit credit method. Annually Southbank Centre engage independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit pension plan'.

The cost of the defined benefit plan, recognised in Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the Statement of Financial Activities as finance expense.

k) Leases

i) Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rentals are charged to the SOFA on a straight line basis over the life of the lease.

ii) Where income is receivable under retail unit or similar lease agreements, the basic element is recognised on a straight line basis over the period to the next rent review, and any element based on a percentage of turnover of the lessee is recognised in the period to which that turnover relates.

l) Fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at depreciated replacement cost as at 1 April 2014 with additions since that date included at cost. All other land and buildings have been stated at cost.

1 Statement of Accounting Policies continued

l) Fixed assets and depreciation (continued)

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. These were revised as part of the depreciated replacement cost assessment as being 46 years for the Royal Festival Hall, 28 years for the Queen Elizabeth Hall and 41 years for the Hayward Gallery. New additions since 1 April 2009 have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.

iii) Assets in the course of construction are held at cost and are not depreciated.

iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than one year and value greater than £1,000 are capitalised. All intangible assets are measured at cost.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences the contractual period

Website 4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage Assets

Southbank Centre maintains the following types of heritage assets:

- The Southbank Centre Collection of artwork and sculptures that have been gifted to Southbank Centre.
- The Southbank Centre Archive which aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre.
- The National Poetry Library, the most comprehensive and accessible collection of modern poetry in Britain.

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, they contribute to knowledge and culture through its retention and use and is accessible to the public for viewing and/or research.

Acquisitions to Southbank Centre's heritage assets are made by donations or purchase. Southbank Centre may occasionally dispose of assets from its collections if the Trustee believes this is in the best interest of Southbank Centre and this is not deemed to compromise the integrity of the collections.

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection.

1 Statement of Accounting Policies continued

Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell and comprise catalogues and other goods held for resale. Cost is determined on a weighted average basis. A provision is made for slow moving, obsolete or defective stock to the extent that the cost price is estimated to exceed the net realisable value. There is no material difference between the value of stock as stated and the replacement cost of this stock.

p) Impairment of tangible and intangible assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities."

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

At year-end the levels of funds are reviewed and transfers are made between funds to reflect where donor requirements on restricted funds utilised for capital purchases have been met, and a change in the level of designated funds is deemed appropriate.

s) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Group has taken reduced disclosure exemptions for Sections 11 and 12 FRS 102.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

1 Statement of Accounting Policies continued

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Southbank Centre uses derivative financial instruments to reduce exposure to interest rate movements. Southbank Centre does not hold or issue derivative financial instruments for speculative purposes.

Derivatives including interest rate swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The swaps are derecognised when the liability are extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

1 Statement of Accounting Policies continued

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the SOFA.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

t) Critical accounting judgements and key source of estimation uncertainty

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2022, this has been treated as Creditors falling due after one year.

2) Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Donations and sponsorships	1,200	885	2,085	2,074
Arts council grant	18,699	928	19,627	20,300
Funding for asset construction	3	3	6	838
Other grant income	4,897	-	4,897	-
Total	24,799	1,816	26,615	23,212

Donations and sponsorships include pro bono services received from Latham & Watkins of £61k (2020: £nil).

Other income comprises of the Job Retention Scheme Grant of £4,828k (2020: £nil) and Covid Local Support Grant income of £69k (2020: £nil).

3) Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Artistic activities				
Ticket Income	587	-	587	7,076
Artistic rentals	420	-	420	3,067
Other income	50	-	50	1,276
Total	1,057	-	1,057	11,419

4) Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Other Trading Activities				
Retail sales	329	-	329	1,929
Concessions	5,778	-	5,778	8,092
Hall and space rentals	594	-	594	3,248
Memberships and subscriptions	946	-	946	1,257
Other income	854	-	854	3,485
Total	8,501	-	8,501	18,011

5) Proceeds From Sale of Fixed Assets

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Sale of land	-	-	0	7,739
Total	0	-	0	7,739

6) Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Interest receivable	27	-	27	40
Total	27	-	27	40

7) Net Income / (Expenditure)

Net income/ (expenditure) is stated after charging (crediting):

Operating lease charges	173	173
Depreciation and amortisation charge on assets	8,318	8,356
Auditors' remuneration for audit services (Southbank Centre)	75	56
Auditors' remuneration for audit services (Enterprises)	6	6
Losses on foreign exchange differences	2	9
Impairment losses	-	229
Income from Creative Tax reliefs included within income from charitable activities	(112)	(656)
Bad debt expense	1,062	737

8) Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Interest expense	969	-	969	1,026
Total	969	-	969	1,026

9) Staff Costs

	2021 £'000	2020 £'000
Employee costs amounted to:		
Wages and salaries	13,530	16,559
Social security costs	1,137	1,518
Pension costs	793	966
	<u>15,460</u>	<u>19,043</u>

Costs relating to terminations in the year are included in the above and were £1,284k (2020: £120k) of which £14k (2020: £67k) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2020: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2021 No.	2020 No.	2021 No.	2020 No.
Raising Funds	12	14	11	13
Charitable Activities	112	130	101	119
Other	29	31	24	28
Support	307	419	209	318
	<u>460</u>	<u>594</u>	<u>345</u>	<u>478</u>

Higher paid employees received remuneration, including redundancy payments but excluding pension costs, within the following bands:

	2021 No.	2020 No.
£60,000 - £69,999	6	3
£70,000 - £79,999	2	6
£80,000 - £89,999	3	1
£90,000 - £99,999	1	3
£110,000 - £119,999	1	1
£130,000 - £139,999	1	-
£140,000 - £149,999	1	-
£160,000 - £169,999	-	1
£250,000 - £259,999	-	1
	<u>15</u>	<u>16</u>

Of these 15 (2020: 16) employees, Southbank Centre paid pension contributions of £46,352 for 9 employees (2020: £70,483 11 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee £7,261 (2020: £8,627 1 employee) who was a member of the defined benefit section of the pension scheme and £7,841 was paid for 4 members of the auto-enrolment pension scheme (2020: £6,031; 3 employees).

18 key management personnel were paid a total of £1.28 million (2020:16 employees, £1.36 million). The Southbank Centre paid £62k (2020: £75k) in pension contributions and £139k in Employers National Insurance Contributions (2020: £166k).

In recognition of the severe impact of COVID 19 on Southbank Centre, the Chief Executive volunteered to cap her total remuneration for the year to 31 March 2021 to £147k, a 42% reduction (2020 £252.4k).

10) Total Resources Expended

	Direct costs £'000	Support costs £'000	Total 2021 2020 £'000 £'000	
Costs of raising funds	474	580	1,054	1,182
Expenditure on charitable activities	5,332	24,457	29,789	45,294
Other	2,130	4,247	6,377	8,564
	<u>7,936</u>	<u>29,284</u>	<u>37,220</u>	<u>55,040</u>

11) Allocation of Support Costs

	Management and Administration £'000	Marketing and Communications £'000	Human Resources £'000	Operations £'000	Depreciation and disposals £'000	2021 £'000	2020 £'000
Costs of raising funds	332	100	27	74	47	580	491
Expenditure on charitable activities	3,741	1,120	518	11,602	7,476	24,457	32,285
Other	1,487	444	67	1,431	818	4,247	4,742
Total Support costs	<u>5,560</u>	<u>1,664</u>	<u>612</u>	<u>13,107</u>	<u>8,341</u>	<u>29,284</u>	<u>37,518</u>

Support costs have been allocated to the charity's activities as follows:

Support Costs

Management and Administration
Marketing and Communications
Human Resources
Operations
Depreciation
Governance

Allocation basis

Direct spend on those activities
Direct spend on those activities
Headcount
Floor area
Floor area
Estimated time spent on governance activities

Costs classified as governance relate to the general running of the charity and included operations of the Board of Governors and addressing constitutional, audit and other statutory matters. Governance costs are included within management and administration support costs and are made up of the following:

	2021 £'000	2020 £'000
Internal audit	6	28
External audit	63	62
Governors' indemnity insurance	15	9
Apportionment of staff costs	260	241
	<u>338</u>	<u>312</u>

12) Tangible Assets

Group and charity	Land and Buildings (Artistic) £'000	Land and Buildings (Other) £'000	Assets under Construction £'000	Fixtures and Fittings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>							
At 1 April 2020	256,616	26,647	446	7,327	7,071	230	298,337
Additions	72	-	21	955	360		1,408
Transfers	76		(207)				(131)
Disposals	-			(101)	(481)	(230)	(812)
At 31 March 2021	256,764	26,647	260	8,181	6,950	-	298,802
<i>Accumulated depreciation</i>							
At 1 April 2020	35,963	8,847	-	4,855	4,825	211	54,701
Charge for the year	6,341		-	790	995	8	8,134
On disposals	-	-	-	(84)	(479)	(219)	(782)
At 31 March 2021	42,304	8,847	-	5,561	5,341	-	62,053
<i>Net Book Value</i>							
At 31 March 2021	214,460	17,800	260	2,620	1,609	-	236,749
At 31 March 2020	220,653	17,800	446	2,472	2,246	19	243,636

13) Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2020	1,199	1,199
Additions	189	189
Transfers	131	131
Disposals	(724)	(724)
At 31 March 2021	795	795
<i>Accumulated amortisation</i>		
At 1 April 2020	902	902
Charge for the year	184	184
On disposals	(724)	(724)
At 31 March 2021	362	362
<i>Net Book Value</i>		
At 31 March 2021	433	433
At 31 March 2020	297	297

14) Heritage Assets

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. 90% of the collection in 2004 was valued at approximately £200,000. This collection has been built up over the last sixty years and no assets were acquired or disposed of over the last five years.

Southbank Centre aims to have the majority of the collection on display to the public around its site.”

The Southbank Centre Archive

Southbank Centre Archive aims to collect, manage and preserve information, documents and artefacts relating to events and exhibitions held in the performing arts and public spaces of Southbank Centre. The Archive includes print material (programmes, leaflets and festival brochures), photographs, recordings of performances and events, general ephemera (tickets, gifts, promotional items, objects and artefacts), written or recorded memories, letters or postcards describing visits, employment or other experiences of the site. The archive is maintained by Southbank Centre’s Archivist.

Poetry Library

“The National Poetry Library houses the National poetry collection. The collection, dating from about 1914, consists mostly of poetry from the United Kingdom and Ireland, a large selection from English-speaking countries worldwide, poetry in translation, poetry by and for children, rap and concrete poetry. Audio and video facilities are available in addition to a large variety of magazines, press cuttings and ephemera.

The library contains over 100,000 items and is growing all the time. The library aims to hold all poetry titles published in the UK with a representation of works from other countries.

The library is funded by the ongoing support of Arts Council England.

Membership is free and the library is open daily (except Mondays) from 11am to 8pm.

15) Investments

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash on short term deposit	12,001	8,005	12,001	8,005
	<u>12,001</u>	<u>8,005</u>	<u>12,001</u>	<u>8,005</u>

16) Debtors: Amounts Due Within One Year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	3,902	3,029	3,495	2,407
Amounts owed by group undertakings	-	-	1,001	-
Other debtors	1,787	679	1,787	679
Prepayments and accrued income	3,607	2,719	2,996	1,489
	<u>9,296</u>	<u>6,427</u>	<u>9,279</u>	<u>4,575</u>

Trade debtors - Group is net of bad debt provision of £1,984k (2020: £792k), and Trade debtors - Charity is net of bad debt provisions of £1,959k (2020: £259k).

17) Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans and overdrafts	1,209	1,149	1,209	1,149
Trade creditors	822	4,847	773	4,798
Amounts owing to group undertakings	-	-	-	788
Advanced ticket sales	1,547	-	1,547	-
Accruals and Deferred income	7,520	7,707	6,708	7,190
	<u>11,098</u>	<u>13,703</u>	<u>10,237</u>	<u>13,925</u>

Deferred income comprises amounts received for which the related service, project or expenditure, occurs in a future financial year.

18) Deferred Income

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred income brought forward	3,124	3,530	2,099	2,647
Deferred in the year	2,451	3,011	1,767	2,099
Released in the year	(2,642)	(3,417)	(2,099)	(2,647)
Deferred income carried forward	<u>2,933</u>	<u>3,124</u>	<u>1,767</u>	<u>2,099</u>

19) Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	28,440	17,876	28,440	17,876
Derivative financial instrument	2,459	2,888	2,459	2,888
Advanced ticket sales	1,264	2,711	1,264	2,711
Deferred income	713	483	156	-
	<u>32,876</u>	<u>23,958</u>	<u>32,319</u>	<u>23,475</u>

The maturity of loans and obligations (including loans due within one year) is as follows:

Within one year	1,209	1,149	1,209	1,149
Within two to five years	9,732	9,510	9,732	9,510
After five years	18,707	8,366	18,707	8,366
	<u>32,108</u>	<u>19,025</u>	<u>32,108</u>	<u>19,025</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2021 was £12.3m (2020: £12.4m).

A term loan of £7.0m was provided by Lloyds Bank plc in June 2018 to fund estate development and is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is partially repayable in quarterly instalments commencing in June 2019 until 2024 when a balance of £5.2m will remain outstanding. The balance outstanding at 31 March 2021 was £6.5m (2020: £6.7m).

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and expires in April 2027 which is subject to a mandatory early termination in January 2024. At 31 March 2021, the fair value of the contracts outstanding was £2.5m (2020: £2.9m).

A new loan was received from the Culture Recovery Fund Repayable Finance of £10.9m to provide additional liquidity in order to mitigate the effects of Covid-19 lockdown on the organisation. This provides for a fixed interest loan for 20 years at 2% per annum with a four-year capital repayment and interest payment holiday.

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	6,022	5,691	11,713
Loans falling due within one year	(1,149)	(60)	(1,209)
Loans falling due after more than one year	(17,876)	(10,563)	(28,439)
	<u>(13,003)</u>	<u>(4,932)</u>	<u>(17,935)</u>

20) Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General fund	4,687	34,384	(29,728)	-	(6,943)	2,400
CRF Repayable Finance Fund	-	-	-	-	9,082	9,082
Total General Reserves	4,687	34,384	(29,728)	-	2,139	11,482
Designated funds						
Capital & Revaluation Reserve	222,020	-	(6,080)	429	(8,495)	207,874
2021/22 Restart Fund	-	-	-	-	4,156	4,156
Strategic Investment Fund	-	-	-	-	2,200	2,200
Pension Plan Reserve (note 24)	1,300	-	-	(800)	-	500
Total unrestricted funds	228,007	34,384	(35,808)	(371)	-	226,212
<i>Restricted funds</i>						
Capital Reserve	-	3	(3)	-	-	-
Projects Fund	388	1,813	(1,409)	-	-	792
Total restricted funds	388	1,816	(1,412)	-	-	792
TOTAL funds (2021)	228,395	36,200	(37,220)	(371)	-	227,004
TOTAL funds (2020)	223,034	60,421	(55,040)	(20)	-	228,395

The following table discloses the reserves for the prior year as required by the Charities SORP.

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted funds						
<i>General Reserve</i>						
	2,422	57,153	(47,496)	-	(7,392)	4,687
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	(260)	-
Capital & Revaluation Reserve	219,079	-	(6,171)	(117)	9,229	222,020
Hayward Gallery Prints Fund	6	-	-	-	(6)	-
Pension Plan Reserve (note 24)	1,070	-	133	97	-	1,300
Total unrestricted funds	222,837	57,153	(53,534)	(20)	1,571	228,007
<i>Restricted funds</i>						
Capital Reserve	-	1,571	-	-	(1,571)	-
Projects Fund	197	1,697	(1,506)	-	-	388
Total restricted funds	197	3,268	(1,506)	-	(1,571)	388
TOTAL funds (2020)	223,034	60,421	(55,040)	(20)	-	228,395

20) Group and Charity Reserves continued...

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives. The Cultural Recovery Repayable Finance fund was created from the proceeds of the CRF Repayable Finance scheme and will be used to achieve the transition to a financially viable business during 2021/22 and to supplement the general reserves of the Charity.

The Strategic Reserve was created to support the costs of new initiatives budgeted for future years including developing digital activity.

The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 12).

The Strategic Investment Fund has been set up to provide investment in artistic ambition, innovation, inclusion, sustainability and financial resilience over a 1-3 year timeframe.

2021/22 Restart Fund is to provide funding for the expected deficit in 2021/22 due to the continued impact of COVID 19 on the operations of the Southbank Centre during the year to 31 March 2022.

The Hayward Gallery Prints Fund relates to prints that Southbank Centre sells in order to fund the purchase of new prints for display in the Hayward Gallery and on touring exhibitions.

The Pension Plan Reserve reflects the balance of surplus or deficit on the pension scheme and moves in line with annual actuarial valuations.

Restricted funds There are two restricted funds which hold a number of projects:

The Capital Reserve holds unspent grants received for various public realm developments.

The Projects Fund holds restricted grants received in advance of expenditure for operating projects.

Transfers in the year

In 2020, £1.5m was transferred in the year from the Restricted Capital Reserve to the Unrestricted Designated Capital Reserve reflecting grant income and Arts Council England capital funding received where the restricted purpose has been fulfilled. In 2021, this was £nil.

£8.5m was transferred from the Capital and Revaluation reserve to General Reserves (2020: £7.4m transferred from General Reserve to the Capital and Revaluation reserve).

£4.2m was transferred from General Reserves to the new 2021/22 Restart Fund.

£2.2m was transferred from the General Reserve to the new Strategic Investment Fund.

There was no transfer of funds in the year (2020: £260k) from the Strategic Reserve to the General Reserve.

There was no transfer of funds in the year (2020: £6k) from the Hayward Gallery Prints Fund to the General Reserves.

Charity reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £1.2m (2020: £6.8m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

21) Capital Commitments

<i>Group and Charity</i>	2021 £'000	2020 £'000
Authorised and contracted	604	176

Capital commitments relate to system upgrades and property costs.

22) Commitments Under Operating Leases

The Group had the following future minimum lease payments under non-cancellable operating leases, as a lessee, for each of the following periods:

	2021 £'000	2020 £'000
Payments due		
Not later than one year	173	173

23) Operating Lessor

The Group had the following future minimum lease receivables under non-cancellable operating leases, as a lessor, for each of the following periods:

	2021 £'000	2020 £'000
Receipts due	35,767	34,437
Not later than one year	4,013	3,618
Later than one year and not later than five years	16,063	14,482
Later than five years	15,691	16,337

24) Pensions

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The amount recognised in the SOFA is as follows:

	2021 £'000	2020 £'000
Defined benefit scheme		
Current service cost	145	224
Defined contribution scheme	648	742
Total charge in net expenditure	793	966
Defined benefit scheme		
Net interest (income) / expense	(177)	(31)
Total charge	616	935

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2017 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. As the section is closed to new entrants, under the projected unit method the current service cost will increase (as a percentage of pensionable salaries) as members approach retirement. The next tri-annual valuation of the fund as at 1 April 2020 is underway.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has

not be recognised for the full balance of the surplus. The surplus is, however, anticipated to reduce future employer contributions to the scheme, by an estimated £0.5m (2020: £1.3m) and therefore the value of the surplus has been capped at this value.

21) Pensions continued

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. Southbank Centre has agreed to a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2021 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2021	2020
Expected rate of salary increase	2.70%	2.80%
Expected rate of increase of pensions in payment	2.20%	2.20%
Discount rate	2.00%	2.40%
Rate of inflation (RPI)	3.40%	2.80%
Rate of inflation (CPI)	2.70%	2.20%

The mortality assumptions used were as follows:

	2021 years	2020 years
Longevity at age 65 for current pensioners		
Men	22.3	22.4
Women	24.3	24.3
Longevity at age 65 for future pensioners		
Men	23.6	23.7
Women	25.8	25.9

Reconciliation of plan assets and liabilities:

	£'000 Assets	£'000 Liabilities	£'000 Total
At 1 April 2020	63,210	(55,951)	7,259
Benefits paid	(2,066)	2,066	-
Employer contributions	232	-	232
Member's contributions	11	(11)	-
Current service cost	-	(145)	(145)
Interest income/ (expense)	1,495	(1,318)	177
Remeasurement (losses) / gains			
Actuarial gains	6,902	(5,880)	1,022
Return on plan assets excluding interest income		-	-
As at 31 March 2021	69,784	(61,239)	8,545

Total cost recognised as an expense:

	2021 £'000	2020 £'000
Current service cost	145	224
Interest cost	1,318	1,546
	1,463	1,770

No amounts (2020: £nil) were included in the cost of assets.

21) Pensions continued

The fair value of the plan assets was:

	2021	2020
	£'000	£'000
Equities	13,803	11,011
Liability driven investments	19,795	19,162
Diversified growth fund	28,057	24,307
Cash	537	359
London Eye Asset	7,592	8,371
	<u>69,784</u>	<u>63,210</u>

The plan assets do not include any of Southbank Centre's financial instruments nor is any property occupied by any Southbank Centre entity

The return on the plan assets was:

	2021	2020
	£'000	£'000
Interest income	1,495	1,577
Return on plan assets less interest income	6,902	(896)
	<u>8,397</u>	<u>681</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2021	2020
	£'000	£'000
Current year contributions	648	742
	<u>648</u>	<u>742</u>

25) Subsidiaries

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares of £1 each), Southbank Centre Pension Fund Corporate Trustees Limited (1 share of £1 each) and Southbank Centre Enterprises Limited (100 shares of £1 each), on behalf of Southbank Centre. Southbank Centre is the controlling party (ultimate parent company) and therefore consolidates these subsidiaries into its financial statements. Southbank Centre Limited only acts in the capacity of sole Corporate Trustee of Southbank Centre through the appointment of its directors (the Governors of Southbank Centre) and is otherwise dormant.

The South Bank Foundation Limited (number: 3174667)

The South Bank Foundation Limited was formed for the purpose of fundraising for Southbank Centre, particularly its site development. South Bank Foundation Limited was dormant during the year.

The Southbank Centre Pension Fund Corporate Trustees (number: 12510510)

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was dormant during the year.

Southbank Centre Enterprises Limited (Registration number: 6158790)

The principal activities of Southbank Centre Enterprises Limited are to manage certain commercial and retail activities on Southbank Centre's estate, including event hires, the bar and catering concessions, Southbank Centre's own shops and the car park. A summary of Southbank Centre Enterprises Limited's trading results are shown below:

	2021 £'000	2020 £'000
Turnover	2,478	13,318
Cost of sales	(620)	(3,509)
Administrative expenses	(679)	(2,982)
Operating profit	<u>1,179</u>	<u>6,827</u>
Interest receivable	2	19
Net profit	<u>1,181</u>	<u>6,846</u>
Profit and loss brought forward	6,846	-
Gift aid paid to Southbank Centre Limited	(6,846)	-
Retained in the subsidiary	<u>1,181</u>	<u>6,846</u>

As at the balance sheet date the aggregate amount of Southbank Centre Enterprises Limited assets, liabilities, share capital and reserves was:

	2021 £'000	2020 £'000
Current assets	3,614	7,896
Creditors: amount falling due within one year	(1,876)	(567)
Net current assets	<u>1,738</u>	<u>7,329</u>
Creditors: amounts falling due after one year	(557)	(483)
Total net assets	<u>1,181</u>	<u>6,846</u>
Represented by:		
Profit and loss account	<u>1,181</u>	<u>6,846</u>

26) Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

The Royal Festival Hall extension building was financed by a £4m award from GLA Land and Property, formerly, London Development Agency. In the event that Southbank Centre ceases operating £4m would be repayable.

A grant of £16.7m was provided by the Arts Council for refurbishments to the Festival Wing (Queen Elizabeth Hall, Purcell Room and the Hayward Gallery). A fixed and floating charge was taken out by the Arts Council England over the assets of the charity. In the event that the Southbank Centre ceases operating, this grant would be repayable to the Arts Council.

A term loan of £17.7m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027.

A term loan of £7m provided by Lloyds Bank plc and Lloyds Corporate Markets plc is secured by an assignment and charge over the retail lease income from property at the Southbank Centre. The loan is repayable in quarterly instalments with the final balance repayable in January 2024.

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an underlease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long underlease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the underlease from Southbank Centre to the British Film Institute.

27) Related Parties

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD nil (2020: USD 67,441) from the American Fund. The American Fund had USD 153,197 (2020: USD 52,605) in cash balances available to transfer to Southbank Centre at 31 March 2021.

Donations from Trustees were £142,209 (2020: £54,731).

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £459,280 (2020: £1,030,455), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £214,031 (2020: £1,071,431) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £204,773 (2020: £210,413) for the year ended 31 March 2021.

Chris Denton, a member of the Executive team of Southbank Centre, is closely related to a director of Jane Denton Creative Services Limited. During the course of the year Southbank Centre paid Jane Denton Creative Services Limited £2,594 (2020: £7,676) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services and has left the Southbank Centre in April 2021.

The National Youth Orchestra is considered a related party until December 2020 as both Andrew Gambrell, a member of the Executive Team of the Southbank Centre, and Luke Mayhew, a Trustee, were also Trustees of the National Youth Orchestra. Income received for the year was £2,119 (2020: nil).

28) Full Prior Year Disclosure of the Consolidated Statement of Financial Activities

	Note	Unrestricted funds		Restricted funds		Total funds 2020 £'000
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	
INCOME FROM:						
Donations and legacies	2	19,944	-	1,697	1,571	23,212
Charitable activities	3	11,419	-	-	-	11,419
Other trading activities	4	18,011	-	-	-	18,011
Proceeds from sale of fixed assets	5	7,739	-	-	-	7,739
Investments	6	40	-	-	-	40
Total		57,153	-	1,697	1,571	60,421
EXPENDITURE ON:						
Raising funds	10	1,147	35	-	-	1,182
Charitable activities	10	38,257	5,531	1,506	-	45,294
Other	10	8,092	472	-	-	8,564
Total		47,496	6,038	1,506	-	55,040
Net income/(expenditure) before transfers		9,657	(6,038)	191	1,571	5,381
Transfers	20	(7,392)	8,963	-	(1,571)	-
Other recognised gains						
Actuarial gains on defined benefit pension plan	25	-	97	-	-	97
Gain on derivative financial instrument	24	-	(117)	-	-	(117)
Total		-	(20)	-	-	(20)
Net movement in funds		2,265	2,905	191	-	5,361

All of the above results are derived from continuing activities
The Movements on Reserves are also described in note 20

There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalents

	Unrestricted funds		Restricted funds		Total funds 2020 £'000
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	
Net movement in funds	2,265	2,905	191	-	5,361
Fund balances brought forward as at 1 April 2019	2,422	220,415	197	-	223,034
Total funds carried forward as at 31 March 2020	4,687	223,320	388	-	228,395

Southbank Centre would like to thank the following companies, trusts, foundations and individuals for their valuable support:

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Andrew Smith
Mark Smith & Geraldine Wong-Smith
Anthony & Nancy Sykes
Marina Vaizey
And those who prefer to remain anonymous

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