

SOUTHBANK CENTRE

Annual Report and Financial Statements

2022-23

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



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



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REFERENCE AND ADMINISTRATION DETAILS

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

PROFESSIONAL ADVISORS

BANKERS

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

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

SOLICITORS

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

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

INDEPENDENT AUDITORS

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

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

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

Governor

| | |
|----------------------------|----------------------------|
| Misan Harriman (Chair) | |
| Glyn Aikins | |
| Venetia Butterfield | |
| Michael Hussey | |
| Dame Vivian Hunt | |
| Luke Mayhew (Deputy Chair) | |
| Sandy Rattray | |
| William Sargent | |
| Lisbeth Savill | |
| Lynne Shamwana | |
| Kieron Boyle | appointed 14 December 2022 |
| Anais Hayes | appointed 14 December 2022 |
| Salman Mahdi | appointed 14 December 2022 |
| Jerome Misso | appointed 14 December 2022 |
| Ndidi Okezie OBE | appointed 14 December 2022 |

EXECUTIVE LEADERSHIP TEAM

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

| | |
|---------------------------|--------------------------------|
| Elaine Bedell | CEO |
| Mark Ball | Artistic Director |
| Nicola Cardillo-Zallo | Director of People and Culture |
| Heather Clark-Charrington | Director of Audiences |
| Susan Johnston | Chief Operating Officer |
| Amy Ross | Director of Development |

Purpose

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

Vision

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

Chair's foreword

This has been my first full year as Chair of the Southbank Centre and seeing the organisation hitting its stride has been truly invigorating.

The work that we've been doing this last year demonstrates more than ever our determination to be the most open and accessible as well as the most innovative arts centre in the world. The year has been another one full of challenges, especially financial, but the Southbank Centre has remained resilient and robust.

Audiences have returned in large numbers to our world-class classical and contemporary music concerts, literature and performances in the UK's three pre-eminent concert halls and enjoyed highly rated visual art exhibitions in the internationally-acclaimed Hayward Gallery.

We were proud to play our part in the national story as we hosted the queues for Her late Majesty's lying in state and we remained open all night during the extraordinary period of National Mourning, providing warm spaces, cafes and facilities for those queuing. We were honoured to live-stream HM The Queen's funeral to audiences in the Queen Elizabeth Hall.

As we look to redefine access to artistic forms we have started rolling out a bold new plan for Classical Music - *New Future* - based on innovation, diversity, inclusivity and excellence. Classical music is a key part of what we do but we have not seen audiences return to the Royal Festival Hall in the same way as in many other genres. We want to ensure classical music remains relevant and can respond to and reflect our rapidly changing society as well as celebrate world class classical music performances on our stages. *New Future* shows that Southbank Centre wants to push artforms, drive innovation and create new opportunities to access arts and culture.

But as well as innovation in programming, we have a chance and responsibility to show innovation in improving the opportunities for the artists of the future. We were therefore thrilled to announce our groundbreaking partnership with Apple to create *Reframe*, which is empowering the next generation of Black creatives in the UK. We're also delighted to be working with Bloomberg Philanthropies' Digital Accelerator Programme. This allows us to enhance our digital infrastructure and stay at the cutting edge of artistic and technical development.

These are the kinds of international partnerships I want us to build on and do more of in the future.

As we look to 2023/24, our innovation hub *Southbank Centre Studio* will enable the most cutting edge creatives to develop their art and collaborate using the Purcell Room as their base demonstrating our commitment to supporting artists and pushing innovation in art forms.

This summer the whole site will reflect the Hayward Gallery's *Dear Earth* exhibition; creating a site-wide festival focussed on climate activism, *Planet Summer*.

I'd like to thank the Executive Team for their hard work and all the incredible Southbank Centre staff for continuing to provide world-beating cultural experiences day after day.

I'm also grateful for the continued support of Arts Council England. Their support is critical to the challenge we face of not just creating an outstanding artistic programme but maintaining the 11-acre site we are responsible for on behalf of the government.

The reduction of that support by nearly £1.9m, the prospect of our energy costs increasing annually by over £1.8m, and the increasing need for us to reinvest in the Royal Festival Hall means that the coming years will undoubtedly be challenging and require us to find new ways to generate more revenue and to find new funding if we are going to keep our burning artistic ambition alight.

I'll be doing all I can, with my Board colleagues and the Executive team, to meet that challenge and ensure the Southbank Centre can play an even more vibrant role in the Arts and the communities it serves.

Misan Harriman

CEO's foreword

Regaining our place as one of the top 5 most visited attractions in the UK this year was testament to the very hard work everyone at Southbank has done to restore public confidence in our site as a must-visit place for memorable experiences and entertainment. It's been wonderful to see our terraces, walkways and foyers so lively and busy again and to witness our visitors enjoy the benefits of congregation, whether it's simply having a coffee in our cafes and feeling part of our diverse Southbank Centre community, or experiencing the thrill of world class live performance.

After a busy summer culminating with Grace Jones's Meltdown Festival (nominated for Music Week Festival of the Year) and our *In the Black Fantastic* site-wide programme, we were also delighted to be awarded the first ever Platinum Award for accessibility from Attitude is Everything. The award demonstrates our determination to make the Southbank Centre the most welcoming and accessible place possible and we are the only cultural organisation in the UK with such an award. I want to thank our amazing Visitor Experience and event management teams whose work makes the award possible.

The New York Times also recognised the excellence of our work, the vibrancy and popularity of our venues, in an article ahead of us hosting of the BAFTA Film Awards: "*The Southbank Center, the host of this year's British Academy Film Awards, has become a focal point of the city's arts and culture scene.*"

We were pleased to welcome Tim Cook, Apple CEO, to the Southbank Centre last Autumn to launch our new innovative skills development partnership with Apple. As part of the partnership, *Reframe* is a new national programme to support emerging Black and Black Mixed Heritage artists develop their creative and digital skills. This programme reaches out across England as it's produced by the Southbank Centre in London with Factory International in Manchester, Birmingham City University's STEAMhouse and Midlands Arts Centre. This unique collaboration is a model that we believe has great potential for the creative sector.

This has been Mark Ball's first full year as Artistic Director and it's been fantastic to see his creative ambition for Southbank Centre take shape, with some innovative and very successful events and interventions, including emotional concerts in support of Ukraine and the Women of Iran.

The Hayward Gallery cemented its reputation as the most innovative contemporary art gallery in London with a string of critically acclaimed exhibitions including *Strange Clay: Ceramics in Contemporary Art*: the first large-scale group exhibition in the UK to explore how contemporary artists are reinventing the possibilities of ceramics as well as *Louise Bourgeois, The Woven Child*.

Our Hayward Touring programme, which is created and managed by our Hayward touring curatorial team specifically for regional galleries to present free exhibitions around the UK, has been engaging audiences with *Hollow Earth: Art, Caves and The Subterranean Imaginary* in Nottingham, while *British Art Show 9* opened in its final two cities in 2022/23, Manchester in May 2022 and in Plymouth in October 2022.

Although we have a business model which enables us to be bold, ambitious and to support new work, artists and staff, our Government-owned heritage estate increasingly needs renovation - not least to meet our sustainability goals - and we are making the case strongly to the Government and the Arts Council for urgent help with this work. We have met with much goodwill and sympathy but there now needs to be an urgent plan to provide a suitably robust fund that can support our pressing need as well as the needs of the rest of the performing arts real estate.

Notwithstanding these challenges, I'm confident with our new artistic strategy, our organisational priorities and our entrepreneurial flair we are looking forward to another exciting year. I'd like to thank all the hard working staff at Southbank Centre, our freelancers, partners and all the artists and communities who've contributed this year to making us "the buzziest site in London" (Daily Telegraph).

Elaine Bedell

Artistic Director foreword

2022/23 has been my first full year as Artistic Director of the Southbank Centre. The year, which began with us tentatively emerging from the surge of Omicron Covid variant, has seen audiences and the public return with increasing confidence to engage with a rich and diverse artistic programme. We have ended the year too by implementing a new artistic vision for Southbank Centre that focuses and coheres our work across multiple artforms and our 11-acre site.

That vision foregrounds two interconnected ambitions. Firstly to become the nation's most culturally democratic and expressive space for artists and audiences: a deeply inclusive space for everyone to engage in art and culture regardless of their economic, social and cultural backgrounds, made manifest by our commitment to maintaining a large and free-to-access arts programme; a space that celebrates and legitimises popular culture and where all of us can look together at how we live now and in the future through the lens of the arts. Secondly, to become an Engine of Creativity, supporting artists to forge new artistic ideas and projects and driving innovation in artistic practices that will define our culture over the coming decades, whilst always investing in growing the skills and creative careers of young talent, especially talent drawn from backgrounds that have historically locked people out of our sector.

In 2022/23 the Southbank Centre's artistic programme successfully signalled this new focus. The Hayward Gallery's ground-breaking *In the Black Fantastic* exhibition platformed new aesthetics and thinking from Black artists. The launch of our classical music season driven by our *New Future For Classical Music* strategy profiled glorious new interpretations of the canon, new formats and a feast of new music, including work from our recently refreshed cohort of Resident Orchestras: London Philharmonic Orchestra, Philharmonia Orchestra, Chineke!, Aurora, the Orchestra of the Age of Enlightenment and the London Sinfonietta. Southbank Centre Studios was initiated to support adventurous artists to collaborate across art forms, experiment with new technologies and create the art of the future. *Dolly Parton's Christmas Carol* and *Hey Duggee* packed in children and families during five weeks of Christmas entertainment and our Arts and Wellbeing programme developed with the National Centre for Social Prescribing continued to improve the lives and health of clinically vulnerable people.

Looking forward to 2023/24 we have a lot to be excited by. Our summer-wide climate change programme, *Planet Summer*, anchored by the Hayward Gallery's *Dear Earth* exhibition is a multi-artform exploration of climate care and activism; Performance and Dance returns centre stage with an ambitious programme of new international work from some of the world's greatest live and performing artists; Christine and the Queens steers a truly diverse and inclusive Meltdown that platforms searing new musical talent; the London Literature Festival focuses on the city's outstanding spoken word scene and, for the first time in its history, is led by a curator, the incomparable wordsmith George the Poet; and the Imagine children's festival ventures into the metaverse.

As the new artistic vision takes hold across the organisation in the coming months I am confident that the art and engagement our teams work so hard to enable will define what we, as Southbank Centre, stand for.

Mark Ball

ARTISTIC HIGHLIGHTS IN 2022/23

- Two outstanding concerts from the LPO and PO: Gurrelieder and Mahler's Resurrection Symphony
- Presenting some of the very greatest musicians performing in the world today, including Yuja Wang, Imogen Cooper, Alice Sara Ott, Tan Dun, Sheku Kanneh-Mason, Nicola Benedetti, Evelyn Glennie, Roderick Williams, Mitsuko Uchida and Bryn Terfel
- Welcoming 27% first-time audiences to the opening weekend of our new classical season.
- Grace Jones' Meltdown was nominated for Festival of the Year (Music Week Awards 2023) and was the second most successful Meltdown festival in terms of audience numbers and revenue. Other contemporary music headliners included two exclusive London dates from Erykah Badu.
- Hayward Gallery exhibitions in 2022/23 included *In the Black Fantastic*: an exhibition of 11 contemporary artists from the African diaspora, who draw on science fiction, myth and Afrofuturism; *Strange Clay: Ceramics in Contemporary Art*: the first large-scale group exhibition in the UK to explore how contemporary artists are reinventing the possibilities of ceramics; and *Mike Nelson: Extinction Beckons*: the first major surveyor the artist's large-scale immersive installations and sculptural works.
- Outdoor commissions in 2022/23 were *Jyll Bradley, The Hop*: A luminous public pavilion growing from the side of the Hayward Gallery; and *Monira Al Qadiri, Devonian*: mesmerising outdoor sculpture, the second Bagri Foundation Commission.
- Hayward Touring produced *Hollow Earth: Art, Caves and The Subterranean Imaginary* at Nottingham Contemporary and *British Art Show 9* which opened in its final two cities in 2022/23, Manchester in May and in Plymouth in October 2022.
- REFFRAME: In September, Apple expanded its Racial Equity and Justice Initiative into the UK for the first time through a groundbreaking partnership with Southbank Centre to support young Black creatives in London, Birmingham and Manchester.
- Hosting flagship spoken word events with Greta Thunberg, Michaela Coel, Bernie Sanders, Edward Enninful, Bret Easton Ellis and Ian McEwan.
- One of the most successful ever Imagine Children's Festivals, with over 17,000 tickets sold and 100 events programmed. "*How cool that one of London's greatest annual arts festivals is for an audience half of which are scarcely out of training pants*" ... "*genuinely brilliant*" (Time Out).
- Ai Weiwei's curation of the 60th anniversary of Koestler Arts, the ambitious Southbank Centre exhibition of art by people in the justice system.
- Welcoming the celebrated and world-leading Aurora Orchestra and Chineke! to our group of Resident Orchestras.
- International-class awards ceremonies for the BAFTA for the Film, TV and Video Games sectors.
- A celebration of the Queen's Platinum Jubilee that included a large scale tea party for hundreds of elderly residents from our local community and events curated with Danny Boyle focussing on the culture of 1977, including the explosive rise of punk.
- Slava Ukraini, a fundraising concert in solidarity with Ukraine and London's Ukrainian community featuring leading Ukrainian and British artists including Ben Whishaw and Jonathan Price.
- 'New Future' plan for Classical Music based on innovation, diversity, inclusivity and excellence, to ensure classical music remains relevant and can respond to and reflect our rapidly changing society. 'New Future' is driving in-house programming focussed on artist development and audience representation and is refreshing the classical repertoire.
- Southbank Centre remained open all night during the extraordinary period of National Mourning, providing warm spaces, cafe and facilities for those queuing for Her Majesty The Queen's Lying-in-State at the Palace of Westminster. We screened HM The Queen's funeral to audiences in the Queen Elizabeth Hall.

CHARITABLE IMPACT IN NUMBERS

| | 2022/23 | 2021/22 |
|--|---|---|
| Venue visitors | 3,055,000 | 1,342,000 |
| Tickets Issued | 761,000 | 484,000 |
| Events | 4,613 | 3,616 |
| % free public events | 55% of public events or exhibition days | 44% |
| Schools engaged | 305 school groups engaged in person with a total of 4,600 children and 658 teachers 164 teachers engaged with us through digital events from 160 schools | 55 school groups engaged in person with a total of 1,920 children 162 school groups engaged with us through digital events |
| Regional Audiences for Hayward Touring | 420,000 | 62,000 |
| Black, Asian and Ethnically Diverse audiences | 14% (post show surveys) | 14% |
| Lambeth and Southwark bookers | 12% | 12% |

Review of Activity and Future Plans

2021/22 saw Southbank Centre's proposed Strategic Principles formally adopted by the Board, and then cascaded through the organisation. These principles which align with the Arts Council's Investment Principles underpin all art form and departmental strategies to enable us to achieve our purpose and vision.

In 2023/24 we will also deliver activity in support of ACE's strategic outcomes, set out in Let's Create. We'll present an artistic programme that both features world class performances and artists. More diverse, global majority artists will create and present new work and more collaborative curatorial approaches will connect audiences with themes across art-forms and the entire Southbank estate. We'll also help grow the creative talent of the future through skills and training programmes and by establishing the Purcell Rooms (Southbank Studio) as a key artist development space.

Whilst we necessarily deliver the majority of our cultural programme on our Southbank Centre site, we also present and develop work in the London Boroughs of Southwark, Croydon and Lewisham and in Birmingham, Manchester, Newcastle, South Tyneside, South Lakeland, Sunderland, Norwich, King's Lynn and West Norfolk, Coventry, Bristol and Exeter, alongside tours to East Asia and the Pacific, and North America. Much of our work will be accessible to global audiences online.

OUR STRATEGIC PRINCIPLES

1 INNOVATION AND DYNAMISM

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

- Our newly formatted Southbank Centre Studio was announced in January 2023 to continue the Purcell Sessions programme and to provide emerging artists with valuable space to workshop and develop their practice.
- Our bold summer site-wide programme was developed in response to our 5-star Hayward Gallery exhibition In the Black Fantastic which was curated by Ekow Eshun and featured artists Nick Cave, Sedrick Chisom, Ellen Gallagher, Hew Locke, Wangechi Mutu, Rashaad Newsome, CHris Ofili, Tabita Rezaire, Cauleen Smith, Lina Iris Viktor and Kara Walker.
- Our popular free, open-air site installation and exhibition Winter Lights ran from 10 November to 8 January, featuring 11 low-energy LED light works from ten internationally acclaimed contemporary artists.
- We secured funding from Bloomberg Philanthropies' Digital Accelerator to enhance our digital infrastructure in two interconnected areas, website redevelopment and to provide new editing and broadcasting facilities.
- A new 2023 Climate-focussed season Planet Summer was developed across the year, and new partnerships were forged that bring expertise to our ongoing work on sustainability, including with ZSL London Zoo.
- An assessment of the carbon footprint of our Hayward Gallery exhibitions began with Strange Clay (October 22 - January 23). We are now capturing Scope 1-3 carbon emissions using the Gallery Climate Coalitions carbon footprint calculator. This includes logistics of artwork, loans and curator/artist travel.

2 COLLABORATION

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

- Our In The Black Fantastic events were co-curated with artists, grassroots and community organisations, including Brownston Abbey and SX WKS collective.
- As part of London Literature Festival we hosted the inaugural announcement of the Poet Laureate for Lambeth in collaboration with Lambeth Council.

- The addition of both Aurora Orchestra and Chineke! marked the first change in our Resident Orchestras roster since 1992. Both orchestras joined the London Philharmonic Orchestra, the London Sinfonietta, Orchestra of the Age of Enlightenment and Philharmonia Orchestra to form a new cohort of six Resident Orchestras.
- We received transformational investment from Apple for our programme for emerging Black and mixed black heritage creatives. We established key creative engagement partnerships in with The Factory in Manchester and STEAMhouse in Birmingham.

3 AUDIENCES AND PEOPLE

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

- We launched the refresh of our Purpose and Vision.
- We expanded our staff networks (including BAED, Proud and Wellbeing), with a programme of events to platform the networks and build awareness and opportunities for community-building.
- We published our sixth Gender Pay Gap Report and our Second Ethnicity Pay Gap Report.
- From April 2022 - March 2023 we hired 129 FTE new members of staff which by March 2023 made up 28% of a total staff of 463. 22.2% staff were Black, Asian or Ethnically diverse staff compared to 21% pre-COVID. 7.1% staff declared a disability with 3% identifying as neurodivergent. LGBTQI+ representation was at 16.9%. Gender split was 36.5% male, 54.4% female with 7.34% of staff identifying as non-binary. 27.2% of staff were below the age of 30.
- We have engaged in partnerships with Tickets for Good to provide tickets for NHS, charity workers/volunteers/service users by arrangement, and cost-of-living recipients, and the new Ticket Bank scheme.
- We increased the number of free public events/exhibition days we provide (from 44% to 55%) including on our outdoor stage.
- Using the ACE Impact and Insights Toolkit, a variety of evaluations took place throughout the year (including peer assessments), with the results shared with our Executive Leadership Team as well as programming Heads.

4 RESILIENCE AND SUSTAINABILITY

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

- A business plan was developed to take into account the result of the reduced NPO grant award ensuring that investment and innovation funding was preserved. We have allocated £2m to invest in artistic, digital, sustainability, skills and new income generating initiatives.
- We secured an additional £3m of commercial income and opened a new restaurant beneath the Royal festival Hall, *La Gamba*.
- A new Director of Development was appointed in June 2022 with a remit to increase Southbank Centre's fundraised income and ensure we are realising the potential of our programmes and our site to secure high value sponsorships, grants and major gifts.
- We have reset our target to reduce carbon emissions of our buildings to net zero by 2035 (Scope 1 and 2) and 2040 (all scopes).
- We began work in developing a list of essential works and a plan for their initiation without closing the Royal Festival Hall. We have also begun to formulate the vision for the redevelopment: more public spaces, re-orientation to optimise access, net zero carbon impact, and have undertaken early work with architects to better understand the funding model for capex investment longer-term.

For our sustainability and energy reporting please refer to the Environmental Reporting section below.

FORWARD LOOK

Our objectives in 2023 will include further investment in a refreshed public realm with interactive and free programming, including new activity on the Clore Ballroom. We will embed innovation and sustainability within our Phase 1 RFH project, which will begin in late 2023 and include a new catering offer on level 2, 5 and 6 of the Royal Festival Hall.

We will reshape existing partnerships to deliver NPO outcomes as well as expanding into other artforms in line with our new artistic vision. In 2025 we will partner with Bradford for their 2025 City of Culture year.

We will work to develop, share and embed new values across the organisation. We will pilot a new technical academy which will seek to develop pathways for under-represented groups into tech based roles and grow key audiences in line with NPO funding targets.

We will continue to navigate financial and economic challenges that flow from reduced Arts Council annual funding, along with a challenging inflationary environment. We will deliver our challenging targets in development funding and develop new opportunities to grow our earned income.

ENVIRONMENTAL REPORTING

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

SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2022 – 31st March 2023. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 17,278,952 kWh and 3,229 tonnes of CO₂e respectively in the 2023 financial year in the UK. In their 2023 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,323 tCO₂e.

SBC have chosen 'Tonnes of CO₂e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2023 was 60.8 tCO₂e/m£ compared to 143.3CO₂e/m£ in 2023.

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

| Type of Emissions | Activity | kWh | tCO ₂ e | % of Total |
|--|----------------------|-------------------|--------------------|-------------------|
| Direct (Scope 1) | Natural Gas | 10,405,263 | 1,899 | 58.8% |
| | Company Fleet | 0.0 | 0.0 | 0.00% |
| | LPG | 34,099 | 7 | 0.06% |
| | Subtotal | 10,439,362 | 1,906 | 59.0% |
| Indirect (Scope 2) | Electricity | 6,839,590 | 1,333 | 41.0% |
| | Subtotal | 6,839,590 | 1,333 | 41.0% |
| Indirect Other (Scope 3) | Grey Fleet | 0.0 | 0.0 | 0.00% |
| | Subtotal | 0.0 | 0.0 | 0.00% |
| Total Energy Use (kWh) | | | | 17,278,952 |
| Total (Location-based) Gross Emissions (tCO₂e) | | | | 3,229 |
| Renewable Electricity (tCO₂e) | | | | 1,323 |
| Total (Market-based) Gross Emissions (tCO₂e) | | | | 1,907 |
| Gross Turnover (m£) | | | | 53.1 |
| Tonnes of Gross CO₂e per m£ | | | | 60.8 |

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

Within 2022/2023, the Southbank Centre completed the following:

- Installation of HG Chiller
- LED Lighting Upgrade in the Office Building and Longside Gallery
- BMS Upgrade from Honeywell to ALC
- BMS Time Schedule Modifications
- 5no. Lift Modernisation

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

| Type of Emissions | Units | 2022/2023 | 2021/2022 | YOY % Change |
|--|----------------------|------------|------------|--------------|
| Direct (Scope 1) | (kwh) | 10,439,362 | 11,412,072 | -8.5% |
| | (tCO ₂ e) | 1,907 | 2,098 | -9.1% |
| Indirect (Scope 2) | (kwh) | 6,839,590 | 8,509,669 | -19.6% |
| | (tCO ₂ e) | 1,333 | 1,807 | -26.8% |
| Indirect Other (Scope 3) | (kwh) | 0.0 | 0.0 | NA |
| | (tCO ₂ e) | 0.0 | 0.0 | NA |
| Total Energy Use (kWh) | | 17,278,952 | 19,921,741 | -13.3% |
| Total Gross Emissions (tCO ₂ e) | | 3,230 | 3,905 | -17.3% |
| Renewable Electricity (tCO ₂ e) | | 1,323 | 1,807 | -26.8% |
| Total Net Emissions (tCO ₂ e) | | 1,907 | 2,098 | -9.1% |
| Tonnes of Gross CO ₂ e per £m | | 60.8 | 143.3 | -57.6% |

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

- We have a target to reduce carbon emissions of our buildings by 50% by 2025 and have so far achieved a 42% reduction. We aim to reduce emissions by 80% by 2030. The targets for net zero have been set at 2035 (Scope 1 and 2) and 2040 (all scopes).
- We have appointed Buro Happold to help devise a decarbonisation strategy to achieve this (this will include plans to switch to alternative heating sources and assess existing plant). We are also tackling large energy using aspects of our buildings, such as switching all lighting to LED.
- A Sustainability Advisor was appointed in October 2022 to lead on environmental projects and help to embed sustainability throughout the organisation's operations, planning and culture.
- The Southbank Centre aims to become a single-use plastic free site by 2025. Work has commenced with regards to this, with all coffee cups and lids, cutlery, barware and other elements being switched to compostables.
- We have appointed ecology consultants at Arup to devise a Nature Based Strategy for the site.

FINANCIAL REVIEW

Our financial results demonstrate the significant increase in activity across site as we emerged from closure due to COVID and were able to deliver the first full programme of artistic activity across Southbank Centre since 2019. This was also the first year of the full implementation of our revised 5-day operating model.

The overall result was in line with our expectations with revenue increasing by £10m to £53m (2022 - £43m) and our cost base to £53.9m (2022 - £42.5m), both reflecting the growth of free and ticketed activity and visitor numbers across the site.

Our Group free reserve level of £5.6m is in accordance with our reserves policy to provide for exceptional contingencies not covered in our operating budget. Other reserves provide for an investment of £2m per annum into funding agreed innovative strategic and artistic projects and capital works. The Charity free reserve level is in a deficit of £835k and will be supplemented by the £6.4m Gift Aid payment approved by the Board of SCEL, to be made in July 2023.

Income

Total revenue increased by £10m to £52m (2022 - £43m) reflecting the increase in the number of visitors to Southbank Centre from 1.3m to 3.1m, artistic events from 3,600 to 4,055 (13%) and paid ticket sales increasing from 484,000 to 739,000 (52%).

Ticket revenue increased to £10.4m. Overall ticket revenue per event is now at or exceeding or pre-pandemic levels although traditional classical audiences have been slower to return.

Donation and membership income increased by £1.5m to £4.7m including support from Apple to support Reframe and Bloomberg for digital innovation projects at Southbank Centre.

Commercial income increased to £15.7m (2022 - £12.7m). Concession and lease income increased to £10.8m (2022 - £7.2m) due to the higher audiences and visitor numbers. Retail income grew, to £1.7m as a result of the increased visitors and the successful sales linked to Hayward Gallery exhibitions. Commercial events increased to £3.2m (2022 - 25% to £2.5m) due to an increased number of events, including the first BAFTA film and craft awards at the Royal Festival Hall in February 2023, joining the BAFTA TV and BAFTA Games awards at Southbank Centre.

Expenditure

Total expenditure increased to £53m (2022 - £42m) to service the increased activity across Southbank Centre of which £45m (2022 - £35m) is directly attributable to our charitable activities.

Our payroll costs increased to £17.1m (2022 - £13.4m) as we returned to a complete staff complement (2023 - 349, 2022 - 291) predominantly within our visitor experience department.

The core operating costs of running and maintaining the Royal Festival Hall, The Queen Elizabeth Hall, the Purcell Room and the Hayward Gallery together with the 11 acre site, including payroll, increased to £18.3m (2022 - £15.1m), excluding depreciation and capital investment.

Although we have emerged from the pandemic, significant financial challenges remain. Whilst we were re-confirmed as an ACE National Portfolio organisation, our funding was reduced by £1.9m per annum due to ACE responding to the requirement to transfer grants outside of London. As a result we reviewed our future activity levels that, together with efficiency savings, has allowed us to plan a break even budget.

As we go forward a key concern is the level and variability of energy costs and the impact of inflation more widely.

Energy costs are a significant element of our cost base and whilst we are shielded until the Autumn of 2023 when our current contract ends, there will be a significant increase in the region of £1.8m per annum. These increases have been factored into our operational budgets.

The underlying level of inflation remains challenging on two fronts. Due to the fixed nature of the ACE grant until 2026 we are required to create new income streams or achieve significant operational savings and efficiencies each year to maintain activity and the ambition of the artistic programme even on the assumption that we are able to increase all existing revenue streams in line with inflation. This will potentially be compounded by the impact of the economic environment and cost of living pressures on demand. Whilst this has not been seen significantly to date, we are conscious of the impact on our revenue streams of reduced consumer income and are closely monitoring sales levels for any impact. We are taking this into account when considering the required contingency levels in forward budgeting and free reserve levels.

Balance Sheet

The balance sheet remains broadly comparable to the prior years with the exception of the transfer of the Lloyds loan to balances due within one year as it is repayable in January 2024. Provision for a full repayment has been made within designated funds and future cash flows.

The Pension Scheme is in surplus based on the valuation carried out under Section 28 of FRS 102 of £6.7m (2022 - £11.0m) but as the surplus is not recoverable by Southbank Centre until the pension scheme has been wound up no asset has been recognised on the balance sheet. Whilst the surplus reduced by £4.3m during the year on this basis, an estimated position on the current technical provisions basis specific to the scheme suggests an increase in surplus during the year. A triennial valuation of the scheme is due as at 31 March 2023 and the extent of any technical provisions surplus will not be known until these results are finalised

Reserves

Our total reserve levels have increased by £472k in the year and total £229m. The overall reserve requirements have been reviewed during the year and we seek to maintain a minimum level of £5.6m for exceptional operational risks not covered by the budget contingency, and to provide us the ability to make the operational adjustments and investments required by new operating environments.

We have maintained our Strategic Investment Fund with the intention of allocating £2m per annum to innovative artistic and strategic projects. Plans for 2023/24 include investment in Dear Earth, our summer climate festival, support of an international season of performance and dance, a sound project utilising the voids of the Queen Elizabeth Hall and a technical academy to provide opportunities for training in theatrical and event production (in conjunction with other cultural organisations). We plan to spend £2m per annum from this fund with it being replenished each year from operational surplus.

We are very cognizant of our responsibility to maintain and develop the Southbank Centre estate to ensure the iconic buildings remain fit for purpose in the 21st Century whilst preserving their rich architectural heritage. Our capital investment budgets have therefore been increased to enable us to maintain the buildings and the funding from the Cultural Recovery Fund repayable finance has been designated for future capital investment. £11m of additional funds have been designated within the Capital Reserve for spend in 2023 - 2025 for core refurbishment projects. Significant additional funds will be required to provide improvements, including those to achieve our net-zero ambitions and expand the artistic, community and commercial provision on the site.

Reserves Policy

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

Total funds held at 31 March 2023 are £228.7m (2022 - £228.2m) made up of Unrestricted funds of £226.6m (2022 - £227.2m) and Restricted funds of £2.1m (2022 - £1m).

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area. At 31 March 2023 the Group held General Reserves of £5.6m and Designated funds of £221.0m.

Planned level of unrestricted reserves

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

The Board has reviewed its Reserves Policy in the light of the post pandemic trading, current financial challenges and risks and considers reserves of approximately £5.1m will provide sufficient financial resilience for the organisation at this time. On 31 March 2023 the balance of General Reserves is £5.6m (2022: £7.9m) which is equivalent to 8 weeks of turnover excluding confirmed ACE grant income.

Designated Reserves

As of 31 March 2023 Southbank Centre held three designated reserves:

(i) Capital and Revaluation Reserve (£211.6m)

The purpose of this reserve is to reflect funds expended on capital assets net of accumulated depreciation, including the balance of surplus or deficit from the revaluation of Land and Buildings, (£197.9m) and funds designated for future capital projects (£13.7m). Funds expended on fixed assets could only be realised on sale of those assets and are subject to the restrictions noted in note 25.

(ii) Strategic Investment Fund (£3.5m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to projects in 2023/24 (£3m) and 2024/25 (£0.5m).

(ii) Loan Repayment Reserve (£5.89m)

The purpose of this reserve is to designate an amount to repay the loan and interest rate swap agreement provided by Lloyds Bank plc.

Restricted Reserves

As of 31 March 2023 Southbank Centre held £2.1m of restricted income received in advance of expenditure for operating projects in a Projects Fund.

Going Concern

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

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

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

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

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

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. Southbank Centre has been confirmed as a National Portfolio Organisation for the three year period commencing 1 April 2023.

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

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

Risk Management

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

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

Reputation

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

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

Equality, Diversity and Inclusion

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

Financial Resilience

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

The current inflationary environment and the increases in, and volatility of, energy prices present significant challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

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

Safeguarding

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

Health and Safety

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

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

Data

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

Southbank Centre maintains a robust data management policy including annual departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity aiming to ensure that 37% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 17 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

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

From 1 May 2022 we have revised our pension arrangements to ensure equity across all staff. For staff earning below £16,620 per annum the Southbank Centre makes a contribution of 5% without requiring any contribution from the employee. This is designed to enable all our staff to take advantage of our pension arrangements from day 1 of employment.

We are members of the London Living Wage Foundation and staff are paid the London Living Wage as a minimum and automatically receive an increase in line with this each year. The most recent London Living Wage uplift was implemented from 1 January 2023. We continue to benchmark salaries with other cultural organisations whenever roles are vacant and have recently launched an Annual Sector-Specific independent salary benchmarking project to support more relevant benchmarking across salaries and benefits for similar sized organisations.

Engaging and impactful communications are particularly important and it is the Governors' policy to promote the understanding by, and the involvement of all employees in Southbank Centre's aims and performance of all its activities. This is achieved through our 6-weekly All Staff Meetings, weekly internal

communications downloads which give regular updates on Southbank Centre's performance and major developments, celebrates Southbank Centre's successes and reflects our Culture. In addition all of Southbank Centre's Policies and Producers are housed on an Intranet site, which is under the process of improvement and re-design to ensure information is accessible and available in different formats including policies, briefings, guidelines and videos.

Southbank Centre participates in the Joint Negotiating and Consultative Committee with its two trade unions, Unite (Amicus section) and PCS. Pay negotiations are conducted within this Committee for all staff. Improved union relations have been invested in, with additional monthly meetings to ensure transparency and taking a joint partnership approach.

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

In line with our commitment to being an organisation where everyone is welcome and able to thrive, we have reported our Gender Pay Gap for the 6th time and our Ethnicity Pay Gap for the 2nd time. We have invested in membership with The Business Disability Forum, a four-part Anti-racism course for all staff (both available in hybrid and in person) and regular Learning Lunches on a broad range of topics such as Trans Awareness, Social Mobility and the Menopause, as well as inviting our Employee Assistance Programme providers and Pension Provider in to promote these benefits to staff. We are also committed to ensuring our recruitment process is inclusive and accessible; providing targeted recruitment campaigns to reach the broadest range of candidates and communities, offering reasonable adjustment such as sharing interview questions in advance, having standardised competency-based questions and scoring, alongside ensuring blind screening is in place to reduce bias. In March 2023 the Menopause Policy was also launched as part of creating an inclusive working environment for our female, trans and non-binary colleagues.

In October 2022, the Governors approved revised Safeguarding Children, Safeguarding Adults at Risk, Digital Safeguarding Guidelines and Code of Conduct, which are also available externally on our website as well as internally for staff.

Pay policy for key management personnel

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

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

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

It was a condition of the CRF Repayable Finance scheme that the Charity operates pay restraint until at least September 2022. Beyond this requirement the Chief Executive and Chief Operating Officer have continued to take a voluntary reduction in pay based on pre-COVID salaries respectively in the year to 31 March 2023.

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

Legal Framework

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

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

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

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

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

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

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

Governance

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

The Board's effectiveness is internally monitored and considered each year including the skills required and size of the Board taking into account future retirements.

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Culture, Media and Sport for his or her admission as a Member, and after his or her name has been entered in the Register of Members. Governors appointed after 1 January 2018 usually serve for a period of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for two further periods of three each, subject to a maximum tenure of 9 years as a Governor. Three Governors were appointed prior to 1 January 2018 and are available for reappointment for an additional three year period, which if approved will result in these Governors serving for a maximum of 12 years.

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

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

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing

documents. The Board currently has six sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People; Nominations; Development; Property, Commercial and Sustainability and Brand, Audience, Reach and Impact Committee.

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

As part of its forward succession planning the Board has prepared a diversity plan linked to the skills needed to support the Executive Leadership Team in delivering a new strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board.

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

Internal Financial Control

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

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

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

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

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

Disclosure of information to auditors

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

In so far as the Governors are aware:

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

Fundraising statement

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

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

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

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

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

Political and Charitable Donations

In March 2022, Southbank Centre Enterprises Limited held an event with net proceeds to donated to the Disaster Emergency Committee (DEC) for the Ukrainian Humanitarian Appeal. The net proceeds of this event totalled £49k and this was paid to DEC in April 2022.

Insurances

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

By Order of the Board


Misan Harriman (Jul 18, 2023 15:08 GMT+1)

Misan Harriman
Chair
18 July 2023
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities

(Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

18 July 2023

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2023

| | Note | Unrestricted Funds | | Restricted Funds | | Total Funds | |
|--|------|---------------------|---------------------|------------------|------------------|----------------|----------------|
| | | Operations £'000 | Designated £'000 | Project £'000 | Capital £'000 | 2023 £'000 | 2022 £'000 |
| INCOME FROM: | | | | | | | |
| Donations and legacies | 2 | 20,314 | - | 3,128 | - | 23,442 | 22,753 |
| Charitable Activities | 3 | 11,150 | - | - | - | 11,150 | 5,747 |
| Other Trading Activities | 4 | 18,225 | - | - | - | 18,225 | 14,603 |
| Investments | 5 | 465 | - | - | - | 465 | 52 |
| TOTAL | | 50,154 | - | 3,128 | - | 53,282 | 43,155 |
| EXPENDITURE ON: | | | | | | | |
| Raising funds | 9 | 1,290 | 37 | - | - | 1,327 | 1,059 |
| Charitable activities | 9 | 36,649 | 6,115 | 2,134 | - | 44,898 | 37,158 |
| Other | 9 | 7,018 | 637 | - | - | 7,655 | 4,231 |
| TOTAL | | 44,957 | 6,789 | 2,134 | - | 53,880 | 42,448 |
| Net (expenditure)/income before transfers | | 5,197 | (6,789) | 994 | - | (598) | 707 |
| Transfers | 19 | (7,515) | 7,445 | 70 | - | - | - |
| Other recognised (losses)/gains | | | | | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | 23 | - | - | - | - | - | (500) |
| Gain/(Loss) on derivative financial instrument | | - | 1,070 | - | - | 1,070 | 1,026 |
| Net Movement in funds | | (2,318) | 1,726 | 1,064 | - | 472 | 1,233 |
| Fund balances brought forward at 1 April 2022 | | 7,882 | 219,319 | 1,036 | - | 228,237 | 227,004 |
| Total funds carried forward at 31 March 2023 | | 5,564 | 221,045 | 2,100 | - | 228,709 | 228,237 |

All of the above results are derived from continuing activities.

The notes on pages 34 to 56 form part of these financial statements.

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

Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.

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

SOUTHBANK CENTRE
BALANCE SHEETS
As at 31 March 2023

| | Notes | Group | | Charity | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Fixed assets | | | | | |
| Tangible assets | 11 | 225,492 | 230,627 | 225,492 | 230,627 |
| Heritage assets | 13 | 70 | - | 70 | -- |
| Intangible assets | 12 | 89 | 252 | 89 | 252 |
| Investments | 14 | 18,097 | 16,029 | 18,097 | 12,029 |
| Total fixed assets | | 243,748 | 246,908 | 243,748 | 242,908 |
| Current assets | | | | | |
| Stocks of consumables and goods held for resale | | 303 | 292 | 31 | 45 |
| Debtors - due within one year | 15 | 6,411 | 6,344 | 5,296 | 9,703 |
| Cash and cash equivalents | | 22,147 | 20,829 | 15,322 | 16,075 |
| Total current assets | | 28,861 | 27,465 | 20,649 | 25,823 |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (22,657) | (17,202) | (20,844) | (15,904) |
| Net current assets | | 6,204 | 10,263 | (195) | 9,919 |
| Total assets | | 249,952 | 257,171 | 243,553 | 252,827 |
| Creditors: amounts falling due after one year | 18 | (21,243) | (28,934) | (21,243) | (28,934) |
| Net assets excluding pension liability | | 228,709 | 228,237 | 222,310 | 223,893 |
| Defined benefit pension asset / (liability) | 23 | - | - | - | - |
| Total net assets | | 228,709 | 228,237 | 222,310 | 223,893 |

THE FUNDS OF THE GROUP

As at 31 March 2023

| | Notes | Group | | Charity | |
|----------------------------------|-------|----------------|----------------|----------------|----------------|
| | | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Unrestricted income funds | | | | | |
| General reserves | 19 | 5,564 | 7,882 | (835) | 3,538 |
| Designated funds | 19 | 221,045 | 219,319 | 221,045 | 219,319 |
| Pension reserve | 23 | - | - | - | - |
| | | <u>221,045</u> | <u>219,319</u> | <u>221,045</u> | <u>219,319</u> |
| | | | | | |
| Total unrestricted income funds | 19 | <u>226,609</u> | <u>227,201</u> | <u>220,210</u> | <u>222,857</u> |
| Restricted income funds | | | | | |
| Projects fund | 19 | 2,100 | 1,036 | 2,100 | 1,036 |
| Total restricted income funds | 19 | <u>2,100</u> | <u>1,036</u> | <u>2,100</u> | <u>1,036</u> |
| | | | | | |
| Total group funds | 19 | <u>228,709</u> | <u>228,237</u> | <u>222,310</u> | <u>223,893</u> |

The notes on pages 34 to 56 form part of these financial statements.

The financial statements on pages 28 to 31 were approved by the Board of trustees and signed on its behalf by

Misan Harriman

Misan Harriman (Jul 18, 2023 15:08 GMT+1)

Misan Harriman
Chair
18 July 2023

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £44,406k (2022 gross income: £36,735k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £2,651k (2022 net expenditure: £2,458k).

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|--------|----------------|----------------|
| Net cash inflow from operating activities | | 8,496 | 17,066 |
| Net cash generated from operating activities | | <u>8,496</u> | <u>17,066</u> |
| Cash flow from investing activities | | | |
| Purchase of tangible fixed assets | 11 | (3,080) | (1,881) |
| Purchase of intangible fixed assets | 12 | - | (10) |
| Investments | 14 | (2,068) | (4,028) |
| Sale of tangible fixed assets | | 51 | - |
| Interest received | 5 | 465 | 52 |
| Cash used in investing activities | | <u>(4,632)</u> | <u>(5,867)</u> |
| Cash flow from financing activities | | | |
| Loan received | | - | - |
| Repayment of loan | | (1,482) | (978) |
| Interest expense | | (1,063) | (1,105) |
| Cash generated (used in) / from financing activities | | <u>(2,545)</u> | <u>(2,083)</u> |
| Net (decrease) / increase in cash and cash equivalents | | <u>1,319</u> | <u>9,116</u> |
| Cash and cash equivalents at the beginning of the year | | 20,829 | 11,713 |
| Cash and cash equivalents at the end of the year | | 22,148 | 20,829 |
| Net (outgoing) / incoming resources before transfers | | (598) | 707 |
| Interest received | 5 | (465) | (52) |
| Interest paid | 7 | 1,063 | 1,105 |
| Depreciation and amortisation charge | 11, 12 | 8,379 | 8,108 |
| Loss/(Gain) on FA disposal | | (50) | 85 |
| Impairment of Intangible Fixed Assets | 12 | - | - |
| (Increase)/Decrease in stock | | (10) | (6) |
| Decrease/(increase) in debtors | 15 | (67) | 2,952 |
| (Decrease)/ increase in creditors | 16, 18 | 244 | 4,167 |
| Retirement benefits movements | 23 | - | - |
| Net cash inflow from operating activities | | <u>8,496</u> | <u>17,066</u> |

SOUTHBANK CENTRE

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

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

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

b) *General Information*

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

c) *Summary of significant accounting policies*

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

d) *Going Concern*

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

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

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

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

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

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

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

f) *Income Recognition*

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

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

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

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

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

g) *Expenditure and resources expended*

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

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

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

h) *Taxation*

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

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling.

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

1 Statement of Accounting Policies (continued)

j) *Employee Benefits*

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

i) *Short term benefits*

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

ii) *Defined contribution pension plans*

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

iii) *Defined benefit pension plans*

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

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

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

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

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

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

k) *Leases*

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

representing a constant proportion of the capital balance outstanding, which is charged to the SOFA, and the capital element which reduces the outstanding obligation for future instalments. All

1 Statement of Accounting Policies (continued)

k) *Leases (continued)*

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

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

l) *Fixed assets and depreciation*

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

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

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

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

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

m) *Intangible fixed assets and amortisation*

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

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

| | |
|-----------------------------|------------------------|
| Purchased software licences | the contractual period |
| Website | 4 years |

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

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

n) *Heritage assets*

Southbank Centre maintains the following types of heritage assets:

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

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

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

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

1 Statement of Accounting Policies (continued)

n) *Heritage asset (continued)*

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

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

o) Stocks

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

p) Impairment of tangible and intangible assets

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

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

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

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

q) Cash and cash equivalents

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

r) Funds

Unrestricted funds are those funds which can be used for any charitable purpose. Within unrestricted funds are designated funds which are those funds which have been set aside by the

Governors for a particular purpose. Restricted funds may only be used in accordance with the specific wishes of donors.

1 Statement of Accounting Policies (continued)

r) Funds (continued)

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

s) Financial instruments

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

(i) Financial assets

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

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

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

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

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

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

(ii) Financial liabilities

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

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

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

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

1 Statement of Accounting Policies (continued)

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

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

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

(iii) Offsetting

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

iv) Hedging arrangements

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

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

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

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

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

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

Critical judgements in applying the entity's accounting policies:

(i) Impairment of debtors

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

1 Statement of Accounting Policies (continued)

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

(ii) Defined benefit pension scheme

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

(iii) Deferred and advanced ticket income

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

2 Donations and Legacies

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 £'000 | 2022 £'000 |
|-----------------------------------|--------------------------------|------------------------------|---------------|---------------|
| Donations and sponsorships | 1,456 | 2,313 | 3,769 | 1,990 |
| Arts council grant | 18,858 | 815 | 19,673 | 20,350 |
| Funding for asset construction | - | - | - | 350 |
| Other grant income | - | - | - | 63 |
| Total | 20,314 | 3,128 | 23,442 | 22,753 |

3 Charitable Activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 £'000 | 2022 £'000 |
|----------------------------|--------------------------------|------------------------------|---------------|---------------|
| Artistic activities | | | | |
| Ticket Income | 8,107 | - | 8,107 | 3,456 |
| Artistic rentals | 2,311 | - | 2,311 | 1,819 |
| Other income | 732 | - | 732 | 472 |
| Total | 11,150 | - | 11,150 | 5,747 |

4 Other Trading Activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 £'000 | 2022 £'000 |
|----------------------------------|--------------------------------|------------------------------|---------------|---------------|
| Other Trading Activities | | | | |
| Retail sales | 1,687 | - | 1,687 | 1,061 |
| Concessions | 10,834 | - | 10,834 | 7,238 |
| Hall and space rentals | 3,195 | - | 3,195 | 2,551 |
| Memberships and subscriptions | 882 | - | 882 | 764 |
| Other income | 1,627 | - | 1,627 | 2,989 |
| Total | 18,225 | - | 18,225 | 14,603 |

5 Investments

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 £'000 | 2022 £'000 |
|---------------------|--------------------------------|------------------------------|---------------|---------------|
| Interest receivable | 465 | - | 465 | 52 |
| Total | 465 | - | 465 | 52 |

6 Net Income / (Expenditure)

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Net income/ (expenditure) is stated after charging (crediting): | | |
| Operating lease charges | 367 | 173 |
| Depreciation and amortisation charge on assets | 8,367 | 8,108 |
| Auditors' remuneration for audit services (Southbank Centre) | 70 | 60 |
| Auditors' remuneration for audit services (Enterprises) | 8 | 7 |
| Losses on foreign exchange differences | 25 | 5 |
| Income from Creative Tax reliefs included within income from charitable activities | (642) | (270) |
| Bad debt expense | 45 | (923) |

7 Interest Expense

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 £'000 | 2022 £'000 |
|------------------|--------------------------------|------------------------------|---------------|---------------|
| Interest expense | 1,063 | - | 1,063 | 1,105 |
| Total | 1,063 | - | 1,063 | 1,105 |

8 Staff Costs

| | 2023 £'000 | 2022 £'000 |
|-----------------------------|---------------|---------------|
| Employee costs amounted to: | | |
| Wages and salaries | 14,887 | 11,709 |
| Social security costs | 1,452 | 1,116 |
| Pension costs | 834 | 645 |
| Total | 17,173 | 13,470 |

Costs relating to terminations in the year are included in the above and were £64k (2022: £26k) of which Nil (2022: £nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2022: £nil) in reimbursement of travelling and subsistence expenses.

| | Average number of employees | | Average full time equivalent number of employees | |
|-----------------------|-----------------------------|-------------|--|-------------|
| | 2023 No. | 2022 No. | 2023 No. | 2022 No. |
| Raising Funds | 14 | 12 | 14 | 12 |
| Charitable Activities | 111 | 97 | 100 | 88 |
| Other | 28 | 21 | 23 | 18 |
| Support | 294 | 229 | 212 | 173 |
| | 447 | 359 | 349 | 291 |

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

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

| | 2023 No. | 2022 No. |
|---------------------|-------------|-------------|
| £60,000 - £69,999 | 10 | 12 |
| £70,000 - £79,999 | 3 | 1 |
| £80,000 - £89,999 | 3 | 1 |
| £90,000 - £99,999 | 3 | 3 |
| £100,000 - £109,999 | 1 | 2 |
| £110,000 - £119,999 | 1 | - |
| £120,000 - £129,999 | 1 | - |
| £130,000 - £139,999 | 1 | 1 |
| £150,000 - £159,999 | - | 1 |
| £160,000 - £169,999 | 1 | - |
| £180,000 - £189,999 | 1 | - |
| | 25 | 21 |

Of these 25 (2022: 21) employees, Southbank Centre paid pension contributions of £270,895 for 24 employees (2022: £70,103; 13 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee of £15,527 (2022: £19,954; 1 employee) who was a member of the defined benefit section of the pension scheme.

The Executive Leadership Team comprises of 6 full time staff (2022 - 5 staff) whose remuneration in the year was £752k (2022: £480k). In addition to this, Southbank Centre also paid £45k (2022: £9k) in pension contribution and £95k in Employer National Insurance Contributions (2022: £61k). The increase in remuneration for the Executive Leadership Team in 2023 is due to vacancies in senior positions during 2022 which have now been filled. In 2022 the full-time equivalent ELT staff was 3.8 as compared to 5.8 in 2023.

The Chief Executive's total remuneration for the year totalled £186k (2022 - £154k). The Chief Executive has opted to continue taking a voluntary reduction in total pre covid remuneration, amounting to 27%. No Executive Leadership Team member receives bonuses.

9 Total Resources Expended

| | Artist, Exhibition, Creative Learning and Public Participation costs £'000 | Artist and Exhibition Venue running costs £'000 | Total support costs £'000 | Total 2023 £'000 | Total 2022 £'000 |
|---|--|---|------------------------------------|------------------------|------------------------|
| Costs of raising funds | 942 | 103 | 283 | 1,328 | 1,059 |
| Expenditure on charitable activities | 16,974 | 16,218 | 11,706 | 44,898 | 37,158 |
| Other | 4,028 | 1,938 | 1,689 | 7,655 | 4,231 |
| | <u>21,944</u> | <u>18,259</u> | <u>13,678</u> | <u>53,881</u> | <u>42,448</u> |

Other includes interest payable of £1,063k (2022: £1,105k) (note 7).

10 Allocation of Support Costs

| | Management Support Services £'000 | Depreciation & Disposals £'000 | 2023 £'000 | 2022 £'000 |
|--------------------------------------|---|--------------------------------------|----------------------|----------------------|
| Costs of raising funds | 235 | 48 | 283 | 299 |
| Expenditure on charitable activities | 4,197 | 7,509 | 11,706 | 11,632 |
| Other | 868 | 821 | 1,689 | 1,260 |
| Total Support Costs | <u>5,300</u> | <u>8,378</u> | <u>13,678</u> | <u>13,191</u> |

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

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

| | 2023 £'000 | 2022 £'000 |
|--------------------------------|---------------|---------------|
| Internal audit | 36 | 22 |
| External audit | 77 | 67 |
| Governors' indemnity insurance | 15 | 14 |
| Apportionment of staff costs | 244 | 218 |
| | <u>372</u> | <u>321</u> |

11 Tangible Assets

| Group and charity | Land & Buildings (Artistic) £'000 | Land & Buildings (Other) £'000 | Assets under Construction £'000 | Fixtures & Fittings £'000 | Plant & Machinery £'000 | Total £'000 |
|---------------------------------|-----------------------------------|--------------------------------|---------------------------------|---------------------------|-------------------------|----------------|
| <i>Cost</i> | | | | | | |
| At 1 April 2022 | 257,309 | 26,647 | 224 | 7,656 | 8,107 | 299,943 |
| Additions | 77 | - | 116 | 879 | 2,008 | 3,080 |
| Transfers | 109 | - | (109) | - | - | - |
| Disposals | - | - | - | (12) | (62) | (74) |
| At 31 March 2023 | 257,495 | 26,647 | 231 | 8,523 | 10,053 | 302,949 |
| <i>Accumulated Depreciation</i> | | | | | | |
| At 1 April 2022 | 48,672 | 8,847 | - | 5,484 | 6,313 | 69,316 |
| Charge for the year | 6,796 | - | - | 479 | 940 | 8,215 |
| On disposals | - | - | - | (12) | (62) | (74) |
| At 31 March 2023 | 55,468 | 8,847 | - | 5,951 | 7,191 | 77,457 |
| <i>Net Book Value</i> | | | | | | |
| At 31 March 2023 | 202,027 | 17,800 | 231 | 2,572 | 2,862 | 225,492 |
| At 31 March 2022 | 208,637 | 17,800 | 224 | 2,172 | 1,794 | 230,627 |

12 Intangible Assets

| Group and charity | Software £'000 | Total £'000 |
|---------------------------------|----------------|-------------|
| <i>Cost</i> | | |
| At 1 April 2022 | 805 | 805 |
| Additions | - | - |
| Transfers | - | - |
| Disposals | - | - |
| At 31 March 2023 | 805 | 805 |
| <i>Accumulated Amortisation</i> | | |
| At 1 April 2022 | 553 | 553 |
| Charge for the year | 163 | 163 |
| On disposals | - | - |
| At 31 March 2023 | 716 | 716 |
| <i>Net Book Value</i> | | |
| At 31 March 2023 | 89 | 89 |
| At 31 March 2022 | 252 | 252 |

13 Heritage Assets

The Southbank Centre Collection

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

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

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

| | Additions in year £'000 | Value at 31 March 2023 £'000 | Cost at 31 March 2023 £'000 |
|---|-------------------------------|------------------------------------|-----------------------------------|
| Carrying amount at 1 April 2022 | - | - | - |
| Additions: artwork | 70 | 70 | 70 |
| Carrying amount at 31 March 2023 | 70 | 70 | 70 |

The Southbank Centre Archive

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

Poetry Library

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

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

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

14 Investments

| | Group | | Charity | |
|--------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Cash on Short Term | 18,097 | 16,029 | 18,097 | 12,029 |
| | 18,097 | 16,029 | 18,097 | 12,029 |

15 Debtors: Amounts Due Within One Year

| | Group | | Charity | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Trade debtors | 1,765 | 2,276 | 677 | 1,664 |
| Amounts owed by group undertakings | - | - | 1,249 | 4,545 |
| Other debtors | 844 | 1,250 | 774 | 1,243 |
| Prepayments and accrued income | 3,802 | 2,818 | 2,596 | 2,251 |
| | <u>6,411</u> | <u>6,344</u> | <u>5,296</u> | <u>9,703</u> |

Trade debtors - Group is net of bad debt provision of £154k (2022: £111k), and Trade debtors - Charity is also net of bad debt provisions of £97k (2022: £111k).

16 Creditors: Amounts Falling Due Within One Year

| | Group | | Charity | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Bank loans and overdrafts | 6,429 | 1,270 | 6,429 | 1,270 |
| Trade creditors | 3,118 | 4,198 | 3,035 | 3,965 |
| Amounts owing to group undertakings | - | - | - | - |
| Advanced ticket sales | 2,797 | 2,897 | 2,797 | 2,897 |
| Derivative financial instrument | 362 | - | 362 | - |
| Accruals and deferred income | 9,951 | 8,837 | 8,221 | 7,772 |
| | <u>22,657</u> | <u>17,202</u> | <u>20,844</u> | <u>15,904</u> |

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

17 Deferred Income

| | Group | | Charity | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Deferred income brought forward | 2,793 | 2,933 | 1,853 | 1,767 |
| Deferred in the year | 3,403 | 2,080 | 1,885 | 1,697 |
| Released in the year | (2,691) | (2,220) | (1,751) | (1,611) |
| Deferred income carried forward | <u>3,505</u> | <u>2,793</u> | <u>1,987</u> | <u>1,853</u> |

18 Creditors: Amounts Falling Due After One Year

| | Group | | Charity | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Bank loans | 21,191 | 27,400 | 21,191 | 27,400 |
| Derivative financial instrument | - | 1,432 | - | 1,432 |
| Accruals and deferred income | 52 | 102 | 52 | 102 |
| | <u>21,243</u> | <u>28,934</u> | <u>21,243</u> | <u>28,934</u> |

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

| | Group | | Charity | |
|--------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Within one year | 6,429 | 1,270 | 6,429 | 1,270 |
| Within two to five years | 11,694 | 10,356 | 11,694 | 10,356 |
| After five years | 9,497 | 17,044 | 9,497 | 17,044 |
| | <u>27,620</u> | <u>28,670</u> | <u>27,620</u> | <u>28,670</u> |

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2023 was £10.7m (2022: £11.5m).

A term loan of £7.0m was provided by Lloyds Bank plc in June 2018 to fund estate development and is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is partially repayable in quarterly instalments commencing in June 2019 until January 2024 when a balance of £5.2m will remain outstanding. The balance outstanding at 31 March 2023 was £5.5m (2022: £6.0m).

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and expires in April 2027 which is subject to a mandatory early termination in January 2024. At 31 March 2023, the fair value of the contracts outstanding was £362k (2022: £1.4m).

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

Analysis in changes of net debt

| | At start of year £'000 | Cash-flows £'000 | At end of year £'000 |
|--|---------------------------|---------------------|-------------------------|
| Cash and cash equivalents | 20,829 | 1,318 | 22,147 |
| Loans falling due within one year | (1,271) | (5,158) | (6,429) |
| Loans falling due after more than one year | (27,400) | 6,208 | (21,192) |
| | <u>(7,842)</u> | <u>2,368</u> | <u>(5,474)</u> |

19 Group and Charity Reserves

| | Balances as at beginning of the year £'000 | Income £'000 | Expenditure £'000 | Other Gains & Losses £'000 | Transfers (out) / in £'000 | Balances as at end of the year £'000 |
|----------------------------------|---|-----------------|----------------------|-------------------------------------|----------------------------------|---|
| Unrestricted Income Funds | | | | | | |
| <i>General Reserves</i> | | | | | | |
| General Fund | 7,882 | 50,154 | (44,957) | - | (7,515) | 5,564 |
| Total General Reserves | 7,882 | 50,154 | (44,957) | - | (7,515) | 5,564 |
| <i>Designated Funds</i> | | | | | | |
| Capital & Revaluation Reserve | 214,816 | - | (6,502) | 1,070 | 2,254 | 211,638 |
| Loan repayment reserve | - | - | - | - | 5,899 | 5,899 |
| Strategic Investment Fund | 4,503 | - | (287) | - | (708) | 3,508 |
| Total Unrestricted Funds | 227,201 | 50,154 | (51,746) | 1,070 | (70) | 226,609 |
| Restricted Funds | | | | | | |
| Projects Funds | 1,036 | 3,128 | (2,134) | - | 70 | 2,100 |
| Total Restricted Funds | 1,036 | 3,128 | (2,134) | - | 70 | 2,100 |
| Total Funds (2023) | 228,237 | 53,282 | (53,880) | 1,070 | - | 228,709 |
| Total Funds (2022) | 227,004 | 43,155 | (42,448) | 526 | - | 228,237 |

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

| | Balances as at beginning of the year £'000 | Income £'000 | Expenditure £'000 | Other Gains & Losses £'000 | Transfers (out) / in £'000 | Balances as at end of the year £'000 |
|-----------------------------------|---|-----------------|----------------------|-------------------------------------|----------------------------------|---|
| Unrestricted Income Funds | | | | | | |
| <i>General Reserves</i> | | | | | | |
| General Fund | 2,400 | 40,257 | (34,081) | - | (694) | 7,882 |
| CRF Repayable Finance Fund | 9,082 | - | - | - | (9,082) | - |
| Total General Reserves | 11,482 | 40,257 | (34,081) | - | (9,776) | 7,882 |
| <i>Designated Funds</i> | | | | | | |
| Capital & Revaluation Reserve | 207,874 | - | (6,063) | 1,026 | 11,979 | 214,816 |
| 2021/22 Restart Fund | 4,156 | - | - | - | (4,156) | - |
| Strategic Investment Fund | 2,200 | - | - | - | 2,303 | 4,503 |
| Pension Plan Reserve (note 23) | 500 | - | - | (500) | - | - |
| Total Unrestricted Funds | 226,212 | 40,257 | (40,144) | 526 | 350 | 227,201 |
| Restricted Funds | | | | | | |
| Capital Reserve | - | 350 | - | - | (350) | - |
| Projects Funds | 792 | 2,548 | (2,304) | - | - | 1,036 |
| Total Restricted Funds | 792 | 2,898 | (2,304) | - | (350) | 1,036 |
| Total Funds (2022) | 227,004 | 43,155 | (42,448) | 526 | - | 228,237 |

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

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

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

The Loan repayment reserve reflects funds designated for repayment of the loan provided by Lloyds Bank plc. This balance reflects the outstanding loan (£5.5m) and the fair value of the swap agreement (£0.36m) at 31 March 2023.

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

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

Transfers in the year

In 2022/23, £5.9m was transferred from the General Reserve to the loan repayment reserve (2022: £nil).

£1.5m was transferred from the General Reserve to the Capital Reserve (2022: £nil).

£0.7m was transferred from the Strategic Investment Fund to the Capital Reserve (2022: £nil).

£0.07m was transferred from the General Reserve to the Restricted Reserve (2022: £nil).

Charity Reserves

The difference between the Group and Charity reserves is solely due to the Gift Aided donation from Southbank Centre Enterprises Ltd to Southbank Centre. This donation of £6.4m (2022: £4.3m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt.

Analysis of net assets between funds

| | Restricted £'000 | Unrestricted £'000 | 2023 £'000 | 2022 £'000 |
|--------------------------------------|---------------------|-----------------------|----------------|----------------|
| Tangible and intangible fixed assets | - | 243,748 | 243,748 | 246,908 |
| Current assets | 2,100 | 26,761 | 28,861 | 27,465 |
| Current liabilities | - | (22,657) | (22,657) | (17,202) |
| Creditors falling due after one year | - | (21,243) | (21,243) | (28,934) |
| | <u>2,100</u> | <u>226,609</u> | <u>228,709</u> | <u>228,237</u> |

20 Capital Commitments

| Group and Charity | 2023 £'000 | 2022 £'000 |
|---------------------------|---------------|---------------|
| Authorised and contracted | <u>1,727</u> | <u>604</u> |

Capital commitments in prior year related to property costs.

21 Commitments Under Operating Leases

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

| | 2023 £'000 | 2022 £'000 |
|-------------------------|---------------|---------------|
| Payments due | | |
| Not later than one year | 367 | 173 |

22 Operating Lessor

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

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Receipts due | 28,972 | 28,987 |
| Not later than one year | 4,053 | 3,818 |
| Later than one year and not later than five years | 15,900 | 14,636 |
| Later than five year | 9,019 | 10,533 |

23 Pension Costs

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

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

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

The amount recognised in the SOFA is as follows:

| | 2023 £'000 | 2022 £'000 |
|---------------------------------|---------------|---------------|
| Defined benefit scheme | | |
| Current service costs | 10 | 111 |
| Defined contribution scheme | 824 | 534 |
| Total charge in net expenditure | <u>834</u> | <u>645</u> |
| Defined benefit scheme | | |
| Net interest (income) / expense | (298) | (172) |
| | <u>536</u> | <u>473</u> |

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2020 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

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

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

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2022 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

| | 2023 | 2022 |
|--|------|------|
| Expected rate of salary increase | 2.8% | 3.3% |
| Expected rate of increase of pensions in payment | 2.0% | 2.1% |
| Discount rate | 4.6% | 2.7% |
| Rate of inflation (RPI) | 3.3% | 3.8% |
| Rate of inflation (CPI) | 2.8% | 3.3% |

23 Pension Costs (continued)

The mortality assumptions used were as follows:

| | 2023 years | 2022 years |
|--|---------------|---------------|
| Longevity at age 65 for current pensioners | | |
| Men | 22.8 | 22.7 |
| Women | 25.1 | 25.1 |
| Longevity at age 65 for future pensioners | | |
| Men | 24.1 | 24.0 |
| Women | 26.5 | 26.5 |

Reconciliation of plan assets and liabilities:

| | Assets £'000 | Liabilities £'000 | Total £'000 |
|--------------------------------|-----------------|----------------------|----------------|
| At 1 April 2022 | 69,925 | (58,923) | 11,002 |
| Benefits paid | (1,893) | 1,893 | - |
| Employer contributions | 22 | - | 22 |
| Member's contributions | 1 | (1) | - |
| Current service cost | - | (10) | (10) |
| Interest income/ (expense) | 1,863 | (1,565) | 298 |
| Remeasurement (losses) / gains | | 60 | 60 |
| Actuarial gains | (19,366) | 14,768 | (4,598) |
| As at 31 March 2023 | <u>50,552</u> | <u>(43,778)</u> | <u>6,774</u> |

Total cost recognised as an expense:

| | 2023 £'000 | 2022 £'000 |
|-----------------------|---------------|---------------|
| Current service costs | 10 | 111 |
| Interest cost | 1,565 | 1,210 |
| | <u>1,575</u> | <u>1,321</u> |

No amounts (2021: £nil) were included in the cost of assets.

The fair value of the plan assets was:

| | 2023 £'000 | 2022 £'000 |
|---------------------------|---------------|---------------|
| Equities | | - |
| Liability driven equities | 34,126 | 46,896 |
| Diversified growth fund | 10,467 | 15,523 |
| Cash | 254 | 770 |
| London Eye asset | 5,705 | 6,736 |
| | <u>50,552</u> | <u>69,925</u> |

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

The return on the plan assets was:

| 2023 £'000 | 2022 £'000 |
|---------------|---------------|
|---------------|---------------|

| | | |
|--|-----------------|--------------|
| Interest income | 1,863 | 1,382 |
| Return on plan assets less interest income | (19,366) | 124 |
| | <u>(17,503)</u> | <u>1,506</u> |

23 Pension Costs (continued)

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

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

| | 2023 £'000 | 2022 £'000 |
|----------------------------|---------------|---------------|
| Current year contributions | 824 | 534 |
| | <u>824</u> | <u>534</u> |

24 Subsidiaries

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

The South Bank Foundation Limited (number: 3174667)

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

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

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

Southbank Centre Enterprises Limited (Registration number: 6158790)

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

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Turnover | 13,325 | 10,248 |
| Cost of sales | (4,713) | (2,417) |
| Administrative expenses | (2,314) | (3,493) |
| Operating profit | <u>6,297</u> | <u>4,337</u> |
| Interest receivable | 101 | 7 |
| Net profit | <u>6,398</u> | <u>4,344</u> |
| Profit and loss brought forward | 4,344 | 1,181 |
| Gift aid paid to Southbank Centre Limited | (4,344) | (1,181) |
| Retained in the subsidiary | <u>6,398</u> | <u>4,344</u> |

24 Subsidiaries (continued)

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

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Current assets | 9,461 | 10,183 |
| Creditors: amount falling due within one year | (3,063) | (5,839) |
| Net current assets | <u>6,398</u> | <u>4,344</u> |
| | | |
| Total net assets | <u>6,398</u> | <u>4,344</u> |
| | | |
| Represented by: | | |
| Profit and loss account | <u>6,398</u> | <u>4,344</u> |

Southbank Centre's subsidiary, Southbank Centre Enterprises Limited, has restated income and expenditure for the year ended 31 March 2022 for expected tax credits receivable. This has resulted in an increase to income and expenditure of £1.8m respectively. There is a £nil effect on the Southbank Centre consolidated accounts as a result of this restatement.

25 Contingent Liabilities

Group and Charity

Capital grant funding

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

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

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

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

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

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an under-lease. The freehold interest in these properties is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings

represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long under-lease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the under-lease from Southbank Centre to the British Film Institute.

26 Related Parties

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £235,283 (2022: £220,672) for the year ended 31 March 2023.

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. During the year, Southbank Centre received USD nil (2022: USD 89,725) from the American Fund. The American Fund had USD 147,182 (2022: USD 53,401) in cash balances available to transfer to Southbank Centre at 31 March 2023.

Donations from Trustees were £77,574 (2022: £68,548).

SBC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £779,952 (2022: £603,845), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,164,357 (2022: £844,754) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

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

| | Note | Unrestricted Funds | | Restricted Funds | | Total Funds 2022 £'000 |
|--|------|---------------------|---------------------|------------------|------------------|---------------------------|
| | | Operations £'000 | Designated £'000 | Project £'000 | Capital £'000 | |
| INCOME FROM: | | | | | | |
| Donations and legacies | 2 | 19,855 | - | 2,548 | 350 | 22,753 |
| Charitable Activities | 3 | 5,747 | - | - | - | 5,747 |
| Other Trading Activities | 4 | 14,603 | - | - | - | 14,603 |
| Proceeds from sale of fixed assets | | - | - | - | - | - |
| Investments | 5 | 52 | - | - | - | 52 |
| TOTAL | | 40,257 | - | 2,548 | 350 | 43,155 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 9 | 1,025 | 34 | - | - | 1,059 |
| Charitable activities | 9 | 29,419 | 5,435 | 2,304 | - | 37,158 |
| Other | 9 | 3,637 | 594 | - | - | 4,231 |
| TOTAL | | 34,081 | 6,063 | 2,304 | - | 42,448 |
| Net (expenditure)/income before transfers | | 6,176 | (6,063) | 244 | 350 | 707 |
| Transfers | 19 | (9,776) | 10,126 | - | (350) | - |
| Other recognised (losses)/gains | | | | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | 23 | - | (500) | - | - | (500) |
| Gain/(Loss) on derivative financial instrument | | - | 1,026 | - | - | 1,026 |
| Net Movement in funds | | (3,600) | 4,589 | 244 | - | 1,233 |

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

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

| | Unrestricted funds | | Restricted funds | | Total funds 2022 £'000 |
|--|---------------------|---------------------|-------------------|------------------|------------------------------|
| | Operations £'000 | Designated £'000 | Projects £'000 | Capital £'000 | |
| Net movement in funds | (3,600) | 4,589 | 244 | - | 1,233 |
| Fund balances brought forward as at 1 April 2021 | 11,482 | 214,730 | 792 | - | 227,004 |
| Total funds at 31 March 2022 | 7,882 | 219,319 | 1,036 | - | 228,237 |