

# SOUTHBANK CENTRE



**Annual Report and Accounts  
2017 – 18**

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2017 – 18**

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**Southbank Centre**

Registered as a Charity No. 298909

Principal office  
Belvedere Road  
London  
SE1 8XX

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# Advisers

**Bankers**

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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

Pinsent Masons LLP  
30 Aylesbury Street  
London  
EC1R 0ER

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

**Independent Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

# Board of Governors

## Board of Governors

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

Governor	Appointed	Last re-appointment
Ms Susan Gilchrist <i>Chair</i>	24 Sep 2008	15 Jan 2016
Mr Robin Woodhead <i>Deputy Chair</i>	22 Sep 2004 to 06 Jul 2017	01 Jul 2014
Mr Nihal Arthanayake	25 Jan 2011	01 Jul 2014
Mr Brent Hansen	24 Sep 2008	02 Jul 2015
Ms Fionnuala Hogan	21 Nov 2007	01 Jul 2014
Mr David Kershaw <i>Deputy Chair from 6 Jul 2017</i>	24 Sep 2008	02 Jul 2015
Mr Cornelius Medvei	30 Sep 2009	02 Jul 2016
Ms Maggie Semple OBE	23 Sep 2010	01 Jul 2014
Mr Michael Zaoui	02 Jul 2012	02 Jul 2015
Ms Venetia Butterfield	03 Mar 2016	
Mr Mike Hussey	03 Mar 2016	
Sir William Sargent	03 Mar 2016	
Ms Nicola Benedetti	18 Mar 2016	
Mr Luke Mayhew	27 Apr 2017	
Ms Vivian Hunt DBE	27 Apr 2017	

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 years each, subject to a maximum tenure of 12 years as a Governor.

An induction programme is offered to all new Governors 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 intervals. The Governors who currently serve on committees are:

*C = Chair of that Committee*

### Audit and Risk

Fionnuala Hogan (C), Brent Hansen, Susan Gilchrist, Cornelius Medvei, Luke Mayhew (from May 2017)

### Remuneration

David Kershaw (C), Brent Hansen, Cornelius Medvei

### Nominations and Governance

Susan Gilchrist (C), Brent Hansen, Robin Woodhead

### Property Committee

Mike Hussey (C), Susan Gilchrist, Venetia Butterfield, Cornelius Medvei, Michael Zaoui, Fionnuala Hogan. Non board member: Janice Bowman

### Development Committee

Michael Zaoui (C), Susan Gilchrist (Vice Chair), Robin Woodhead, Non Board Members: Rosamund Bernays, Stephen Cooke, Michele Colocci, Lady Dalit Nuttall, Lynda Gratton, Rick Grogan

### Digital Strategy Committee

William Sargent, Nihal Arthanayake, Brent Hansen, Maggie Semple, Robin Woodhead

# 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:

Alan Bishop	Chief Executive (left Jun 2017)
Elaine Bedell	Chief Executive (from May 2017)
Jude Kelly CBE	Artistic Director (left May 2018)
Molly Jackson	Deputy Chief Executive (left Dec 2017)
Nigel Waters	Chief Commercial Officer (from Jan 2018)
Melford Deane	Company Secretary and Legal Advisor (left Apr 2018)
David Holdaway	Company Secretary and Legal Advisor (from May 2018)
Victoria Cheetham	Director of Producing and Presentation
Mike McCart	Director of Partnerships and Policy
Mark Rushworth	Property Director
Kathryn Martindale	Finance Director (left Dec 2017)
Chay Champness	Interim Finance Director (from Jan 2018)
Alison Lodge	Director of Human Resources
Chris Denton	Director of Marketing and Communications
Shân MacLennan	Deputy Artistic Director (left Dec 2017)
Gillian Moore CBE	Director of Music
Ralph Rugoff	Director, Hayward Gallery
Clare Connor	Director of Business Development (left Nov 2017)
Alix Wooding	Director of Development (from Oct 2017)

# FOREWORD

## Chair's Foreword

Southbank Centre's mission is to be open, welcoming and accessible and to present a world-class programme that reflects the diversity of our society – welcoming artists and audiences from all cultures to events which inspire, educate and entertain.

As a national cultural organisation, our success and influence is judged not only through our work in London but also by the impact we have across the UK and beyond. We create flagship collaborations through our festivals and touring work, our projects with national arts companies and our strategic international partnerships which help to ensure that our status as one of the world's leading cultural institutions is maintained.

Our role at the centre of the UK's creative ecology is shown through the work we do with some of the most important and influential global artists, both established and those at the start of their careers, as well as our four outstanding resident orchestras and associate artists, to deliver art of the highest possible quality. We bring artists together, provide the catalyst for new creative innovation and partnerships, and we provide a home for those who share our values to reach out to the widest possible audience.

We are grateful for the ongoing core financial support we receive from our principal funder, Arts Council England, and we are determined to help them deliver against their core objectives through our work. Our entrepreneurial drive supports this artistic ambition through the sensitive integration of commercial activity across the site and we maximise self-generated income through commercial partnerships which are compatible with our values and artistic programmes.

We take our curatorial responsibilities for the 21-acre Southbank Centre site, with its iconic collection of buildings and well-loved public spaces, extremely seriously. With over 26 million visitors to our site each year, we work very hard to ensure that it remains fit for purpose, welcoming and exploits the latest technical innovation

to help artists and audiences have the best possible experiences.

The vital refurbishment work on the Hayward Gallery, Queen Elizabeth Hall and Purcell Room was completed successfully to an exceptionally high standard and to much critical acclaim. From the redesigned iconic rooflights on the Hayward Gallery to the finessed acoustic sound in the Queen Elizabeth Hall, the improvements we have been able to make herald the start of an exciting new period for these spaces and we are looking forward to a programme of world premieres, collaborations and immersive work in the months – and years – ahead.

In January the newly reopened and refurbished Hayward Gallery hosted a major retrospective of the photographer Andreas Gursky. The exhibition was critically well received and very popular with 120,000 visitors - one of our most successful ever. The reopened Queen Elizabeth Hall saw the return of our associate orchestra Chineke!; a revival of Steve Reich's *Different Trains* by the London Contemporary Orchestra; a completely free immersive exhibition *Concrete Dreams* – funded by the Heritage Lottery Fund; and the first of our *Concrete Lates* gigs, a new dance night on the South Bank of the Thames.

2017 was also a year of new collaborations, new leadership and new beginnings. We welcomed our incoming Chief Executive Elaine Bedell, as part of an all-female senior leadership team. Elaine brings a wealth of experience in media, in commissioning and producing high quality television programming to Southbank Centre, and has been a regular visitor and audience member for many years. The fresh energy, ideas and enthusiasm for the future that she brings is already being felt across the organisation.

Jude Kelly CBE, our Artistic Director, announced her plan to move on from Southbank Centre in order to focus on the development of Women of the World, in partnership with Southbank Centre. We have become (and will remain) more open, diverse and inclusive in our outlook as a result of Jude's extraordinary 12-year tenure and we look forward to our ongoing association with her.

**'2017 was also a year of new collaborations, new leadership and new beginnings'**



I would like to record the thanks of the Governors to Jude for her hard work and dedication.

In Gillian Moore MBE as Director of Music and Ralph Rugoff as Director of the Hayward Gallery, we have two respected experts in their field overseeing our music and visual art programmes. A new post of Creative Director will sit alongside them as part of an exciting new artistic leadership team to create and develop a bold and ambitious programme of cross-artform collaborations across our whole site.

Broadening the diversity of our audiences remains a critical objective for Southbank Centre and we are pleased to report an increase in our proportion of visitors from BAME backgrounds. An increase from 16% to 20% average across the year is welcome news but we recognise that we have more work to do to properly reflect the diversity of our society – on stage and off. 10% of our workforce and volunteers live in Lambeth and we want to increase the engagement, opportunities and positive impact we have within our local community. We continue our work to engage more people from different demographic backgrounds and this year successful projects included: our Youth Ambassadors learning about festival programming; partnering with the Koestler Trust annual competition and exhibition of offenders' art work; social dances for older members of the community; our festival for those with disabilities, *Unlimited*; our Biryani film making project as part of our *Alchemy* festival; and performances and exhibitions tailored for children and people with access or mental health needs.

Our status as an internationally respected cultural venue helps us to bring more high quality international art to our audiences. We continued our first year-long international collaboration, *Nordic Matters*, funded by the Nordic Council of Ministers, which we won following a competitive tender. Highlights of this unique festival included two very popular immersive exhibitions ABBA and the Moomins; a Nordic themed winter festival complete with a sell-out sauna; and a host of Nordic music, literature and installations. We also saw the continued success of *China Changing*, which was generously supported by

the government, and attracted a diverse range of audiences to a mixed programme of Chinese and British-Chinese performances. *WOW – Women of the World* – made its mark across the globe with festivals in Finland, Brisbane and Harlem.

We were pleased to host a number of luminaries as part of our literature programme this year, including ex-presidential candidate Hillary Clinton, John le Carre and actor Tom Hanks. We also welcomed back Daniel Barenboim in a very special concert with his Divan Orchestra to raise money for the MS Society. We had rewarding partnerships with the English National Opera who presented *The Dream of Gerontius*, with English National Ballet who staged Rudolph Nureyev's *Romeo and Juliet*, and with Cirkus Cirkör, as well as inspiring contributions from our resident orchestras the Philharmonia Orchestra, London Philharmonic Orchestra, London Sinfonietta and Orchestra of the Age of Enlightenment. Our vibrant associate orchestras – Chineke! Orchestra, Aurora Orchestra and National Youth Orchestra – add to the unique and distinctive musical life on our site.

The coming year is a time of evolution and a time to chart the next milestones for Southbank Centre. With new artistic leadership, revitalised buildings, a continued commitment to presenting world class art which celebrates and reflects our diverse society, and a renewed focus on how we can inspire future generations via new lifelong learning programmes, Southbank Centre is proud to be at the heart of the UK's cultural landscape.



**'The coming year is a time of evolution and a time to chart the next milestones for Southbank Centre.'**

*Susan Gilchrist*

5 July 2018

Susan Gilchrist, Chair  
Southbank Centre Ltd  
As Trustee for  
Southbank Centre

# Report of the Trustee

**VISION:** To be the world's most inspiring centre for the arts.

**MISSION:** Southbank Centre's mission is to be open, welcoming and accessible and to present a programme that reflects the diversity of our society – welcoming artists and audiences from all cultures to events which inspire, educate and entertain.

## Objectives

1. We will define the standards of excellence we require for all the different aspects of our work and consistently measure how we deliver against those standards.
2. We will be acknowledged as a global leader in creating and delivering inspiring arts education programmes for everyone.
3. We will transform and improve our physical site in order to provide a distinctive and consistent cultural experience which is open and welcoming to everyone.
4. We will be acknowledged as a cultural institution with the greatest success in demonstrating how diversity is synonymous with artistic excellence and the widest possible audience engagement with culture.
5. As a national cultural organisation, our impact and influence will be judged not just through our work in London but by whether our strategy to reach out to the nation is recognised to have genuine national impact.
6. We will be recognised for creating flagship examples of our festival model in strategic international partnerships.

## Activities, achievements and performance

### 1. Excellence

*Objective: We will define the standards of excellence we require for all the different aspects of our work and consistently measure how we deliver against those standards.*

This year we featured artists of the highest calibre across all our artforms whilst at the same

time bringing in up and coming and cutting-edge artists to bring the new and exploratory to audiences at Southbank Centre.

Our first Hayward exhibition following refurbishment was a critically acclaimed exhibition by the photographer Andreas Gursky attracting over 120,000 visitors; our literature programme featured some of the world's leading political thinkers and cultural figures, including Hillary Clinton and Tom Hanks; and our classical music programme saw the return of the leading conductor Daniel Barenboim with his West-Eastern Divan orchestra.

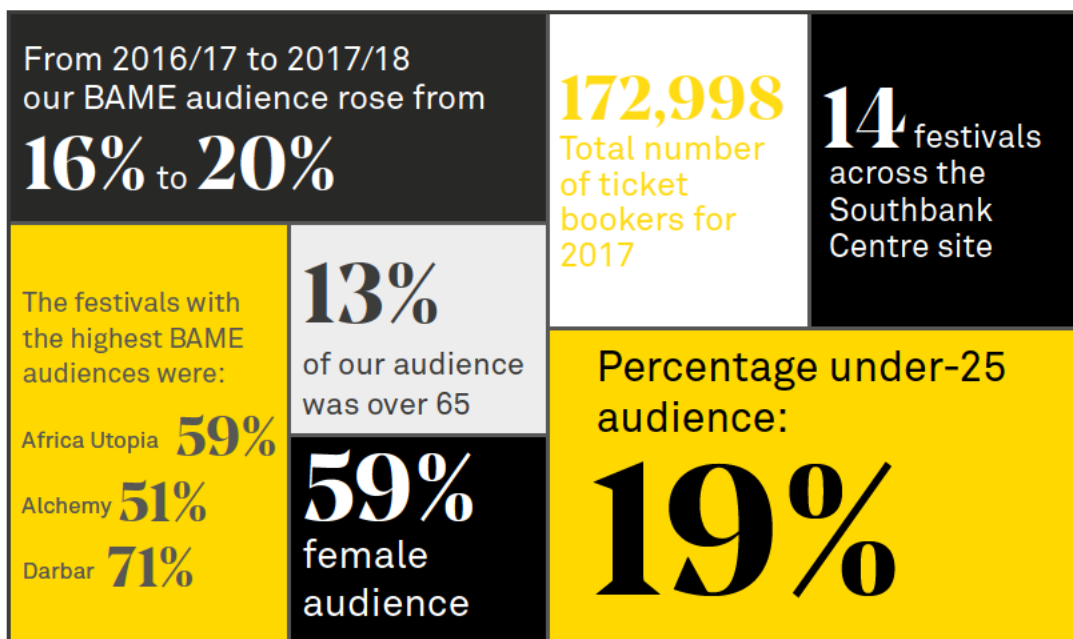
We were delighted to have female BAME rapper, producer, director and visual artist M.I.A, curating our *Meltdown* festival, which proved to be a stand-out moment in the contemporary music calendar. We also hosted exciting and well-received partnerships with English National Opera performing *The Dream of Gerontius* and English National Ballet, who returned to the Royal Festival Hall after a long absence with a hugely successful production of *Romeo and Juliet*.

During the closure of Queen Elizabeth Hall and Hayward Gallery we had a very successful partnership with St John's Smith Square for our chamber classical concerts and audiences were strong for these popular series. The reopening of our buildings represents an exciting opportunity for us to return to full capacity with a forward looking and high quality programme in venues which are well suited to chamber music and recitals.

### 2. Education

*Objective: We will be acknowledged as a global leader in creating and delivering inspiring arts education programmes for everyone.*

Alongside our rich programme of work with schools and local communities, we are currently recruiting a new Director of Learning who will create an overarching education strategy covering all our art



forms and which will make best use of the artists and materials we have available to us. We want to reach more children in a more strategic way, particularly those in our local borough of Lambeth, and to measure the impact of our education work more effectively. As part of this plan, we were very pleased to receive funding from the Mayor's Good Growth Fund to help build a space for education project work along with an expanded skate space in the Queen Elizabeth Hall undercroft.

In the meantime, our regular education programme has been busy and diverse: we regularly hold schools days (including *WOW* schools day, *BAM* schools day, *Imagine* schools day and *China Changing* which had a mandarin schools programme); projects include our Youth Ambassadors programme, where young people from Lambeth and Southwark join our festival teams to learn about arts programming and put on their own festival *Strive!*; partnering with the Koestler Trust annual competition to exhibit offenders' artwork; our Grounded EcoTherapy project which sees homeless people and those with mental health needs work in our roof garden; social dances for older members of the community (Southbank Centre recently became Dementia Friendly site); our festival for those with disabilities, *Unlimited*; our Biryani film making project as part of our *Alchemy* festival; and performances and exhibitions tailored for children and people with access or mental health needs.

### 3. Southbank Centre Site

**Objective:** *We will transform and improve our physical site in order to provide a distinctive and consistent cultural experience which is open and welcoming to everyone.*

We are proud to be guardians of a unique, inspiring and historical site in the centre of one of the largest and most diverse capital cities in the world. We take our responsibility towards our historical buildings very seriously, whilst recognising the importance of adapting to ensure that we can provide the best visitor experience for people using our site.

This year we were pleased to complete the refurbishment of Queen Elizabeth Hall, Purcell Room and Hayward Gallery. The refurbishment, which sought to restore original features whilst improving technical infrastructure, has been well-received across the sector and by the media, and gives us much needed space for a very exciting and forward-looking arts programme.

We have begun the process of identifying future priorities for capital expenditure and to ensure that we balance major new project work with the on going maintenance requirements of these complex buildings.

**4. Diversity**

**Objective: We will be acknowledged as a cultural institution with the greatest success in demonstrating how diversity is synonymous with artistic excellence and the widest possible audience engagement with culture.**

We recognise that we need to reflect the diversity of our society across our artistic programme. We have had much success in attracting high levels of BAME audiences to some of our established festivals, including *Alchemy*, *Africa Utopia* and *Unlimited* our new festivals including *China Changing*, *Changing Minds*, and our forthcoming *B(Old)* festival. This year we have increased our overall BAME audience from 16% to 20% since 2016/17 but we recognise there is more we need to do.

We believe that we can only achieve a truly diverse artistic programme if the people who work at Southbank Centre are themselves reflective of a diverse society. Key to our aims to diversify our workforce is our apprenticeship programme, which we have run for five years and which is aimed at giving people without university qualifications access to entry level positions at Southbank Centre. In addition our Bringing out Potential scheme is targeted at giving staff from our host and retail teams skills and experience from working in other teams across the organisation; and a number of training programmes to help existing staff develop their skills and further their careers in the arts, playing important roles in nurturing a more diverse workforce.

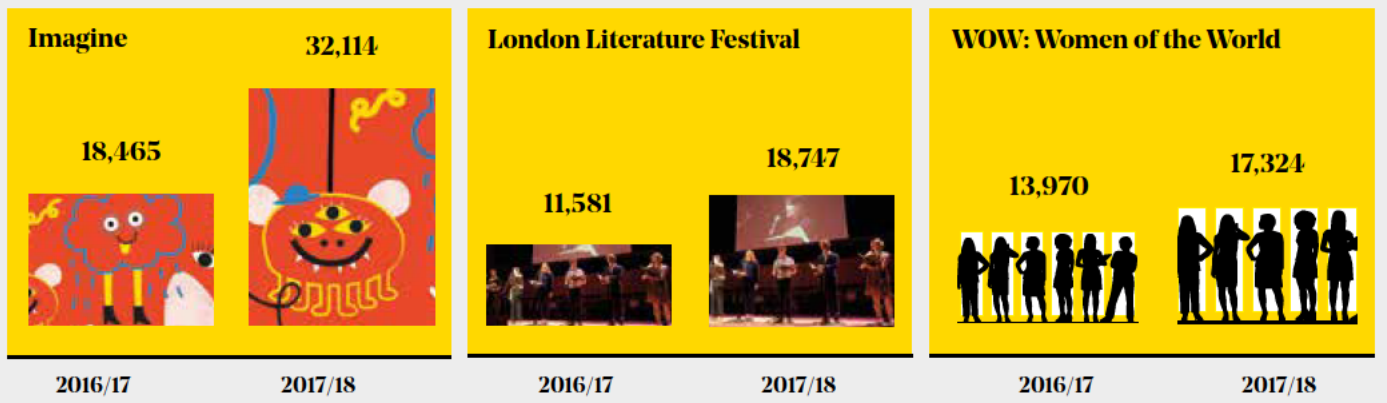
Our recent investigations for the gender pay gap found that we have a more diverse staff at lower paid levels of the organisation. We are taking action to address this, including working to give more women experience in our technical team, and are confident that skills opportunities will help to ameliorate this problem in years to come. For the first time, we currently have an all female leadership team – a female CEO, Chair and Artistic Director as well as an executive team that is over half female.

**5. National**

**Objective: As a national cultural organisation, our impact and influence will be judged not just through our work in London but by whether our strategy to reach out to the nation is recognised to have genuine national impact.**

We have a number of plans in place to reach out to people beyond London and bring art to audiences in different parts of the country. Our growing touring programme last year included *WOW Spirit* festivals in Chester, Perth, Exeter, Bradford and Norwich. The *WOW Spirit* approach allows local organisers to use Southbank Centre festival models and market collateral, as well as programming and organisation expertise to put on *WOWs* that are relevant and meaningful to their own communities. We also continued our very successful Hayward Touring programme and touring of the Arts Council Collection, which we have responsibility for. We also sought to engage on a wider geographic scale with our education programme and were delighted to see schools from across the country come to Southbank Centre

**Fastest growing festivals**



to engage in *WOW* Schools Day, International Day of the Girl mentoring, *BAM – Being a Man* schools day and the *China Changing* Schools programme.

Our next steps will be to consider how we can engage with other arts organisations on more strategic partnerships, based on the Southbank Centre model but in a way which makes sense to local communities, as well as looking for opportunities to tour our immersive exhibitions and *Films with Live Music*.

## 6. International

**Objective: We will be recognised for creating flagship examples of our festival model in strategic international partnerships.**

This year we collaborated on two major international partnerships as set out in this objective. *Nordic Matters*, was funded by the Nordic Council of Ministers following a competitive tender. Highlights of this unique festival included two very popular immersive exhibitions ABBA and the Moomins, a Nordic-themed winter festival complete with a sell-out sauna and a host of Nordic music, literature and installations. *China Changing*, partly funded by the UK government, brought a mixture of Chinese and British-Chinese artists and companies to Southbank Centre for a series of celebrations throughout the year and included a substantial education and participatory element.

We also continued our very successful international touring work, with *WOW – Women of the World* festivals now reaching 20 countries across five continents, and our *Films with Live Music* showing in large arts centres and concert halls across the world. We have further plans to extend our *Films with Live Music* and to add more classic films to our repertoire as well as exploring opportunities to tour our very successful immersive exhibitions.

## Developing audiences

Southbank Centre continues to attract millions of people to its site each year. Despite the continuing closure of part of our site for refurbishment, we retained our position within the top ten UK visitor attractions (ALVA) with 3,232,655 visitors to cultural activity across the site (paid and free

event attendance). The number of ticket bookers in 2017/18 was 172,998 and our BAME audience profile rose from 16% to 20% with some festivals enjoying higher percentages, for example Darbar with 71% from BAME groups.

Our percentage of new audiences to Southbank Centre was high at 60% whilst the number of bookers from our immediate borough of Lambeth was 11%. The majority of our ticket buyers came from within London postcodes at 68%.

Our audience development targets continue to focus on BAME, young people, local communities and attracting new audiences to our work.

In addition, we recognise that the strong performance in attracting new audiences will be complemented by a focus on audience retention and loyalty so that we can capitalise on our on-going successes in attracting new audiences.

## Capital Project Developments

The Queen Elizabeth Hall/Purcell Room and Hayward Gallery 'Festival Wing' Repair and Maintenance project was completed in 2017/18 to critical acclaim. Much of the work was behind the scenes but included the upgrading of all the building services to modern standards. The auditoria to both Queen Elizabeth Hall and the Purcell room have been completely renovated to return the interiors to their original glory, further improving the already good acoustics and incorporating the latest production technology. The QEH foyer has been transformed into a new multi-use flat floor space which has hosted a range of functions with up to 1,000 people. New facilities have been provided for artists and accessibility improved where possible. The project was enabled by funding from Arts Council England, the Heritage Lottery Fund, the generous support of Trusts and Foundations and over 53,000 generous benefactors giving both large and small donations. We are very grateful for all their support without which the project would not have been possible and the buildings would have continued to decline and ultimately face closure.

**'It's a wonderful public space opened to all,  
allowing people who do not experience art as their  
everyday activity to learn more and perhaps  
get engaged in the future.'**

*Dance & Performance survey*



## Artistic review

### Introduction

This year was an ambitious and exciting year for us as we explored new partnerships and welcomed a mixture of world class and emerging artists across all our art forms. The vibrant mix of music, art and literature in our *Nordic Matters* and *China Changing* festivals yielded artistic and critically acclaimed voyages of discovery and invigorating and inspiring experiences for all involved. We were also privileged to work with the London Philharmonic Orchestra on the exploratory, inquiring and often beautiful festival *Belief and Beyond Belief*. These festivals were joined by the return of some of our very popular favourites, *WOW – Women of the World* which had another stellar year, both at home, across the UK and abroad; and both *Africa Utopia* and *Alchemy* provided a feast of music, art, dance, performance, literature and installations across our site.

This year was also one of new opportunity, as we developed the programme for our beautifully refurbished buildings with firsts such as *Concrete Lates* and Daniel Kidane's *Dream Song*, a stand out opening exhibition Andreas Gursky's retrospective for the Hayward Gallery, and the return of some classical favourites. At the same time, we said goodbye to our two year partnership with St John's Smith Square, who have been hosting our chamber music offering during the renovation period. We record our thanks to them for their support and warmth during this partnership.

Our classical music programme continued strongly with the return of Daniel Barenboim and his West-Eastern Divan orchestra, partnerships with the English National Opera and English National Ballet and of course our continuing work with our resident and associate orchestras, who we are deeply indebted to and proud to support.

Our UK touring and international work goes from strength to strength, across visual art – with Hayward Touring and the Arts Council Collection; our *Film with Live Music* series; and our *WOW* and *WHY?* festivals.

### Festivals

Our festivals continued to create opportunities for people to immerse themselves in culture across all our art forms. This year we saw the return of some of our longest running and most successful festivals, including *WOW – Women of the World*, *Africa Utopia* and the London Literature Festival. We saw new and exciting collaborations, which further developed the notion of what a festival could achieve and the breadth and depth of artistic experiences that we could offer. Chief amongst these were the *Nordic Matters* festival and *China Changing*, two international collaborations which brought a unique flavour to our whole programme this year.

**Nordic Matters** Our year-long collaboration, funded by the Nordic Council of Ministers saw Southbank Centre weave Nordic arts and culture into all strands of the organisation's artistic programme. A year of firsts included launching the first Nordic anthology of contemporary literature, the extremely popular immersive exhibitions of *Adventures in Moominland* and *ABBASuperTroupers* as well as a plethora of contemporary and classical musicians, installations, visits by the Icelandic Dance Company and the contemporary circus troupe Cirkus Cirkör.

**Belief and Beyond Belief** Our year long collaboration with the London Philharmonic Orchestra consisted of eight themed weekends throughout the year, with a diverse programme of music, literature, performance and debates exploring what it means to be human in the 21st century.

**WOW – Women of the World** Over 48,000 people visited Southbank Centre during *WOW* London 2017 and thousands more came to *WOWs* across the world. *WOW* Festival consistently attracts the diverse voices of those on the frontline, regarding gender equality, race, sexuality and women and girls rights.

**London Literature Festival** This growing festival joined in partnership with Poetry International in an inspiring and high-selling series of weekend in the autumn. Guests included Hillary Clinton, Tom Hanks, Margaret Atwood and Chimamanda Ngozi Adichie.

**‘The programming is incredible – the festivals are genuinely life enriching. The diversity is inspiring – a true London institution’**

*Audience feedback*

**China Changing** Our celebration of Chinese and British-Chinese culture showcased artistic work and contemporary thought from across China and amongst the Chinese diaspora in the UK. A programme of dance, theatre, music and literature reached a significant section of self-identified British-based South East Asians and welcomed Mandarin schools for the first time to Southbank Centre for accompanying workshops.

**Africa Utopia** Our annual celebration dedicated to exploring what could be learnt and celebrated from modern Africa and the African diaspora. Highlights of the festival included award-winning screenwriter Amma Asante MBE; Daliso Chaphondra, finalist from Britain's Got Talent; and performances from Chineke! Southbank Centre associate orchestra and Europe's largest BAME orchestra.

**Alchemy** Highlights of our annual celebration of

South Asian art and culture included the London premiere of Ravi Shankar's only ever opera Sukanya; Karachi Literature Festival, coming to the UK for the first time to showcase the talent and diversity of Pakistan's literary scene; stand-up comedian Tez Ilyas in residency, and one of the world's leading Indian classical dance companies the cc in their first international collaboration.

**Meltdown** This year Southbank Centre's famous contemporary music festival was curated by rapper, producer, director and visual artist M.I.A. It was hallmarked by the vibrant and diverse choice of artists, including a number of LGBTQ performers, and attended by a diverse audience, including a large number of BAME and young people.

#### **International work**

We continued to develop our international programme during 2017/18, with the aim of

**'It is quintessentially London – local but global, open, vibrant, lively, tolerant and happy.'**

*Audience feedback*



© Grant Leighton

Marin Alsop conducted Bernstein's MASS at Royal Festival Hall in March 2018

**SOUTHBANK  
CENTRE**



widening our horizons and bringing more international art to our audiences. The year marked two new partnerships. Our first year-long international collaboration *Nordic Matters* was funded by the Nordic Council of Ministers following a competitive process. We also saw the continued success of *China Changing*, which was generously supported by the UK government, and which attracted a diverse range of audiences to a mixed programme of Chinese and British-Chinese performances.

Elsewhere *WOW – Women of the World* continued to go from strength to strength across the globe with festivals in Finland, Brisbane and Harlem building the next steps of this growing brand. Our *Film and Live Music* offer showed at major arts venues and with important orchestras across the world. *2001: Space Odyssey* touched down in Seattle, with the Seattle Symphony Orchestra, and in South Korea with the Seoul Philharmonic Orchestra. *Brief Encounter* visited Scotland with the Scottish National Orchestra. In the coming year we will see further *Film with Live Music* collaborations and our first touring immersive exhibitions as the Moomins visit Norway.

## Artforms

### Classical music

This year was another exciting and diverse year for Southbank Centre's classical music programme. We saw Daniel Barenboim return with his historic West-Eastern Divan orchestra to raise money for the MS Society in memory of Jacqueline Du Pre. We partnered with the English National Opera on *The Dream of Gerontius* and with the English National Ballet to stage Rudolf Nureyev's *Romeo and Juliet*.

Our *Belief and Beyond Belief* festival was a year-long collaboration between the London Philharmonic Orchestra and Southbank Centre's programming team which explored what it means to be human in the 21st century and featured a rich and cerebral programme from Haydn and Strauss to Kancheli and Glass. There was a rich classical element to our *Nordic Matters* programme including visits from the celebrated pianist Víkingur Ólafsson and Pekka Kuusisto, who celebrated 100 years of Finnish independence with the UK premiere of a new Violin Concerto by Icelandic composer Daniel Bjarnason.

We saw the return of our popular *International Orchestra* and *International Piano Series*; were delighted to continue our collaboration with St John's Smith Square; and celebrated Bernstein's centenary with a magnificent performance of his *MASS* in Royal Festival Hall featuring professional classical musicians alongside youth orchestras, community choirs and a rock band. Conducted by our long-time partner Marin Alsop, it was a fitting celebration of the iconic composer and a truly cross-community collaboration. Finally, we welcomed Queen Elizabeth Hall back with an energising concert by our Associate Orchestra Chineke!, including the premier of Daniel Kidane's *Dream Song* to mark the centenary of Martin Luther King's death.

We are indebted as always to our resident orchestras, the Philharmonia Orchestra, London Philharmonic, London Sinfonietta and the Orchestra of the Age of Enlightenment, who ensure that we are able to present a world class and innovative classical music programme here at Southbank Centre, and our associate orchestras Aurora Orchestra, Chineke! Orchestra and the National Youth Orchestra.

### Contemporary music

We were treated to another successful, original and uplifting *Meltdown*, in its 24th year curated by the rapper, producer, director and visual artist M.I.A. It was hallmarked by the vibrant and diverse choice of artists brought together from across the world, including Scotland-based hip-hop trio Young Fathers; a double-bill featuring one of Jamaica's foremost reggae artists I Wayne alongside dancehall star Dexta Daps; French rapper MHD; and the Canadian electro thrash-pop duo Crystal Castles. The festival was particularly well attended by a diverse audience, including a large number of BAME and young people.

As part of *Nordic Matters* we were pleased to host the leading contemporary music festival Nordic Music Days which took place in the UK for the first time. Founded in 1888, the festival showcased pioneering performances by Nordic composers performed by leading ensembles and soloists from the Nordic region.

With the opening of Queen Elizabeth Hall we staged our first *Concrete Lates*, our first ever dance night, and the latest on the river. *Concrete*

Lates showcased live electronic music until 2am, and featured cutting-edge electronic music from a blend of new artists and established names, with a particular focus on female talent. The first night was a sell out collaboration with Boiler Room featuring sets from rising female techno stars Pan Daijing and JASSS, a live performance from Bristol-based duo Giant Swan, and a late night tie up with the Hayward Gallery's Gursky exhibition.

### **Visual arts**

In January we welcomed back the Hayward Gallery to a rapturous reception from the public and critics alike. Stand out features include the re-designed rooflights, which bring natural light to the gallery for the very first time, and immaculately cleaned and restored concrete floors and fittings. The opening exhibition by Andreas Gursky was a thrilling occasion, his large scale depictions of the changing world capturing the imaginations of 120,000 visitors from across the globe, including local school children who attended the gallery for a day's take-over event.

Whilst the Hayward Gallery refurbishment took place we continued our vibrant and busy touring schedule under our Hayward Touring banner. Exhibitions included *Elizabeth Price Curates: IN A DREAM YOU SAW A WAY TO SURVIVE AND YOU WERE FULL OF JOY* which toured in Bexhill and Swansea; *Archive of Modern Conflict: Collected Shadows* which toured to Derry, Edinburgh and Bath; and *Shonky: The Aesthetics of Awkwardness* curated by John Walter which opened at the MAC in Belfast and brought together a group of international artists and architects to explore the nature of visual awkwardness. Arts Council Collection, over which we have stewardship, also had a successful year, including touring exhibitions *Drawn from Life*; *People on Paper*; *Kaliedoscope: Colour and Sequence in 1960's British Art*; and *Grayson Perry: The Vanity of Small Differences*, estimating that their work was seen by 3,300,000 people through UK and international tours and loans to other galleries and museums.

On our site, we were pleased to present a work by artist Noémie Goudal as our fourth Waterloo billboard commission. The commission made up part of her photographic series *Southern Light Stations*.

### **Literature**

Our literature programme had a thrilling year, we were delighted to host the London Literature Festival once again here at Southbank Centre. During this time we had a very topical discussion with presidential candidate and former Secretary of State Hillary Clinton, a visit from Hollywood royalty Tom Hanks, to talk about his new book of short stories, and Margaret Atwood, in conversation with Gabby Wood, hot on the heels of the television adaption of her best-selling work *The Handmaid's Tale*.

Elsewhere, there was a strong *Nordic Matters* flavour to the programme with a specially commissioned *Nordic Anthology* and *Wall of Dreams*, a large-scale projection of testimonies and dreams onto Royal Festival Hall, in collaboration with award-winning Danish Artist Morten Søndergaard. We also celebrated Poetry International's 50th anniversary, with a Nordic focus.

Continuing the international theme we hosted the Karachi Literature festival, which came to the UK for the first time in partnership with us to celebrate contemporary Pakistan, its rich history and culture. The festival showcased the talent and diversity of Pakistan's literary scene with a day of debates, talks and recitals by speakers including Aamer Hussein, Ali Zaidi, Deeyah Khan and Farjad Nabi.

### **Performance and dance**

We were honoured to welcome Cirkus Cirkör, Scandinavia's leading contemporary circus troupe with their latest show *Limits*, exploring the refugee experience and broader issues of displacement and migration. The production centred on the personal accounts of 27-year-old Qutaiba Aldahwa and 20-year-old Javid Heidari, who respectively fled Iraq and Afghanistan during the migrant crisis and now live in Sweden, training with Cirkus Cirkör at its school in Stockholm.

Iceland's national dance institution the Icelandic Dance Company took over Royal Festival Hall for three days with *Sacrifice*, a new series of performances contemplating the relationship between art and religion. The programme included works from Iceland Dance Company artistic director Erna Ómarsdóttir and her



China Changing festival

**‘The range of programming from different cultures - offers different perspectives on art, culture and life. Truly unique when compared to other venues in London.’**

*Audience feedback*

© Victor Frankowski

partner, composer Valdimar Jóhannsson, as well as visual artists Matthew Barney, Ragnar Kjartansson and Gabriela Friðriksdóttir.

Alchemy also saw some stand out performances including the London premiere of Ravi Shankar’s only ever opera *Sukanya* and a residency by stand-up comedian Tez Ilyas.

### **Commercial**

The commercial activity continued to draw upon Southbank Centre’s location heritage and strongly embraced the ethos of shared places, with 2017/18 achieving revenue similar to 2016/17. The more established retailers were complemented by high-performing seasonal pop-ups throughout summer and winter, which also added a diversity of offer for our visitors and boosted our seasonal revenues. The Southbank Centre food market, which is regularly featured

in ‘top five things to do in London’ listings, continued to attract a diverse range of visitors. This enabled some of our small businesses to develop their trade and move into establishments across London.

We continue to increase the proportion of free arts programming, which draws more people to the site and increases their spend in our shops and restaurants. In turn, the income from the commercial activity makes a critical contribution to the costs of this free programme.

The corporate events business (AGMs, graduation ceremonies, corporate meetings, private parties) enjoyed growth of 33% between 2016/17 and 2017/18 despite a decline in revenue from filming and photography due to availability of access to the Hayward Gallery and Queen Elizabeth Hall sites during the refurbishment.

The overall increase in revenue is due to a change to a more proactive sales strategy and additional staff resourcing. Plans are for additional growth in future years as the full site becomes available for further rental and hire opportunities.

### Development

Southbank Centre's Development department raises financial support for its artistic and site development programme, both revenue and capital.

In 2017/18 the Development department achieved income of £3.3m. Income was generated from a diverse range of sources, with £0.8m from individual supporters, £0.6m from corporate support, and £1.9m from Trusts and Foundations, of which £1.3m was project funding (shown under Charitable Activities in the Consolidated Statement of Financial Activities). This was complemented by a further £29k of in kind commercial partnership.

The net contribution to Southbank Centre's charitable activities and overheads after deducting direct expenditure (including payroll) was £2.4m (2017/18: £2.9m).

Capital contributions included £1.3m of private giving from individuals and foundations towards the Let the Light In fundraising project for the Festival Wing Repair and Maintenance programme, which has now been successfully completed.

### Fundraising

Southbank Centre is a charity which believes in making culture for the many, not the few, and to the maintenance and development of the Southbank Centre site for the benefit of everyone. With declining public funding for the arts, the support of trusts, foundations, companies and individuals at all levels has become vital so that we can continue our work. We seek support for specific projects, such as

**'Friendly, warm, vibrant, proud of its heritage and confident in its role bringing exciting and excellent exhibitions and performances to everyone!'**

*Audience feedback*



© Bill Cooper

commissioning new work, touring work, learning and participation and capital projects as well as to help us deliver our regular programme, 50% of which is free.

Southbank Centre seeks support from companies, trusts and foundations and individuals in a variety of ways. These range from making donations online and donation boxes in our foyers, through our Patrons and Corporate Member programmes, to significant restricted grants, donations and sponsorship. We communicate with supporters and potential supporters through email, telephone and by post, where we have permission to do so. We do not cold call or collect money in the street.

We have a dedicated team of fundraisers who work directly with supporters and potential supporters to raise funds for our work, and we do not currently work with any third-party or professional fundraisers. We respect the privacy of the individuals we have relationships with and never swap details without express permission. We never put pressure on individuals to donate.

Southbank Centre is registered with the Fundraising Regulator and has subscribed to its Code of Practice. Our Board has responsibility for the oversight of our fundraising strategies and plans. Our designated Data Protection Officer has overall responsibility for ensuring that Southbank Centre complies with the requirements of the relevant data protection legislation.

We received no complaints about our fundraising practices in 2017/18 (2016/17 none).

### **Future Southbank Centre Developments**

#### **The Royal Festival Hall**

There are a number of projects related to the RFH that are constantly under review including the provision of improved access to the existing and new areas of the building and proposals to improve the external environment. Significant work is required to maintain the Grade 1 listed building whilst continuing to providing public access for the millions of our visitors and patrons every year.

#### **Festival Wing Masterplan**

The Festival Wing Masterplan is the guide for further development of these buildings and future phased projects may include the relocation of the existing service road, the creation of new public realm and improved accessibility between the buildings and the adjacent areas in the cultural quarter. Additional sympathetic interventions planned include a new foyer to link the QEH and Purcell Room with the Hayward Gallery. These projects may take several years to bring forward and will be subject to funding.

In the meantime a number of smaller incremental projects will be developed to progressively improve the site, each of which will be assessed on a case by case basis subject to funding.

#### **Education space and skate space extension**

A project for an extension of the existing skate space and the creation of a new education space is progressing in partnership with the Undercroft community and is current in the pre-construction and fundraising stage. Detailed design has been completed, planning consent obtained and construction is due to commence in early 2019.

#### **Hungerford Car Park**

Southbank Centre has retained some land on Hungerford Car Park following its sale to the developers of the Shell site for a landscaped park. We had agreed to work with the BFI to facilitate the development of a new film centre on the retained land but unfortunately the BFI are no longer in a position to proceed. We are currently considering how to make the best use of that land in support of our cultural objectives in consultation with all stakeholders.

#### **IMAX Roundabout**

Transport for London (TfL) are progressing with their £22m project to develop the IMAX into a peninsula linked to Waterloo station, replacing the existing roundabout, creating new public spaces and improving traffic and pedestrian flows. Southbank Centre has a long lease on the property under Waterloo bridge adjacent to the IMAX which is currently used for storage. We are reviewing a number of options for the use of this land given the TfL proposals and the implementation of a preferred approach will be considered in the coming year.

## Financial review

Southbank Centre made a surplus of £1.8m on the unrestricted operations fund after transfers between funds.

Income	2018		2017	
	£'000		£'000	
Donations and sponsorship	3,263	7%	3,562	8%
Arts Council revenue grant	19,428	44%	19,428	43%
Other trading activities	13,695	31%	13,843	31%
Income from artistic activity	7,821	18%	8,132	18%
Interest receivable	15	0%	3	0%
<b>Total operating income</b>	<b>44,222</b>	<b>100%</b>	<b>44,968</b>	<b>100%</b>

Overall Southbank Centre's operating income remained broadly the same as last year although there was a reduction in Donations and Sponsorship income of £0.3m due largely to the ending of two major corporate sponsors and marginally less Income from artistic activity of £0.3m.

Expenditure	2018		2017	
	£'000		£'000	
Cost of fundraising	910	2%	827	2%
Retail and trading	6,464	15%	6,916	16%
Cost of charitable activities	34,736	82%	33,452	80%
Other	323	1%	872	2%
<b>Total operating expenditure</b>	<b>42,433</b>	<b>100%</b>	<b>42,067</b>	<b>100%</b>

Operating expenditure increased by £0.4m compared to the previous year, principally due to the increase in the Cost of charitable activities from the preparation and opening of the new Festival Wing. Retail and trading costs were £0.5m less in 2018 due in part to reduced sourcing of corporate sponsorship. Other costs were £0.5m down compared to last year that had a one-off accounting adjustment relating to a property proposal.

### **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 the 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 the accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity, including non-ticketed events, to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 21 acre site along the South Bank. Further details are given above under Activities, 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 involvement of, all employees in Southbank Centre's aims and the 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 have signed up to London Living Wage which means that all staff on the lowest salaries automatically increase in line with this every year in November. Four members of staff have their salaries and bonus payments reviewed by the Governors during the REMCO meeting. We continue to benchmark salaries with other cultural organisations whenever roles are vacant.

Southbank Centre is striving to promote equality and diversity in all areas of employment including recruitment and selection, training and development, and promotion. 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 pay for some senior staff is reviewed at the Remuneration Committee of the Board where they meet to review the staff performance over the year. Any salary increases are normally in line with the pay award given to all other staff. This committee also reviews salary benchmarking which takes place across the cultural sector on a regular basis.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 1-2 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 called 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 budgets each year which ensure adequate cash liquidity taking into account the availability of headroom on financial facilities, expected cash inflows and suitable levels of contingency.

### **General Reserve**

The policy of the Southbank Centre is to retain unrestricted reserves equivalent to three weeks of budgeted operating expenditure, in addition to the level of operating contingency within the budget, to ensure financial stability and to act as a safeguard against unforeseen events. We believe that this level is sufficient at this time based on our current business continuity plans. On 31 March 2018 the balance is £2.4m (2017: £2.4m), which is compliant with this policy.

### **Designated Reserves**

As of 31 March 2018 Southbank Centre held five designated reserves:

#### **(i) Capital Reserve (£53.3m)**

The purpose of this reserve is to reflect funds designated for future maintenance and capital projects, costs relating to capital projects (including interest) and depreciation on funded assets. 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. 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, and the level of transfers to and from this reserve is budgeted to reflect this.

#### **(ii) Revaluation Reserve (£169.4m)**

This reserve reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 12.

#### **(iii) Hayward Gallery Prints Fund (£0.006m)**

Southbank Centre buys and sells prints for display in the Hayward Gallery and on touring

exhibitions. Sales of prints are used to fund purchases of new prints. This fund has been set up to record separately the remaining balance of funds available to purchase prints.

#### **(iv) Strategic Reserve (£0.3m)**

This reserve has been created to support the costs of new initiatives budgeted for future years including developing digital activity.

#### **(v) Pension Plan (£0.3m)**

This fund reflects the balance of surplus or deficit on the pension scheme and moves in line with annual valuations.

### **Review of the policy**

The Reserves Policy is reviewed annually.

### **Going Concern**

The financial statements have been prepared on a going concern basis.

The Governors have given due consideration to the working capital and cash flow requirements of Southbank Centre. The Governors consider Southbank Centre's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing this report and financial statements. Cash flow forecasts are carried out monthly as are checks that all loan covenant requirements are being met. Budget reviews are also carried out monthly by senior management and a contingency is in place to cover any unknown variations.

Southbank Centre substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure (in the unrestricted operations fund). Arts Council England has confirmed funding for Southbank Centre to March 2022. The going concern basis used in the preparation of these financial statements is based upon the expectation that Southbank Centre will continue to receive sufficient support from the Arts Council England which, together with the total revenue it raises, will match its expenditure.

Southbank Centre completed a major capital project, with the successful reopening of the Queen Elizabeth Hall, Purcell Room and Hayward



Gallery in April 2018. While completion of the refurbishment provides greater certainty on the total cost of the project a key assumption remains that the final project costs are within the agreed amended budget, which is fully funded through a combination of proceeds received from the disposal of property, a £16.7m Arts Council England capital grant loan financing, other capital fundraising together with Southbank Centre's own reserves and newly secured longer-term loan finance.

A cornerstone of Southbank Centre's artistic approach is the integration of commercial entrepreneurship with the arts. Southbank Centre has exciting artistic plans over the coming years with the refurbished buildings providing new opportunities to expand activities and revenue generation, in parallel with rebuilding reserves, establishing a financially sustainable business for future years ; opportunities which include growth in commercial activity and fundraising as well as efficient management of costs.

Having taken all of 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 and, for this reason, has continued to adopt the going concern basis for preparation of the financial statements.

### **Funding Agreement**

Southbank Centre is one of Arts Council England's National Partner Organisations and is funded via a three-year funding agreement. The year ended 31 March 2018 was the final year in that cycle and a new funding agreement to 31 March 2022 has been confirmed. Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations. The Funding Agreement with Arts Council England require 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. From the perspective of the environment in which the charity operates, the major risk is the continued likelihood of further cuts in public sector funding.

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

- ▶ Southbank Centre operates iconic buildings on a very busy and public site in the heart of London. Risks associated with the security, health and safety of the millions of people who visit us every year and the mitigation measures are monitored carefully. These are evaluated with the help of specialist expertise.
- ▶ Like any organisation operating in a digital environment, Southbank Centre faces increased risks concerning cyber-security and the correct handling of information.
- ▶ Major disaster causing significant infrastructure damage and loss to business.

As part of Southbank Centre's risk mitigation strategy the organisation entered into an interest rate swap arrangement in January 2008. Based on Southbank Centre's level of floating rate debt at the time of the arrangement (£16.7m), this provides greater certainty to the organisation over liabilities going forward. The rate agreed was 5.07% for 19 years with a 25% cancellation clause after seven years at the option of Southbank Centre. This option was taken up in April 2015 and the swap notional balance was reduced by 25%.

### **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 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 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 two 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 Limited's other wholly owned subsidiary is Southbank Centre Enterprises Limited, which 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 26 for details of Southbank Centre Enterprises Limited's results.

### **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 Directorate 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 six sub-committees to assist its governance of Southbank Centre: Audit and Risk, Remuneration, Nominations and Governance, Development, Digital Strategy and Property Committees.

The Board supports the principles of good governance set out in the new Charity Governance Code published in 2017 for larger charities and also the continuous improvement model which the Code promotes.

In October 2017 the Board commissioned an audit of its current practices and procedures against the Code's recommendations. Amongst the changes implemented were the introduction of a Board Effectiveness Survey, a reduction in the term a Governor serves, the review of all Committee Terms of Reference and the rotation of Committee Chairs and Membership. Plans are in train to strengthen and simplify the strategic reporting to the Board by the Executive.

As part of its forward succession planning the Board has agreed to prepare a diversity plan linked to the skills needed to support the Executive in delivering a new strategic business plan. A new, more open and transparent method of recruitment will be implemented to fill future 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 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 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 Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2018 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 PricewaterhouseCoopers 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 that they ought 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 jurisdiction.

### 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. Public Liability insurance is also held for activities taking place or connected with the Queen Elizabeth Hall undercroft. 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



Susan Gilchrist  
Chair  
Southbank Centre Limited  
As Trustee for Southbank Centre  
5 July 2018

# Responsibilities

## 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.
- ▶ 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.

# Auditors' Report

## Independent Auditors' Report to the Trustee of Southbank Centre

### Report on the financial statements

In our opinion, Southbank Centre's group financial statements and parent charity financial statements (the 'financial statements'):

- ▶ give a true and fair view of the state of the group's and of the charity's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- ▶ have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the group and charity balance sheets as at 31 March 2018; the consolidated statement of financial activities; the consolidated statement of cash flows; the accounting policies; and the notes to the financial statements.

### Basis for opinion

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

**Independence** We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance

with these requirements.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- ▶ the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and charity's ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report and Accounts other than the financial statements and our auditors' report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Trustee Report** Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Annual Report of the Trustee is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

**Responsibilities of the Trustee for the financial statements** As explained more fully in the Statement of Trustee Responsibilities set out on page 26, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the group's and 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 trustee either intends to liquidate the group and charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements** 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 auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of this report** This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 24 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Charities Act 2011 exception reporting**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ sufficient accounting records have not been kept by the charity; or
- ▶ the charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

5 July 2018

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the Year ended 31 March 2018

	Note	UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTAL FUNDS	
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	2018 £'000	2017 £'000
<b>INCOME FROM:</b>							
Donations and legacies	2	21,100	-	1,591	7,643	30,334	36,439
Charitable activities	3	7,821	146	-	-	7,967	8,364
Other trading activities	4	13,695	-	-	-	13,695	13,843
Investments	5	15	-	-	-	15	3
Gain from fixed asset disposal		-	-	-	-	-	9,432
<b>Total</b>		<b>42,631</b>	<b>146</b>	<b>1,591</b>	<b>7,643</b>	<b>52,011</b>	<b>68,081</b>
<b>EXPENDITURE ON:</b>							
Raising funds	9	910	32	-	-	942	859
Charitable activities	9	33,087	11,079	1,649	-	45,815	38,283
Other	9	6,786	543	-	-	7,329	8,328
<b>Total</b>		<b>40,783</b>	<b>11,654</b>	<b>1,649</b>	<b>-</b>	<b>54,086</b>	<b>47,470</b>
<b>Net income/(expenditure) before transfers</b>		<b>1,848</b>	<b>(11,508)</b>	<b>(58)</b>	<b>7,643</b>	<b>(2,075)</b>	<b>20,611</b>
<b>Transfers</b>	20	-	7,643	-	(7,643)	-	-
<b>Other recognised gains / (losses)</b>							
Actuarial gains / (losses) on defined benefit pension schemes	25	-	6,505	-	-	6,505	(2,834)
Gain on derivative financial instrument	19	-	641	-	-	641	52
<b>Net movement in funds</b>		<b>1,848</b>	<b>3,281</b>	<b>(58)</b>	<b>-</b>	<b>5,071</b>	<b>17,829</b>
<b>RECONCILIATION OF FUNDS</b>							
		UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTAL FUNDS	
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	£'000	
Net movement in funds		1,848	3,281	(58)	-	5,071	
Fund balances brought forward at 1 April 2017	20	15,984	204,519	440	-	220,943	
Total funds carried forward at 31 March 2018	20	17,832	207,800	382	-	226,014	
Net movement in funds		12,013	5,496	320	-	17,829	
Fund balances brought forward at 1 April 2016		3,971	199,023	120	-	203,114	
Total funds carried forward at 31 March 2017		15,984	204,519	440	-	220,943	

All of the above results are derived from continuing activities. The notes on pages 32 to 53 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 29. Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £42,246k (2017 gross income: £59,926k). Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £2,544k (2017 net expenditure: £26,248k)

**BALANCE SHEETS**

As at 31 March 2018

	Note	GROUP		CHARITY	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Fixed assets:</b>					
Tangible assets	12	252,578	246,817	252,578	246,817
Intangible assets	13	1,377	1,281	1,377	1,281
<b>Total fixed assets</b>		<b>253,955</b>	<b>248,098</b>	<b>253,955</b>	<b>248,098</b>
<b>Current assets</b>					
Stocks of consumables and goods held for resale		273	379	82	102
Debtors – due within one year	16	5,375	7,558	7,858	7,859
Cash and cash equivalents					
Cash in hand		4,397	3,933	3,075	2,808
Short term deposits		-	7,500	-	7,500
<b>Total current assets</b>		<b>10,045</b>	<b>19,370</b>	<b>11,015</b>	<b>18,269</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(15,030)	(15,862)	(13,898)	(15,331)
<b>Total current liabilities</b>		<b>(15,030)</b>	<b>(15,862)</b>	<b>(13,898)</b>	<b>(15,331)</b>
<b>Net current (liabilities) / assets</b>		<b>(4,985)</b>	<b>3,508</b>	<b>(2,883)</b>	<b>2,938</b>
<b>Total assets less current liabilities</b>		<b>248,970</b>	<b>251,606</b>	<b>251,072</b>	<b>251,036</b>
Creditors:					
amounts falling due after one year	19	(23,217)	(24,276)	(22,895)	(24,089)
<b>Net assets excluding pension asset/(liability)</b>		<b>225,753</b>	<b>227,330</b>	<b>228,177</b>	<b>226,947</b>
Defined benefit pension asset/(liability)	25	261	(6,387)	261	(6,387)
<b>Total net assets</b>		<b>226,014</b>	<b>220,943</b>	<b>228,438</b>	<b>220,560</b>

**THE FUNDS OF THE GROUP**

<b>Unrestricted income funds</b>					
General reserves	20	2,422	2,422	4,846	2,036
Designated funds	20	222,949	224,468	222,949	224,471
Pension reserve	25	261	(6,387)	261	(6,387)
		223,210	218,081	223,210	218,084
<b>Total unrestricted income funds</b>	20	<b>225,632</b>	<b>220,503</b>	<b>228,056</b>	<b>220,120</b>
<b>Restricted income funds</b>					
Projects fund	20	382	440	382	440
Restricted capital reserve	20	-	-	-	-
<b>Total restricted income funds</b>	20	<b>382</b>	<b>440</b>	<b>382</b>	<b>440</b>
<b>Total group funds</b>	20	<b>226,014</b>	<b>220,943</b>	<b>228,438</b>	<b>220,560</b>

The notes on pages 32 to 53 form part of these financial statements.

The financial statements on pages 29 to 53 were approved by the Board of trustees on 5 July 2018 and signed on its behalf by



Susan Gilchrist, Chair



**CONSOLIDATED STATEMENT OF CASHFLOWS**

For the Year ended 31 March 2018

	<i>Note</i>	2018 £'000	2017 £'000
<b>CASH FLOW STATEMENT</b>			
Net cash inflow from operating activities		13,076	20,333
<b>Net cash generated from operating activities</b>		<u>13,076</u>	<u>20,333</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(18,923)	(22,595)
Purchase of intangible fixed assets		(500)	(373)
Sale of tangible fixed assets		-	10,618
Interest received	15	15	3
<b>Cash used in investing activities</b>		<u>(19,408)</u>	<u>(12,347)</u>
<b>Cash flow from financing activities</b>			
Loan		-	12,000
Repayment of loan		(705)	(7,385)
<b>Cash generated (used in) / from financing activities</b>		(705)	4,615
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(7,037)</u>	<u>12,601</u>
Cash and cash equivalents at the beginning of the year		11,433	(1,168)
Cash and cash equivalents at the end of the year		4,397	11,433

**RECONCILIATION OF OPERATING (DEFICIT) / SURPLUS TO NET CASH FLOW FROM OPERATIONS**

Net (outgoing) / incoming resources before transfers		(2,075)	20,611
Interest received		(15)	(3)
Depreciation and amortisation charge	12, 13	7,325	7,185
Gain on FA disposal			(9,432)
Impairment of Tangible Fixed Assets		6,240	494
Impairment of Intangible Fixed Assets		-	45
Decrease in stock		107	138
Decrease/(Increase) in debtors	16	2,183	(3,141)
(Decrease)/Increase in creditors	17	(832)	4,212
Retirement benefits movements		143	224
<b>Net cash inflow from operating activities</b>		<u>13,076</u>	<u>20,333</u>

# Notes

## Notes to the Financial Statements

### 1) Statement of Accounting Policies

#### a) 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.

#### b) Summary of significant accounting policies

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

#### c) Basis of preparation

The accounts (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 on 16 July 2014 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 accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'.

#### d) Going concern

The financial statements have been prepared on a going concern basis.

The Governors have given due consideration to the working capital and cash flow requirements of Southbank Centre. The Governors consider Southbank Centre's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing this report and financial statements. Cash flow forecasts are carried out monthly as are checks that all loan covenant requirements are being met. Budget reviews are also carried out monthly by senior management and a contingency is in place to cover any unknown variations.

Southbank Centre substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure (in the unrestricted operations fund). Arts Council England has confirmed funding for Southbank Centre to March 2022. The going concern basis used in the preparation of these financial statements is based upon the expectation that Southbank Centre will continue to receive sufficient support from the Arts Council England which, together with the total revenue it raises, will match its expenditure.

Southbank Centre completed a major capital project, with the successful reopening of the Queen Elizabeth Hall, Purcell Room and Hayward Gallery in April 2018. While completion of the refurbishment provides greater certainty on the total cost of the project a key assumption remains that the final project costs are within the agreed amended budget, which is fully funded through a combination of proceeds received from the disposal of property, a £16.7m Arts Council England capital grant loan financing, other capital fundraising together with Southbank Centre's own reserves and newly secured longer-term loan finance.

A cornerstone of Southbank Centre's artistic approach is the integration of commercial entrepreneurship with the arts. Southbank Centre has exciting artistic plans over the coming years with the refurbished buildings providing new opportunities to expand activities and revenue generation, in parallel with rebuilding reserves, establishing a financially sustainable business for future years ; opportunities which include growth in commercial activity and fundraising as well as efficient management of costs.

Having taken all of 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 and, for this reason, has continued to adopt the going concern basis for preparation of the financial statements.

#### e) Group financial statements

In October 2004, the Charity Commission issued a uniting direction for Southbank Centre (Charity No. 298909) and the South Bank Foundation Limited (Charity No. 1054105) made under s.96(6) of the Charities 1993 Act. It is purely an administrative and accounting linkage. The subsidiary South Bank Foundation Limited has been transferred to the registration number of the main charity Southbank Centre and its old registration removed.

A wholly owned subsidiary, Southbank Centre Enterprises Limited, was established in April 2007 to undertake certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre. In accordance with paragraph 397 of the SORP, 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.

**1) Statement of Accounting Policies continued...**

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 Charity 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.

**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 charity'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 charity.

Retail and trading costs are those incurred in the running of commercial activities on the site.

Construction and refurbishment costs are those related to building projects.

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**

Transactions in foreign currencies are translated at the exchange rate at the transaction date.

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 schemes 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

**1) Statement of Accounting Policies continued...**

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. The asset recognised in the balance sheet in respect of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date. 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 company'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 liability'.

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 Profit and Loss as finance expense.

**k) Leases**

- i) Where Southbank Centre 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 (DRC) in the absence of suitable open market comparators. All other land and buildings have been stated at cost. A DRC valuation requires:

- ▶ An estimate of the open market value of the land for its existing use
- ▶ An estimate of the replacement cost of the buildings
- ▶ Deductions to allow for age, condition and any functional obsolescence

A DRC assessment of land and buildings was made as at 31 March 2013. It is assumed that existing use continues. A DRC assessment was concluded as at 31 March 2018. The valuation supported the previous 2013 position including changes made to the refurbishment project.

- 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 DRC 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

**l) Statement of Accounting Policies continued...**

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 assets**

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.

**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. 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.

The amount of stock recognised as expense here during the year was £720k (2017: £687k)

**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

**1) Statement of Accounting Policies continued...**

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.

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 consolidated 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 publicly 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

**1) Statement of Accounting Policies continued...**

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.

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 income statement.

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 Group 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 Group 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 25 for the disclosures relating to the defined benefit pension scheme.

**2) Donations and Legacies**

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
Donations and sponsorships	1,914	1,349	3,263	3,562
Arts council grant	19,186	6,209	25,395	27,893
Funding for asset construction	0	1,676	1,676	4,984
<b>Total</b>	<b>21,100</b>	<b>9,234</b>	<b>30,334</b>	<b>36,439</b>

Donated services have been provided in the form of free hotels and flights to a value of £29k (2016/17 £88k).

**3) Charitable Activities**

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
Artistic activities	7,967	-	7,967	8,364
<b>Total</b>	<b>7,967</b>	<b>-</b>	<b>7,967</b>	<b>8,364</b>

**4) Other Trading Activities**

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
Other Trading Activities	13,695	-	13,695	13,843
<b>Total</b>	<b>13,695</b>	<b>-</b>	<b>13,695</b>	<b>13,843</b>

**5) Investments**

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
Interest receivables	15	-	15	3
<b>Total</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>3</b>

**6) Net (Expenditure) / Income**

	2018 £'000	2017 £'000
Net (expenditure) / income is stated after charging:		
Operating lease charges	113	113
Depreciation and amortisation charge on assets	7,325	6,969
Auditors' remuneration for audit services (Southbank Centre)	59	57
Auditors' remuneration for audit services (Enterprises)	6	6
Auditors' remuneration for non-audit work (PricewaterhouseCoopers)	3	-
Auditors' remuneration for Data migration and Impairment assessment	7	-
Liability insurance for Governors and employees	9	9
Losses on foreign exchange differences	4	11



**7) Income from Other Trading and Charitable Activities**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<i>Income from other trading activities – retail and trading</i>				
Retail sales	1,503	1,444	287	344
Concessions	7,234	7,463	6,603	6,490
Hall and space rentals	1,765	1,334	-	29
Memberships and subscriptions	1,061	835	1,061	835
Other income	2,131	2,767	52	99
	<b>13,694</b>	<b>13,843</b>	<b>8,003</b>	<b>7,797</b>
<i>Income from charitable activities – artistic activity</i>				
Own promotions	5,255	4,953	5,220	4,953
Artistic rentals	1,731	2,008	1,731	2,008
Other income	835	1,171	835	1,171
	<b>7,821</b>	<b>8,132</b>	<b>7,786</b>	<b>8,132</b>

**8) Staff Costs**

	Total	
	2018 £'000	2017 £'000
<i>Employee costs amounted to:</i>		
Wages and salaries	15,106	13,973
Social security costs	1,369	1,323
Pension costs	965	966
	<b>17,440</b>	<b>16,262</b>

Employee costs relate to the consolidated activities of Southbank Centre, including its subsidiary undertakings. Cost relating to redundancies of £228k (2017: £37k) are included in the above figures.

The Governors (Chair and Board members) are not remunerated for their services and Governors received £nil (2017: £nil) in reimbursement of travelling and subsistence expenses.

Monthly average full time equivalent employees were:	2018	2017
	No.	No.
Operational services	50	53
Marketing	46	40
Press & Communications	9	6
Visitor Experience	117	112
Retail Sales and Space Rental	26	21
Fundraising	14	15
Performing arts	81	77
Hayward Gallery	44	39
Management and administration	44	47
Site Project Team	1	1
	<b>432</b>	<b>411</b>

**8) Staff Costs continued...**

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

	2018	2017
	No.	No.
£60,000 - £69,999	3	5
£70,000 - £79,999	2	2
£80,000 - £89,999	2	2
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	-	1
£140,000 - £149,999	2	-
£190,000 - £199,999	1	-
£230,000 - £239,999	-	1
	<b>12</b>	<b>14</b>

Of these 12 (2017: 14) employees, Southbank Centre paid pension contributions of £45,553 for 8 employees (2017: £95,696 for 10), who were members of the defined contribution section of the pension scheme. Southbank Centre also paid contributions for 2 employees £23,589 (2017: £27,644 2 employees) who were members of the defined benefit section of the pension scheme and £6,228 for 1 employee (2017: £6,202 1 employee) who was a member of a personal pension plan. £782 was paid for 1 member of the auto-enrolment pension scheme (2017: £1,301 2 employees).

16 Key management personnel were paid a total of £1,608,714 for 2017/18 (2016/17: £1,592,710) and Southbank Centre paid £81,326 (2016/17: £135,509) in pension contributions.

The Chief Executive's salary and bonus subject to tax totalled £194,377 (2017: £234,080).

**9) Total Resources Expended**

	Direct Costs £'000	Support Costs £'000	2018 £'000	Total 2017 £'000
Costs of raising funds	561	381	942	859
Expenditure on charitable activities	18,618	27,197	45,815	38,283
Other	3,390	3,939	7,329	8,328
	<b>22,569</b>	<b>31,517</b>	<b>54,086</b>	<b>47,470</b>

**10) Summary Analysis of Expenditure and Related Income for Charitable Activities**

	2018 £'000	Total 2017 £'000
<i>Income from charitable activities</i>		
Own promotions	5,255	4,953
Artistic rentals	1,731	2,008
Other income	835	1,171
	<b>7,821</b>	<b>8,132</b>
<i>Cost of charitable activities</i>		
Artistic activities	(18,618)	(13,364)
	<b>(18,618)</b>	<b>(13,364)</b>
<b>Total (deficit) from charitable activities</b>	<b>(10,797)</b>	<b>(5,232)</b>

**II) Allocation of Support Costs**

Group	Management and Administration	Marketing and Comms	Human Resources	Operations	Depreciation and Disposals	Total	
	£'000	£'000	£'000	£'000	£'000	2018 £'000	2017 £'000
Costs of raising funds	722	613	88	1,823	856	4,102	4,340
Expenditure on charitable activities	3,497	2,969	486	13,777	6,468	27,197	24,918
Other	38	32	5	141	-	216	237
<b>Total support costs</b>	<b>4,257</b>	<b>3,614</b>	<b>579</b>	<b>15,741</b>	<b>7,324</b>	<b>31,515</b>	<b>29,495</b>

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, and are made up of the following:

	2018 £'000	2017 £'000
Internal audit	32	44
External audit*	65	63
Governors' indemnity insurance	9	9
Apportionment of staff costs	217	236
	<b>323</b>	<b>352</b>

\* in 2017/18 a one-off fee of £10k was paid to PricewaterhouseCoopers LLP for the Data Migration, Impairment Review and Pensions Review.

**12) Tangible Assets**

Group and charity	Land and Buildings (Artistic) £'000	Land and Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>							
At 1 April 2017	210,747	26,647	32,714	8,245	7,958	230	286,541
Additions	132	-	17,667	499	625	-	18,923
Transfers	43,169	-	(43,954)	73	712	-	0
Disposals	-	-	-	(31)	(362)	-	(393)
Impairment	-	-	(6,220)	-	-	-	(6,220)
<b>At 31 March 2018</b>	<b>254,048</b>	<b>26,647</b>	<b>207</b>	<b>8,786</b>	<b>8,933</b>	<b>230</b>	<b>298,851</b>
<i>Accumulated depreciation</i>							
At 1 April 2017	19,851	7,570	-	5,377	6,758	168	39,724
Charge in year	5,070	640	-	575	618	18	6,921
On disposals	-	-	-	(10)	(362)	-	(372)
<b>At 31 March 2018</b>	<b>24,921</b>	<b>8,210</b>	<b>-</b>	<b>5,942</b>	<b>7,014</b>	<b>186</b>	<b>46,273</b>
<i>Net Book Value</i>							
At 31 March 2018	229,127	18,437	207	2,844	1,919	44	252,578
At 31 March 2017	190,896	19,077	32,714	2,868	1,200	62	246,817

**13) Intangible Assets**

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2017	2,134	2,134
Additions	500	500
Disposals	(147)	(147)
<b>At 31 March 2018</b>	<b>2,487</b>	<b>2,487</b>
<i>Accumulated depreciation</i>		
At 1 April 2017	853	853
Charge in year	404	404
On disposals	(147)	(147)
<b>At 31 March 2018</b>	<b>1,110</b>	<b>1,110</b>
<i>Net Book Value</i>		
At 31 March 2018	1,377	1,377
At 31 March 2017	1,281	1,281

**I3) Intangible Assets continued...**

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, the Waterloo Undercroft and Jubilee Gardens. The freehold interest in these properties, with the exception of the Waterloo Undercroft, 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 stated above 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 open market value of the land has been assessed at a nominal value, given the constraints on its permitted existing use. 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. The lease on the Waterloo Undercroft is for 150 years, expiring on 26 February 2148, and was partly financed by lottery funds of £937,500 from Arts Council England. In the event that the property is disposed of before that date Southbank Centre will have to repay a proportion of the lottery funds.

The leasehold interest in Southbank Centre vested in Southbank Centre Limited having approximately 125 years unexpired at an annual ground rent of a peppercorn was valued on a Depreciated Replacement Cost (DRC) basis as at 31 March 2013 using figures provided by an external RICS Registered Valuer from the Valuation Office Agency. The DRC valuation was £210.7m compared to a net book value immediately prior to the valuation of £247.8m, and the deficit of £37m on revaluation was debited to the revaluation reserve. The previous valuation was carried out as at 31 March 2008. Following the adoption of FRS102, the Southbank Centre has opted to change the property asset valuation accounting policy to the cost model using the values as at 1 April 2014.

The extension building for the Royal Festival Hall was completed in March 2006. It provides office space for staff, technical facilities and retail and catering outlets. It was funded by means of a £4m award from the London Development Agency supplemented by a bank loan from AIB Group (UK) plc which has taken a charge over the building. The covenants of this loan require that our operating deficit does not exceed 2.5% of the annual operating income, but only applying when the cash at the bank is forecast to be less than £1m. We did not breach this covenant in 2017/18 and based on current budgets there is no expectation of a breach in coming years.

A charge has been taken out by each of Arts Council England and Heritage Lottery Fund over the Royal Festival Hall as security for their contributions towards the refurbishment of the Royal Festival Hall. Arts Council England also has a fixed and floating charge over all assets of the charity other than those identified above.

Expenditure is being incurred on a number of public realm projects which are treated as assets in the course of construction with all expenditure capitalised during the construction phase.

The Festival Wing refurbishment costs to date are shown as additions in the year and have been funded through fundraising, capital grants, property disposal proceeds and a £7m loan refinance facility agreed in June 2018. The Festival Wing fully opened in April 2018. An impairment of £6.2m pertaining to costs no longer applicable to the project has been made in year. A ORC assessment was conducted as at 31 March 2018. The valuation supported the 31 March 2013 valuation including additions and the impairment relating to the refurbishment project.

**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.

Southbank Centre has begun a process of strategic development for the Archive's future organisation and access. To enable the next stage of this plan to be carried out the Archive is currently closed to public enquiries.

**Poetry Library**

The Saison 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) Interest Receivable**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Interest receivable on bank deposits	15	3	14	3
	<u>15</u>	<u>3</u>	<u>14</u>	<u>3</u>

**16) Debtors: Amounts Due Within One Year**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	3,221	3,139	1,827	1,660
Amounts owed by group undertakings	-	-	4,009	1,990
Other debtors	544	677	574	661
Prepayments and accrued income	1,610	3,742	1,448	3,548
	<u>5,375</u>	<u>7,558</u>	<u>7,858</u>	<u>7,859</u>

**17) Creditors: Amounts Falling Due Within One Year**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Bank loans and overdrafts	580	561	580	561
Trade creditors	2,770	4,877	2,690	4,877
Advanced ticket sales	3,391	2,434	3,404	2,434
Accruals & Deferred income	8,289	7,990	7,224	7,459
<b>Total creditors due within one year</b>	<b>15,030</b>	<b>15,862</b>	<b>13,898</b>	<b>15,331</b>

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

**18) Deferred Income**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Deferred income brought forward	2,561	3,078	1,845	2,358
Released in the year	(3,357)	(3,395)	(2,636)	(2,674)
Deferred in the year	3,909	2,878	2,584	2,161
<b>Deferred income carried forward</b>	<b>3,113</b>	<b>2,561</b>	<b>1,793</b>	<b>1,845</b>

**19) Creditors: Amounts Falling Due After One Year**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Bank loans and overdrafts	19,867	20,331	19,867	20,331
Trade creditors	219	219	219	219
Derivative financial instrument	2,809	3,450	2,809	3,450
Deferred income	322	276	-	89
	<b>23,217</b>	<b>24,276</b>	<b>22,895</b>	<b>24,089</b>

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

Within one year	580	561	580	561
Within two to five years	9,823	9,484	9,823	9,484
After five years	10,162	10,958	10,162	10,958
	<b>20,565</b>	<b>21,003</b>	<b>20,565</b>	<b>21,003</b>

A term loan of £15.1m 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 until 2027.

The organisation entered into an interest rate swap arrangement in January 2008. Based on Southbank Centre's level of floating rate debt facilities at the time of the arrangement (£16.7m), this provides greater certainty to the organisation over liabilities going forward. The rate agreed was 5.07% for 19 years with a 25% cancellation clause after seven years at the option of Southbank Centre. The option was taken up in April 2015 and the swap notional balance was reduced by 25%.

A £7m term loan finance agreement which expires in June 2023 was entered into in June 2018 to part fund the Festival Wing refurbishment project.

**20) Group and Charity Reserves**

	Balances as at beginning of the year 1 April 2017 £'000	Movements in		Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year 31 March 2018 £'000
		Income £'000	Expenditure £'000			
<i>Unrestricted funds</i>						
General Reserve	2,422	42,631	(40,783)	-	(1,848)	2,422
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	-	260
Designated Capital Reserve	54,789	-	(11,643)	641	9,491	53,278
Revaluation Reserve	169,405	-	-	-	-	169,405
Hayward Gallery Prints Fund	14	3	(11)	-	-	6
Pension Plan Reserve (note 25)	(6,387)	143	-	6,505	-	261
<b>Total unrestricted funds</b>	<b>220,503</b>	<b>42,777</b>	<b>(52,437)</b>	<b>7,146</b>	<b>7,643</b>	<b>225,632</b>
<i>Restricted funds</i>						
Restricted Capital Reserve	-	7,643	-	-	(7,643)	-
Projects Fund	440	1,591	(1,649)	-	-	382
<b>Total restricted funds</b>	<b>440</b>	<b>9,234</b>	<b>(1,649)</b>	<b>-</b>	<b>(7,643)</b>	<b>382</b>
<b>TOTAL funds (2018)</b>	<b>220,943</b>	<b>52,011</b>	<b>(54,086)</b>	<b>7,146</b>	<b>-</b>	<b>226,014</b>
<b>TOTAL funds (2017)</b>	<b>203,114</b>	<b>68,081</b>	<b>(47,470)</b>	<b>(2,782)</b>	<b>-</b>	<b>220,943</b>

The unrestricted General Reserve of Southbank Centre charity (excluding Southbank Centre Enterprises Limited) is £2,386k at 31 March 2018. The remaining £36k of the group General Reserve at this date is retained in Southbank Centre Enterprises Limited (see Note 26) and will be donated to the charity under gift aid in July 2018.

*Unrestricted funds*

There are six unrestricted funds, five of which are designated:

*The General Reserve* is available for spending on Southbank Centre's charitable objectives.

*The Strategic Reserve* has been created to support the costs of new initiatives budgeted for future years including developing digital activity.

*The Designated Capital Reserve* reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets.

*The Revaluation Reserve* reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 12. The revaluation reserve has been split out from the Designated Capital Reserve reflecting the surplus on revaluations carried out in prior years.

*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. This fund has been set up to record separately the funds available to purchase prints.

*The Pension Plan Reserve* reflects the balance of surplus or deficit on the pension scheme and moves in line with annual valuations.



**20) Group and Charity Reserves continued...***Restricted funds*

There are two restricted funds which hold a number of projects:

*The Restricted 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*

£1.8m was transferred to the Unrestricted Designated Capital Reserve from the General Reserve in the year to reflect funding received for the Festival Wing refurbishment project.

£7.6m 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.

**Analysis of net assets between funds**

	Restricted funds	Unrestricted funds	Total funds	
	£'000	£'000	2018 £'000	2017 £'000
Tangible and intangible fixed assets	-	253,955	253,955	248,098
Current assets	382	9,663	10,045	19,370
Current liabilities	-	(15,030)	(15,030)	(15,862)
Creditors falling due after one year	-	(23,217)	(23,217)	(24,276)
Pension plan liability	-	261	261	(6,387)
	<u>382</u>	<u>225,632</u>	<u>226,014</u>	<u>220,943</u>

**21) Capital Commitments**

Group and charity	2018 £'000	2017 £'000
Authorised and contracted	<u>1,847</u>	<u>12,945</u>

Capital commitments relate to Festival Wing, System upgrades and Website

**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:

	2018 £'000	2017 £'000
<b>Payments due</b>		
Not later than one year	113	113
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>113</u>	<u>113</u>

**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:

	2018	2017
	£'000	£'000
<b>Receipts due</b>	40,548	39,013
Not later than one year	3,783	3,664
Later than one year and not later than five years	14,286	13,431
Later than five years	<u>22,479</u>	<u>21,918</u>

**24) Financial Instruments**

Group	<i>Note</i>	2018	2017
		£'000	£'000
<b>Financial Assets</b>		-	-
<b>Financial assets measured at fair value through profit or loss</b>			
<b>Financial assets measured at amortised cost</b>			
Trade debtors	16	3,221	3,139
Other debtors	16	544	677
		<u>3,765</u>	<u>3,816</u>
Cash at bank and in hand		4,397	11,433
<b>Financial Liabilities</b>			
<b>Financial liabilities measured at fair value through profit or loss</b>			
Derivative financial instruments	19	2,809	3,450
<b>Financial liabilities measured at amortised cost</b>			
Bank loans and overdrafts (current)	17	580	561
Bank loans and overdrafts (non-current)	19	19,867	20,331
Trade creditors	17	2,770	4,877
		<u>23,217</u>	<u>25,769</u>

As part of Southbank Centre's risk mitigation strategy the organisation has entered into interest rate swap arrangements in January 2008. At 31 March 2018 the fair value of contracts outstanding was £2,809k (2017: £3,450k).

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.

**25) Pension Costs**

Southbank Centre provides pension benefits through the Pension 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:

	2018	2017
	£'000	£'000
Defined benefit scheme		
Current service cost	247	215
Defined contribution scheme	715	691
Total charge in operating profit	962	906
Defined benefit scheme		
Net interest expense	165	132
<b>Total charge</b>	<b>1,127</b>	<b>1,038</b>

**(a) Defined benefit scheme**

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. 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 will take place in June 2020.

Southbank Centre operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme 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.

A comprehensive actuarial valuation of the Southbank Centre pension scheme, using the projected unit credit method, was carried out at 31 March 2018 by Kerr Henderson, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	2018	2017
Expected rate of salary increase	3.50%	3.60%
Expected rate of increase of pensions in payment	3.30%	3.40%
Discount rate	2.70%	2.70%
Rate of inflation	3.50%	3.60%

The mortality assumptions used were as follows:

	2018	2017
	years	years
Longevity at age 65 for current pensioners		
Men	22.9	23.4
Women	24.8	25.7
Longevity at age 65 for future pensioners		
Men	24.4	25.3
Women	26.3	27.6

**25) Pension Costs continued...**

Reconciliation of scheme assets and liabilities:

	£'000	£'000	2018 £'000
	Assets	Liabilities	Total
At 1 April 2017	59,215	(65,602)	(6,387)
Benefits paid	(1,393)	1,393	-
Employer contributions	574	(19)	555
Current Service cost	-	(247)	(247)
Interest income/ (expense)	1,588	(1,753)	(165)
Remeasurement (losses) / gains			
Actuarial gains	-	5,882	5,882
Return on plan assets excluding interest income	623	-	623
<b>As at 31 March 2018</b>	<b>60,607</b>	<b>(60,346)</b>	<b>261</b>

Total cost recognised as an expense:

	2018 £'000	2017 £'000
Current service cost	247	215
Interest cost	1,753	1,953
	<b>2,000</b>	<b>2,168</b>

No amounts (2017: £nil) were included in the cost of assets.

The fair value of the plan assets was:

	2018 £'000	2017 £'000
Equities	18,962	35,780
Liability driven investments	13,692	-
Diversified growth fund	19,219	-
Bonds	-	12,792
Property	-	1,958
Cash	65	101
London Eye Asset	8,669	8,584
	<b>60,607</b>	<b>59,215</b>

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:

	2018 £'000	2017 £'000
Interest income	1,588	1,821
Return on plan assets less interest income	623	10,151
	<b>2,211</b>	<b>11,972</b>

**(b) Defined contribution scheme**

Southbank Centre provides a defined contribution scheme for its employees.

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

	2018 £'000	2017 £'000
Current year contributions	715	691
	<b>715</b>	<b>691</b>

Southbank Centre had no post employment benefits as at 31 March 2018 (2017: £nil).

**26) Subsidiaries**

Southbank Centre Limited owns 100% of the issued share capital of South Bank Foundation Limited (100 shares 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.

*South Bank Foundation Limited*

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.

*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:

	2018 £'000	2017 £'000
Turnover	9,764	8,155
Cost of sales	(2,293)	(1,275)
Administrative expenses	(3,236)	(2,207)
Operating profit	<u>4,235</u>	<u>4,673</u>
Interest receivable	0	-
Net result	<u>4,235</u>	<u>4,673</u>
Gift aid due to parent company	(4,235)	(4,673)
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

	2018 £'000	2017 £'000
Current assets	5,498	3,094
Creditors: amount falling due within one year	(5,140)	(2,521)
Net current assets	358	573
Creditors: amounts falling due after one year	(322)	(187)
<b>Total net assets</b>	<u><b>36</b></u>	<u><b>386</b></u>
Represented by:		
<b>Profit and loss account</b>	<u><b>36</b></u>	<u><b>386</b></u>

**27) Contingent Liabilities***Group and charity**Legal actions*

As a body managing 21 acres of public spaces, Southbank Centre is currently facing a small number of personal injury claims. Accruals for claims are only made where there is reasonable likelihood of anticipated liability, and at the year end there were no such accruals. All remaining claims are strongly denied by Southbank Centre, which believes they are without foundation. Southbank Centre has taken legal advice on these cases and believes that there is a reasonable prospect of defending them successfully. However Southbank Centre has a contingent liability to the extent that any of these claims prove to be successful.

*Capital grant funding*

As mentioned in note 12, 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 the London Development Agency. In the event that SC ceases operating £4m would be repayable to London Development Agency.

Additionally as also mentioned in note 12 the lease on the Waterloo Undercroft was financed by a capital grant from Arts Council England amounting to £937,500. In the event that the lease is disposed of before it expires in February 2148, Southbank Centre will have to repay a portion of the funds.

**28) Related Parties**

Susan Gilchrist (Chair) is Group Chief Executive of the Brunswick Group, a fundraising and communications consultancy. In 2017/18 Southbank Centre entered a contractual relationship advising and supporting on Communications Strategy. This totalled £32,500 (2017: £nil).

Southbank Centre is a trustee of the Jubilee Gardens Charitable Trust which maintains Jubilee Gardens. Southbank Centre does not have significant influence or control over the Trust. Southbank Centre paid a subscription of £21,000 (2017: £21,000), a repairing contribution of £60,343 (2017: £59,160) and event-related costs of £nil (2016: £nil) to Jubilee Gardens Charitable Trust during the year.

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 78,823 (2017: USD 76,820) from the American Fund. The American Fund had USD 52,086 (2017: USD 78,027) in cash balances available to transfer to Southbank Centre at 31 March 2018.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of the Southbank Centre Retirement Plan. These expenses were £271,042 (2017: £192,838) for the year ended 31 March 2018.

During the year Southbank Centre invoiced Southbank Centre Enterprises Limited for management and administrative services provided by Southbank Centre to the company. This totalled £960,000 (2017: £912,000). There have been no transactions with Southbank Foundation Limited or Southbank Centre Limited (2017: £0)

Southbank Centre is a trustee of Topolski Memoir Limited, which rents studio and storage space from Southbank Centre for a peppercorn rent. Southbank Centre is also party to an agreement with Topolski Memoir Limited and Public Restaurant Partner Limited (trading as Company of Cooks) to use artwork owned by Topolski Memoir Limited in a bar/cafe space rented by Company of Cooks from Southbank Centre. Payments of £31,913 (2017: £51,152) were made by Southbank Centre to Topolski Memoir Limited during the financial year for the use of these artworks.

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 £5,320 (2017: £10,815) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services.

**29) Full Prior Year Disclosure of the Consolidated Statement of Financial Activities**

	Note	Unrestricted funds		Restricted funds		Total funds	Unrestricted funds		Restricted funds		Total funds
		Operations	Designated	Projects	Capital	2018	Operations	Designated	Projects	Capital	2017
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>											
Donations and legacies	2	21,100	-	1,591	7,643	30,334	21,551	-	1,438	13,450	36,439
Charitable activities	3	7,821	146	-	-	7,967	8,132	232	0	0	8,364
Other trading activities	4	13,695	-	-	-	13,695	13,843	0	0	0	13,843
Investments	5	15	-	-	-	15	3	-	-	-	3
Gain from fixed asset disposal		-	-	-	-	-	9,432	-	-	-	9,432
<b>Total</b>		<b>42,631</b>	<b>146</b>	<b>1,591</b>	<b>7,643</b>	<b>52,011</b>	<b>52,961</b>	<b>232</b>	<b>1,438</b>	<b>13,450</b>	<b>68,081</b>
<b>Expenditure on:</b>											
Raising funds	9	910	32	-	-	942	827	32	-	-	859
Charitable activities	9	33,087	11,079	1,649	-	45,815	32,334	4,831	1,118	-	38,283
Other	9	6,786	543	-	-	7,329	7,787	541	-	-	8,328
<b>Total</b>		<b>40,783</b>	<b>11,654</b>	<b>1,649</b>	<b>-</b>	<b>54,086</b>	<b>40,948</b>	<b>5,404</b>	<b>1,118</b>	<b>-</b>	<b>47,470</b>
<b>Net income/(expenditure) before transfers</b>		<b>1,848</b>	<b>(11,508)</b>	<b>(58)</b>	<b>7,643</b>	<b>(2,075)</b>	<b>12,013</b>	<b>(5,172)</b>	<b>320</b>	<b>13,450</b>	<b>20,611</b>
<b>Transfers</b>	20	-	7,643	-	(7,643)	-	-	13,450	-	(13,450)	-
<b>Other recognised gains/(losses)</b>											
Actuarial losses on defined benefit pension schemes 25		-	6,505	-	-	6,505	-	(2,834)	-	-	(2,834)
Gain/(loss) on derivative financial instrument		-	641	-	-	641	-	52	-	-	52
<b>Net movement in funds</b>		<b>1,848</b>	<b>3,281</b>	<b>(58)</b>	<b>-</b>	<b>5,071</b>	<b>12,013</b>	<b>5,496</b>	<b>320</b>	<b>-</b>	<b>17,829</b>

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 (outgoing)/incoming resources before transfers for the financial years stated above and their historical cost equivalents.





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Printed on paper containing a mixture of timber or fibre from an FSC-certified forest, reclaimed timber or fibre (pre and post consumer) and controlled wood.

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