

SOUTH BANK CENTRE

Annual Report and Financial Statements 2020 – 2021

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



HERE
FOR
CULTURE

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On the cover:
Installation View of Tala Madani, *A Solo*, 2019
and David Batchelor's *Sixty Minute Spectrum* installation at Hayward Gallery
Photo © Morley Von Sternberg



Culture Recovery Fund recipient

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The Cinematic Orchestra live broadcast from the Royal Festival Hall, as part of *Inside Out* © Dan Medhurst

Chair's Foreword



The Southbank Centre presents great cultural experiences that bring people together. We achieve this by offering unique and iconic venues and spaces as well as an enthusiasm and

expertise that encourages artists to present their best work and welcome ever more diverse audiences to experience the power of live performance and shared passions.

It has been a year beyond anything we could have imagined and was by far the toughest period in the Southbank Centre's history. We found ourselves in an unprecedented position due to COVID-19 - with public concerts, performances and exhibitions no longer allowed - and we immediately lost 60% of our commercial income. With these significant losses it is incumbent upon the Board and Executive leadership to ensure we protect our income to survive and continue to deliver our charitable objectives for the benefit of the public. The Board and Executive leadership faced hard choices in order to remain solvent and protect the future of the organisation. We had the unimaginable situation of having no work for a significant number of staff and sadly we had to take the difficult decision to say goodbye to valued colleagues across the organisation.

The decisive measures taken by the Board and Senior Leadership Team - along with Government support, for which we are hugely grateful - has meant that we are now in a better position to weather the pandemic and reopen in 2021. The repayable finance award from the Government's Culture Recovery Fund (CRF) as well as funding from the Coronavirus Job Retention Scheme, has allowed us to plan for our future with more confidence and certainty.

The Southbank Centre emerges from this moment with a vibrant and relevant artistic programme and ambition, supported by a robust and sustainable business model. As we prepare for reopening, we're delighted to have been able to rehire a number of staff through our re-engagement programme.

The return of live audiences will help our much-loved artists and the wider economy. We know that the Southbank Centre, like the rest of the culture sector, is an essential driver for prosperity. As the UK's largest multi-arts centre, we have an essential role in driving the economic recovery of London. Our important work would not be possible without the support of our principal funder, Arts Council England, and we continue to be grateful to them for their essential funding.

Our reliance on public funding has reduced from nearly 60% to under 40% in recent years but this left us uniquely vulnerable when our revenue from bars and restaurants and commercial hires collapsed in lockdown. Nevertheless, maintaining our highly entrepreneurial approach across all aspects of our organisation remains a vital objective in order to ensure we add real value to our public funding and to taxpayers and to extend our reach, impact and relevance as a flagship cultural organisation at the centre of the nation's cultural ecology. We are committed to delivering our Recovery Plan and honouring the obligations of our CRF repayable finance.

It has been my great pleasure to Chair the Southbank Centre and I am delighted that the Secretary of State has approved the Board's recommendation of the appointment of Misan Harriman to take the reins in July 2021 to lead us into the future - the Southbank Centre will be a 'tonic for the nation' once again.

Susan Gilchrist
Chair of the Board of Governors, July 2021

ON NURSES

by Roger Robinson

Surely this is more a calling than a job. The doldrums of the nightshift pierced with the odd life-threatening injury, applying pressure to a gaping wound. Their nurses' shoes clip-clopping down the halls, the thoughts of patients' suffering or dead following them back home. Surely they know that life is random, how death can creep up on the innocent. But how their instincts can sometimes pull spirits back from the brink into their bodies. Like midwives to the spirit. In that moment, do they forget the training and think, if I do this, perhaps they will live? Can you train instinct? I'm not sure. They see it all: the birth, the death, the vomit, the blood, the shock, the diseased, the perturbed, the pain, the smiles. I see them pressing their uniforms for the next shift, washing their hands with a soap that makes their palms peel.



Installation view of Roger Robinson's 'On Nurses' at Southbank Centre's Everyday Heroes. Copyright the artist. Photo © Linda Nyland

CEO's Foreword



It's been an extraordinarily challenging year for the cultural sector and for the Southbank Centre.

Like most organisations we've had to learn to adapt quickly: in a normal year, we would have been able to present over 3,000 events, but this year we've only been able to host a fraction of that. We had 436 very long, dark, nights with no audiences in the seats of our iconic concert halls. But we were not completely silent during this time - we successfully pivoted to provide an entirely online artistic offering streaming over 100 events as part of our *Inside Out* season including working in partnership with our orchestras so that they could perform on stage at the Royal Festival Hall for streaming and broadcast. We continue to take great pride in the work of our four Resident Orchestras (London Philharmonic Orchestra; Philharmonia Orchestra; London Sinfonietta and Orchestra of the Age of Enlightenment) and four Associate Orchestras (Aurora Orchestra; National Youth Orchestra; Chineke! Orchestra; and BBC Concert Orchestra).

We hosted BBC Radio 3 for a series of live concerts from the Royal Festival Hall including an extraordinary commission, *Remnants* by poet Yomi Sode and composer James B Wilson, which was written in response to an incident which took place outside the Royal Festival Hall during the Black Lives Matter protests in June 2020 and performed by Chineke! Orchestra.

We were able to open the Hayward Gallery when restrictions eased in summer 2020 for a very successful re-run of *Among The Trees* and we made use of our wonderfully extensive site to mount pandemic-proof outdoor exhibitions, from *Everyday Heroes* - the first exhibition in Europe conceived, delivered and referencing

the pandemic, which paid tribute to our key workers - to *Winter Light*, our fantastic neon installations offering some much needed joy to the dark days of the third national lockdown.

We continue to fulfil our social mission of bringing arts and creativity to people's everyday lives, even while the buildings were closed. We moved many of our events online - including an entire festival with *Unlimited* - our Festival celebrating the work of disabled artists.

Our lockdown project *Art by Post* now reaches over 4,500 socially isolated people each month and has been recognised by the World Health Organisation and is shortly to be displayed as part of a world tour organised by the WHO. We are looking forward to staging an exhibition of the participants' art here at the Southbank Centre later in 2021.

The arts will once again be instrumental in curating spaces for a nation to recover and heal, providing shared cultural experiences that we've all missed so much. To that end, we unveiled an ambitious four-month programme of summer activity on our river terraces and inside the Royal Festival Hall - *Summer Reunion* - providing opportunities for people to reconnect, reunite and enjoy a colourful, joyful celebration of art, culture and entertainment. The packed programme features ballet, classical music, contemporary music, literature, poetry and visual art as well as 15 weekends of free programming on the River Terrace including events curated by specially invited artists and performers.

We've learned much about ourselves over this last year and importantly, that we are resilient and can work in flexible ways. We've successfully pivoted to provide an entirely online artistic programme - including worldwide large-scale live streamed gigs - and have a new understanding of how usefully a digital offering can coexist with our venues.

We have learned to work in new and different but dynamic ways and we are rebuilding our future with care and consideration to all the issues that need to be addressed - not least, the structural issues around equity, diversity and inclusion.

I'd like to offer heartfelt thanks to everyone who works at the Southbank Centre for their dedication and patience during this last year - and for their passion: for the Southbank Centre itself, for its purpose, vision and values - which came shining through those long dark months and helped to power us through the crisis.

Elaine Bedell
CEO Southbank Centre, July 2021



Chineke! Orchestra presents Remnants (World premiere) broadcast live on BBC Radio 3 © Mark Allan

Trustee Report

Impact of Covid and Recovery Plan

The financial impact of Covid-19 put Southbank Centre in critical jeopardy in 2020. The lockdown caused the complete cessation of all our commercial and ticket income, as well as impacting our ability to fundraise. The funds from the sale in February 2020 of the Waterloo Undercroft had to be diverted into supporting survival - not innovation and development.

The loss of up to £25m revenue in the year and no certainty as to when Southbank Centre would be able to operate at full capacity meant that significant mitigating actions were required. The venues were closed and operating costs reduced to a minimum. Salary and hours reductions were made to all staff as well as making use of the Coronavirus Job Retention Scheme (CJRS). Capital and interest deferrals were agreed with our major lenders.

With no sign of being able to re-open the venues and the end of the CJRS confirmed, a major and painful redundancy programme was undertaken in July and August 2020 to ensure that essential running costs were able to be met from reliable income streams. These measures stabilised and offset the financial losses faced by the Southbank Centre.

The award of a significant loan from the CRF fund in March 2021 has allowed us to refresh our reserves and has enabled us to plan the rebuilding of our activity and impact while recognising the continued uncertainty and risks. We have developed a new operational model for when social distancing is eased that will sustain reduced income expectations in 2021/22.

Our revised operating model allows us to reopen all of the site, once social distancing measures are removed, with less financial risk on a strong impactful 5-day programme (Wednesday to Sunday). With this model, we can make more effective use of the time and resources available in the venues and build on our artistic strengths. We will reopen on a lower cost base than pre-Covid and, as income rebuilds and audience behaviour post-pandemic, consider how to best deliver and extend cultural programming in the future.

This operating model, underpinned by the CRF loan, will allow us to return to our role as a cornerstone of the UK's cultural ecology, supporting the huge numbers of artists, musicians and creatives (over 100,000) who depend on us for their livelihoods.

The period ahead will undoubtedly be challenging, but our track record evidences our ability to combine successful entrepreneurship and business model development with the delivery of a world-leading artistic programme.

Strategic Focus and Activities

Charitable Objects

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

Vision and mission

- ▶ Our purpose is to present great cultural experiences that bring people together
- ▶ Our vision is to provide the space for artists to create and present their best work.
- ▶ We are the place where people come together through powerful shared experiences.
- ▶ Our mission is to seek out, nurture and showcase the best of the arts. The unusual, the eye-opening and the brave. We take people out of the everyday, every day.

Our values

The values that drive how we think and behave and which underpin the decisions we take in how to serve our audiences, recruit our staff or engage with artists are, to:

Champion greatness

We seek out great artists and give them the space to create their best work.

Take the lead

We make sure we're at the forefront of the arts – provoking and inspiring culture, not just following it.

Have fun

We're serious about the arts – but not stuffy. Culture here can be playful, provocative, exciting and entertaining.

Open up the arts

Not everyone will love everything, but we make sure there's something for everyone.

Mission statement

The Southbank Centre exists to present great cultural experiences that bring people together. We achieve this by offering not just unique and iconic venues and spaces but also an enthusiasm and expertise that encourages and supports artists to create and present their best work and welcome ever more diverse audiences to experience the power of live performance and shared passions. We help take people out of the everyday, every day, and act as a vital antidote to the challenges of daily life – offering a place and culture where people from every background are welcome.



Achievements and Performance

The COVID pandemic required the closure of our venues and severely curtailed our activities during the year. We were, however, successfully able to mount an online programme of activity from the autumn, reopened Among the Trees at the Hayward Gallery and utilised the entire Southbank Centre site for four outdoor exhibitions. Our Creative Learning programmes continued and innovated, in particular the Art by Post programme developed in response to the social isolation caused by the pandemic.



Matthew Krishanu, *Hospital Chaplain – PPE* (Rehanah Sadiq) 2020. Photo © Matthew Krishanu

Performance and Music Activities

Classical Music

When the Southbank Centre closed due to the pandemic in March 2020, all of our classical programme was cancelled, including the *SoundState* festival of diverse new music, a mass-participation Beethoven 9 and all of the public concerts of our partner orchestras.

We focused on working with our partner orchestras to ensure that musicians could be back together in a safe space in which to perform, even if they were not able to do it in front of live audiences. We worked with the orchestras and other artists to create a coherent programme for streaming and broadcast under the banner of *Inside Out*, all of which has been delivered behind closed doors in the Royal Festival Hall and, for a period, in the Queen Elizabeth Hall.

In total, over 90 classical performances as well as our literature and spoken word programme and contemporary music concerts took place during *Inside Out* between September 2020 and the end of March 2021.

We formed a close group with our orchestral partners to plan new programmes, once it became clear that repertoire and artists had to change. The orchestras streamed their concerts either through their own channels or through companies such as Marquee TV, and everything was available through the Southbank Centre website.

We were planning the first Autumn concerts when the shocking murder of George Floyd took place and there was no option but to respond. Together we made a commitment to present as many composers of colour as possible throughout the Autumn season of streamed concerts. All eight orchestras as well as soloists in the programme responded, with some presenting entire concerts by black composers. This commitment came into focus during a two week residency from BBC Radio 3, when all of the Southbank Centre concerts were broadcast, and considerable additional content was generated through our spoken word programme and creative learning and public programmes. We were able to present



Chineke! Orchestra © Mark Allan

a narrative about classical music live on air which addressed the urgent issues of the day. We worked with our orchestras, and with soloists such as Tasmin Little who gave her final Royal Festival Hall recital before retirement during this period, to ensure that 30 percent of the music performed during this time was from composers of black origin. We commissioned a new work for this period, *Remnants* by poet Yomi Sode and composer James B Wilson, which was written in response to an incident which took place outside the Royal Festival Hall during the Black Lives Matter protests in June 2020 when Patrick Hutchinson, a supporter of Black Lives Matter, carried counter-protester Bryn Maleto safety. This work was performed by Chineke! Orchestra and broadcast on BBC Radio 3 reaching prime-time BBC television news and other media.

In January, the planned live concerts in *Inside Out* were interrupted by the second lockdown. Some major projects were cancelled, including the London Philharmonic Orchestra's Ring Cycle. But by mid-February, recordings and streaming had begun again. *Inside Out* included a broad and diverse range of content aimed at different audiences: there were performances for children, families and schools, a substantial amount of new music, chamber music, performances from the National Youth Orchestra and Chineke! Juniors as well as great performances of major orchestral repertoire. Special highlights include Esa-Pekka Salonen conducting the Philharmonia with soloists Julia Bullock in a searing performance of Britten's *Les Illuminations*, the London Sinfonietta's revelatory concert of contemporary black composers curated by George Lewis and



London Contemporary Orchestra live-streamed event as part of *Inside Out*. Photo © Takis Zontiris

Vladimir Jurowski conducting the UK premiere of Elena Kats Chernin's *Piano Concerto* and, in another streamed concert, the complete ballet music of Tchaikovsky's *Swan Lake*.

Overall, this very tough and challenging year has also brought some revelations: about the streaming of performances, about lighting and presenting concerts for the camera, about finding new repertoire from a wide range of composers of colour, about the joy of being liberated from the long-term planning cycles of classical music and being spontaneous and about the strength of partnership.

Contemporary Music

In line with the rest of the organisation, as COVID-19 hit, we had to decide whether to postpone or cancel a year's worth of concerts and events into late 2020 and then to 2021. We also postponed our Meltdown Festival curated by Grace Jones to June 2022.

As the UK went into lockdown, the Southbank Centre invited audiences to enjoy live streamed performance and discussion from the comfort of their own living rooms. The contemporary music team produced three concerts and helped promote and stream many more.

On 29 January, the globally-loved UK band, The Cinematic Orchestra made their much-anticipated Royal Festival Hall debut to perform exclusive new music from their upcoming album. Elsewhere, on 6 March, one of the country's most exciting new prospects, Black Country, New Road played at the Southbank Centre for the first time, presenting music from their debut and chart-topping album. Finally, the London Contemporary Orchestra returned for a night of new music on 19 March, including specially-commissioned orchestral versions of 2020 electronic masterpieces by Kelly Lee Owens and Duval Timothy, both of which were world premieres. All three events were streamed globally on DICE, exclusively for the Southbank Centre.

Other Music

All of the remaining performance programme in the Royal Festival Hall, Queen Elizabeth Hall and Purcell Room were cancelled. However, we are delighted that we've been able to find alternative dates for a significant number of events in 2021-22, including major artists such as Chilly Gonzales, Amadou & Mariam, Wardruna, Rumer, David Sedaris and Ira Glass.

Both WOW Festival and EFG London Jazz Festival were unable to go ahead in 2020/21 but we look forward to welcoming them both back as valued partners in 2021/22.

Performing Arts Touring

Due to the ongoing impact of COVID-19, all originally scheduled performing arts touring activity in 2020/21 was postponed or cancelled.

Intended activity included presentations of *2001: A Space Odyssey* in Athens, Greece; Moscow, Russia; and *Taxi Driver* in Tampere, Finland as well as the remounting of the immersive exhibition *Adventures in Moominland*, for which we were in advanced discussions with international venues in Finland and Singapore.



Black Country New Road, broadcast from the Queen Elizabeth Hall as part of *Inside Out* © Mark Allan

Literature and Spoken Word

Overview

During this pandemic period the Literature & Spoken Word programme has successfully pivoted towards virtual events, presenting a sector-leading and diverse line-up of talks featuring world renowned authors and rising talent. Several of our virtual events exceeded the capacities of our physical venues, growing the national and international reach of our audience, while aligning with our strategic goals of reflecting artistic excellence and inclusive values. Building on our track record of providing access provisions for literature and spoken word events at the Southbank Centre, all our events were captioned and several had British Sign Language interpreted versions.

Inside Out

From September 2020 onwards we launched a series of world and UK exclusive talks as part of the Southbank Centre's *Inside Out* series. The line-up reflected our ongoing commitments to artistic excellence, diversity and inclusion, while being both timely and uplifting. Highlights include a virtual keynote from Angela Davis, an in-conversation with co-founder of the Black Lives Matter movement Alicia Garza, Booker Prize winner Arundhati Roy on populism and the pandemic, critically acclaimed poet Claudia Rankine, Kae Tempest on connection and beloved comedians John Cleese and Dawn French

Inside Out 2

Building on this successful first wave of virtual events, we continued into the new year with major talks with leading literary figures, including welcoming back Nobel Prize-winning novelist Kazuo Ishiguro who made his first public appearance with his daughter, fellow novelist Naomi Ishiguro, for an exclusive event

discussing writing across the generations. The series also included cultural icons Ethan Hawke and Skin, acclaimed authors Jhumpa Lahiri and Olivia Laing, and rising literary stars Raven Leilani and Hanif Abdurraqib. Our resident music and poetry night *Out-Spoken* went online for the first time, in an event featuring award-winning poets Caleb Femi and Jay Bernard, and singer-songwriter Mysie. *Out-Spoken* is London's best music and poetry night. They sold out every month in the 19/20 financial year, and we are delighted to be continuing their residency at the Southbank Centre as we grow their audience in the coming months.

Literature and Poetry Prizes

The Southbank Centre has long been home to major literary prizes, consolidating our reputation for artistic excellence and placing us at the heart of the literary community. It was important to us that we honoured these relationships by pivoting to virtual events, including in November 2020 the first exclusive interview with 2020 Booker Prize winner Douglas Stuart, who was in conversation with last year's winner Bernardine Evaristo. We then started the new year with the readings and announcement of the TS Eliot Prize featuring all ten shortlisted poets, culminating in the announcement of the 2021 winner.

Collaborations and New Partnerships

In April 2020 the Literature & Spoken Word programme pivoted towards virtual events, converting a keynote and in-conversation with David Wallace Wells on his global bestseller *The Uninhabitable Earth* into a live stream event in partnership with Penguin Live, Cambridge Literature Festival and linked to the Hayward Gallery's *Among the Trees* exhibition.



In Conversation: Dawn French & Bernardine Evaristo, broadcast from the Royal Festival Hall as part of *Inside Out* © Mark Allan

Working with the Classical Music team we also jointly commissioned Yomi Sode and James B. Wilson to write a new piece of music and spoken word inspired by Patrick Hutchinson's intervention at an anti-BLM protest outside the Royal Festival Hall, which was performed by Chineke! resulting in substantial positive media coverage in the UK and US.

During this period the Literature & Spoken Word team were also successful in securing funding from the TS Eliot Foundation for the Southbank Centre New Poets Collective which we have launched in partnership with Creative Learning, led by poets Vanessa Kisuule and Will Harris. The Collective will be based out of the National Poetry Library.

Comedy

In early 2020, we appointed our first dedicated Comedy Programmer (Pax Lowey) to lead and develop this programme with a more curated approach. Although the impact of the COVID-19 pandemic slowed this transition and reduced the amount of activity in 20/21, we remain

excited about the potential of Comedy having its own focused strand at the Southbank Centre.

The planned Summer programme was to include the internationally renowned Stewart Lee performing six nights in the Royal Festival Hall, Bafta-winning comedian Alex Horne performing with his comedy band *The Horne Section*, comedian and novelist Jenny Eclair, and the Olivier-nominated writer/comedian David Baddiel's new show. This season also included Edinburgh Comedy Award nominees Olga Koch and Sophie Duker, as well as Simon Munnery reprising his Sony Radio Award winning alter ego *Alan Parker Urban Warrior*. All sadly either cancelled or rescheduled to 2021/22 due to the Covid-19 pandemic.

In 20/21, Comedy worked closely with the Public Programming team to programme comedy into Refugee Week and *Unlimited* festival. Together, we programmed Counterpoints Arts' project *No Direction Home* featuring stand-up comedians from refugee and migrant backgrounds and guest headliner

Nish Kumar. This Refugee Week performance was originally programmed into the Purcell Room but after closure forced its cancellation, we worked with Counterpoints Arts to move the performance online to a sell-out live audience of 300.

We later collaborated with Counterpoints Arts to programme a follow-up online performance of *No Direction Home* with guest headliner Rosie Jones as part of *Inside Out* in Autumn 2020. This performance built on the success of the first show and had an even bigger audience.

Prior to the pandemic, we met with comedy collective *Abnormally Funny People*, intending to programme a live performance into one of the hall spaces during *Unlimited* festival. While this was not possible due to closure, we collaborated on a unique and innovative streamed show to close the first ever online *Unlimited* festival in January 2021. This digital performance featured live stand-up from disabled comedians throughout the UK, as well as prerecorded sketches and audience interaction.

Performance

The original Performance and Dance plan for 20/21 was a season of work curated by Performance Consultant, Wendy Martin (formerly Head of Performance and Dance). A diverse range of projects was lined up to be staged, balancing commercial led programming (Wise Children's *Malory Towers*, Selladoor's *Bring It On* and Fiery Angel's *Circus 1903*) and rentals (English National Ballet's *Emerging Dancer* and Ballet Biarritz's *Marie Antoinette*), with a strong line up of own promotions, including: a season curated by Ursula Martinez (*Free Admission*, *Triple Threat*, *Wild Bore*, and *Family Outing - 20 Years On*); *The Argonauts* - a commission in collaboration with LIFT, Lost Dog, CandoCo and British Council; *The Portal* - a commission with Martin Green; *You Know We Belong Together* - an international work by disabled artist Julia Hales; and a number of other commissions and international works which were on the cusp of being confirmed.

Sadly the impact of COVID-19 was significant for the Performance and Dance programme. A number of productions were about to go on sale at the point we had to close the Southbank Centre's doors. The majority of productions had to be cancelled due to financial constraints and the international travel ban. However, the Performance and Dance programme contributed to the *Culture Fix* offer online through archive pieces (eg: *MK ULTRA* by Rosie Kay Dance Company), and we have been able to reschedule some key projects, including: Akram Khan's *Kaash* (now being performed in April 2022); *Bring It On* (scheduled for December 2021) and *Circus 1903* (scheduled for December 2021). A new Senior Performance Programmer (Heather Ruck) started with us in April 2021. We are very excited by what Heather will bring to the Southbank Centre and look forward to her reigniting the Performance and Dance programme for 2021/22 and beyond.



Ugo Rondinone, *Cold Moon*, 2011,
at *Among the Trees*, Hayward Gallery, 2020.
© Ugo Rondinone 2020. Courtesy of Hayward
Gallery. Photo © Linda Nyland

Hayward Gallery and visual arts

The Hayward Gallery reopened *Among the Trees* with COVID-secure measures from 1 August to 31 October 2020. This exhibition drew attention to the beauty, scale and complexity of trees and forests. Alongside sculptures and installations, drawings, paintings and photographs, there were artworks that celebrate the soaring scale of trees. The show opened with 3 and 4 star reviews from the press in March 2020 and proved popular despite growing concerns over the COVID-19 outbreak, before closing to the public for four months. On reopening, we welcomed 48,000 visitors to the exhibition, with the total visitor figure exceeding target by 22%.

Hayward Gallery Touring

British Art Show 9

The 9th edition of the British Art Show was originally scheduled to open in Manchester in September 2020. The opening was moved to Wolverhampton in March 2021. Due to the impact of the COVID pandemic and lockdown restrictions, and in dialogue with the partner institutions in each city and the artists in the exhibition, the dates and the order of the exhibition tour were rescheduled. British Art Show 9 will now open in Aberdeen on 10 July 2021.

The British Art Show is the biggest touring exhibition of contemporary art in the UK and it is widely acknowledged as the most important recurrent exhibition of contemporary art produced in this country, unrivalled in its ambition, scope and national reach. British Art Show 9 will be presented across numerous galleries and exhibition spaces in the cities

of Aberdeen, Wolverhampton, Manchester and Plymouth, resulting in an ambitious and wide-ranging programme that explores new tendencies in artistic practice.

Many of the participating artists are developing new works for the exhibition, including significant new commissions supported by Art Fund that will be acquired by museum partners in each city. British Art Show 9 will also benefit from the support of Arts Council England's Project Grant for National Activities to produce an ambitious programme of creative learning and engagement opportunities across the four partner cities.

This edition explores three overarching themes – healing, care and reparative history; tactics for togetherness; and imagining new futures – these conceptual frameworks were devised prior to the pandemic, however, with the recent global recognition of racial injustice sparked by the Black Lives Matter protests of summer 2020, all three thematics have become even more relevant to the present moment.

Not Without My Ghosts

The exhibition brings together more than 30 international artists from the 19th century to the present day, exploring the changing terms of artistic engagement with mediumship. The exhibition was also designed to connect to the rich legacy of Spiritualism in the locations of our national partners.

The exhibition was due to launch in Drawing Room, London, in April 2020 but was rescheduled due to the Coronavirus pandemic.



No Lockdown In The Imagination - Koestler Exhibition. Photo © Takis Zontiros

The exhibition subsequently opened at Drawing Room on 10th Sept until 1st November 2020. The exhibition received very positive reviews from The Guardian, The Times, iNews, HyperAllergic, Studio International and Art Forum.

The rest of the exhibition tour has been substantially rescheduled following the closure of museum partners during the second lockdown. The tour period has now been significantly extended to accommodate new exhibition dates and will open in The Grundy, Blackpool in Oct 2021; Millennium Gallery Sheffield Jan 2022; and Glynn Vivian Swansea in March 2022.

Slow Painting

The exhibition, a major survey of contemporary painting featuring nineteen artists whose work spans a myriad of styles and applications, was due to continue its tour to the University of Bath and Bath Spa School of Art and Design, and the Inverness Museum and Art Gallery, and Thurso Art Gallery, throughout summer and autumn 2020. These final partners on the tour were unable to present the exhibition due to the covid-19 outbreak and we were unable to find new exhibition dates. As a result the exhibition was retired.

Site Design

Everyday Heroes

Taking place across the Southbank Centre, *Everyday Heroes* was an outdoor exhibition that celebrated the contributions that key workers and frontline staff have made during the pandemic. It featured more than 40 portraits of some of the entirely ordinary but also utterly remarkable people – among them health workers, bus drivers, faith workers and shop assistants – who have helped to keep this country going during the crisis, often working in extremely challenging circumstances and putting their own personal safety at risk. The project also featured six new poetry commissions which were exhibited in the Southbank’s outside spaces along with artworks.

The project also included a collaboration

with an advertising agency, which saw all the portraits from the project displaced on advertising spaces throughout the UK.

Phenomenal Women

Phenomenal Women: Portraits of UK Black Female Professors built on research carried out by academic Dr Nicola Rollock on the career experiences of Black female professors. Published in early 2019, Rollock’s study reveals the barriers faced by Black women as they work to navigate their way through higher education and the strategies they use to help them reach professorship. The display, *Phenomenal Women* took place on The Queens Walk, next to the river Thames. The project, which moved outside after Covid-19 consisted of 35 portraits of black female professors in



Phenomenal Women Exhibition. Photo © Elliott Franks



the UK, displayed on specially made stands, which aimed to reproduce a museum quality viewing experience in an outdoor setting.

No Lockdown in the Imagination

This outdoor exhibition, made up of entries to the 2020 Koestler Awards for arts in criminal justice, reveals the power of creativity in tough times. The project was moved to be viewable across the Southbank Centre's outdoor spaces, after Covid-19 meant that exhibition could not take place inside, as originally planned. Audio, visual and written artworks were emblazoned across our windows and also appeared on the Koestler Arts website.

Winter Light

Featuring more than 15 artworks and new commissions, the exhibition was installed across our buildings and along the riverfront. While the buildings were closed, this project aimed to bring light to the spaces of the Southbank Centre. The artworks explored

ideas about nature, politics and society, gender, aesthetics and the act of looking. *Winter Light* also featured a series of newly commissioned writings by author Jini Reddy, inspired by seasonal variations in light.



Loomin (2020), David Ogle,
part of *Winter Light* at the Southbank Centre.
Photo © Morley Von Sternberg

Arts Council Collection

Touring Exhibitions

Grayson Perry

COVID-19 disrupted the latest tour of Grayson Perry's *The Vanity of Small Differences* but we were able to open it in one venue for around 6 weeks. Newlyn Art Gallery and The Exchange, one of our National Partner venues. The gallery received 5,620 visitors. They also arranged a filmed interview with Grayson Perry and Collection Curator, Beth Hughes, which was broadcast to around 170 people via Zoom.

The Printed Line

Showings which would have taken place in Canterbury, Inverness and Berwick in 2020 have been rescheduled for Summer and Autumn 2021. The showing at Worcester Art Gallery went ahead successfully 19 September-14 November. It was installed virtually and with careful planning to ensure that it complied with COVID-19 safety. The tour period has now been extended to accommodate the new showing dates and a potential additional showing.

Breaking the Mould: Sculpture by Women since 1945

Opening was rescheduled to 2021 after a substantial postponement caused by the pandemic. This major Arts Council Collection Touring Exhibition seeks to redefine post-war British sculpture by presenting a diverse range of work by women. Spanning more than seventy years, this extensive survey - the first of its kind - provides a radical recalibration, addressing the many accounts of British sculpture that have marginalised women or airbrushed their work out of the art historical canon altogether.

There were no Curators' Days during this period. We began informal monthly 'Time to Talk' online sessions in February 2021.

National Partners Programme (NPP)

The National Partners Programme was launched in 2016 to mark the 70th anniversary of the Arts Council Collection by creating a network of regional galleries and museums to present and curate exhibitions drawn from the Arts Council Collection.

All three partner venues experienced various periods of closure during 2020-21, so programming shifted to accommodate extended exhibition dates and rescheduling of previously planned activity. Sunderland Culture extended their exhibition *Received Wisdom*, which presented works by artists working in their later years, and Newlyn Art Gallery & The Exchange extended both their in-house curated exhibition, *Hippo Campus: Where We Learn*, and *Go On Being So*, an exhibition curated by students from Mounts Bay Academy.

Arts Council Collection collaborated with Sunderland Culture on the development of *Art Crush*, an app which offers a fun and interactive introduction to the Collection. The app features 1,000 works from the collection and, since its launch in October 2020, has been downloaded 2,000 times.

Firstsite opened *My Name is Not Refugee*, an exhibition curated by members of Refugee Action: Colchester in December, just weeks before the national lockdown came into force. The exhibition will reopen in May 2021, and will be extended into the summer. A virtual walkthrough of the exhibition is currently live on both Firstsite's and the Arts Council Collection's website. A virtual walkthrough of

Sunderland Culture's *Paint the Town in Sound* exhibition, curated by Field Music, is also available online, as the exhibition was unable to open to the public as originally planned.

All three partners are working with local groups of young people to co-curate a series of exhibitions which will explore key issues and concerns for young people across Britain today. Originally planned to open in September 2020, each venue now hopes to present their exhibitions in Autumn 2021. An online launch event was hosted in February 2021 which brought the young people together for the first time to discuss their projects, and re-engage them with the Collection. The youth groups each partner are working with are as follows:

Firstsite, Colchester: Young Artist Kollektive (YAK), 15-25yrs

Newlyn Art Gallery and the Exchange: SEEN (LGBTQI+ group), 12-15 years
Sunderland Culture: Celebrate Different, 13-35 years

Two artist profile films were produced focussing on the work of Antony Gormley and Evan Ifekoya respectively, programmed to coincide with National Partners exhibitions.

Loans

The Arts Council Collection is the principal source of modern and contemporary loans to museums and galleries across the UK. Due to Covid loans activity was heavily impacted with just 174 UK loans to 24 venues and 8 international loans to 6 venues. However we have had very few fully cancelled loans with most choosing to postpone their exhibitions until restrictions allow. Visitors figures are still coming in, but to date our works have been seen by 160,260 people in the UK and 13,181 people internationally.

National Poetry Library

In line with the rest of the Royal Festival Hall building within which the National Poetry Library (NPL) is situated, the NPL was closed from April 2020. In April 2020 the NPL commissioned four LGBTQ+ poets to write new work as part of the centenary celebrations of poet Edwin Morgan: Carline Bergvall, Keith Jarrett, Chris Beckett and Richard Scott. Originally planned as an exhibition and event, this activity was moved online and shared widely in partnership with the Edwin Morgan trust.

Digital has been at the forefront of the library's work, with its e-loans collections growing in response to demand from hundreds of new members wishing to access poetry from their homes, from as far away as Penzance and Fife. The library has responded to 3,657 public enquiries from the public, providing information on poetry and access to lost poems.

The NPL has partnered on two publishing ventures, with *Instagram Poetry For Every Day* (Laurence King) being launched in October 2020, expanding on the library's work in this area. *No, Love is Not Dead: An Anthology of Love Poetry from Around the World* (Chambers) was launched in February 2021 at an Insta Live event with Navajo Nation Poetry Laureate, Laura Tohe.

Poetry as an artform has flourished, and the NPL has continued with its ongoing acquisitions and cataloguing of UK poetry produced in this period, ensuring a national documentation of poetry published throughout the coronavirus pandemic.

Archive and Heritage

The Archive work programme, including Archive Studio displays and events, research access, collections volunteering and the development of the digital archive, was interrupted during 2020/21, as the small core team was furloughed from April to October and staff reduced to a single part-time professional post.

We are pleased that our trainee as part of year 2 of CultureAnd’s New Museum School programme was able to complete her traineeship with us in September.

The Archivist’s primary recent focus has been on tackling the backlog of research enquiries and collections management work. Archive has also contributed to new Creative Learning projects and workstreams, including delivering a new joint session with the National Poetry Library for the Kings MA course, scoping work and identifying new heritage partners for a new schools programme in development, as well as for the growing Arts and Wellbeing programme. Through work on digitising and archiving the outputs of the *Art by Post* project we are actively embedding archiving in the project process for the first time.

The pandemic has intensified focus on digital archives and a key strategic priority for 2021/22 is to open up digital access to the Southbank Centre’s collections, including pulling

together the substantial cataloguing and digitisation work undertaken with volunteers as part of the Heritage Lottery funded *Saving Southbank Centre’s 60s buildings* project (2015-2018).

We have begun to plan the delivery of an online digital archive system in spring 2022; in the meantime, we are producing archive content for a series of new online image galleries over the summer, to celebrate the 70th anniversary of the Festival of Britain and Royal Festival Hall, as well as scoping remote volunteering opportunities.

Our close involvement with the Association of Performing Arts Collections (APAC) has been especially valuable during this difficult year for the sector.



National Poetry Library

Creative Learning

In line with the rest of the organisation, much of Creative Learning's originally planned programme had to be cancelled or postponed due to the pandemic. However, our Arts and Wellbeing programme has run throughout 20/21, supporting our participants and partners with online and postal activity, and for the first time extending to a national reach. Our Schools programme also regrouped around online support and resources for teachers, and digital project delivery. Whilst this last year has undoubtedly brought many challenges, we have also managed to create opportunities for our programmes to grow and develop, including expanding many of our projects nationally, developing new, relevant and inspirational partnerships and broadening our network of artists. We have also invested in significant research and planning time in order to bring a number of new projects and initiatives into our programme from 2022 onwards.

Schools Programme

Imagine a Story

Imagine a Story is a creative writing project for primary schools that gives KS2 pupils the chance to become published authors in a diverse and inclusive new children's book. Inspired by a 'game of consequences,' each school group writes one segment of a creative story based on a framework devised by the author of brilliant and diverse children's fiction, Zanib Mian (*Planet Omar: Operation Kind* - published for World Book Day 2021; *Planet Omar: Incredible Rescue Mission*; *Planet Omar: Unexpected Super Spy*). Zanib's brief inspires children to develop their collaborative work in classrooms, and supports their development and personal wellbeing.

ArtsDrop

As a response to the impact on schools during the Covid-19 pandemic and the shift from traditional learning formats within the classroom to a variety of online homeschooling platforms, we supported this shift in learning by providing a suite of arts-themed resources for teachers to use in primary school classrooms (be that virtually or in person), and which were also suitable to be used at home or for families to access and enjoy together.

Seven free downloadable resources for primary schools and families have been made accessible via our Southbank Centre website. These resources have been inspired by the Arts and Wellbeing team's project *Art by Post* and works with nine of the artists who were featured within their resources, including Shazea Quraishi, a Pakistani-born Canadian poet and artist; illustrator Rebecca Strickson, whose work explores the power of community and working together; and textile designer Seiwa Cunningham, whose work uses print to capture memories.

YolanDa's Band Jam

Whilst schools and teachers pivoted regular classroom activity to remote teaching and home learning, music was one of the most challenging subject areas to deliver remotely and safely in a meaningful and engaging way. In partnership with MOBO Award winner and CBeebies, Radio 2 and Jazz FM presenter YolanDa Brown, Sony Music UK's Magic Star, kids creative-media agency SUPER and one of the world's largest provider of online education resources, Twinkl, the Southbank Centre responded to this need with an educational and celebratory performance of live music available for free on-demand to classrooms and home-learning situations across the world.





In the early days of school lockdowns in the 2020/2021 academic year, Yolanda launched a collection of free online music lessons, learning materials and videos for teachers, parents and young children to promote music education in primary schools. Over 30,000 children worldwide made use of these educational resources. The Southbank Centre invited Yolanda and her band to perform a celebratory educational concert filmed in the Queen Elizabeth Hall in March 2021 to acknowledge all the children, families and teachers who had taken part.

Partnerships

The Southbank Centre remains a key partner in the Lambeth Local Cultural Educational Partnership, Elevate, and maintains close contact via the informal ‘South Bank Partners’ collaboration with the National Theatre, Rambert, and BFI, especially as the return to onsite activity for schools approaches. Throughout this year, the Southbank Centre has also kept in close contact with key Lambeth primary school clusters and local

music services (in particular, Lambeth and Southwark) to support their future plans. Looking ahead to the 2021/2022 academic year, it is through these partnerships developed and deepened under lockdown that the Southbank Centre will be able to expand the reach and impact of its schools programme, and strengthen its relevance and robustness through continued consultation.

Emerging Artists and Creatives

Under the new Director of Creative Learning (who joined Southbank in March 2020), the Creative Learning team has refocused an element of its programme delivery around supporting the next generation of diverse artists and creatives. Within this programme, the Southbank Centre will maintain and develop its existing partnerships with Tomorrow’s Warriors and Kinetika Bloco, as well as seek to develop new partners that will enable it to be a hub of emerging talent across all its major artforms.

New Poets Collective

After several months of planning and consultation work, the New Poets Collective opened for applications in April 2021, an exciting new annual venture for emerging poets led by the Creative Learning and Literature teams and centred in the National Poetry Library - the first example of this revitalised area of our work. Lead tutors and established poets, Vanessa Kisuule and Will Harris, will select 15 diverse poets aged 22+ and based all around the UK, to join them for their first session during the London Literature Festival in October 2021.

Youth Music Partners

Fortunately, we have been able to support our Creative Learning partners Kinetika Bloco and Tomorrow's Warriors. Both organisations delivered some in-person work at the Southbank Centre during periods of eased lockdown restrictions.

During our *Inside Out* programme in November/December 2020, we were able to invite our Creative Youth Partners back on site for much needed face-to-face sessions. Tomorrow's Warriors ran 3 sessions for their Junior Warriors and Young Development group and Binker Golding ran a Jazz hang session for more advanced players. 20 young musicians participated across these socially distanced workshops. Kinetika Bloco ran six sessions for 25 young brass and steel pan players, drummers and dancers across a weekend.

We opened up our Spirit Level spaces for a second residency across the Easter Holidays as part of our *Inside Out* programme. Kinetika Bloco ran 27 sessions for 49 young people and 13 staff members. Tomorrow's Warriors followed this with 12 sessions for 51 young musicians and emerging artists and 11 staff members and facilitators.

Adult Learning

Kings MA: Creative Learning at Southbank Centre

Our partnership with King's College London on the MA Education in Arts and Cultural Settings programme has continued despite the pandemic and our lengthy building closure as we have successfully pivoted to online delivery. Not only has this enabled us to continue to provide a rich and enjoyable HE accredited learning module - 'Creative Learning at Southbank Centre' - but we have also reached significantly more students, teaching 41 students from across the globe. Running from October 2020 to March 2021 and convened by Dr Sophie Frost, module sessions were held fortnightly via Zoom and included live Q&As, whiteboard working and breakout rooms alongside more traditional lecture formats.

Arts and Wellbeing Programme

Art by Post

In May 2020 the Southbank Centre launched *Art by Post* to continue the work of our Arts and Wellbeing programme during the pandemic. The Arts and Wellbeing programme pre-pandemic addressed social isolation and loneliness, and when Covid-19 hit we knew this work was more critically-needed than ever, despite the unique challenges of lockdown. Specifically, we made it our priority to target people without digital technology.

Art by Post distributes free creative activity booklets through the letterboxes of those most isolated by the pandemic, and with long term health conditions. Monthly booklets guide participants through writing and art activities that have been designed by professional artists. Participants receive a freepost envelope to send their artworks back to the Southbank Centre for an exhibition planned for autumn 2021.

Our goal is to keep minds active and creative, create a sense of purpose, and build a connected community of participants. We have focused on supporting those living with long-term health conditions (88% of participants), living alone (60%), or in care settings. Through our partnership with the National Academy for Social Prescribing (NASP) many link workers have referred people into the project and support them to participate. Booklets are also received by care homes, hospitals, prisons and housing initiatives. We now have 4,500 participants aged 18 - 103 from across the UK, and to date have received over 400 works of art.

In the first phase of the project, from May - September 2020, 100% of organisations who signed up said it had improved their Covid-19 response in supporting their community; 85% of participants agreed *Art by Post* helped them feel more positive; 85% of participants said *Art by Post* gave them something to look forward to; 90% of participants felt inspired to be more creative; and 80% of participants would recommend a friend or family member to take part in *Art by Post*.

As the project has grown we have developed a network of 13 national partners to provide local support for participants and to enable us to extend the reach of the project without diluting the depth of engagement for participants. These new partnerships, representing the arts and health sectors, have brought further expertise to the project which we aim to build on in the future. The partners include Age UK Camden and Oxfordshire, NAPA - Arts in Care Homes, Nightingale Hammerson (care home), HOME in Manchester, artsdepot in Barnet, Philharmonia Orchestra (working in Bedford, Leicester, Basingstoke and Kent), Sunderland Culture, Dulwich Picture Gallery, King's College Hospital in London, The Barn in Aberdeenshire, The Beacon in Inverclyde and Platform in Glasgow.

In addition to the activity booklets, each month our guest artists have been invited to host two 'Meet the artist' sessions on Zoom. The first workshop includes a session aimed at creative practitioners or activity coordinators working in health and social care settings, and the second workshop is open to all *Art by*

Post participants and is more focussed around coming together as a community, taking part in a creative activity and having some fun. We've met over 200 people through our online community supporting *Art by Post*.

We have engaged Flow Associates to help us evaluate the project and are in the process of consulting with our partners to establish how *Art by Post* can be sustained and its legacy guaranteed.

Thanks to the support and strategic partnership with NASP, we will be presenting an *Art by Post* exhibition at the Southbank Centre in autumn 2021, followed by a tour to 4 other locations in England and a national billboard campaign. The project has also been chosen as an example of global best practice in Arts and Wellbeing by the World Health

Organisation and will be featured in their summer exhibition on Arts Impact for Health at the UN Palais in Geneva.

Virtual Tea Dance

In December 2020 we hosted our first online virtual tea dance. Our monthly dances in the Clore Ballroom are very popular, especially with older people, and we wanted to create this for people at home and in care settings, in the run up to Christmas. Hosted by one of our regular DJs - Mr Wonderful - with performances from professional dancers and *Tomorrow's Warriors*, and guest appearances from the BBC *Strictly Come Dancing* judges and dancers, we streamed a live event on YouTube which was watched by over 1,600 people. Our relationship with NAPA enabled us to reach many care homes, and we created additional interactive elements on zoom, and craft packs in advance, to enhance the experience for those most isolated at this time. We hope to build on this in the future to create a more regular online offer for care homes that will include tea dances and other performances.

Arts and Wellbeing Partnerships

Throughout the pandemic Grounded EcoTherapy have been on site to keep the Queen Elizabeth Hall Rooftop Garden watered, and since January have been working hard alongside their volunteers to resume gardening duties. Volunteers from Good Gym and the Southbank Centre staff have also been supporting the work. We're working closely with Thriving North Lambeth to support their development and to connect other local green spaces and communities together - as we look to reopening, we are exploring ways to offer more regular workshops in our rooftop garden.

Public Programming

Beethoven

COVID-19 closed our venues four weeks before the culmination of a year-long participation project with 500 non-professionals preparing to perform Beethoven 9 in the Royal Festival Hall, conducted by Marin Alsop. Although the performances couldn't take place, we managed to mark the occasion with six pieces of digital content, including a reading of the newly commissioned *O Human*, by Anthony Annaxagourou and a film from Marin Alsop discussing the work.

Easter, May Half Term and Families

Whilst our in-person family content couldn't take place during the Easter and May half term holidays, we managed to work closely with nearly all of our programmed artists to create on-line alternatives of their work including beatboxing at home, a street dance workshop and battle, a family tree trail and some basic planting and rangoli making tutorials for the Easter holidays. In May, we programmed a podcast designed for visually impaired children, a Pippi Longstocking storytelling event and a Michael Morpurgo Q&A. Following the success of the Easter content, collaboratively with the Creative Learning team we released a series of 11 weekly family activity blogs between April and June which included themed online creative activities to be enjoyed at home. Working with partners, we used these to highlight important moments in the year that we couldn't mark onsite, including Mental Health Awareness Week.

Unlimited

Unlimited 2020 moved to January 2021 to be our first nearly entirely digital *Unlimited*. It was important for us to capture that live festival feeling and include interactive elements in the programme which we achieved with an ambitious series of Zoom-hosted events. *Unlimited* included 33 events across performance, dance, visual art, film, comedy, music and talks, with 21 of those events live on Zoom, and 19 available to audiences later on demand. The festival reached a national and global audience of 7000 people across the five days. The access provision was the most comprehensive we've organisationally achieved online, with 21 events BSL interpreted, 30 with speech to text and a number of audio described versions available on demand. The Suzi Larke exhibition *Unseen* was more broadly part of Winter, displayed on giant vinyls across the site for three months, giving it much more exposure than would have been possible in the original *Unlimited* festival dates.

February Half Term

Continuing our commitment to family audiences during closure, and taking forward all the learnings we gained from live work in *Unlimited*, we created a modest programme of live family events over the half term holiday. *Kaleidoscope* from Filskit Theatre returned to us but on Zoom, with three sell-out shows for early years, and *DYSCO*, a neurodivergent-led dance and music party, played out a joyful show to a fully booked intergenerational family audience.

Equity/Equality, Diversity & Inclusion

The Southbank Centre is wholly committed to becoming a truly inclusive organisation which is representative of society at all levels within our organisation, across our programming, with the artists we engage and in the communities we serve.

Before we went into the pandemic in March 2020, the Southbank Centre's representation across the protected characteristics of declared disability, race, gender and age put us in the top 10% of Arts Council England National Portfolio Organisations for diversity and inclusion. Our Black, Asian and Ethnically Diverse staff (BAED, previously described as BAME) representation was at 23%.

Due to the sudden significant financial impact of the pandemic, a site that was closed and no certainty on when it could reopen, we lost a large number of close colleagues, many in front of house roles. Many had a declared disability, or were young, or Black, Asian or Ethnically Diverse. Our representation across the protected characteristics dropped to 14.5% for Black, Asian and Ethnically Diverse staff and 5.3% for staff with a declared disability.

This showed us that there are clearly structural inequalities which exist due to the disproportionate number of our diverse colleagues who were impacted in lower paid roles.

In response, Leadership committed to embarking on a transformation journey with the aim to repair and rebuild through engaging in the right conversations and to concretely, and tangibly, address barriers to

equity, inclusion and diversity. To achieve this the Southbank Centre engaged Questions of Difference (QoD) and The Equality Trust, both respected leaders in their field.

Workforce diversity plan

Given our changed circumstances throughout the course of 2020/2021, our previous strategy is under review and our going forward commitments are as follows:

- Carry out the change and transformation work with QoD and The Equality Trust (January to June 2021)
- Review our 3 year strategy and ambitions in line with ACE Investment Principles (Sept 2021)
- Focus on rebuilding through our re-engagement framework and delivering a people-focussed plan of initiatives which will build an inclusive workplace which reflects the community we serve and where everyone feels they belong, can grow and bring their best selves to work (ongoing over next three years).

We will expand diversity of leadership voices and as we rebuild we'll improve our pre-redundancy BAED proportion of staff (21%) to better reflect our communities.

The Southbank Centre Board is one of the most diverse with 3 black Governors and 7 female Governors. Our Chair, CEO and COO are all women.

We have some of the most diverse audiences in the sector. According to ALVA we have the highest BAED visitors among comparable London attractions at 24%. Up to 36% of audiences are BAED for some artforms eg

literature; 61% are new audiences and 20% are under 30; and 30,000 under 30 year olds are signed up to our Under 30s ticket scheme.

We have much to do and will look to build on our track record. We have a 'strong' rating under ACE's 2019/20 Creative Case for Diversity report.

Property

Health, Safety and Security

Activating our Business Continuity processes and ensuring our site and all of our activities were safe and secure, as well as COVID compliant, has been a key priority throughout the year. All of our planned COVID secure activity was able to proceed without incident, a considerable achievement given the continuous changes and adaptations that were required. During the course of the year we reviewed and adjusted many of our security processes and procedures, responding to new and emerging challenges as required.

Estate Management

In April 2020 we appointed Engie as our new facilities management provider, combining cleaning, portage and engineering services under one contract. The focus of the team quickly pivoted from integration of a new provider looking after a busy site, to maintaining a closed site at minimal cost. The negotiated contract was therefore restructured with implementation in phases beginning with a hibernation phase to cover the periods of closure. A large amount of restructuring was unfortunately necessary given the financial challenges of the Southbank Centre. A new future operating model was developed that could support the organisation re-opening in phases once COVID restrictions were lifted. We have established a strong partnership with Engie. They have implemented smart technology to enable demand cleaning, revised cleaning schedules and changed to chemical free solutions. Other new cleaning technologies were researched and implemented to protect our staff from COVID-19.

As the financial viability of the Southbank Centre became more secure, planned maintenance and site improvement work restarted. Two new boilers, an ultralox dosing system to reduce our hot water temperatures and business management system time schedule modifications to manage our major plant were installed during the year - all contributing additional energy savings in line with our sustainability improvement plans.

With the support of GLA via the Good Growth Fund and in consultation with our Long Life South Bank community we began work to significantly improve the public realm around the Skatepark. This work is expected to finish in July 2021 and has the following objectives

Create visible, accessible, welcoming and safe public spaces

Enable greater access to free sports provision and high quality, diverse cultural opportunities for Lambeth and London residents

Support London's cultural and creative industries by providing young Londoners with opportunities for sustained cultural engagement

To deter anti-social behaviour from that area

Strengthen the South Bank as an inclusive and diverse cultural destination

Environmental Sustainability

In 2019 we committed to becoming a net-zero carbon organisation by 2050. Building on that commitment we have engaged Bioregional, a South London based sustainability consultancy, to work with us to develop a roadmap to 2030, embedding action and targets throughout the organisation. We expect to share this plan in our next annual report.

We use 100% renewable electrical energy, and we have a zero waste to landfill operation. 44% of all waste generated is segregated on site. During the year we added a WEEE (Waste Electrical and Electronic Equipment) recycling station as an additional waste collection stream and we upgraded our compactors and weigh-station with state of the art models to increase site collection accuracy and efficiency. We carried out an audit of waste

management for all our onsite restaurants and put in place new processes to increase waste segregation.

We further improved our energy efficiency this year with the plant improvements set out under the Estate Management section above. During 2021 we plan to invest in a Combined Heat and Power (CHP) plant and replace the Royal Festival Hall chiller plant. The intention is to use the CHP to generate electricity that will contribute to the running of the chiller plant.

Improvements to further reduce our use of plastic has been challenging in a COVID environment but we are reducing our reliance on plastic as much as possible and expect to accelerate improvements in this area in the near term.



Southbank Centre Food Market Credit © India Roper-Evans

Environmental Sustainability

At the Southbank Centre we recognise the urgency of the climate crisis and the need for action at all levels. We have a strategy to put environmental sustainability at the heart of all of our operations, from our buildings to how our workplace operates, and we are already making progress.

In 2019 we committed to becoming a net-zero carbon organisation by 2050, and have already reduced our CO₂ emissions by 48% over the past four years. We continue to use 100% renewable electrical energy, and plan to switch to wind and solar power as soon as we are able. We have maintained our commitment to

sending zero waste to landfill, and reduced our use of plastic bottles by 95% in 2019, as well as consciously using less plastic overall.

We were awarded our new ISO50001 Energy Management certification in December 2020.

Our action plan

We are committed to reducing CO₂ emissions by 10% by 2023 and working to achieve net zero CO₂ emissions by 2050.

We are signed up to the Arts Council England (ACE)-approved 2019 – 2023 Environmental Policy and Action Plan and the ACE Spotlight

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	3,024,574.6	556.1	42.21%
	Company Fleet	0.0	0.0	0.00%
	Subtotal	3,024,574.6	556.1	42.21%
Indirect (Scope 2)	Electricity	3,262,853.6	760.7	57.74%
	Subtotal	3,262,853.6	760.7	57.74%
Indirect Other (Scope 3)	Grey Fleet	2,615.0	0.6	0.05%
	Subtotal	2,615.0	0.6	0.05%
Total Energy Use (kWh)				6,290,043
Total Gross Emissions (tCO₂e)				1,317
Renewable Electricity (tCO₂e)				761
Total Net Emissions (tCO₂e)				557
Tonnes of Gross CO₂e per £m				36.4
Tonnes of Gross CO₂e per Visitor				0.036

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017. They have refurbished both The Queen Elizabeth Hall & Hayward Gallery in recent years and installed low energy systems like LED Lighting; Daylight Sensing blinds etc. which has reduced its overall energy consumption by around 4.5% per year for 3 years.

Within their 2020 /2021 reporting period, the Southbank Centre completed the following Energy efficiency measures:

- Installation of 2 Boilers
- Installation of Utralox Dosing System to reduce water temp
- BMS Upgrade from Trend to ALC
- BMS Time Schedule Modifications
- JCB Lift Modernisation

It is expected that 750,963 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

The closure of the venues resulted in a significant reduction in energy use across the site. In addition the company completed energy efficiency measures across the portfolio which also reduced usage in all areas. By buying 100% green electricity the company reduced indirect scope 2 emissions by 761 tonnes. Below are the results comparing 2020/2021 with 2019/2020:

Type of Emissions	Units	2020/2021	2019/2020	YOY % Change
Direct (Scope 1)	(kwh)	3,024,574.6	13,757,857.5	-78.02%
	(tCO ₂ e)	556.1	2,535.0	-78.06%
Indirect (Scope 2)	(kwh)	3,262,853.6	9,840,787.4	-66.84%
	(tCO ₂ e)	760.7	2,515.3	-69.76%
Indirect Other (Scope 3)	(kwh)	2615	24,494.0	-89.32%
	(tCO ₂ e)	0.6	933.7	-99.94%
Total Energy Use (kWh)		6,290,043	23,623,139	-73.37%
Total Gross Emissions (tCO₂e)		1,317	5984	-77.99%
Renewable Electricity (tCO₂e)		760.7	0	100+%
Total Net Emissions (tCO₂e)		557	5984	-90.69%
Tonnes of Gross CO₂e per £m		36.4	114	-68.07%
Tonnes of Gross CO₂e per Visitor		0.036	0.001	3500%

programme for building-based National Portfolio Organisations, which include these goals.

CO2

Over the past five years, we've reduced our CO2 emissions by 48%.

We did this by replacing inefficient equipment, introducing LED lighting and improving our buildings (particularly the refurbishment of Queen Elizabeth Hall and Hayward Gallery last year), among other things.

Energy

We currently use 100% renewable electrical energy (biomass) and we'll be switching to wind/solar power soon.

The Southbank Centre was one of the first organisations in the arts sector to be certified as energy efficient under the internationally recognised standard (ISO 50001) in 2017.

Waste

We send zero waste to landfill.

Our general waste is separated into mixed dry recyclables, food waste and glass. 39% of our waste is dry mixed recyclables, which are sent to a recycling facility where they are sorted into paper, card, plastics, metals and wood and sent to reprocessing plants to be made ready for reuse.

53% of our general waste is not suitable for recycling. We send it by barge (saving 50,000 lorry trips) to a high performance Waste to Energy plant where it generates 67MW of green electricity a year.

We collect glass on our site daily to be recycled and used by industry.

We also collect food waste on our site daily and send it to an anaerobic digestion plant, which converts the waste into methane gas used for energy and high quality fertilizer.

Plastics

In 2018 we decided to try to reduce our use of plastics as much as possible. We introduced water fountains and glass bottles for meetings, and now use 95% fewer plastic bottles.

Water

We are currently working to stop using most cleaning-related chemicals on our site by installing a new chemical-free cleaning system which uses purified micro-filtered water instead.

Streamlined Energy and Carbon Report (SECR) summary Prepared for Southbank Centre

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

Southbank have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2020 – 31st March 2021. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that Southbank's total energy use and total gross Green House Gas (GHG) emissions amounted to 6,290,043 kWh and 1,317 tonnes of CO2e respectively in the 2020/21 financial year in the UK. Within their financial year, Southbank purchased 100% green electricity, as a result, Southbank's indirect (Scope 2) emissions dropped by 761 tonnes.

Southbank have chosen 'Tonnes of CO2e per million turnover and ' Tonnes of CO2e per visitor' as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2020/201 was 36.4 tCO2e/£m and 0.036 tCO2e/v compared to 114 tCO2e/ £m and 0.001 tCO2e/v in 2019/2020.

Future Plans

We will gradually open our venues to coincide with the Government's roadmap to easing restrictions starting with the Hayward Gallery on 19 May with *Matthew Barney and Igshaan Adams Kicking Dust*. We will open the Royal Festival Hall 3 nights per week to socially distanced audiences from late May and all venues as social distancing restrictions are removed and audiences return. There will be cultural activity in our outdoor spaces this summer, including our River Terrace stage.

Over the year to 31 March 2022 we are anticipating:

As part of the Southbank Centre's summer programme from May to July 2021, Classical Music will feature a number of performances specially adapted for socially distanced audiences including:

- Organist James McVinnie performing a programme of J. S. Bach, Philip Glass, and Nico Muhly
- Percussion ensemble Colin Currie Group



Installation view of Matthew Barney Redoubt at Hayward Gallery, 2021 © Matthew Barney, 2021. Photo Mark Blower

performing multiple performances of Steve Reich's *Music for 18 Musicians* as part of a 1-day marathon programme

- Olivier Messiaen's *Quartet for the End of Time* led by Alina Ibragimova
- Concerts from the Southbank Centre Resident Orchestras (including farewell concerts for the Philharmonia's Principal Guest Conductor Esa-Pekka Salonen and London Philharmonic Orchestra's Principal Guest Conductor Vladimir Jurowski) and & Associate Orchestra Chineke!

Following Matthew Barney: *Redoubt* and Igshaan Adams: *Kicking Dust* in May 2021, two further major exhibitions in the Hayward Gallery will take place from September 2021.

British Art Show 9

British Art Show 9 will now open in Aberdeen, Scotland on 10 July 2021 and tour to Wolverhampton, Manchester and Plymouth through 2022.

Not Without My Ghosts: The Artist as Medium

Not Without My Ghosts is an exhibition ranging from the 19th century to the current day that brings together artists and works inspired by spiritualist methodologies and the mediumistic channelling of external forces.

Meanwhile we are continuing our popular online series *Inside Out* representing classical music, gigs and literature events from our venues without live audiences.

Our music strand *futuretense* commits to 50% BAED artists and 50% female artists. Purcell Room is set to become London's creative playground for arts and ideas with 40% BAED talent and our disability artist-led work continues with *Unlimited* festival. Hayward Gallery will include 40% of artists from diverse cultural and socio-economic backgrounds; 40% of artists for solo exhibitions will be from BAED backgrounds; 40% of artists will be female. We'll continue to engage artists who identify as LGBTQI+.

We will expand diversity of leadership voices and as we rebuild we'll improve our pre-redundancy BAED proportion of staff (21%) to

better reflect our communities. Funding will enable us to progress our planned timeline of recruitment, preventing delay in rebuilding the organisation and providing opportunities in the cultural sector as soon as possible.

Furthering our digital presence through established and new channels and embracing digital opportunities to improve audience interaction and engagement will be a high priority that will

require investment and focus over the next 18 months. The ever increasing challenges associated with cyber security will also necessitate a continuous improvement approach and attention on new tools, techniques and staff training to mitigate risk.

Work has been undertaken to explore the potential of the latest digital omnichannel technology to help create a new and more efficient and tailored user experience for customers when we reopen. A specialist agency (Deeson) has been commissioned to help us refine the ideal user journey, identify the technology partners and solutions we might need to deliver and provide scoping cost reports.

Funding for maintenance and capital spend during 2021 will be directed at health, safety and security initiatives including improvements around the Skatespace and The Queen's Walk areas together with improved lighting around the site to reduce opportunities for anti-social behaviour and visitors' use of outside spaces. We will also replace end of life equipment for cooling and heating with energy efficient alternatives and other technical equipment. As we progress into 2022 we hope to accelerate investment in sustainability improvements.

Financial Review

The Southbank Centre's results for the year were severely impacted by the COVID-19 pandemic that required the closure of the Royal Festival Hall and Queen Elizabeth Hall to the public for the entire year. The Hayward Gallery was only able to open for 13 weeks and commercial activity across the site was severely limited. *Inside Out*, a series of streamed events, was held from the Autumn of 2020.

With the onset of the pandemic it was clear that artistic and commercial income streams would be severely reduced and that income from our concessions and lessees could no longer be guaranteed. The potential loss of £25m revenue and the uncertainty as to when the Southbank Centre would be able to open, and artistic and commercial income streams return, required significant mitigating action.

The performing venues were immediately closed to the public. As we became aware of the extent and potential length of the lockdown, all costs were minimised and non-essential capital expenditure and maintenance deferred.

Many staff had no work or reduced workloads or had roles which could not be performed at home. The majority of these roles were visitor experience, production or retail positions and there was no opportunity to redeploy these staff elsewhere in the business. Where there was no work, staff were furloughed and Coronavirus Job Retention Scheme was claimed. In total £4.8m was claimed with an average of 314 staff members claimed for each month and a total of 575 staff members took some period of time on furlough and were claimed for at some point over the year.

All staff working hours and salaries were reduced by up to 20% from 1st May to 7th September 2020 with Senior Leadership Team

member salary reductions extended to March 2021. Increased reductions were volunteered by the Chief Executive and Chief Operating Officer.

In the summer of 2020, with the Job Retention Scheme confirmed to end, no sign of the Royal Festival Hall or Queen Elizabeth Hall being able to reopen or of our commercial tenants paying their rents, further action was needed to ensure the Southbank Centre's viability. The organisation went through a large scale restructure which sadly resulted in 318 people being made redundant. Some of these staff have since been re-employed with activities returning to site in May and June 2021.

These actions stabilized the operating income and expenditure of the Southbank Centre to ensure that running costs were able to be met from our anticipated revenue streams.

One of the largest challenges over the year related to the collection of lease income from our on-site tenants who themselves were facing huge financial challenges. Many of these leases have been or are being re-negotiated, with a number of restaurants involved in restructuring and administration processes. Where possible we have agreed payment plans; as a result we still have large uncollected debtor balances at year end. Whilst we consider these to be recoverable in the current climate, they remain contingent on the ongoing successful trading and financial viability of each restaurant group and their individual financial positions. The ability to collect these debts, which was highly uncertain until the second quarter of 2021, has contributed £5.8m income to the Southbank Centre, of which £2.4m was outstanding at 31 March 2021.

The overall impact of COVID-19 on the finances in the year was therefore a reduction in income

of £24.2m, from £60.4m in 2020 to £36.2m this year with artistic income falling by 90% (£10.4m) and commercial income by 53% (£9.5m). The increase in the Donations and legacy income category is wholly due to the £4.8m Job Retention Scheme Grant, with actual donation and legacy income reducing by £1.4m.

Expenses were also reduced from £55.0m in 2020 to £37.2m in the year ended 31st March 2021. This reduction of 32% was due to reduced artistic activity, lower property operating costs and salary savings from both headcount and salary reductions.

Due to the measures taken by the Southbank Centre in the year, the overall deficit was limited to £1.4m in the year (2020: £5.4m surplus).

The financial resilience of the Southbank Centre was supported by the award of £10.911m from the Cultural Recovery Fund (CRF) Repayable Finance scheme. The funds are being used to support the charity to achieve a financially viable position during the year to 31 March 2022 and to supplement the Unrestricted Reserves of the charity. This loan is repayable from 2025 until 2041.

The Southbank Centre was also able to negotiate a two quarter interest and payment deferral from both of our other lenders. This has had the effect of increasing our loan balances by £0.9m.

Our General Reserves were supplemented by the receipt of £10.911m from the Cultural Recovery Fund Repayable Finance scheme.

At 31 March 2021 our General Reserves comprised of £2.4m in a General Fund and £9.1m from a fund created by the CRF loan.

£4.2m has been set aside in a 2021/22 Restart Fund to cover expected losses in the year to 31 March 2022 as COVID 19 continues to impact on the operations of the Southbank Centre. In addition a Strategic Investment Fund (£2.2m) has been created to provide investment during the recovery in exceptional projects which deliver artistic ambition, innovation, inclusion, sustainability and financial resilience.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing the Southbank Centre's aims and objectives and planning future activities. The Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of the Southbank Centre's artistic activity to those on low income. The Southbank Centre provides a wide range of artistic activity aiming to ensure that at least 40% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoy the Southbank Centre's 11 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

The Governors recognise that the Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and the Southbank Centre is committed to policies which attract, retain and motivate high performing employees. Good and effective communications are particularly important and it is the Governors' policy to promote the understanding by, and the involvement of all employees in the Southbank Centre's aims and performance of all its activities. This is achieved through regular internal briefings on the Southbank Centre's performance and major developments.

The Southbank Centre participates in the Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Pay negotiations are conducted within this Committee for all staff.

We have signed up to the London Living Wage which means that staff on the lowest salaries automatically receive an increase in line with this every November. We continue to benchmark salaries with other cultural organisations whenever roles are vacant.

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

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we are a Disability Confident Employer. We are committed to ensuring our recruitment process is inclusive and accessible; offering an interview to disabled people who meet the minimum criteria for a job; anticipating and providing reasonable adjustments as required; and supporting any existing employee who acquires a disability or long-term health condition.

Pay policy for key management personnel

The remuneration committee membership is made up of a minimum of four Governors of the Southbank Centre who meet twice a year to consider the following matters:

- to oversee the pay, performance and particular employment terms of the Chief Executive
- to oversee the performance and bonuses for senior staff eligible for bonuses.
- to ensure the Southbank Centre has a fair, robust and defensible reward strategy for all staff that is in line with other arts organisations.

In the period following the outbreak of Covid-19, remuneration of all staff was considered. Staff salaries were reduced from 1st May to 7th September 2020. The Senior Leadership Team extended the reductions in their salaries to 31st March 2021 and salary reductions continue into the new financial year for the Chief Executive and Chief Operating Officer.

It is a condition of the CRF Repayable Finance scheme that the Charity operates pay restraint until at least September 2022. This includes imposing a pay freeze for all senior employees at pre-Covid-19 levels and a 10% reduction in remuneration to the pre-Covid-19 remuneration packages for employees

contracted to receive above £150,000 per year.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 53 – 55 of these financial statements.

Reserves Policy

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

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves.

The General Reserves are available for any charitable purpose. It is intended to ensure adequate cash liquidity and to provide contingency against operational risk and unforeseen events.

Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds.

Planned level of General reserves

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

The Board has reviewed its Reserve Policy in the light of the challenges left by the pandemic and considers that reserves in excess of 8 weeks of full operating turnover would provide sufficient financial resilience for the organisation at this highly uncertain time.

On 31 March 2021 the balance totals £11.5m (2020: £4.7m) from a General Fund of £2.4m and £9.1m from a fund created from the

Cultural Recovery Fund Repayable Finance scheme. The Board considers this to be an appropriate level of reserve given the continued operating uncertainty due to COVID 19.

Long term funding scheduled to be repaid from future operating cashflows is included within the General Reserve balance and these were supplemented during the year by £10.911m support from the Cultural Recovery Fund Repayable Finance scheme.

Designated Reserves

As of 31 March 2021 the Southbank Centre held three designated reserves:

(i) Capital and Revaluation Reserve (£207.9m)

The purpose of this reserve is to reflect expenditure already incurred relating to capital projects (net of depreciation) and funds authorised for future capital projects.

Grants and donation income is allocated to this reserve if it is restricted to capital purchases and where the restricted terms have been fulfilled.

The reserve also reflects the net book value from the revaluation of Land and Buildings.

(ii) 2021/22 Restart Fund (£4.2m)

The purpose of this reserve is to fund a potential deficit in the year to 31 March 2022 caused by the continued impact of COVID 19 on the operations of the Southbank Centre.

(iii) Strategic Investment Fund (£2.2m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience.

(iv) Pension Plan (£0.5m)

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

Review of the policy

The Reserves Policy is reviewed annually.

Going Concern

The Governors have considered whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the organisation into the foreseeable future.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that uncertainty remains. In particular, the timescale for full re-opening is yet to be confirmed and audience demand will take some time to rebuild to pre-COVID levels. Social distancing and other measures may also be re-imposed in the future.

In order to assess the impact of this uncertainty, business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and have been further assessed on the basis of an extension, or re-imposition, of social distancing during the year. Scenarios have also been considered where further lockdowns require the closure of the site.

Given the increase in reserves and cash holdings, predominantly due to the £10.911m support from the Cultural Recovery Fund Repayable Finance scheme, the Board considers that there are sufficient cash resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

The Southbank Centre substantially relies on funding by grants from Arts Council England. Arts Council England has confirmed funding for the Southbank Centre to March 2022 and confirmed its intention to extend the current funding agreement to 31 March 2023. These financial statements have been prepared upon the expectation that the Southbank Centre will continue to receive the agreed level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that the Southbank Centre has adequate resources to continue operating for the foreseeable future being at least twelve

months from the date of approval of these financial statements and, for this reason, have therefore prepared the financial statements on a going concern basis.

Funding Agreement

The Southbank Centre is one of Arts Council England's National Partner Organisations and is funded via a four-year funding agreement. The year ended 31 March 2019 was the first year in that cycle ending on 31 March 2022. Due to Covid-19, the funding cycle was extended for a further year until 31 March 2023. The Southbank Centre is subject to the normal monitoring processes and annual reviews for National Portfolio Organisations. The Funding Agreement with Arts Council England requires the Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring the Southbank Centre's artistic activities, commercial progress and financial position. Arts Council England also receives copies of all advance publicity material for events at the Southbank Centre and is invited to attend the Southbank Centre's board meetings.

Risk Management

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

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

► COVID-19

Coronavirus has had a significant impact on the Southbank Centre affecting its ability to meet its charitable objectives as well as having a significant impact on the financial stability of the organisation and the working lives of employees.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that demand is likely to be lower and that social distancing and other measures may be re-imposed in the future.

Business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and are updated on a frequent basis. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

► Reputation

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

This risk is managed by having a process in place to review and approve both Southbank Centre-managed and third party events held on site, working with our resident orchestras and reviewing current business plans and strategies with Arts Council England.

► Equality, Diversity and Inclusion

The Southbank Centre's ability to achieve its strategic ambitions is dependent on being a diverse, inclusive, welcoming and vibrant organisation and ensuring the artistic programme presents a diverse range of artists to an audience that is representative of London.

In order to manage this risk the Southbank Centre has developed a range of key performance indicators to measure the diversity of our artistic programme and is developing and implementing a wide ranging Equality, Diversity and Inclusion strategy. Both are regularly reviewed at Board level.

► Financial Performance and Resilience

The Southbank Centre obtains revenue from audiences, artistic hires and commercial activity as well as from Arts Council England. These income streams are subject to variation

due to the wider economic environment and Government policy, particularly on social distancing and travel.

Financial risk is mitigated through budget approval and monitoring of results against the budget by the Finance, Audit and Risk Committee. The Southbank Centre seeks to maintain an appropriate level of reserves and the reserves policy is reviewed and approved by the Board on an annual basis.

► **Health and Safety**

The Southbank Centre operates on an 11 acre site with Grade I listed buildings to maintain as well as plant and equipment with many visitors and tenants also on site. Damage through a terrorist incident, fire, systems failure of equipment, tenant activities could have legal, reputational and financial ramifications.

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

► **Safeguarding**

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults.

Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to all members of the Committee. DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by an external specialist. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

► **Data**

The Southbank Centre operates in a digital environment and accordingly faces increased risks concerning cyber-security and the correct handling of information.

The Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is

monitored through regular meetings of key internal stakeholders.

► **Post BREXIT**

There may be a small direct risk to the organisation due to any possible restriction on the movement of artists and suppliers between the EU and UK and any increased currency volatility. We continue to monitor and assess the situation as it progresses and the added impact current COVID-19 restrictions have on movement.

The impact of any indirect macro economic consequences are considered annually through review of budgets and within the reserves policy.

Legal Framework

The Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee. The Southbank Centre was formed by a deed of trust on 31 March 1988. Its main objects are stated below and there have not been any changes to these during the year. As trustee of the Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

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

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of the

Southbank Centre. See note 25 for details of Southbank Centre Enterprises Limited's results.

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

Governance

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

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has seven sub-committees to assist its governance of the Southbank Centre: Finance Audit and Risk, People, Nominations, Property, Commercial and Sustainability, Development, Chairs and Donations and Sponsorship Approval and Refusal Committees.

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

As part of its forward succession planning the Board has agreed to prepare a diversity plan linked to the skills needed to support the Senior Leadership Team in delivering a new strategic business plan. During the year, the Nomination Committee led an open and transparent search for a new Chair as the incumbent is retiring in July 2021.

The Board has also widened and strengthened the Terms of Reference of the Nominations Committee both to oversee the changes in Governance practice but also ensure continuous improvement.

Internal Financial Control

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

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

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

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

The Governors believe that the Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2021 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Annual audit

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

In so far as the Governors are aware:

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

Fundraising statement

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

The Southbank Centre is a member of the Fundraising Regulator and supports its purpose and activities. All fundraising conducted on behalf of the the Southbank Centre, whether by committees, volunteers or staff must comply with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation.

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

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

Political and Charitable Donations

During the year the Southbank Centre did not make any donations to political parties or charities.

Insurances

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

By Order of the Board



Luke Mayhew, Governor

05 July 2021

Southbank Centre Limited

As Trustee for Southbank Centre

Structure, Governance and Management

Board of Governors

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

Governor	Appointed	Resigned/ retired	Last re-appointment
Ms Susan Gilchrist Chair	24 Sep 2008	01 Jul 2021	05 Jul 2018
Mr Brent Hansen	24 Sep 2008	01 Jul 2021	06 Jul 2018
Ms Fionnuala Hogan	21 Nov 2007	24 Sep 2020	06 Jul 2018
Mr David Kershaw Deputy Chair	24 Sep 2008	01 Jul 2021	
Mr Cornelius Medvei	01 Oct 2009		04 Jul 2019
Dr Maggie Semple OBE	23 Sep 2010		06 Jul 2017
Mr Michael Zaoui	02 Jul 2012	24 Sep 2020	02 Jul 2015
Ms Venetia Butterfield	03 Mar 2016		01 Jul 2021
Mr Mike Hussey	03 Mar 2016		01 Jul 2021
Sir William Sargent	03 Mar 2016		01 Jul 2021
Ms Nicola Benedetti	18 Mar 2016	24 Sep 2020	04 Jul 2019
Mr Luke Mayhew	27 Apr 2017		24 Sept 2020
Ms Vivian Hunt DBE	27 Apr 2017		24 Sept 2020
Mr Glyn Aikins	02 Jul 2020		24 Sept 2020
Mr Sandy Rattray	02 Jul 2020		24 Sept 2020
Ms Lisbeth Savill	02 Jul 2020		24 Sept 2020
Ms Lynne Shamwama	25 Feb 2021		01 Jul 2021
Mr Misan Harriman	01 Jul 2021		

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Digital, Culture, Media and Sport for his or

her admission as a Member, and after his or her name has been entered in the Register of Members. A Governor usually serves for a period of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for three further periods of three each, subject to a maximum tenure of 12 years as a Governor.

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

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

The Board also has a number of sub-committees which meet at different times. The Governors who currently serve on committees are:

Finance, Audit and Risk Committee

Luke Mayhew (C), Misan Harriman, Cornelius Medvei, William Sargent, Lynne Shamwana.
Non-board member: James Ainscough

People Committee

Venetia Butterfield (C), Glyn Aikins, Luke Mayhew, Cornelius Medvei, Maggie Semple

C = Chairman of that Committee

Nominations Committee

Vivian Hunt, Glyn Aikins, Cornelius Medvei, Maggie Semple, Misan Harriman

Property, Commercial and Sustainability Committee

Mike Hussey (C), Cornelius Medvei, Luke Mayhew, Lisbeth Savill, Lynne Shamwana

Development Committee

Sandy Rattray (C), Venetia Butterfield, Vivian Hunt, William Sargent, Misan Harriman.
Non-board member: Juliet Estridge, Alex Graham

Chairs Committee

Luke Mayhew (C), Venetia Butterfield, Misan Harriman, Vivian Hunt, Mike Hussey, Sandy Rattray, Lisbeth Savill

Donations and Sponsorship Approval and Refusal Committee

Lisbeth Savill (C), Luke Mayhew, Sandy Rattray, Lisbeth Savill, Misan Harriman

Senior staff

Chief Executive and other Senior Staff

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

Elaine Bedell	Chief Executive
Alexandra Brierly	Director of Creative Learning
Beth Byrne	Executive Producer (left March 2021)
Nicola Cardillo-Zallo	Director of People and Culture (started February 2021)
Toks Dada	Head of Classical Music (started December 2020)
Jan Davies	Interim HR Director (left January 2021)
Chris Denton	Executive Director, Audiences (left April 2021)
Andrew Gambrell	Finance Director
Rebecca Hanna-Grindall	Director, Arts Planning (started January 2021)
Anthony Hewitt	Director of Development (started May 2020)
Ted Hodgkinson	Head of Literature & Spoken Word
Susan Johnston	Chief Operating Officer
Mike McCart	Director of Partnerships and Property
Gillian Moore CBE	Director of Music and Performing Arts
Sunita Pandya	Director of Arts Planning, Partnerships and Admin (left December 2020)
Ruth Pelopida	Technical Director
Ralph Rugoff	Director, Hayward Gallery
Mark Rushworth	Property Director (left June 2020)
Bengi Unsal	Head of Contemporary Music

Reference And Administrative Details

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

Professional Advisors

Bankers

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

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

Solicitors

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

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

Independent Auditors

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

Statement of Trustee Responsibilities

The trustee (Southbank Centre Limited) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and of the charity for that period.

In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and enable it to ensure that the financial statements comply with the Charities Act

2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the group and the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

to the Trustee of Southbank Centre

Opinion

We have audited the financial statements of the Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and

the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
London
July 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the Year ended 31 March 2021

	Note	Unrestricted funds		Restricted funds		Total funds	
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	2021 £'000	2020 £'000
INCOME FROM:							
Donations and legacies	2	24,799	-	1,813	3	26,615	23,212
Charitable activities	3	1,057	-	-	-	1,057	11,419
Other trading activities	4	8,501	-	-	-	8,501	18,011
Proceeds from sale of fixed assets	5	-	-	-	-	-	7,739
Investments	6	27	-	-	-	27	40
<i>Total</i>		<u>34,384</u>	<u>-</u>	<u>1,813</u>	<u>3</u>	<u>36,200</u>	<u>60,421</u>
EXPENDITURE ON:							
Raising funds	10	1,019	35	-	-	1,054	1,182
Charitable activities	10	27,781	596	1,409	3	29,789	45,294
Other	10	928	5,449	-	-	6,377	8,564
Total		<u>29,728</u>	<u>6,080</u>	<u>1,409</u>	<u>3</u>	<u>37,220</u>	<u>55,040</u>
Net (expenditure)/income before transfers		<u>4,656</u>	<u>(6,080)</u>	<u>404</u>	<u>-</u>	<u>(1,020)</u>	<u>5,381</u>
Transfers	20	<u>2,139</u>	<u>(2,139)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised (losses) / gains							
Actuarial (loss)/gain on defined benefit pension schemes	24	-	(800)	-	-	(800)	97
Gain/(Loss) on derivative financial instrument		-	429	-	-	429	(117)
Net movement in funds		<u>6,795</u>	<u>(8,590)</u>	<u>404</u>	<u>-</u>	<u>(1,391)</u>	<u>5,361</u>
Fund balances brought forward at 1 April 2020	20	<u>4,687</u>	<u>223,320</u>	<u>388</u>	<u>-</u>	<u>228,395</u>	<u>223,034</u>
Total funds carried forward at 31 March 2021	20	<u>11,482</u>	<u>214,730</u>	<u>792</u>	<u>-</u>	<u>227,004</u>	<u>228,395</u>

All of the above results are derived from continuing activities.

The notes on pages 64 to 86 form part of these financial statements.

The financial statements have been prepared in accordance with FRS 102.

Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 28.

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

BALANCE SHEETS

As at 31 March 2021	Notes	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12	236,749	243,636	236,749	243,636
Intangible assets	13	433	297	433	297
Investments	15	12,001	8,005	12,001	8,005
Total fixed assets		249,183	251,938	249,183	251,938
Current assets					
Stocks of consumables and goods held for resale		286	369	54	110
Debtors - due within one year	16	9,296	6,427	9,279	4,575
Cash and cash equivalents		11,713	6,022	9,363	1,025
Total current assets		21,295	12,818	18,696	5,710
Liabilities					
Creditors: amounts falling due within one year	17	(11,098)	(13,703)	(10,237)	(13,925)
Total current liabilities		(11,098)	(13,703)	(10,237)	(13,925)
Net current (liabilities)		10,197	(885)	8,459	(8,215)
Total assets less current liabilities		259,380	251,053	257,642	243,723
Creditors: amounts falling due after one year	19	(32,876)	(23,958)	(32,319)	(23,475)
Net assets excluding pension liability		226,504	227,095	225,323	220,248
Defined benefit pension asset / (liability)	24	500	1,300	500	1,300
Total net assets		227,004	228,395	225,823	221,548

THE FUNDS OF THE GROUP

As at 31 March 2021	Notes	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Unrestricted income funds					
General reserves	20	11,482	4,687	10,301	(2,160)
Designated funds	20	214,230	222,020	214,230	222,020
Pension reserve	24	500	1,300	500	1,300
		214,730	223,320	214,730	223,320
Total unrestricted income funds	20	<u>226,212</u>	<u>228,007</u>	<u>225,031</u>	<u>221,160</u>
Restricted income funds					
Projects fund	20	<u>792</u>	<u>388</u>	<u>792</u>	<u>388</u>
Total restricted income funds	20	<u>792</u>	<u>388</u>	<u>792</u>	<u>388</u>
Total group funds	20	<u>227,004</u>	<u>228,395</u>	<u>225,823</u>	<u>221,548</u>

The notes on pages 64 – 86 form part of these financial statements

The financial statements on pages 60 – 86 were approved by the Board of trustees and signed on its behalf by



Luke Mayhew, Governor
05 July 2021

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £40,780k
(2020 gross income: £48,155k)

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £4,488k
(2020 net expenditure: £1,715k)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities		1,587	7,078
Net cash generated from operating activities		<u>1,587</u>	<u>7,078</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	12	(1,408)	(3,261)
Purchase of intangible fixed assets	13	(189)	(126)
Investments	15	(3,996)	(8,005)
Sale of tangible fixed assets		16	7,739
Interest received	6	27	40
Cash used in investing activities		<u>(5,550)</u>	<u>(3,613)</u>
Cash flow from financing activities			
Loan received		10,911	-
Repayment of loan		(288)	(837)
Interest expense		(969)	(1,026)
Cash generated (used in) / from financing activities		<u>9,654</u>	<u>(1,863)</u>
Net (decrease) / increase in cash and cash equivalents		<u>5,691</u>	<u>1,602</u>
Cash and cash equivalents at the beginning of the year		6,022	4,420
Cash and cash equivalents at the end of the year		<u>11,713</u>	<u>6,022</u>

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

Net (outgoing) / incoming resources before transfers		(1,020)	5,381
Interest received	6	(27)	(40)
Interest paid	8	969	1,026
Depreciation and amortisation charge	12, 13	8,318	8,194
Loss/(Gain) on FA disposal		16	(7,739)
Impairment of Intangible Fixed Assets	13	-	229
(Increase)/Decrease in stock		83	9
Decrease/(increase) in debtors	16	(2,869)	(326)
(Decrease)/ increase in creditors	17, 19	(3,882)	476
Retirement benefits movements	24	-	(133)
Net cash inflow from operating activities		<u>1,587</u>	<u>7,078</u>

Notes to the Financial Statements

1) Statement of Accounting Policies

a) Basis of preparation

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

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

b) General information

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

c) Summary of significant accounting policies

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

d) Going concern

The Governors have considered whether the Southbank Centre has sufficient current and forecast cash resources to cover the working capital requirements of the organisation into the foreseeable future.

The Southbank Centre is re-opening in line with Government regulations though it is recognised that uncertainty remains. In particular, the timescale for full re-opening is yet to be confirmed and audience demand will take some time to rebuild to pre-COVID levels. Social distancing and other measures may also be re-imposed in the future.

In order to assess the impact of this uncertainty, business plans and budgets have been prepared on a basis to take into account a potential reduction in demand following re-opening and have been further assessed on the basis of an extension, or re-imposition, of social distancing during the year. Scenarios have also been considered where further lockdowns require the closure of the site.

Given the increase in reserves and cash holdings, predominantly due to the £10.911m support from the Cultural Recovery Fund Repayable Finance scheme, the Board consider that there are sufficient cash resources available to the Charity to sustain the operation in all likely scenarios. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

Southbank Centre substantially relies on funding by grants from Arts Council England. Arts Council England has confirmed funding for Southbank Centre to March 2022 and confirmed its intention to extend the current funding agreement to 31 March 2023. These financial statements have been prepared upon the expectation that Southbank Centre will continue to receive the agreed level of funding from Arts Council England.

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

e) Group financial statements

A wholly owned subsidiary, Southbank Centre Enterprises Limited, undertakes certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre (together the 'group'). In accordance with Section 408 of Companies Act 2006, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 26 for details on the results of Southbank Centre Enterprises Limited.

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

1 Statement of Accounting Policies continued

f) Income recognition

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

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

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

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

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

g) Expenditure and resources expended

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

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

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

Governance costs comprise those incurred as a result of constitutional and statutory requirements. A breakdown of these costs is included in Note 11 - Allocation of Support Costs

h) Taxation

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

i) Foreign currencies

The functional and presentational currency is pounds sterling.

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

j) Employee benefits

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

i) Short term benefits

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

ii) Defined contribution pension plans

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

1 Statement of Accounting Policies continued

j) Employee benefits (continued)

iii) Defined benefit pension plans

Southbank Centre contributes to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan), in which there are defined benefit and defined contribution sections. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

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

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

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

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

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

k) Leases

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

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

l) Fixed assets and depreciation

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

1 Statement of Accounting Policies continued

l) Fixed assets and depreciation (continued)

i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the estimated useful lives of the major buildings. These were revised as part of the depreciated replacement cost assessment as being 46 years for the Royal Festival Hall, 28 years for the Queen Elizabeth Hall and 41 years for the Hayward Gallery. New additions since 1 April 2009 have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.

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

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

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

m) Intangible fixed assets and amortisation

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

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

Purchased software licences the contractual period

Website 4 years

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

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

n) Heritage Assets

Southbank Centre maintains the following types of heritage assets:

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

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

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

The Trustee believes that given the incomparable nature of Southbank Centre's heritage assets even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Southbank Centre and users of the financial statements. As a result, Southbank Centre does not recognise these items on the Balance Sheet, other than recent acquisitions of artwork and sculptures for the Southbank Centre Collection.

1 Statement of Accounting Policies continued

Recent acquisitions of artworks and sculptures greater than £1,000 are recorded at cost if acquired, or at Southbank Centre's best estimate of fair value if donated to Southbank Centre. Purchases under £1,000 and costs associated with renovating and maintaining Southbank Centre's archive, poetry library and other heritage assets are recognised in the Statement of Financial Activities in the period they are incurred.

o) Stocks

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

p) Impairment of tangible and intangible assets

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

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

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

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

q) Cash and cash equivalents

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

r) Funds

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

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

s) Financial instruments

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

(i) Financial assets

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

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

1 Statement of Accounting Policies continued

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

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

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

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

(ii) Financial liabilities

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

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

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

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

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

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

(iii) Offsetting

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

(iv) Hedging arrangements

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

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

1 Statement of Accounting Policies continued

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

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

t) Critical accounting judgements and key source of estimation uncertainty

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2022, this has been treated as Creditors falling due after one year.

2) Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Donations and sponsorships	1,200	885	2,085	2,074
Arts council grant	18,699	928	19,627	20,300
Funding for asset construction	3	3	6	838
Other grant income	4,897	-	4,897	-
Total	24,799	1,816	26,615	23,212

Donations and sponsorships include pro bono services received from Latham & Watkins of £61k (2020: £nil).

Other income comprises of the Job Retention Scheme Grant of £4,828k (2020: £nil) and Covid Local Support Grant income of £69k (2020: £nil).

3) Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Artistic activities				
Ticket Income	587	-	587	7,076
Artistic rentals	420	-	420	3,067
Other income	50	-	50	1,276
Total	1,057	-	1,057	11,419

4) Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Other Trading Activities				
Retail sales	329	-	329	1,929
Concessions	5,778	-	5,778	8,092
Hall and space rentals	594	-	594	3,248
Memberships and subscriptions	946	-	946	1,257
Other income	854	-	854	3,485
Total	8,501	-	8,501	18,011

5) Proceeds From Sale of Fixed Assets

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Sale of land	-	-	0	7,739
Total	0	-	0	7,739

6) Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Interest receivable	27	-	27	40
Total	27	-	27	40

7) Net Income / (Expenditure)

Net income/ (expenditure) is stated after charging (crediting):

Operating lease charges	173	173
Depreciation and amortisation charge on assets	8,318	8,356
Auditors' remuneration for audit services (Southbank Centre)	75	56
Auditors' remuneration for audit services (Enterprises)	6	6
Losses on foreign exchange differences	2	9
Impairment losses	-	229
Income from Creative Tax reliefs included within income from charitable activities	(112)	(656)
Bad debt expense	1,062	737

8) Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
Interest expense	969	-	969	1,026
Total	969	-	969	1,026

9) Staff Costs

	2021 £'000	2020 £'000
Employee costs amounted to:		
Wages and salaries	13,530	16,559
Social security costs	1,137	1,518
Pension costs	793	966
	<u>15,460</u>	<u>19,043</u>

Costs relating to terminations in the year are included in the above and were £1,284k (2020: £120k) of which £14k (2020: £67k) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2020: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2021 No.	2020 No.	2021 No.	2020 No.
Raising Funds	12	14	11	13
Charitable Activities	112	130	101	119
Other	29	31	24	28
Support	307	419	209	318
	<u>460</u>	<u>594</u>	<u>345</u>	<u>478</u>

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

	2021 No.	2020 No.
£60,000 - £69,999	6	3
£70,000 - £79,999	2	6
£80,000 - £89,999	3	1
£90,000 - £99,999	1	3
£110,000 - £119,999	1	1
£130,000 - £139,999	1	-
£140,000 - £149,999	1	-
£160,000 - £169,999	-	1
£250,000 - £259,999	-	1
	<u>15</u>	<u>16</u>

Of these 15 (2020: 16) employees, Southbank Centre paid pension contributions of £46,352 for 9 employees (2020: £70,483 11 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee £7,261 (2020: £8,627 1 employee) who was a member of the defined benefit section of the pension scheme and £7,841 was paid for 4 members of the auto-enrolment pension scheme (2020: £6,031; 3 employees).

18 key management personnel were paid a total of £1.28 million (2020:16 employees, £1.36 million). The Southbank Centre paid £62k (2020: £75k) in pension contributions and £139k in Employers National Insurance Contributions (2020: £166k).

In recognition of the severe impact of COVID 19 on Southbank Centre, the Chief Executive volunteered to cap her total remuneration for the year to 31 March 2021 to £147k, a 42% reduction (2020 £252.4k).

10) Total Resources Expended

	Direct costs £'000	Support costs £'000	Total 2021 2020 £'000 £'000	
Costs of raising funds	474	580	1,054	1,182
Expenditure on charitable activities	5,332	24,457	29,789	45,294
Other	2,130	4,247	6,377	8,564
	<u>7,936</u>	<u>29,284</u>	<u>37,220</u>	<u>55,040</u>

11) Allocation of Support Costs

	Management and Administration £'000	Marketing and Communications £'000	Human Resources £'000	Operations £'000	Depreciation and disposals £'000	2021 £'000	2020 £'000
Costs of raising funds	332	100	27	74	47	580	491
Expenditure on charitable activities	3,741	1,120	518	11,602	7,476	24,457	32,285
Other	1,487	444	67	1,431	818	4,247	4,742
Total Support costs	<u>5,560</u>	<u>1,664</u>	<u>612</u>	<u>13,107</u>	<u>8,341</u>	<u>29,284</u>	<u>37,518</u>

Support costs have been allocated to the charity's activities as follows:

Support Costs

Management and Administration
Marketing and Communications
Human Resources
Operations
Depreciation
Governance

Allocation basis

Direct spend on those activities
Direct spend on those activities
Headcount
Floor area
Floor area
Estimated time spent on governance activities

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

	2021 £'000	2020 £'000
Internal audit	6	28
External audit	63	62
Governors' indemnity insurance	15	9
Apportionment of staff costs	260	241
	<u>338</u>	<u>312</u>

12) Tangible Assets

Group and charity	Land and Buildings (Artistic) £'000	Land and Buildings (Other) £'000	Assets under Construction £'000	Fixtures and Fittings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>							
At 1 April 2020	256,616	26,647	446	7,327	7,071	230	298,337
Additions	72	-	21	955	360		1,408
Transfers	76		(207)				(131)
Disposals	-			(101)	(481)	(230)	(812)
At 31 March 2021	256,764	26,647	260	8,181	6,950	-	298,802
<i>Accumulated depreciation</i>							
At 1 April 2020	35,963	8,847	-	4,855	4,825	211	54,701
Charge for the year	6,341		-	790	995	8	8,134
On disposals	-	-	-	(84)	(479)	(219)	(782)
At 31 March 2021	42,304	8,847	-	5,561	5,341	-	62,053
<i>Net Book Value</i>							
At 31 March 2021	214,460	17,800	260	2,620	1,609	-	236,749
At 31 March 2020	220,653	17,800	446	2,472	2,246	19	243,636

13) Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2020	1,199	1,199
Additions	189	189
Transfers	131	131
Disposals	(724)	(724)
At 31 March 2021	795	795
<i>Accumulated amortisation</i>		
At 1 April 2020	902	902
Charge for the year	184	184
On disposals	(724)	(724)
At 31 March 2021	362	362
<i>Net Book Value</i>		
At 31 March 2021	433	433
At 31 March 2020	297	297

14) Heritage Assets

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. 90% of the collection in 2004 was valued at approximately £200,000. This collection has been built up over the last sixty years and no assets were acquired or disposed of over the last five years.

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

The Southbank Centre Archive

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

Poetry Library

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

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

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

Membership is free and the library is open daily (except Mondays) from 11am to 8pm.

15) Investments

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash on short term deposit	12,001	8,005	12,001	8,005
	<u>12,001</u>	<u>8,005</u>	<u>12,001</u>	<u>8,005</u>

16) Debtors: Amounts Due Within One Year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	3,902	3,029	3,495	2,407
Amounts owed by group undertakings	-	-	1,001	-
Other debtors	1,787	679	1,787	679
Prepayments and accrued income	3,607	2,719	2,996	1,489
	<u>9,296</u>	<u>6,427</u>	<u>9,279</u>	<u>4,575</u>

Trade debtors - Group is net of bad debt provision of £1,984k (2020: £792k), and Trade debtors - Charity is net of bad debt provisions of £1,959k (2020: £259k).

17) Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans and overdrafts	1,209	1,149	1,209	1,149
Trade creditors	822	4,847	773	4,798
Amounts owing to group undertakings	-	-	-	788
Advanced ticket sales	1,547	-	1,547	-
Accruals and Deferred income	7,520	7,707	6,708	7,190
	<u>11,098</u>	<u>13,703</u>	<u>10,237</u>	<u>13,925</u>

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

18) Deferred Income

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred income brought forward	3,124	3,530	2,099	2,647
Deferred in the year	2,451	3,011	1,767	2,099
Released in the year	(2,642)	(3,417)	(2,099)	(2,647)
Deferred income carried forward	<u>2,933</u>	<u>3,124</u>	<u>1,767</u>	<u>2,099</u>

19) Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	28,440	17,876	28,440	17,876
Derivative financial instrument	2,459	2,888	2,459	2,888
Advanced ticket sales	1,264	2,711	1,264	2,711
Deferred income	713	483	156	-
	<u>32,876</u>	<u>23,958</u>	<u>32,319</u>	<u>23,475</u>

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

Within one year	1,209	1,149	1,209	1,149
Within two to five years	9,732	9,510	9,732	9,510
After five years	18,707	8,366	18,707	8,366
	<u>32,108</u>	<u>19,025</u>	<u>32,108</u>	<u>19,025</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2021 was £12.3m (2020: £12.4m).

A term loan of £7.0m was provided by Lloyds Bank plc in June 2018 to fund estate development and is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is partially repayable in quarterly instalments commencing in June 2019 until 2024 when a balance of £5.2m will remain outstanding. The balance outstanding at 31 March 2021 was £6.5m (2020: £6.7m).

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and expires in April 2027 which is subject to a mandatory early termination in January 2024. At 31 March 2021, the fair value of the contracts outstanding was £2.5m (2020: £2.9m).

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

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	6,022	5,691	11,713
Loans falling due within one year	(1,149)	(60)	(1,209)
Loans falling due after more than one year	(17,876)	(10,563)	(28,439)
	<u>(13,003)</u>	<u>(4,932)</u>	<u>(17,935)</u>

20) Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General fund	4,687	34,384	(29,728)	-	(6,943)	2,400
CRF Repayable Finance Fund	-	-	-	-	9,082	9,082
Total General Reserves	4,687	34,384	(29,728)	-	2,139	11,482
Designated funds						
Capital & Revaluation Reserve	222,020	-	(6,080)	429	(8,495)	207,874
2021/22 Restart Fund	-	-	-	-	4,156	4,156
Strategic Investment Fund	-	-	-	-	2,200	2,200
Pension Plan Reserve (note 24)	1,300	-	-	(800)	-	500
Total unrestricted funds	228,007	34,384	(35,808)	(371)	-	226,212
<i>Restricted funds</i>						
Capital Reserve	-	3	(3)	-	-	-
Projects Fund	388	1,813	(1,409)	-	-	792
Total restricted funds	388	1,816	(1,412)	-	-	792
TOTAL funds (2021)	228,395	36,200	(37,220)	(371)	-	227,004
TOTAL funds (2020)	223,034	60,421	(55,040)	(20)	-	228,395

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

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted funds						
<i>General Reserve</i>						
	2,422	57,153	(47,496)	-	(7,392)	4,687
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	(260)	-
Capital & Revaluation Reserve	219,079	-	(6,171)	(117)	9,229	222,020
Hayward Gallery Prints Fund	6	-	-	-	(6)	-
Pension Plan Reserve (note 24)	1,070	-	133	97	-	1,300
Total unrestricted funds	222,837	57,153	(53,534)	(20)	1,571	228,007
<i>Restricted funds</i>						
Capital Reserve	-	1,571	-	-	(1,571)	-
Projects Fund	197	1,697	(1,506)	-	-	388
Total restricted funds	197	3,268	(1,506)	-	(1,571)	388
TOTAL funds (2020)	223,034	60,421	(55,040)	(20)	-	228,395

20) Group and Charity Reserves continued...

Unrestricted funds consist of a General Reserve and Designated Reserves.

General Reserves are available for spending on the group's charitable objectives. The Cultural Recovery Repayable Finance fund was created from the proceeds of the CRF Repayable Finance scheme and will be used to achieve the transition to a financially viable business during 2021/22 and to supplement the general reserves of the Charity.

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

The Capital & Revaluation Reserve reflects funds designated for capital projects, costs relating to capital projects (including interest), maintenance and depreciation on funded assets as well as the balance of surplus or deficit on the revaluation of Land and Buildings (Artistic as per Note 12).

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

2021/22 Restart Fund is to provide funding for the expected deficit in 2021/22 due to the continued impact of COVID 19 on the operations of the Southbank Centre during the year to 31 March 2022.

The Hayward Gallery Prints Fund relates to prints that Southbank Centre sells in order to fund the purchase of new prints for display in the Hayward Gallery and on touring exhibitions.

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

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

The Capital Reserve holds unspent grants received for various public realm developments.

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

Transfers in the year

In 2020, £1.5m was transferred in the year from the Restricted Capital Reserve to the Unrestricted Designated Capital Reserve reflecting grant income and Arts Council England capital funding received where the restricted purpose has been fulfilled. In 2021, this was £nil.

£8.5m was transferred from the Capital and Revaluation reserve to General Reserves (2020: £7.4m transferred from General Reserve to the Capital and Revaluation reserve).

£4.2m was transferred from General Reserves to the new 2021/22 Restart Fund.

£2.2m was transferred from the General Reserve to the new Strategic Investment Fund.

There was no transfer of funds in the year (2020: £260k) from the Strategic Reserve to the General Reserve.

There was no transfer of funds in the year (2020: £6k) from the Hayward Gallery Prints Fund to the General Reserves.

Charity reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £1.2m (2020: £6.8m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

21) Capital Commitments

<i>Group and Charity</i>	2021 £'000	2020 £'000
Authorised and contracted	604	176

Capital commitments relate to system upgrades and property costs.

22) Commitments Under Operating Leases

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

	2021 £'000	2020 £'000
Payments due		
Not later than one year	173	173

23) Operating Lessor

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

	2021 £'000	2020 £'000
Receipts due	35,767	34,437
Not later than one year	4,013	3,618
Later than one year and not later than five years	16,063	14,482
Later than five years	15,691	16,337

24) Pensions

The group provides pension benefits through the Southbank Centre Retirement Plan which operates two different sections. The defined benefit section was closed to new members from 1 April 2001 and the defined contribution section was opened to new members of staff joining on or after that date. Neither South Bank Foundation Limited nor Southbank Enterprises Limited have a pension fund.

The amount recognised in the SOFA is as follows:

	2021 £'000	2020 £'000
Defined benefit scheme		
Current service cost	145	224
Defined contribution scheme	648	742
Total charge in net expenditure	793	966
Defined benefit scheme		
Net interest (income) / expense	(177)	(31)
Total charge	616	935

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2017 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. As the section is closed to new entrants, under the projected unit method the current service cost will increase (as a percentage of pensionable salaries) as members approach retirement. The next tri-annual valuation of the fund as at 1 April 2020 is underway.

The surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has

not be recognised for the full balance of the surplus. The surplus is, however, anticipated to reduce future employer contributions to the scheme, by an estimated £0.5m (2020: £1.3m) and therefore the value of the surplus has been capped at this value.

21) Pensions continued

The plan provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. Southbank Centre has agreed to a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2021 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2021	2020
Expected rate of salary increase	2.70%	2.80%
Expected rate of increase of pensions in payment	2.20%	2.20%
Discount rate	2.00%	2.40%
Rate of inflation (RPI)	3.40%	2.80%
Rate of inflation (CPI)	2.70%	2.20%

The mortality assumptions used were as follows:

	2021 years	2020 years
Longevity at age 65 for current pensioners		
Men	22.3	22.4
Women	24.3	24.3
Longevity at age 65 for future pensioners		
Men	23.6	23.7
Women	25.8	25.9

Reconciliation of plan assets and liabilities:

	£'000 Assets	£'000 Liabilities	£'000 Total
At 1 April 2020	63,210	(55,951)	7,259
Benefits paid	(2,066)	2,066	-
Employer contributions	232	-	232
Member's contributions	11	(11)	-
Current service cost	-	(145)	(145)
Interest income/ (expense)	1,495	(1,318)	177
Remeasurement (losses) / gains			
Actuarial gains	6,902	(5,880)	1,022
Return on plan assets excluding interest income		-	-
As at 31 March 2021	69,784	(61,239)	8,545

Total cost recognised as an expense:

	2021 £'000	2020 £'000
Current service cost	145	224
Interest cost	1,318	1,546
	1,463	1,770

No amounts (2020: £nil) were included in the cost of assets.

21) Pensions continued

The fair value of the plan assets was:

	2021	2020
	£'000	£'000
Equities	13,803	11,011
Liability driven investments	19,795	19,162
Diversified growth fund	28,057	24,307
Cash	537	359
London Eye Asset	7,592	8,371
	<u>69,784</u>	<u>63,210</u>

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

The return on the plan assets was:

	2021	2020
	£'000	£'000
Interest income	1,495	1,577
Return on plan assets less interest income	6,902	(896)
	<u>8,397</u>	<u>681</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

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

	2021	2020
	£'000	£'000
Current year contributions	648	742
	<u>648</u>	<u>742</u>

25) Subsidiaries

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

The South Bank Foundation Limited (number: 3174667)

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

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

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

Southbank Centre Enterprises Limited (Registration number: 6158790)

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

	2021 £'000	2020 £'000
Turnover	2,478	13,318
Cost of sales	(620)	(3,509)
Administrative expenses	(679)	(2,982)
Operating profit	<u>1,179</u>	<u>6,827</u>
Interest receivable	2	19
Net profit	<u>1,181</u>	<u>6,846</u>
Profit and loss brought forward	6,846	-
Gift aid paid to Southbank Centre Limited	(6,846)	-
Retained in the subsidiary	<u>1,181</u>	<u>6,846</u>

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

	2021 £'000	2020 £'000
Current assets	3,614	7,896
Creditors: amount falling due within one year	(1,876)	(567)
Net current assets	<u>1,738</u>	<u>7,329</u>
Creditors: amounts falling due after one year	(557)	(483)
Total net assets	<u>1,181</u>	<u>6,846</u>
Represented by:		
Profit and loss account	<u>1,181</u>	<u>6,846</u>

26) Contingent Liabilities

Group and Charity

Capital grant funding

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

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

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

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

A term loan of £7m provided by Lloyds Bank plc and Lloyds Corporate Markets plc is secured by an assignment and charge over the retail lease income from property at the Southbank Centre. The loan is repayable in quarterly instalments with the final balance repayable in January 2024.

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

27) Related Parties

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD nil (2020: USD 67,441) from the American Fund. The American Fund had USD 153,197 (2020: USD 52,605) in cash balances available to transfer to Southbank Centre at 31 March 2021.

Donations from Trustees were £142,209 (2020: £54,731).

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £459,280 (2020: £1,030,455), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £214,031 (2020: £1,071,431) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £204,773 (2020: £210,413) for the year ended 31 March 2021.

Chris Denton, a member of the Executive team of Southbank Centre, is closely related to a director of Jane Denton Creative Services Limited. During the course of the year Southbank Centre paid Jane Denton Creative Services Limited £2,594 (2020: £7,676) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services and has left the Southbank Centre in April 2021.

The National Youth Orchestra is considered a related party until December 2020 as both Andrew Gambrell, a member of the Executive Team of the Southbank Centre, and Luke Mayhew, a Trustee, were also Trustees of the National Youth Orchestra. Income received for the year was £2,119 (2020: nil).

28) Full Prior Year Disclosure of the Consolidated Statement of Financial Activities

	Note	Unrestricted funds		Restricted funds		Total funds 2020 £'000
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	
INCOME FROM:						
Donations and legacies	2	19,944	-	1,697	1,571	23,212
Charitable activities	3	11,419	-	-	-	11,419
Other trading activities	4	18,011	-	-	-	18,011
Proceeds from sale of fixed assets	5	7,739	-	-	-	7,739
Investments	6	40	-	-	-	40
Total		57,153	-	1,697	1,571	60,421
EXPENDITURE ON:						
Raising funds	10	1,147	35	-	-	1,182
Charitable activities	10	38,257	5,531	1,506	-	45,294
Other	10	8,092	472	-	-	8,564
Total		47,496	6,038	1,506	-	55,040
Net income/(expenditure) before transfers		9,657	(6,038)	191	1,571	5,381
Transfers	20	(7,392)	8,963	-	(1,571)	-
Other recognised gains						
Actuarial gains on defined benefit pension plan	25	-	97	-	-	97
Gain on derivative financial instrument	24	-	(117)	-	-	(117)
Total		-	(20)	-	-	(20)
Net movement in funds		2,265	2,905	191	-	5,361

All of the above results are derived from continuing activities
The Movements on Reserves are also described in note 20

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

	Unrestricted funds		Restricted funds		Total funds 2020 £'000
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	
Net movement in funds	2,265	2,905	191	-	5,361
Fund balances brought forward as at 1 April 2019	2,422	220,415	197	-	223,034
Total funds carried forward as at 31 March 2020	4,687	223,320	388	-	228,395

Southbank Centre would like to thank the following companies, trusts, foundations and individuals for their valuable support:

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Mark Smith & Geraldine Wong-Smith
Anthony & Nancy Sykes
Marina Vaizey
And those who prefer to remain anonymous

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