

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

# SOUTHBANK CENTRE

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2013

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# SOUTHBANK CENTRE

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## SOUTHBANK CENTRE

Registered as a Charity No. 298909

### **Principal office**

Belvedere Road  
London  
SE1 8XX

## **PROFESSIONAL ADVISORS**

### **Bankers**

Lloyds TSB Bank plc  
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EC2V 7HN

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

### **Solicitors**

Herbert Smith LLP  
Exchange House  
Primrose Street  
London  
EC2A 2HS

Pinsent Masons LLP  
30 Aylesbury Street  
London  
EC1R 0ER

Eversheds LLP  
One Wood Street  
London  
EC2V 7WS

### **Independent Auditors**

Comptroller and Auditor General  
National Audit Office  
Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

**TRUSTEES****Board of Governors**

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

<i>Governor</i>	<i>Appointed</i>	<i>Resigned/ retired</i>	<i>Last re-appointment</i>
Mr Rick Haythornthwaite (Chairman)	31 January 2008		01 July 2011
Mr Robin Woodhead (Deputy Chairman)	22 September 2004		01 July 2011
Mr Nihal Arthanayake	25 January 2011		
Dame Vivien Duffield	24 June 2002		01 July 2011
Ms Susan Gilchrist	24 September 2008		02 July 2012
Mr Brent Hansen	24 September 2008		02 July 2012
Ms Fionnuala Hogan	21 November 2007		01 July 2011
Mr David Kershaw	24 September 2008		02 July 2012
Mr Julian Lloyd Webber	30 September 2009		
Mr Cornelius Medvei	30 September 2009		
Ms Ursula Owen, OBE	02 July 2003		02 July 2012
Mr Jamie Ritblat	30 September 2009		
Ms Maggie Semple OBE	23 September 2010		
Mr Mark Wallinger	29 April 2010		
Mr Michael Zaoui	02 July 2012		

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

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

The Governors meet six times a year on a regular basis, but may meet more frequently if required. The Board also has a number of sub-committees which meet at different intervals. The Governors who currently serve on committees are:

<i>Audit and Risk</i>	Fionnuala Hogan (C), Brent Hansen, Rick Haythornthwaite, Susan Gilchrist, Cornelius Medvei, Jamie Ritblat
<i>Remuneration</i>	David Kershaw (C), Brent Hansen, Cornelius Medvei, Ursula Owen
<i>Nominations and Governance</i>	Rick Haythornthwaite (C), Dame Vivien Duffield, Brent Hansen, Robin Woodhead
<i>Strategy - to 12 February 2013</i>	Rick Haythornthwaite (C), Susan Gilchrist, Fionnuala Hogan, David Kershaw, Robin Woodhead
<i>Property - to 10 December 2012</i>	Jamie Ritblat (C), Fionnuala Hogan, Cornelius Medvei, Ursula Owen, Mick Mannion (co-opted member)
<i>Capital Campaign- from 28 February 2013</i>	Michael Zaoui (C), Rick Haythornthwaite, Dame Vivien Duffield, Robin Woodhead
<i>Festival Wing - from 16 April 2013</i>	Jamie Ritblat (C), Rick Haythornthwaite, Cornelius Medvei, Ursula Owen, Michael Zaoui, Fionnuala Hogan (co-opted member), Mick Mannion (co-opted member), Mark Enderby (co-opted member)

*C = Chairman of that Committee*

**CHIEF EXECUTIVE AND OTHER CURRENT SENIOR STAFF**

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

Alan Bishop	Chief Executive
Jude Kelly, OBE	Artistic Director
Jane Beese	Head of Contemporary Music
Victoria Cheetham	Director of Arts Administration
Sarita Godber	Director of Human Resources
Molly Jackson	Deputy Chief Executive
Shân MacLennan	Creative Director, Learning and Participation
Wendy Martin	Head of Dance and Performance
Mike McCart	Director of Partnerships and Policy
Gillian Moore, MBE	Head of Classical Music
Rebecca Preston	Director of Development
Ralph Rugoff	Director, Hayward Gallery
James Runcie	Head of Literature and Spoken Word
Mark Rushworth	Property Director
Jeremy Smeeth	Interim Deputy Finance Director
Edward Venning	Director of Communications and Marketing

**CHAIRMAN'S FOREWORD**

In the summer of 2012, as London prepared to welcome the world for the Diamond Jubilee and the Olympics, Southbank Centre's *Festival of the World* asked a timely and crucial question: how can we understand each other's cultures better and make the world a better place?

Our festival championed the idea that art holds the key to unlock the imagination and be a powerful agent for social change. From all continents, we brought together thousands of artists who work with and inspire communities in an eclectic range of projects, activities, performances and exhibitions. Festival of the World proved that art has the power to transform lives with events like Poetry Parnassus, the largest ever global gathering of poets, to Africa Utopia, a weekend of events which asked what the world can learn from Africa.

During the year ended 31 March 2013 almost 1.5 million people attended ticketed performances, exhibitions and events, with a further 3.8 million attending or participating in our wide programme of free events. The total annual footfall across the Southbank Centre site is estimated at 25 million.

We also began thinking about our site's future. In the summer of 2012 our site was physically transformed by a series of outdoor installations, from robots climbing the Hayward Gallery and giant children's blocks revealing hidden messages, to a huge baobab tree sculpture and the lush Queen Elizabeth Hall roof garden. Below the Queen Elizabeth Hall, we created Festival Village, a new space where artists, participants and partners in the festival could meet and exchange ideas. It was designed and built collaboratively by 200 volunteers and professionals.

In this spirit we began our plans for the Festival Wing – the Queen Elizabeth Hall, Purcell Room and Hayward Gallery complex – to create a world-class cultural centre for the 21st century, providing more art for more people in better spaces. With this project we are responding to the success of our programme since the refurbishment of the Royal Festival Hall, including the expansion of our world-leading education work and vibrant free programme which have brought so many people to the site, including those who are usually hard to reach.

Designed by architects Feilden Clegg Bradley Studios, the project will refurbish and renew the existing 1960s buildings and build major new arts spaces. Orchestras will create and rehearse work in front of a small audience in the Glass Pavilion, the central foyer will be an artistic and social hub with new entrances to all three venues, and we will create an education space for the 21st century in the liner building along Waterloo Bridge, alongside a new national literature centre.

Southbank Centre continues to run itself by the principles of sound financial management and organisational efficiency. This approach has meant that our financial results have surpassed expectations. Nonetheless we still could not cover the basic costs of maintaining this 21-acre site without substantial core funding from Arts Council England. We are grateful for their ongoing support.

*R Haythornthwaite*  
Chairman  
Southbank Centre Limited  
As Trustee for Southbank Centre

## REPORT OF THE TRUSTEE

### **Legal Framework**

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

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

Southbank Centre Limited's other wholly owned subsidiary is Southbank Centre Enterprises Limited, which manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 18 for details of Southbank Centre Enterprises Limited's results.

### **Governors and Management**

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

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive, and variations to governing documents. The Board currently has five sub-committees to assist its governance of Southbank Centre: Audit and Risk, Remuneration, Nominations and Governance, Capital Campaign and Festival Wing Committees.

## REPORT OF THE TRUSTEE

### Review of the Business

Southbank Centre's principal activities are the promotion of artistic events coupled with a learning and participation programme and maintenance of the 21-acre site, of which it is leaseholder.

### Artistic Review

Building on the heritage of the 1951 Festival of Britain, Southbank Centre has evolved an approach to artistic programming based around a series of annual and one-off themed festivals, using these to set up encounters between artists and audiences across artistic platforms, providing multi-layered opportunities for everyone to discover, enjoy and deepen their engagement with the arts. Within this festival structure, our artistic offer is wide ranging, covering contemporary and classical music, performance, dance, visual art, literature and the spoken word. Each festival programme consists of both ticketed and free events, combining strands drawn from different art forms. The festival themes inspire the animation of the whole site with installations and other interventions, and also our entrepreneurial activities. Festivals by their nature are occasions for celebration and enjoyment, to reflect on the past and explore the future in a spirit of sharing and friendship. They provide a safe environment for tackling difficult issues, making real our ambition to achieve social change for the better through art. During 2012/13 our festivals included:

- Alchemy (12-22 April 2012): An examination of South Asian culture
- Festival of the World (1 June-9 September 2012): Examining how art transforms lives around the world
- Chorus! (5-6 May 2012): A weekend of singing and its role in social change
- London Literature Festival (3-12 July 2012): The capital's premier literature festival
- Antony's Meltdown (1-12 August 2012): A week of curated music, art, poetry and talks
- Ether (5-20 October 2012): A festival of innovation, art, technology and cross-arts experimentation
- The Winter Festival (1 December 2012-7 January 2013): International shows, choirs and bustling markets
- The Rest is Noise (throughout 2013): Investigating the power of 20th century music
- Imagine Festival (15-24 February 2013): A children's festival with literature at its core
- WOW – Women of the World (8-10 March 2013): Celebrating the achievements and potential of women

Through this series of festivals, as well as our ongoing artistic programme, we seek to demonstrate excellence, engagement, reach, diversity and innovation. Some examples of this are included below. Collaborations with organisations such as Underbelly, the Alchemy partners and the Koestler Trust have brought inventiveness, originality and playfulness to our programme. The partnerships with our artists in residence and four resident orchestras remain an intrinsic part of Southbank Centre's work.

### EXCELLENCE

For the extraordinary Olympic summer, **Festival of the World with MasterCard** created an extraordinary programme of projects, transforming the site with constant originality. London Earth Creature, Our World in Lego, AmazeMe (a maze enhanced by audio and film material on the Clore Ballroom built from 250,000 books), and the coloured sand of the Rainbow Park were popular interactive installations, while the Perspective Blocks displayed a changing message through the summer.

Curated by Simon Armitage, **Poetry Parnassus** was the biggest ever-gathering of international poets, with 160 poets from the 204 Olympic nations attending the festival. To start the week, we partnered with Chilean arts collective Casagrande to deliver **Rain of Poems**, where 100,000 poems printed on bookmarks rained down on the city.

From 13 to 15 July, **New Music 20x12** was dedicated to music composition in the UK and featured performances of 20 new pieces, each lasting 12 minutes, created by some of the UK's most exciting composers for PRS for Music Foundation's New Music 20x12 programme. 14 of the 20 works were presented as free performances.



## REPORT OF THE TRUSTEE

Our year-long festival **The Rest Is Noise**, inspired by Alex Ross's book of the same name, started in January 2013 and traces the history of 20th century classical music in Europe and America. This massive, groundbreaking undertaking with the London Philharmonic Orchestra also features orchestras from around the country, with concerts taking in the breadth of 20th century classical repertoire, alongside immersive weekends of talks and debates.

On 30 January we opened **Light Show** in the Hayward Gallery, exploring the phenomenon and experience of light. It showcases artworks created since the 1960s and features works by artists including Dan Flavin, Olafur Eliasson and David Batchelor. The exhibition has received excellent reviews and extensive media coverage, and has been hugely popular.

### ENGAGEMENT

At the end of June we welcomed Maestro Jose Antonio Abreu, Gustavo Dudamel and the electrifying **Simon Bolivar Symphony Orchestra** of Venezuela as part of our Festival of the World. For four days we filled the site with young people making music, learning from professionals and from each other, and gaining inspiration from the many brilliant initiatives in the UK and abroad which celebrate the idea that music changes lives. We also invited 250 members of the public age 5 to 85 to create a massive ensemble, The Giant Orchestra.

We have put young people at the heart of much of our festival programme. 24 15-20 year old WOWsers met weekly for eight weeks ahead of **WOW – Women of The World**. During the festival they acted as young ambassadors, talking on debate panels, supporting the production team on live events, and adding their voice to the festival. The Kids Advisory Group had an even greater influence on the **Imagine Festival**; from October 2012 onwards we worked with 32 children from schools across London as an advisory group who fed into every aspect of this year's Festival, creating debates, designing the marketing campaign, and building Festival Control, the nerve centre of the festival. This complemented the **Kids Takeover** of the festival, in which children take your tickets, show you to your seats and generally help you with your visit.

### REACH

**Anish Kapoor: Flashback** closed at its fourth and final venue, Longside Gallery, Yorkshire Sculpture Park on 4 November, with 153, 911 visitors over the tour. The **Gary Hume Flashback** touring exhibition closed at its final venue, Aberdeen Art Gallery on 19 January, with just under 170,000 visitors over the tour. And Antony Gormley's **Field for the British Isles** attracted a total of 65,873 visitors to the remote Barrington Court in Somerset as part of a partnership with the National Trust. Overall 2012 was an exceptional year for Arts Council Collection exhibitions, which reached in excess of 1 million visitors.

In February, Jeremy Deller's exhibition **Joy in people** opened at the Contemporary Art Museum in St Louis, the final venue of its international tour which started at Hayward Gallery.

### DIVERSITY

**Alchemy** is an increasingly established and well-recognised celebration of South Asian arts, significantly advancing our profile with the South Asian audience and bringing insights from the subcontinent to existing audiences.

The same ethos was brought to our summer festival by Senegalese singer and human rights champion Baaba Maal whose **Africa Utopia** showed what Africa has to offer the world through music, dance, literature, debates and films.

## REPORT OF THE TRUSTEE

In celebration of the London 2012 Paralympic Games and part of the London 2012 Festival, the **Unlimited Festival** presented 29 major commissions celebrating arts and culture by Deaf and disabled artists spanning diverse artforms, including dance and performance, visual arts, comedy, circus, music and theatre.

As part of the Korean Cultural Centre's All Eyes on Korea Festival, **Kim Beom: The School of Inversion** opened in the Hayward Project Space on 17 July through 2 September. It was the first solo exhibition in the UK of the Korean artist Kim Beom.

In the Hayward Gallery, **Art of Change: New Directions from China** is the first major UK exhibition to focus solely on contemporary installation and performance art from China. The show garnered critical acclaim in London, Europe and Asia

### INNOVATION

The **Festival Village** lived up to expectations during the Festival of the World. Through the hard work of the design team and 200 volunteers, we enjoyed for the first time a dedicated space in which artists, staff and participants in the festival could meet, relax and spark connections with each other. This kind of creative mixing and flexibility is crucial to achieving 'festival' on site in its truest sense of the word.

During Festival of the World, the Hayward Gallery transformed itself into the **Wide Open School**, a temporary 'learning environment' with classes devised and delivered by over 100 artists from approximately 40 different countries. It is the first time that a public gallery has undertaken such a project on this scale. The project ran from 11 June – 11 July and was an unprecedented experiment exploring what could happen if a school's curriculum was driven by the imagination of artists.

The Hayward exhibition **Invisible: Art about the Unseen, 1957 – 2012** brought together artworks from the past six decades that focus on the conceptual and communicative possibilities of art, while bypassing its seeming requirements of visibility and materiality. Invisible was the first major museum show to look at the history of invisible art works.

September saw an intake of 19 students for the second year of **MA Education in Arts and Cultural Settings** with Kings' College, London. Particularly popular is the opportunity to get close to the heart of our activity and understand both the ideology and mechanics of how the organisation works.

### Commercial

Southbank Centre's commercial activities contributed to an increase in self-generated income in 2012-13 compared to 2011-12. A new 'pop-up' restaurant, Wahaca, traded well. Electrolux's Cube restaurant, an installation on the roof of Royal Festival Hall, with a different Michelin starred chef in residence each week, offered a unique dining experience that was a hot-ticket. The full artistic programme of free and ticketed events throughout the summer's Festival of the World, with specific events being part of the Cultural Olympiad, proved a huge draw to Southbank Centre. During August, total transaction numbers across our restaurant partners was 25% up on August 2011. The Southbank starflyer ride proved very popular, and acted as a beacon drawing new visitors to the site. The weekly markets continued. The annual Christmas market was expanded and a designers craft market held in the Queen Elizabeth Hall undercroft. The continued success of the commercial activities is tangible proof of Southbank Centre's strategic objective to demonstrate that commercial entrepreneurship can live happily beside the demanding requirements of art making and profit both.

**REPORT OF THE TRUSTEE**

**Development**

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

In 2012/13 the Development Department achieved income of £3.6m (2011/12: £2.2m) from Corporate, Trusts & Foundations and Individual Giving, which includes £1.2m of enabling income. The net contribution to Southbank Centre's charitable activities and overheads after deducting direct expenditure (including payroll) was £2.9m (2011/12: £1.6m).

Income of £1.8m was achieved via Development Events, which incorporates the hiring of space for commercial purposes. The net contribution to Southbank Centre's charitable activities and overheads after deducting direct expenditure (including payroll) was £1.5m (2011/12: £1.2m).

This excludes significant Capital income such as the RFH organ which is shown as funding for assets under construction.

**Capital Project Developments**

Southbank Centre will continue to develop and refurbish its facilities and site incrementally. The following major projects have been, or will be, developed in the near future.

*Organ Restoration*

Southbank Centre continued its £2.3 million project to return the organ to its former glory and reinstall the missing 5,000 pipes that were not restored during the Royal Festival Hall refurbishment in 2007. The restoration work is being undertaken by Harrison & Harrison in Durham, who designed and built the organ in 1954 with Ralph Downes CBE. In summer 2012 the remaining parts of the central section of the organ were successfully reinstalled and in summer 2013 the final 3,300 pipes of the right hand section will be installed. The completed organ will be fully playable once more in the Pull Out All The Stops Festival which begins in March 2014, 60 years after it was first installed. £2,170,000 has been raised as of the end of March 2013 including a grant from the Heritage Lottery Fund.

*Festival Wing – Queen Elizabeth Hall / Purcell Room / Hayward Gallery Complex*

In 2011-12, we were successful at the first stage of an application for large-scale capital funding of £20 million from Arts Council England for the refurbishment of the Festival Wing – the Queen Elizabeth Hall, Purcell Room and Hayward Gallery complex. During 2012-13 we appointed the design team for the project, including Feilden Clegg Bradley Studios (FCBS) as lead architect. FCBS were chosen to work with Southbank Centre, following a comprehensive selection process conducted in accordance with EU procurement procedures. They put forward a strong team lead by Peter Clegg, who demonstrated a clear understanding of Southbank Centre's objectives and brief, setting out a well considered approach to the design of the project.

Working with the design team we have explored a more ambitious project and in March unveiled our proposals to transform the Festival Wing to create, together with the successful Royal Festival Hall refurbishment, a world-class cultural centre for the 21st century, providing more art for more people in better spaces.

**REPORT OF THE TRUSTEE**

The proposals include the refurbishment and renewal of the existing 1960s buildings and the creation of major new arts spaces including a new glass pavilion, a new central foyer and a new liner building. The proposals will enable Southbank Centre to realise its vision to deliver a larger and more ambitious arts, educational and cultural programme across the site for all its visitors to enjoy.

The project will bring the performance spaces and galleries up to the standard of the transformed Royal Festival Hall, completed in 2007, and address current urgent problems including poor access, worn out services and the need to upgrade stages, galleries and back stage areas, as well as improving access across the site. In addition, Southbank Centre will build on its heritage from the Festival of Britain in 1951 and its successful festival programme to make the most of these buildings and transform this part of the site to create new cultural experiences for future generations.

Under-utilised spaces in undercrofts, terraces and roofs are reclaimed for artistic and commercial use. The new buildings provide a rehearsal space for the resident and visiting orchestras and an education centre as the heart of Southbank Centre's learning and participation programme. The designs of the new buildings reflect Southbank Centre's iconic site, and most importantly, allow us to find new ways of engaging our audiences with classical music and develop an extended education programme to reach everyone from young children through to adult audiences.

After an extensive period of consultation with a wide range of stakeholders and user groups, an application for planning permission was submitted on 10th May 2013

The project will be funded by a mixture of grant and public sector funds, commercial loan and gifts and donations.

*Jubilee Gardens*

Jubilee Gardens were re-opened following the refurbishment for the formal celebration of the Queen's Diamond Jubilee in June 2012. They are run on a day to day basis by a Trust comprising local landowners, businesses and members of the local community. They have immediately proved to be a very popular amenity, with an estimated six million visitors in their first year. Southbank Centre is responsible for the cultural programme, and a number of events were held during the course of the year, including the rain of poems as part of Poetry Parnasus, Southbank Centre's Olympic project bringing together poets from all of the competing nations.

The Gardens were formally opened by the Queen on 25 October 2012.

*Jubiloos*

After many years without public toilet provision on the extensive Southbank Centre site, the Jubiloos were opened adjacent to the Jubilee Gardens. The project was a partnership with the operators, Healthmatic, and was made possible by a s106 grant from Lambeth Local Authority.

**REPORT OF THE TRUSTEE****Financial Review**

Southbank Centre made a deficit of £1.14m on the unrestricted operations fund before reserves transfers.

<u>Income</u>	<b>2013</b>		<b>2012</b>	
	<b>£'000</b>		<b>£'000</b>	
Donations and sponsorship	3,569	8%	2,214	5%
Arts Council revenue grant	16,831	40%	18,912	46%
Activities for generating funds	13,400	31%	12,403	29%
Income from artistic activity	8,805	21%	8,563	20%
Interest receivable	35	0%	16	0%
<b>Total operating income</b>	<b>42,640</b>	<b>100%</b>	<b>42,108</b>	<b>100%</b>

Overall Southbank Centre's operating income increased by 1% compared to the previous year. Unrestricted Arts Council England revenue grant funding reduced by £2m but increases in other income compensated for this. Income from activities for generating funds increased by £1m from a range of pop-up commercial activities on site such as the Electrolux Cube, Wahaca and summer funfair. Income from donations and sponsorship also increased by £1.3m due mainly to projects for the Olympics period.

Expenditure

	<b>2013</b>		<b>2012</b>	
	<b>£'000</b>		<b>£'000</b>	
Cost of fundraising	873	2%	913	2%
Retail and trading	5,431	12%	5,975	14%
Cost of charitable activities	37,138	85%	34,772	82%
Governance	338	1%	327	1%
<b>Total operating expenditure</b>	<b>43,780</b>	<b>100%</b>	<b>41,987</b>	<b>100%</b>

Operating expenditure increased by 4% compared to the previous year. The cost of charitable activities increased by £2.4m reflecting the high level of artistic activity related to the Festival of the World and Olympic projects. Retail and trading costs reduced by £0.5m reflecting lower cost of sales for the shops and other efficiencies in generating income.

**Vision**

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

**Mission**

To draw everyone possible to this loved site and captivate them through our unique arts programme and the warmth of our welcome.

**Objectives**

- To offer life enriching encounters between audiences and the world's great and emerging artists in music, visual arts, dance, performance and literature.
- To enable anyone to experience the excitement of exploring their own creativity and artistry through our far-reaching programme of learning and participation.
- To welcome the world to the unrivalled visitor experience of our riverside site with its iconic buildings and history and its continuous sense of festival.
- To demonstrate successfully that commercial entrepreneurship can live happily beside the demanding requirements of art making, and profit both.

## REPORT OF THE TRUSTEE

### Strategies to achieve main objectives

#### Artistic strategy

Southbank Centre has its origins in the 1951 Festival of Britain and is one of the great democratic and imaginative gestures of the last century, holding a unique place in the arts establishment of the UK. Southbank's mission, to draw everyone possible to this loved site and captivate them through our unique arts programme and warmth of our welcome, comes from our commitment to the original ideal that art is for everyone.

In recent years, we have drawn on our festival heritage to create an artistic programme that integrates many different artforms, and makes use of all the possibilities offered by the 21 acre site and our venues, based around a series of annual and one-off themed festivals. Our market research confirms that we are achieving our ambition of a year-round sense of festival at Southbank Centre: it is a place where people say "there is always something to see and do at Southbank Centre." Further, the festival programme provides the framework for cultural activism in a very positive way. For instance, Imagine, our children's festival is a platform from which to consider children's right to culture.

In 2013-14, our summer festival theme is Festival of the Neighbourhood, sponsored by MasterCard.

Other highlights in the festival programme include our Winter Festival, WoW- Women of the World in its fourth year, Imagine which is five years old in February 2014 and the London Literature Festival, celebrating its eighth year in 2014. As this report is written, we are preparing for Yoko Ono's Meltdown.

The remainder of 2013 sees part two of the year long festival exploring 20th Century classical music, The Rest is Noise, inspired by Alex Ross' book of the same title. In total, twelve weekends of talks, debates, readings and films have been programmed investigating the historical, political, social and cultural context to this music. We have been delighted with the response. It demonstrates that new audiences can be encouraged into classical music, and is especially gratifying as much of this repertoire is considered difficult and inaccessible to any but the specialist listener.

#### Learning and Participation

Learning and Participation lies at the heart of all of Southbank Centre's cultural activity. Our remarkable place in the history not only of performance but in architecture and design since 1951 confirm our potential as a natural cultural learning space. We will continue to develop different strands within our role as an alternative educational institution for all. Southbank Centre's unique rhythm moving across the hours from early morning until late at night, its matrix of interconnecting spaces and its extraordinary 'faculty' of artists and thinkers from many disciplines make us well placed to experiment with different education models. A strategic goal for the next five years is to firmly establish Southbank Centre as a heritage and research site in the popular imagination and in popular understanding and to lead a new wave of heritage participation within the cultural sector at large.

**REPORT OF THE TRUSTEE**

**Festival Wing – the Transformation of the Queen Elizabeth Hall, Purcell Room and Hayward Gallery**

This project is described in more detail in the section on capital projects. The project's goal is to bring the 1960s buildings up to the standard of the Royal Festival Hall, and to provide new artistic spaces within a vastly improved public realm for the enjoyment of our visitors. We submitted the detailed planning application in May 2013, and during the remainder of 2013-14 we will be developing the detailed design of the project and will commence the tender process for construction (subject to granting of the application). The plans are to close that part of the site for a two to three year development phase from Autumn 2014, re-opening in 2016/17.

**Implementation of the Digital Strategy**

Our new digital strategy aims to transform the organisation, amplify our festivals, and create a new digital artistic programme. Work is already well advanced on putting in place the building blocks. We have recruited a CIO and Head of Digital Engagement, at the same time reviewing and restructuring our digital teams ready for the future. We have improved the design of our website to provide a better user experience and greater stability during periods of peak ticket sales.

New digital signage and e-commerce platforms both go live in September increasing the online and on-site experience. We are testing a new video capture system in May making it possible to stream live performance from every venue at the push of a button. Beyond this we are rethinking the use of digital to enhance the overall visitor journey online and onsite.

**Entrepreneurship and financial sustainability**

Southbank Centre is aiming to generate an increasing proportion of funding from its own resources, through a combination of extending existing entrepreneurial activities and introducing new income strands, e.g. through a range of pop-up restaurants and new income generating offers linked to the festival programme.

**Developing audiences**

We aim to understand our audiences better, increase numbers and extend our reach, with a particular focus on the un-ticketed audience for our extensive free programming .

**Visitor experience**

Work will continue on improving the experience of the visitor in all the touch-points of their journey.

**Public Benefit**

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on the Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring the accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity, including unticketed events, to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 21 acre site along the South Bank. Further details are given above under *Review of the Business* .

## REPORT OF THE TRUSTEE

### Employee Policies

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

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

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

### Reserves Policy

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

#### *Unrestricted reserves*

Within unrestricted reserves there are both general and designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are called the General Reserve. The General Reserve is available for any charitable purposes and is not earmarked for reinvestment in any specific area.

#### *Planned level of unrestricted reserves*

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

#### *General Reserve*

As at 31 March 2013 the General Reserve balance was £2.6m (2012: £2.6m) which is sufficient to cover approximately three weeks of budgeted operating expenditure excluding any income.

#### *Designated Reserves*

As at 31 March 2013 Southbank Centre held five designated reserves:

##### *(i) Capital Reserve (£48.5m)*

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

Income and expenditure are allocated to this reserve if they relate to capital purchases which have been funded by grants and donations whose restricted terms have been fulfilled. From time to time surpluses are also allocated to this reserve to fund future asset purchases. Southbank Centre reviews its reserve levels in order to ensure sufficient future liquidity for its plans, including capital expenditure, and the level of transfers to and from this reserve is budgeted to reflect this.

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

This reserve reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 7.



## REPORT OF THE TRUSTEE

### *(iii) Hayward Gallery Prints Fund (£0.1m)*

Southbank Centre buys and sells prints for display in the Hayward Gallery and on touring exhibitions. Sales of prints are used to fund purchases of new prints. This fund has been set up to record separately the remaining balance of funds available to purchase prints.

### *(iv) Strategic Reserve (£0.3m)*

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

### *(v) Pension Plan (-£4.1m)*

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

### *Review of the policy*

The Reserves Policy is reviewed annually.

## **Going Concern**

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

The Governors have given due consideration to the working capital and cash flow requirements of Southbank Centre. The Governors consider Southbank Centre's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

Southbank Centre substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure (in the unrestricted operations fund). Arts Council England has confirmed funding for Southbank Centre to March 2015. The going concern basis used in the preparation of these financial statements is based upon the expectation that Southbank Centre will continue to receive sufficient support from the Arts Council England to match its expenditure with the total revenue it raises.

The current deficit of £4.1m on the Pension Plan as at 31 March 2013 represents a decrease of £0.7m on the deficit shown at the previous year end. The decrease in the deficit reflects the overall effect of actuarial gains combined with contributions paid. The Governors and Trustees will continue to work towards closing this deficit and it is anticipated this will not require additional resources over and above those already budgeted. The Governors therefore conclude that no designation is necessary of funds held at the balance sheet date to meet future contributions.

Having taken all of these factors into account, the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future and, for this reason, has continued to adopt the going concern basis for preparation of the financial statements.

## **Funding Agreement**

Southbank Centre is subject to Arts Council England's normal monitoring arrangements and annual reviews. Southbank Centre operates under an annual Funding Agreement with Arts Council England, the terms of which require Southbank Centre to provide regular financial and non-financial data to Arts Council England for monitoring Southbank Centre's artistic activities, commercial progress and financial position. The reports provided include detailed annual budgets, monthly management accounts, and all papers circulated for the meetings of the Board, including the minutes of meetings of the Audit and Risk Committee. Arts Council England also receives copies of all advance publicity material for events at Southbank Centre and is invited to attend Southbank Centre's board meetings.

## REPORT OF THE TRUSTEE

The year ended 31 March 2013 represents the first year of the current three-year funding cycle from Arts Council England. Arts Council England has indicated they will fund Southbank Centre until 31 March 2015.

### **Risk Management**

The Governors have examined the major strategic, business and operational risks which the charity faces, and have reviewed a risk register prepared by management for continual assessment and actions to mitigate those risks. The following are the major risks identified:

- Failure to achieve the high artistic standards to which Southbank Centre is committed.
- Failure to comply with core funding agreements and to fulfil commitments to key sponsors.
- Impact of any further economic downturn on ticket sales, fundraising and commercial income from shops and outlets.
- Failure to comply with key legislative requirements.
- Major disaster causing significant infrastructure damage and loss of business.
- Operational and financial risks associated with undertaking a major capital project.

The Governors have determined the major risks to which the charity is exposed, 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. This position is recorded in a risk register which is issued by management and will continue to be reviewed regularly.

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

### **Internal Financial Control**

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors have delegated their monitoring role to the Board's Audit and Risk Committee, whose members are all non-executive, but continue to review the minutes of that Committee's meetings. It reviews the effectiveness of Southbank Centre's internal financial control environment and receives reports from the external and internal auditors on a regular basis. Both auditors have the right to call a meeting of the Committee and both have direct access to its Chairman.

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

- comprehensive annual budgets
- monthly results reported against budget, and with year-end forecasts prepared on a regular basis
- targets set to measure financial and other performance
- clearly defined capital expenditure control guidelines.

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

**REPORT OF THE TRUSTEE**

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2013 through regular reports from Executive Management, reports from the internal auditor and comments made in the annual management letter from the external auditors.

**Annual audit**

The annual audit of Southbank Centre is carried out by two sets of auditors: PricewaterhouseCoopers LLP and the Comptroller and Auditor General. The Comptroller and Auditor General expresses an audit opinion on the Southbank Centre's financial statements prior to them being laid before Parliament, along with his opinion and report. To deliver the audit opinions in the most efficient and effective way, the National Audit Office, which carries out the audit on behalf of the Comptroller and Auditor General, has access to the files of PricewaterhouseCoopers LLP in order to satisfy itself on the extent of the audit and in order to enable it to inform the Comptroller and Auditor General's audit opinion.

The Governors believe that all relevant information has been made available to the external auditors.

**Political and Charitable Donations**

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

**Insurances**

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

By Order of the Board

*R Haythornthwaite*  
Chairman  
Southbank Centre Limited  
as Trustee for Southbank Centre

2 July 2013

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Under Section 47 of the Local Government Act 1985 Southank Centre Limited, as sole corporate trustee of Southbank Centre is responsible for preparing the Trustee's 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 charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 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 charity and enable the Trustee to ensure that the financial statements comply with the directions under the Local Government Act 1985, 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 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 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**

I have audited the financial statements of the Southbank Centre for the year ended 31 March 2013. The financial statements comprise the Consolidated Statement of Financial Activities, Group Operating Statement, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of the Trustee and auditor**

As explained more fully in the Statement of Trustee Responsibilities the Trustee is responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Southbank Centre's and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements.

In addition I read all the financial and non-financial information in the Report of the Trustee to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income funded by Parliament and recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Opinion on Regularity**

In my opinion, in all material respects the expenditure and income funded by Parliament and recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the Group's and Southbank Centre's affairs as at 31 March 2013, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF SOUTHBANK CENTRE**

**Matters on which I report by exception**

I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
London SW1W 9SP*

*July 2013*

**SOUTHBANK CENTRE**  
**GROUP OPERATING STATEMENT**  
Year ended 31 March 2013

	2013 £'000	2012 £'000
<b>INCOME</b>		
Donations and sponsorships	3,569	2,214
Arts Council revenue grant	16,831	18,912
Activities for generating funds	13,400	12,403
Income from artistic activity	8,805	8,563
Interest receivable	35	16
Total operating income	<u>42,640</u>	<u>42,108</u>
<b>EXPENDITURE</b>		
Costs of fundraising	873	913
Retail and trading	5,431	5,975
Costs of charitable activities	37,138	34,772
Governance	338	327
Total operating expenditure	<u>43,780</u>	<u>41,987</u>
<b>TRANSFERS</b>		
Use of restricted project funds	-	139
Transfer to designated funds		(260)
Transfer to general reserves	1,140	-
<b>OPERATING SURPLUS</b>	<u>-</u>	<u>-</u>
<b>RECONCILIATION TO STATEMENT OF FINANCIAL ACTIVITIES</b>		
Operating Surplus	-	-
Income for Restricted Capital	6,837	4,955
Income for Designated Funds	641	67
Total resources expended - Designated Funds	(6,857)	(8,427)
Total resources expended - Restricted Capital	-	(597)
Use of restricted reserves	-	(139)
Transfer to designated funds	-	260
Transfer to general reserves	(1,140)	
Net outgoing resources before other recognised gains and losses	<u>(519)</u>	<u>(3,881)</u>

*Note* The Operating Statement combines Southbank Centre's Unrestricted Operations income and expenditure with short term restricted project revenue income and expenditure funded by earmarked donations to reflect Southbank Centre's operating activity undertaken in the year.

Costs of fundraising include £516,000 of costs directly attributable to the Development team, and £390,000 of administrative and support costs allocated to fundraising in accordance with the requirements of Statement of Recommended Practice 'Accounting and Reporting by Charities'.

SOUTHBANK CENTRE  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
Year ended 31 March 2013

	Notes	Unrestricted funds		Restricted funds		Total funds	
		Operations	Designated	Projects	Capital	2013	2012
		£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOMING RESOURCES</b>							
<b>Incoming resources from generated funds</b>							
<i>Voluntary income</i>							
Donations and sponsorship		1,816	22	1,753	-	3,591	2,281
Arts Council grant		16,589	-	242	5,833	22,664	22,818
Funding for assets under construction		-	-	-	1,004	1,004	1,049
<i>Activities for generating funds</i>	3	13,400	-	-	-	13,400	12,403
<i>Interest receivable</i>	9	35	-	-	-	35	16
		<u>31,840</u>	<u>22</u>	<u>1,995</u>	<u>6,837</u>	<u>40,694</u>	<u>38,567</u>
<b>Incoming resources from charitable activities</b>							
Artistic activity	3	8,716	619	89	-	9,424	8,563
<b>Total incoming resources</b>		<u>40,556</u>	<u>641</u>	<u>2,084</u>	<u>6,837</u>	<u>50,118</u>	<u>47,130</u>
<b>RESOURCES EXPENDED</b>							
<b>Costs of generating funds</b>							
Costs of fundraising	5	873	33	-	-	906	956
Retail and trading	5	5,431	569	-	-	6,000	6,605
		<u>6,304</u>	<u>602</u>	<u>-</u>	<u>-</u>	<u>6,906</u>	<u>7,561</u>
<b>Costs of charitable activities</b>							
Artistic activity	5	35,054	6,218	2,084	-	43,356	42,410
Construction and refurbishment	5	-	37	-	-	37	713
		<u>35,054</u>	<u>6,255</u>	<u>2,084</u>	<u>-</u>	<u>43,393</u>	<u>43,123</u>
<b>Governance costs</b>							
	5	338	-	-	-	338	327
<b>Total resources expended</b>	5	<u>41,696</u>	<u>6,857</u>	<u>2,084</u>	<u>-</u>	<u>50,637</u>	<u>51,011</u>
<b>Net incoming/(outgoing) resources before transfers</b>	2	<u>(1,140)</u>	<u>(6,216)</u>	<u>-</u>	<u>6,837</u>	<u>(519)</u>	<u>(3,881)</u>
<b>Transfers between funds</b>	14	1,140	5,747	-	(6,887)	-	-
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		<u>-</u>	<u>(469)</u>	<u>-</u>	<u>(50)</u>	<u>(519)</u>	<u>(3,881)</u>
<b>Other recognised gains and losses</b>							
Loss on fixed asset revaluation		-	(37,006)	-	-	(37,006)	-
Actuarial (losses)/gains on defined benefit pension schemes	17	-	95	-	-	95	(690)
Gain on property transaction		-	-	-	-	-	3,174
<b>Net movement in funds</b>		<u>-</u>	<u>(37,380)</u>	<u>-</u>	<u>(50)</u>	<u>(37,430)</u>	<u>(1,397)</u>
<b>RECONCILIATION OF FUNDS</b>							
Net movement in funds		-	(37,380)	-	(50)	(37,430)	(1,397)
Fund balances brought forward	14	2,582	251,506	126	185	254,399	255,796
<b>Total funds carried forward</b>	14	<u>2,582</u>	<u>214,126</u>	<u>126</u>	<u>135</u>	<u>216,969</u>	<u>254,399</u>

*All of the above results are derived from continuing activities*  
This statement incorporates the Statement of Total Realised Gains and Losses required by FRS 3 for the financial years stated above  
The Movements on Reserves are also described in note 14  
The notes on pages 24 to 40 form part of these financial statements

*There is no material difference between the net outgoing resources before transfers for the financial years stated above and their historical cost equivalents*



# SOUTHBANK CENTRE

## BALANCE SHEETS

31 March 2013

	Notes	Group		Charity	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
<b>Fixed assets</b>					
Tangible assets	7	239,995	280,245	239,995	280,245
<b>Current assets</b>					
Stocks of consumables and goods held for resale		383	327	152	113
Debtors - due within one year	10	3,893	4,063	6,043	6,662
Debtors - due after one year	10	-	440	-	440
Cash at bank and in hand					
Short term deposits		-	2,000	-	2,000
Cash held in other accounts		5,180	4,091	2,917	1,506
Total current assets		<u>9,456</u>	<u>10,921</u>	<u>9,112</u>	<u>10,721</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(11,355)</u>	<u>(11,278)</u>	<u>(11,054)</u>	<u>(11,132)</u>
		<u>(11,355)</u>	<u>(11,278)</u>	<u>(11,054)</u>	<u>(11,132)</u>
Net current liabilities		(1,899)	(357)	(1,942)	(411)
Total assets less current liabilities		238,096	279,888	238,053	279,834
Creditors: amounts falling due after one year	13	<u>(17,045)</u>	<u>(20,693)</u>	<u>(17,002)</u>	<u>(20,639)</u>
Net assets excluding pension liability		<u>221,051</u>	<u>259,195</u>	<u>221,051</u>	<u>259,195</u>
Defined benefit pension liability	17	<u>(4,082)</u>	<u>(4,796)</u>	<u>(4,082)</u>	<u>(4,796)</u>
Net assets including pension liability		<u>216,969</u>	<u>254,399</u>	<u>216,969</u>	<u>254,399</u>
<b>The funds of the charity</b>					
<b>Unrestricted funds</b>					
General reserves	14	2,582	2,582	2,582	2,582
Designated funds	14	218,208	256,302	218,208	256,302
Pension reserve	14 & 17	<u>(4,082)</u>	<u>(4,796)</u>	<u>(4,082)</u>	<u>(4,796)</u>
Total designated funds		<u>214,126</u>	<u>251,506</u>	<u>214,126</u>	<u>251,506</u>
Total unrestricted funds	14	<u>216,708</u>	<u>254,088</u>	<u>216,708</u>	<u>254,088</u>
<b>Restricted funds</b>					
Projects fund	14	126	126	126	126
Restricted capital reserve	14	135	185	135	185
Total restricted funds	14	<u>261</u>	<u>311</u>	<u>261</u>	<u>311</u>
<b>Total funds</b>	14	<u>216,969</u>	<u>254,399</u>	<u>216,969</u>	<u>254,399</u>

The notes on pages 24 to 40 form part of these financial statements

These financial statements were approved by the Board on 2 July 2013 and signed on its behalf by

R Haythornthwaite  
Chairman

**SOUTHBANK CENTRE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 March 2013

	Note	2013 £'000	2012 £'000
<b>CASH FLOW STATEMENT</b>			
Net cash inflow/(outflow) from operating activities		7,410	(1,680)
Returns on investment and servicing of finance			
Interest received	9	35	16
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	7	(4,859)	(1,944)
Sale of fixed assets		40	29
Gain on property transaction		-	3,174
Net cash inflow / (outflow) before financing		2,626	(405)
Financing			
Loan repayments		(3,537)	(2,764)
Decrease in cash balances		(911)	(3,169)

<b>RECONCILIATION OF OPERATING DEFICIT TO NET CASH FLOW FROM OPERATIONS</b>			
Net outgoing resources before transfers		(519)	(3,881)
Interest received		(35)	(16)
Depreciation charge	7	8,040	8,080
Loss on disposal of fixed assets		23	25
Increase in stock		(56)	(54)
(Decrease)/increase in debtors	10	610	(601)
(Increase)/decrease in creditors		(34)	(6,303)
FRS17 movements		(619)	1,070
Net cash inflow/(outflow) from operating activities		7,410	(1,680)

<b>ANALYSIS OF MOVEMENT IN NET DEBT</b>			
	Balance as at 1 April 2012 £'000	Movement in the year £'000	Balance as at 31 March 2013 £'000
Cash in hand and at bank	6,091	(911)	5,180
Debt due within one year	(587)	255	(332)
Debt due after more than one year	(18,777)	3,282	(15,495)
	(19,364)	3,537	(15,827)
Total	(13,273)	2,626	(10,647)

<b>ANALYSIS OF CHANGES IN CASH DURING THE YEAR</b>			
	2013 £'000	2012 £'000	
Opening balance	6,091	9,260	
Net cash outflow	(911)	(3,169)	
Closing balance	5,180	6,091	

**1 STATEMENT OF 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.

a) *Basis of preparation*

The Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, with the applicable requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), issued in March 2005, the Charities Act 2011, and under the historical cost accounting rules, as modified to include the revaluation of land and buildings. Southbank Centre's income and expenditure transactions in furtherance of its charitable objects are recorded and reported through its operations fund, which is an unrestricted general fund. The Board has additionally set aside reserves for future capital and artistic projects, in unrestricted designated funds. Further details are given in note 14 to the financial statements.

The financial statements are drawn up on the going concern basis which assumes Southbank Centre will continue in operational existence for the foreseeable future. The Board have given due consideration to the working capital and cash flow requirements of Southbank Centre. The Board consider Southbank Centre's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

Southbank Centre substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure (in the unrestricted operations fund). Arts Council England has confirmed funding for Southbank Centre to March 2015. The going concern basis used in the preparation of these financial statements is based upon the expectation that Southbank Centre will continue to receive sufficient support from the Arts Council England to match its expenditure with the total revenue it raises.

b) *Group financial statements*

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

A wholly owned subsidiary, Southbank Centre Enterprises Limited, was established in April 2007 to undertake certain commercial activities on behalf of Southbank Centre. The results of Southbank Centre Enterprises Limited are consolidated with the financial statements for Southbank Centre. In accordance with paragraph 397 of the SORP, a separate Statement of Financial Activities for Southbank Centre is not shown. See note 18 for details on the results of Southbank Centre Enterprises Limited.

c) *Income recognition*

All incoming resources are recognised in the Statement of Financial Activities when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy and certainty.

The following specific policies apply:

Donations and sponsorship are included as incoming resources 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.

**1 STATEMENT OF ACCOUNTING POLICIES**

c) *Income recognition (continued)*

The grant received from Arts Council England is recognised within incoming resources in the period to which it relates. Any grants received in advance of entitlement are deferred and included within creditors.

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

Activities for generating funds comprises income from trading activities, fundraising, and other income. This income is recognised on a receivable basis.

Income classified as 'Artistic activity' which relates to performance and specific deliverables is recognised when the Charity earns the right to consideration by its performance. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.

d) *Expenditure and resources expended*

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

Costs of fundraising are those incurred by the Development department in raising funds for the purposes of the charity.

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

Construction and refurbishment costs are those related to building projects.

Governance costs comprise those incurred as a result of constitutional and statutory requirements.

e) *Fixed assets and depreciation*

- i) The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated in the balance sheet at Depreciated Replacement Cost (DRC) in the absence of suitable open market comparators. All other land and buildings have been stated at cost. A DRC valuation requires:

- an estimate of the open market value of the land for its existing use;
- an estimate of the replacement cost of the buildings; and
- deductions to allow for age, condition and any functional obsolescence.

A DRC assessment of land and buildings was made as at 31 March 2013. It is assumed that existing use continues, including the long lease granted to the British Film Institute in respect of the National Film Theatre.

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

Depreciation on lease premiums is charged over the length of the lease.

**1 STATEMENT OF ACCOUNTING POLICIES**

e) *Fixed assets and depreciation (continued)*

- 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. There have been no such events during the year and therefore no impairment.

f) *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 Saison Poetry Library which houses The Arts Council Poetry Collection, the most comprehensive and accessible collection of modern poetry in Britain.

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

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

g) *Stocks*

Stocks are stated at the lower of cost and net realisable value and comprise catalogues and other goods held for resale.

h) *Leases*

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

**1 STATEMENT OF ACCOUNTING POLICIES**

i) *Pensions*

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 FRS 17 *Retirement Benefits*, in relation to the Pension Plan's defined benefit section, and the deficit is treated as an unrestricted fund. For the defined contribution section, the cost to Southbank Centre is the contributions accrued during the year.

For the defined benefit section the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in 'Other recognised gains and losses'.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

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

j) *Foreign currencies*

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

k) *Derivative 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.

Interest differentials under interest rate swaps are recognised by adjusting the new interest payable over the periods of the contracts.

Southbank Centre has not adopted FRS 26 *Financial Instruments: Recognition and Measurement*.

l) *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.

m) *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.

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**2 NET INCOMING/ (OUTGOING) RESOURCES**

	2013 £'000	2012 £'000
Net incoming/ (outgoing) resources are stated after charging:		
Leasing of land and buildings	95	95
Depreciation charge on assets wholly owned by Southbank Centre	8,040	8,080
Auditors' remuneration for audit services (Southbank Centre)	60	60
Auditors' remuneration for audit services (Enterprises)	5	5
Auditors' remuneration for tax and other fees	-	2
Liability insurance for Governors and employees	7	11
Losses on foreign exchange differences	11	10

The auditors' remuneration relates to both PricewaterhouseCoopers LLP (£57,000) and the National Audit Office (£8,000).

**3 ACTIVITIES FOR GENERATING FUNDS AND INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
<i>Activities for generating funds - retail and trading</i>				
Retail and catalogue sales	1,779	2,133	455	506
Concessions and car parking	7,455	7,278	5,566	5,308
Hall and space rentals	1,837	1,554	-	-
Memberships and subscriptions	618	513	618	513
Other income	1,711	925	35	73
	<u>13,400</u>	<u>12,403</u>	<u>6,674</u>	<u>6,400</u>
<i>Incoming resources from charitable activities - artistic activity</i>				
Own promotions	5,605	5,602	5,605	5,602
Artistic rentals	1,923	2,046	1,923	2,046
Other income	1,896	915	1,896	915
	<u>9,424</u>	<u>8,563</u>	<u>9,424</u>	<u>8,563</u>

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**4 STAFF COSTS**

	Total	
	2013	2012
	£'000	£'000
Employee costs amounted to:		
Wages and salaries	13,398	13,300
Social security costs	1,286	1,302
Pension costs	965	1,108
	<u>15,649</u>	<u>15,710</u>

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2012: £nil) in reimbursement of travelling and subsistence expenses.

The average full time equivalent employees were:

	2013	2012
	No.	No.
Operational services	58	54
Marketing	36	37
Press & Communications	11	11
Visitor Experience	102	99
Retail Sales and Space Rental	24	26
Fundraising	14	12
Performing arts	56	56
Hayward Gallery	52	53
Management and administration	48	46
Site Project Team	3	0
	<u>404</u>	<u>394</u>

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

	2013	2012
	No.	No.
£60,001 - £70,000	7	5
£70,001 - £80,000	8	8
£80,001 - £90,000	1	2
£90,001 - £100,000	1	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£130,001 - £140,000	1	-
£210,001 - £220,000	-	1
£220,001 - £230,000	1	-
	<u>20</u>	<u>19</u>

Of these 20 employees, Southbank Centre paid pension contributions of £69,800 (2012: £54,892) for 12 employees (2012: 9 employees) who were members of the defined contribution section of the pension scheme. Southbank Centre also paid contributions for 5 employees (2012: 5 employees) who were members of the defined benefit section of the pension scheme and 1 employee (2012: 1 employee) who was a member of a personal pension plan.



SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**5 TOTAL RESOURCES EXPENDED**

Group	Direct costs	Support costs	Total	
	£'000	£'000	2013 £'000	2012 £'000
<b>Costs of generating funds</b>				
Costs of fundraising	516	390	906	956
Retail and trading	2,767	3,233	6,000	6,605
<b>Costs of charitable activities</b>				
Artistic activity	14,895	28,461	43,356	42,410
Construction and refurbishment	37	-	37	713
<b>Governance Costs</b>	126	212	338	327
	<u>18,341</u>	<u>32,296</u>	<u>50,637</u>	<u>51,011</u>

**6 ALLOCATION OF SUPPORT COSTS**

Group	Management and Administration	Marketing and Communications	Human Resources	Operations	Depreciation and disposals	Total	
	£'000	£'000	£'000	£'000	£'000	2013 £'000	2012 £'000
<b>Costs of generating funds</b>							
Costs of fundraising	123	103	49	75	40	390	423
Retail and trading	658	552	83	1,266	674	3,233	3,536
<b>Costs of charitable activities</b>							
Artistic activity	3,543	2,972	730	13,848	7,368	28,461	28,148
<b>Governance</b>	212	-	-	-	-	212	198
<b>TOTAL support costs</b>	<u>4,536</u>	<u>3,627</u>	<u>862</u>	<u>15,189</u>	<u>8,082</u>	<u>32,296</u>	<u>32,305</u>

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

Support Costs	Allocation basis
Management and Administration	Direct spend on those activities
Marketing and Communications	Direct spend on those activities
Human Resources	Headcount
Operations	Floor area
Depreciation	Floor area
Governance	Estimated time spent on governance activities

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

	2013 £'000	2012 £'000
Internal audit	54	53
External audit	65	65
Governors' indemnity insurance	7	11
Apportionment of staff costs	<u>212</u>	<u>198</u>
	<u>338</u>	<u>327</u>

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**7 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 2012	279,143	24,851	1,915	6,329	6,407	223	318,868
Additions	44	2	3,502	759	552	-	4,859
Loss on revaluation	(68,292)	-	-	-	-	-	(68,292)
Transfers	(12)	12	-	-	-	-	-
Disposals	(136)	(174)	-	(77)	(504)	-	(891)
At 31 March 2013	<u>210,747</u>	<u>24,691</u>	<u>5,417</u>	<u>7,011</u>	<u>6,455</u>	<u>223</u>	<u>254,544</u>
<i>Accumulated depreciation</i>							
At 1 April 2012	25,090	4,582	-	3,456	5,312	183	38,623
Charge in year	6,291	633	-	510	600	6	8,040
On disposals	(95)	(153)	-	(76)	(504)	-	(828)
On revaluation	(31,286)	-	-	-	-	-	(31,286)
At 31 March 2013	<u>-</u>	<u>5,062</u>	<u>-</u>	<u>3,890</u>	<u>5,408</u>	<u>189</u>	<u>14,549</u>
<i>Net Book Value</i>							
At 31 March 2013	<u>210,747</u>	<u>19,629</u>	<u>5,417</u>	<u>3,121</u>	<u>1,047</u>	<u>34</u>	<u>239,995</u>
At 31 March 2012	<u>254,053</u>	<u>20,269</u>	<u>1,915</u>	<u>2,873</u>	<u>1,095</u>	<u>40</u>	<u>280,245</u>

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, the Waterloo Undercroft, 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, with the exception of the Waterloo Undercroft, is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value stated above cannot be realised for the benefit of Southbank Centre. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The open market value of the land has been assessed at a nominal value, given the constraints on its permitted existing use. 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. The lease on the Waterloo Undercroft is for 150 years, expiring on 26 February 2148, and was partly financed by lottery funds of £937,500 from Arts Council England. In the event that the property is disposed of before that date Southbank Centre will have to repay a proportion of the lottery funds.

The leasehold interest in Southbank Centre vested in Southbank Centre Limited having approximately 125 years unexpired at an annual ground rent of a peppercorn was valued on a Depreciated Replacement Cost (DRC) basis as at 31 March 2013 using figures provided by an external RICS Registered Valuer from the Valuation Office Agency. The DRC valuation was £210.7m compared to a net book value immediately prior to the valuation of £247.8m, and the deficit of £37.1m on revaluation was debited to the revaluation reserve. The previous valuation was carried out as at 31 March 2008.

The extension building for the Royal Festival Hall was completed in March 2006. It provides office space for staff, technical facilities and retail and catering outlets. It was funded by means of a £4m award from the London Development Agency supplemented by a bank loan from AIB Group (UK) plc which has taken a charge over the building.

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

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

## **8 HERITAGE ASSETS**

### **The Southbank Centre Collection**

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

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

### **The Southbank Centre Archive**

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

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

### **Poetry Library**

The Saison Poetry Library houses the Arts Council 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

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**9 INTEREST RECEIVABLE**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Interest receivable on bank deposits	35	16	29	13
	<u>35</u>	<u>16</u>	<u>29</u>	<u>13</u>

**10 DEBTORS**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade debtors	983	1,253	487	945
Other debtors	672	151	557	124
Amounts owed from group undertakings	-	-	3,083	3,100
Prepayments and accrued income	2,238	2,659	1,916	2,493
	<u>3,893</u>	<u>4,063</u>	<u>6,043</u>	<u>6,662</u>
Accrued income - due after one year	-	440	-	440
	<u>3,893</u>	<u>4,503</u>	<u>6,043</u>	<u>7,102</u>

Accrued income due after one year relates to donations which have met the conditions for recognition in the SOFA, but which have not yet been received.

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade creditors and accruals	6,124	5,049	5,936	4,966
Loans	332	587	332	587
Amounts owed to group undertakings	-	-	207	1,173
Advanced ticket sales	2,794	2,372	2,794	2,372
Deferred income	2,105	3,270	1,785	2,034
Total creditors due within one year	<u>11,355</u>	<u>11,278</u>	<u>11,054</u>	<u>11,132</u>

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

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**12 DEFERRED INCOME**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Deferred income brought forward	5,186	5,180	3,896	4,030
Released in the year	(3,729)	(3,275)	(2,440)	(2,126)
Deferred in the year	2,198	3,281	1,837	1,992
Deferred income carried forward	<u>3,655</u>	<u>5,186</u>	<u>3,293</u>	<u>3,896</u>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Deferred income	1,550	1,916	1,507	1,862
Loans	15,495	18,777	15,495	18,777
	<u>17,045</u>	<u>20,693</u>	<u>17,002</u>	<u>20,639</u>

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

Within one year	332	587	332	587
Within two to five years	1,930	2,901	1,930	2,901
After five years	13,565	15,876	13,565	15,876
	<u>15,827</u>	<u>19,364</u>	<u>15,827</u>	<u>19,364</u>

The loans consist of the following facilities:

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

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

**14 GROUP & CHARITY RESERVES**

	Balances as at 1 April 2012 £'000	Movements in resources		Other Gains & Losses £'000	Transfers in/(out) £'000	Balances as at 31 March 2013 £'000
		Incoming £'000	Outgoing £'000			
<i>Unrestricted funds</i>						
General Reserve	2,582	40,556	(41,696)	-	1,140	2,582
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	-	260
Designated Capital Reserve	49,577	-	(6,857)	-	5,747	48,467
Revaluation Reserve (Restated)	206,411	-	-	(37,006)	-	169,405
Hayward Gallery Prints Fund	54	22	-	-	-	76
Pension Plan Reserve (note 17)	(4,796)	619	-	95	-	(4,082)
<b>Total unrestricted funds</b>	<b>254,088</b>	<b>41,197</b>	<b>(48,553)</b>	<b>(36,911)</b>	<b>6,887</b>	<b>216,708</b>
<i>Restricted funds</i>						
Restricted Capital Reserve	185	6,837	-	-	(6,887)	135
Projects Fund	126	2,084	(2,084)	-	-	126
<b>Total restricted funds</b>	<b>311</b>	<b>8,921</b>	<b>(2,084)</b>	<b>-</b>	<b>(6,887)</b>	<b>261</b>
<b>TOTAL funds (2013)</b>	<b>254,399</b>	<b>50,118</b>	<b>(50,637)</b>	<b>(36,911)</b>	<b>-</b>	<b>216,969</b>
<b>TOTAL funds (2012)</b>	<b>255,796</b>	<b>47,130</b>	<b>(51,011)</b>	<b>2,484</b>	<b>-</b>	<b>254,399</b>

*Unrestricted funds* There are five unrestricted funds, four of which are designated:

The *General Reserves* are available for spending on Southbank Centre's charitable objectives.

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

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

The *Revaluation Reserve* reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 7. The revaluation reserve has been split out from the Designated Capital Reserve reflecting the surplus on revaluations carried out in prior years.

The *Hayward Gallery Prints Fund* relates to prints that Southbank Centre sells in order to fund the purchase of new prints for display in the Hayward Gallery and on touring exhibitions. This fund has been set up to record separately the funds available to purchase prints.

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

*Restricted funds* There are two restricted funds:

The *Capital Reserve: Public Realm Fund* holds unspent grants received for various public realm developments.

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

*Transfers in the year*

£1.1m was transferred from the Restricted Capital Reserve to the General Reserve in the year.

£5.7m was transferred in the year from the restricted Capital Reserve to the unrestricted Capital Reserve reflecting grant income and Arts Council England capital funding received where the restricted purpose has been fulfilled.

SOUTHBANK CENTRE  
NOTES TO THE FINANCIAL STATEMENTS

**14 GROUP & CHARITY RESERVES - CONTINUED**

**Analysis of net assets between funds**

	Restricted funds £'000	Unrestricted funds £'000	Total funds	
			2013 £'000	2012 £'000
Tangible fixed assets	-	239,995	239,995	280,245
Current assets	261	9,195	9,456	10,921
Current liabilities	-	(11,355)	(11,355)	(11,278)
Creditors falling due after one year	-	(17,045)	(17,045)	(20,693)
Pension plan liability	-	(4,082)	(4,082)	(4,796)
	<u>261</u>	<u>216,708</u>	<u>216,969</u>	<u>254,399</u>

**15 CAPITAL COMMITMENTS**

<i>Group and charity</i>	2013 £'000	2012 £'000
Authorised and contracted	<u>1,553</u>	<u>1,240</u>

Capital commitments relate to the Organ refurbishment project and the Festival Wing development.

**16 COMMITMENTS UNDER OPERATING LEASES**

<i>Group and charity</i>	2013 £'000	2012 £'000
Operating leases which expire:		
<i>Land and buildings</i>		
Within one year	-	-
Within five years	-	-
After more than five years	<u>95</u>	<u>95</u>
	<u>95</u>	<u>95</u>

**17 PENSION COSTS**

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

Defined contribution section

Southbank Centre's contributions to the defined contribution section in the year ended 31 March 2013 were £526,000 (2012: £296,000). As at 31 March 2013 outstanding contributions were £49,000 (2012: £26,000). Southbank Centre contributes between 5% and 7% of pensionable salary to the defined contribution section. All contributions are held in separate trustee administered funds.

Defined benefit section

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 2011 by a qualified independent actuary on behalf of the trustees. The actuary has undertaken additional calculations to produce estimated results for the purposes of FRS 17. 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.

Southbank Centre contributed to the defined benefit section at the rate of 16.3% of pensionable salaries. In addition, Southbank Centre has been contributing £32,000 per month into the defined benefit section of the plan during the year. Employees currently pay 7% of pensionable salary.

Regular employer contributions to the plan in 2013/14 are estimated to be £270,000. Deficit contributions to the plan in 2013/14 are expected to be £384,000.

The major assumptions used by the actuary were:

	2013 %	2012 %	2011 %
<u>Main financial assumptions</u>			
Rate of increase in pensionable salaries	3.65	3.55	4.20
Increase in pensions (guaranteed) *	3.40	3.30	3.50
Increase in pensions (discretionary) †	0.00	0.00	0.00
Discount rate	4.50	4.80	5.40
RPI Inflation rate	3.65	3.55	3.75
CPI Inflation rate	N/A	N/A	2.85
<u>Expected asset return</u>			
Expected return on equities	7.00	7.40	7.70
Expected return on bonds	2.90	3.30	4.20
Expected return on property	6.50	6.90	7.50
London Eye Asset	3.43	3.86	5.11

\* Pension increases relating to pensionable service after 6 April 1997 are guaranteed whereas pension increases relating to pensionable service prior to that date are discretionary.

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 23.3 years if they are male and for a further 25.3 years if they are female. For a member who retires in 2033 at age 65 the assumptions are that they will live on average for a further 25.2 years after retirement if they are male and for a further 27.3 years after retirement if they are female.

The results of the actuarial valuation as at 1 April 2011 indicated that there was a significant deficit. The trustees were also advised that discretionary pension increases could only be continued if there was a corresponding significant increase in Southbank Centre's contributions. When the fund is in deficit, the trust deed and rules only permit the trustees to award discretionary pension increases if there is a corresponding increase in the employer's contributions. Consequently, Southbank Centre has obtained additional independent actuarial advice that in current conditions there is no prospect of future discretionary pension increases without a substantial improvement in the funding position. In formulating this policy Southbank Centre recognises that circumstances can change and it may be appropriate at a future date to re-introduce an allowance for discretionary pension increases.

	2013 £'000	2012 £'000
Employer's pension contribution		
Defined benefit section	706	807
Defined contribution section	526	296
	<u>1,232</u>	<u>1,103</u>

The assets and liabilities in the pension plan were:

	2013 £'000	2012 £'000	2011 £'000
Equities	23,629	20,980	19,621
Bonds	8,708	7,313	7,060
Property	1,306	1,275	1,208
Cash	33	191	115
London Eye Asset	6,841	6,286	5,100
Market value of Defined Contribution assets	5,022	3,939	3,193
Total market value of assets	<u>45,539</u>	<u>39,984</u>	<u>36,297</u>
Present value of liabilities	<u>(49,621)</u>	<u>(44,780)</u>	<u>(39,333)</u>
Deficit in plan	<u>(4,082)</u>	<u>(4,796)</u>	<u>(3,036)</u>



**17 PENSION COSTS - CONTINUED**

The equity investments and bonds which are held in plan assets are quoted and are valued at the current bid price following the adoption of the amendment to FRS 17. Previously these were valued at mid price.

Reconciliation of present value of defined benefit liabilities	2013	2012
	£'000	£'000
At 1 April	40,841	36,140
Current service cost	262	310
Past service cost	-	1,698
Interest cost	1,936	2,031
Contributions by plan participants	22	23
Actuarial losses/(gains) on plan liabilities	2,843	1,403
Benefits paid	(1,305)	(764)
At 31 March	<u>44,599</u>	<u>40,841</u>
Reconciliation of fair value of defined benefit assets	2013	2012
	£'000	£'000
At 1 April	36,045	33,104
Expected return on plan assets	2,111	2,162
Actuarial gains on plan assets	2,938	713
Contributions by the Employer	706	807
Contributions by Plan participants	22	23
Net benefits paid out	(1,305)	(764)
At 31 March	<u>40,517</u>	<u>36,045</u>
Actual return on plan assets	2013	2012
	£'000	£'000
Expected return on plan assets	2,111	2,162
Actuarial gain on plan assets	2,938	713
Actual return on plan assets	<u>5,049</u>	<u>2,875</u>
Analysis of actuarial losses recognised:	2013	2012
	£'000	£'000
Actual return less expected return on the plan's assets	2,938	713
Experience gains and losses arising on the plan's liabilities	(2)	1,604
Changes in assumptions underlying the present value of the plan's liabilities	(2,841)	(3,007)
Actuarial (loss)/gain	<u>95</u>	<u>(690)</u>
Analysis of pension scheme outgoing resources	2013	2012
	£'000	£'000
Current service cost	262	310
Past service cost	0	1,698
Interest cost	1,936	2,031
Contributions to DC section	526	296
Expected return on Plan assets	(2,111)	(2,162)
Expense recognised in Statement of Financial Activities	<u>613</u>	<u>2,173</u>
	2013	2012
	£'000	£'000
Expected return on the assets of the pension plan	2,111	2,162
Interest on the liabilities of the pension plan	(1,936)	(2,031)
Net return	<u>175</u>	<u>131</u>

History of experience gains and losses	2013	2012	2011	2010	2009
Difference between expected and actual return on plan's assets					
Amount (£'000)	2,938	713	293	5,282	(5,170)
Percentage	7.25%	1.98%	0.83%	17.19%	(27.00%)
Experience gains and losses on the plan's liabilities					
Amount (£'000)	(2)	1,604	(2)	(1)	(1,441)
Percentage	(0.00%)	3.93%	(0.01%)	(0.00%)	(5.30%)
Total amount recognised in SOFA					
Amount (£'000)	95	(690)	2,448	1,862	(7,909)
Percentage	0.21%	(1.69%)	6.90%	5.06%	(29.09%)

Southbank Centre employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Plan at 31 March 2013.

From 1 March 2012 changes were introduced to the Defined Benefit section of the scheme to reduce the lump sum retirement benefit calculation and spouse's pension entitlement. Member contributions for the Defined Benefit section increased to 7% from 1 March 2013.

There was a total actuarial gain of £95k. During the year, equity and bond markets returned more than assumed. In addition, the value of London Eye Asset increased due to a decrease in the rate used to discount the future rental income stream. Overall this led to a gain on assets of around £2,938k compared with the expected return.

The financial assumptions underlying the calculation of the liabilities changed during the year. The yield on AA-rated corporate bonds fell and the long-term outlook for RPI inflation increased. Overall, this led to a higher value being placed on the liabilities at the year-end than expected at the beginning of the year resulting in a loss of around £2,841k.

The experience loss on the liabilities was £2k.

**18 SUBSIDIARIES**

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

i) *South Bank Foundation Limited*

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

ii) *Southbank Centre Enterprises Limited*

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:

	2013 £'000	2012 £'000
Turnover	8,895	7,923
Cost of sales	(855)	(1,129)
Administrative expenses	(1,663)	(1,546)
Operating profit	<u>6,377</u>	<u>5,248</u>
Interest receivable	6	3
Net result	<u>6,383</u>	<u>5,251</u>
Gift aid due to parent company	(6,383)	(5,251)
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

	2013 £	2012 £
Current assets	4,255	3,300
Creditors: amount falling due within one year	(4,212)	(3,246)
Net current assets	<u>43</u>	<u>54</u>
Creditors: amounts falling due after one year	(43)	(54)
Total net assets	<u>-</u>	<u>-</u>
Represented by:		
Share capital	-	-
Profit and loss account	-	-
	<u>-</u>	<u>-</u>

## 19 CONTINGENT LIABILITIES

Group and charity

### *Legal actions*

As a body managing 21 acres of public spaces, Southbank Centre is currently facing a small number of personal injury claims. An accrual has been made for anticipated liabilities. All remaining claims are strongly denied by Southbank Centre, which believes that they are without foundation. Southbank Centre has taken legal advice on these cases and believes that there is a reasonable prospect of defending them successfully. However Southbank Centre has a contingent liability to the extent legal claims exceed the accrual for anticipated liabilities.

### *Capital grant funding*

As mentioned in note 7, the Royal Festival Hall refurbishment was financed by capital grants from Arts Council England and the Heritage Lottery Fund. A fixed and floating charge was taken out by Arts Council England and Heritage Lottery Fund over the assets of the charity. In the event that Southbank Centre ceases operating £49.2m would be repayable to Arts Council England and Heritage Lottery Fund under this charge.

The Royal Festival Hall extension building was financed by a £4m award from the London Development Agency. In the event that SC ceases operating £4m would be repayable to London Development Agency.

Additionally as also mentioned in note 7 the lease on the Waterloo Undercroft was financed by a capital grant from Arts Council England amounting to £937,500. In the event that the lease is disposed of before it expires in February 2148, Southbank Centre will have to repay a portion of the funds.

## 20 RELATED PARTIES

Rick Haythornthwaite (Chairman of Southbank Centre) is Chairman of Mastercard and was Chairman of Network Rail until July 2012. Southbank Centre has an agreement with Mastercard to provide corporate sponsorship of £1.8m for three annual festivals to be held from summer 2011. During the year ended 31 March 2013 Southbank Centre received £0.6m relating to the sponsorship of Festival of the World celebrations.

Southbank Centre paid rent to Network Rail for the Hungerford Arches 150-152 & 156-167 of £98,000 (2012: £98,000) during the financial year.

Southbank Centre is a trustee of the Jubilee Gardens Charitable Trust which maintains Jubilee Gardens. Southbank Centre does not have significant influence or control over the Trust. Southbank Centre paid a subscription of £20,000 (2012: £10,000) and a repairing contribution of £55,000 (2012: Nil) to Jubilee Gardens Charitable Trust during the year.

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD26,247 (2012: USD2,350) from the American Fund. The American Fund had USD8,704 (2012: USD9,440) in cash balances available to transfer to Southbank Centre at 31 March 2013.

Cornelius Medvei (Governor) is Chair of Trustees of Cockpit Arts a social enterprise that sells work through Southbank Centre's shops and a Trustee of Whitechapel Gallery. Southbank Centre paid commission of £Nil (2012: £4,552) to Cockpit Arts during the financial year and £825 (2012: Nil) to Whitechapel Gallery for a trade stand at the London Art Book Fair.

Jamie Ritblat (Governor) is Chief Executive of Delancey Real Estate Asset Management Limited ("Delancey"). During the year, Southbank Centre received free professional advice from Delancey which has not been recognised in these financial statements because it was not able to be measured or valued with sufficient reliability.

Robin Woodhead (Governor) is a director and Chief Executive of Sotheby's. Southbank Centre stages exhibitions which may incidentally enhance the value of works which may subsequently be offered for sale by Sotheby's on behalf of vendors. During the course of the year neither Southbank Centre nor Mr Woodhead were aware of any material case where this might have arisen. Mr Woodhead has no day to day involvement in deciding which exhibitions or works should be shown at Southbank Centre.

Southbank Centre paid Nihal Arthanayake (Governor) £550 (2012: Nil) curator's fee for The Burban Mela performance as part of the 2012 Alchemy Festival.

Mick Mannion sits on Southbank Centre's property committee as an external advisor and is Managing Director and founder of M3 Consulting. Southbank Centre incurred fees from M3 Consulting for property advice of £53,000 (2012: £114,000) during the financial year.

Harrison and Harrison are the contractors engaged by Southbank Centre to restore the Royal Festival Hall organ. Edward Venning, a member of the Executive team of Southbank Centre is closely related to the Chairman and two other directors of Harrison and Harrison but was not involved in the decision to appoint the company for the refurbishment project.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of the Southbank Centre Retirement Plan. These expenses were £233,000 (2012: £281,000) for the year ended 31 March 2013.