

SOUTHBANK CENTRE

Annual Report and Financial Statements 2018 – 2019

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

SOUTHBANK CENTRE

Annual Report and Financial Statements 2018 – 2019

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Belvedere Road,
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southbankcentre.co.uk

Registered as a Charity No. 298909

Contents

03	Professional Advisors
04	Board of Governors and Senior Staff
06	Chair's Foreword
08	Report of the Trustee
24	Financial Summary
30	Statement of Trustee Responsibilities
31	Independent Auditors' Report
33	Consolidated Statement of Financial Activities
34	Balance Sheets
35	Consolidated Statement of Cash Flows
36	Notes to the Financial Statements

Queen Elizabeth II Hall
Purcell Room



Southbank Centre

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

Professional Advisors

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AIB Group (UK) plc
1 Undershaft
London
EC3A 8AB

Solicitors

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

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

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Board of Governors

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

Governor	Appointed	Resigned/ retired	Last re-appointment
Ms Susan Gilchrist <i>Chair</i>	24 Sep 2008		05 Jul 2018
Mr Nihal Arthanayake	25 Jan 2011	29 Nov 2018	06 Jul 2017
Mr Brent Hansen	24 Sep 2008		05 Jul 2018
Ms Fionnuala Hogan	21 Nov 2007		06 Jul 2017
Mr David Kershaw <i>Deputy Chair</i>	24 Sep 2008		05 Jul 2018
Mr Cornelius Medvei	30 Sep 2009		02 Jul 2016
Ms Maggie Semple <i>OBE</i>	23 Sep 2010		06 Jul 2017
Mr Michael Zaoui	02 Jul 2012		02 Jul 2015
Ms Venetia Butterfield	03 Mar 2016		
Mr Mike Hussey	03 Mar 2016		
Sir William Sargent	03 Mar 2016		
Ms Nicola Benedetti	18 Mar 2016		
Mr Luke Mayhew	27 Apr 2017		
Ms Vivian Hunt <i>DBE</i>	27 Apr 2017		

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

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

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

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

The Board also has a number of sub-committees which meet at different intervals.

The Governors who currently serve on committees are:

Finance, Audit and Risk

Luke Mayhew (C), Brent Hansen, Susan Gilchrist, William Sargent, Venetia Butterfield. Non-board member: James Ainscough

Remuneration

Venetia Butterfield (C), Brent Hansen, Fionnuala Hogan, Maggie Semple

Nominations and Governance

Susan Gilchrist (C), David Kershaw, Cornelius Medvei, Vivian Hunt, Maggie Semple

Property Committee

Mike Hussey (C), Susan Gilchrist, Cornelius Medvei, Fionnuala Hogan, Luke Mayhew. Non-board member: Janice Bowman

Development Committee

David Kershaw (C), Mike Hussey. Non-board member: Rosamund Bernays

C = Chairman of that Committee

Senior staff

Chief Executive and other Senior Staff

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

Elaine Bedell	Chief Executive
Jude Kelly CBE	Artistic Director (left May 2018)
Madani Younis	Creative Director (started January 2019)
Nigel Waters	Chief Commercial Officer (left December 2018)
Chay Champness	Director of Commercial Projects
Melford Deane	Company Secretary and Legal Advisor (left April 2018)
David Holdaway	Company Secretary and Head of Legal and Business Affairs (started May 2018)
Victoria Cheetham	Executive Director, Arts
Mike McCart	Director of Partnerships and Policy
Mark Rushworth	Property Director
Alison Lodge	Director of Human Resources
Chris Denton	Executive Director, Audiences
Gillian Moore CBE	Director of Music
Alix Wooding	Director of Development (left April 2019)
Ralph Rugoff	Director, Hayward Gallery
Andrew Gambrell	Finance Director (started January 2019)

Chair's Foreword

Southbank Centre exists to present great cultural experiences that bring people together. We achieve this by offering unique and iconic venues and spaces that allow artists to create and present their best work and that welcome ever more diverse audiences to experience the power of shared cultural experiences. We help take people out of the everyday, every day, and act as a vital antidote to the challenges of daily life – offering a place where people from every background are welcome.

Our important work would not be possible without the support of our principal funder, Arts Council England, and we continue to be grateful to them for their essential funding. However, we also recognise the need to continue to diversify our income streams in order to thrive into the future. Maintaining our highly entrepreneurial approach across all aspects of our organisation remains a vital objective in order to ensure we extend our reach and impact as a flagship at the centre of the nation's cultural ecology.

We take our national status seriously and reach out far beyond our London base through the National Poetry Library with its collection of over 200,000 items; by managing the Arts Council Collection – the nation's loan collection of modern and contemporary art work; and by delivering our Hayward Touring programme which allows smaller galleries around the country to benefit from access to prestigious exhibitions. Our

'We take our national status seriously and reach out far beyond our London base ...'

world-class Resident Orchestras – the London Philharmonic Orchestra, Philharmonia Orchestra, London Sinfonietta and the Orchestra of the Age of Enlightenment – along with our Associate Artists, often generate work in our spaces that then goes on to be performed nationally and internationally as part of their touring programmes. Our national position also allows us to attract the best artists from the UK and beyond to our stages as part of our vibrant arts programme.

This past year has been one of positive evolution. Our CEO, Elaine Bedell, has started to implement her vision for the next chapter of Southbank Centre's incredible history and as part of this, we were delighted to welcome Madani Younis to the artistic team in a new role as Creative Director. Madani is working alongside Director of Music Gillian Moore and Director of the Hayward Gallery Ralph Rugoff, to deliver a cohesive and vibrant new artistic vision for Southbank Centre where unique cross-artform collaborations and site-wide projects will be realised. Madani joined us from the Bush Theatre where his tenure there was recognised this year when he was awarded the accolade of Best Artistic Director in the Off West End Awards. We look forward to enjoying the emerging creative ideas that will result from Madani's appointment and I welcome him warmly to the creative team. I would once again like to acknowledge and thank Jude Kelly CBE for her artistic leadership, and wish her well as she takes forward her pioneering vision for the Women of the World Foundation.

Once again our artistic programme has been outstanding. With thousands of memorable events to choose from it is hard to do justice here to the quality and diversity of the work we presented last year. A major highlight was our

programme of activity for the newly refurbished Queen Elizabeth Hall and Purcell Room which re-opened their doors in April 2018 following an award winning three year refurbishment programme. Our associate orchestra Chineke! welcomed audiences back in style and a series of sell out events across the opening month showcased these unique venues at their very best and confirmed their on-going status as some of London's best venues for music and performance.

We continue to take pride in the ongoing work of our four Resident Orchestras and four Associate Orchestras who all play a huge part in delivering our world-class classical music programme. The rest of our music programme saw a truly eclectic mix of artists ranging from Andris Nelsons and the Gewandhausorchester Leipzig to Robert Smith of The Cure who curated our 25th *Meltdown* festival.

Other highlights included an acclaimed programme in the Hayward Gallery with exhibitions of work by the female Korean artist Lee Bul and a major group exhibition, *Space Shifters*, which filled the galleries with reflective and perspective-distorting works. We were delighted to welcome the Duke and Duchess of Sussex to open a centenary exhibition on the life of Nelson Mandela in the Queen Elizabeth Hall foyer in what was their first public engagement following their wedding.

Our literature programme goes from strength to strength and without doubt the highlight of the year was Michelle Obama's visit to the Royal Festival Hall to talk about her new book in what was to be one of the year's most popular events in London. We were delighted to welcome 300 local Lambeth schoolchildren to attend the event for free. Other highlights included the celebration of Homer's epic poem *The Odyssey* in our annual *Literature Festival* along with readings by Roger Daltry, Sally Field and Poet Laureate, Carol Ann Duffy.

In our dance and performance programme we showcased the work of many international companies – from Hotel Pro Forma, Isabella Rossellini, Wen Hui, Sidi Larbi Cherkaoui and more. Our Winter programme smashed all records with *Circus 1903* coming to town fresh from Las Vegas and selling out many of its performances to critical and audience delight. In Queen Elizabeth Hall our production of *Rumpelstiltskin*, fresh from Australian company Windmill Theatre Company,

'We help take people out of the everyday, every day, and act as a vital antidote to the challenges of daily life – offering a place where people from every background are welcome.'

completed a family focussed seasonal line up which attracted audiences in their many tens of thousands.

Throughout our artistic programme we are committed to fostering new talent and providing a platform for independent and emerging artists from the UK and beyond across all art forms. We particularly strive to encourage artists from diverse and non-traditional backgrounds that reflect the cultural experiences of the audiences we want to welcome. Our work to diversify and extend our audiences continues as a priority and we saw an average BAME audience of 19% across the year. We continue also to focus on our local communities and to ensure we are open and accessible to schools, families and those in our immediate neighbourhood.

So after an incredible year, we have started our 2019/2020 season with a new artistic team structure and a refreshed artistic vision and mission to help drive us forward. Our dedicated and highly committed staff, to whom I owe a huge debt of gratitude for their hard work, will ensure that the world-class programme remains exciting, is professionally presented and continues to help us honour Southbank Centre's core purpose which is to bring people from all backgrounds together. We look forward to another busy year.



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

Report of the Trustee



Objectives

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

Our vision and mission

Our **purpose** is to present great cultural experiences that bring people together.

Our **vision** is to provide the space for artists to create and present their best work. We are the place where people come together through powerful shared experiences.

Our **mission** is to seek out, nurture and showcase the best of the arts. The unusual, the eye-opening and the brave. We take people out of the everyday, every day.

Our values

Champion greatness

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



Open up the arts

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



Take the lead

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



Have fun

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



Activities, achievements and performance



**SOUTHBANK
CENTRE**

Artistic excellence



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

Our artistic programme is at the heart of everything we do. Our ambition is to create cultural experiences showcasing the best talent and skills of artists from here and abroad. We achieve this with dedicated teams of artistic and festival programmers and by supporting a wide range of artists at different points in their careers.

Southbank Centre continues to embrace the very best artists from the around the world within its multi art form programme to deliver artistic excellence.

The classical music programme incorporated concerts by the Berlin Philharmonic, Leipzig Gewandhaus and Ensemble Modern, performances by Benjamin Grosvenor, Maurizio

Pollini and the Jerusalem Quartet, as well as enlightened performances by our Resident and Associate Orchestras.

The contemporary music programme of 30 gigs included Moses Sumney, Iglooghost, Whyte Horse Experience, Susheela Raman, the Outlook Orchestra, Nana Mouskouri and the EFG London Jazz Festival.

The London Literature Festival 2018 celebrated Homer's epic poem, *The Odyssey*, with the first ever translation into English by a woman, Emily Wilson. This timeless classic was then explored through live readings, talks and workshops with writers from Mary Beard to Madeline Miller. Other festival highlights included memoir launches from Roger Daltrey and Sally Field, in addition to Carol Ann Duffy's reading from her final collection as Poet Laureate. Later in the season, Michelle Obama introduced her memoir in an inspirational evening in the Royal Festival Hall.

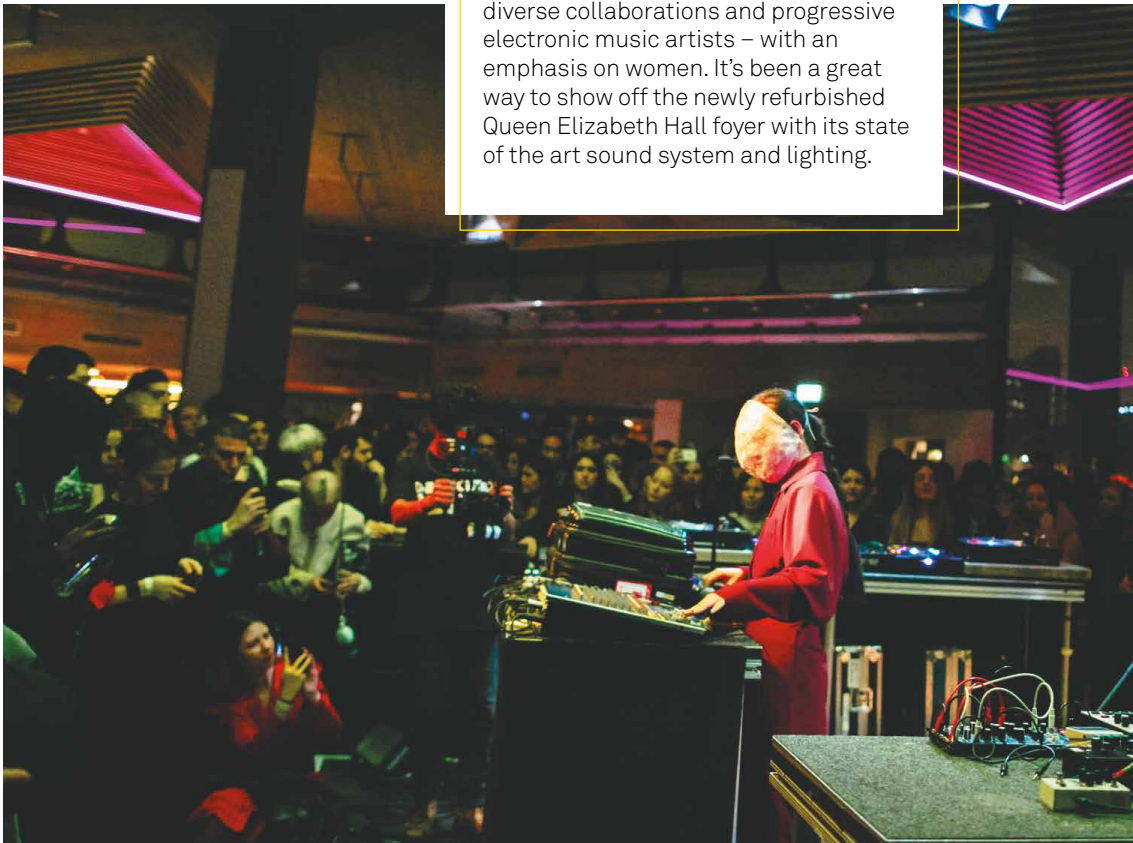
The performance and dance programme has focussed on genre-blending art forms with international companies and artists insistent on pushing boundaries. Programme examples include Hotel Pro Forma, Isabella Rossellini, Wen Hui, Sidi Larbi Cherkaoui, and Gravity & Other Myths.

The contemporary music programme began the 2018/19 season with 30 gigs grouped into five strands: the cool, hip and electronic; indie, folk and alternative; neu! jazz, neoclassical and cross-genre; legends and crowd-pleasers, and festival friends. Highlights include Moses Sumney, Igloohost, Whyte Horse Experience, Susheela Raman, Emmy the Great, the Outlook Orchestra, Nana Mouskouri and the EFG London Jazz Festival.

The visual arts programme was relaunched in the beautifully refurbished Hayward Gallery in early 2018. Andreas Gursky was followed by an exhibition by the female Korean artist, Lee Bul who transformed the gallery into a dream-like landscape featuring monstrous bodies and cyborgs. A major group exhibition, *Space Shifters*, ensued featuring 50 artists using translucent or reflective materials responding to the architecture of the Hayward Gallery.

Outside the gallery, our Africa Utopia festival presented *Nelson Mandela: The Centenary Exhibition* in the Queen Elizabeth Hall Foyer. This exhibition explored the life and times of Mandela and was opened by the Duke and Duchess of Sussex.

Concrete Lates our brand new club night opened in April 2018 with a packed crowd dancing to music by DJs Pan Daijing, JASSS and Giant Swan. Concrete Lates has been a great success at reaching a different younger audience drawn by diverse collaborations and progressive electronic music artists – with an emphasis on women. It's been a great way to show off the newly refurbished Queen Elizabeth Hall foyer with its state of the art sound system and lighting.





273,122
people saw our exhibitions

42,138
visits from people living
in Lambeth and

53,950
visits from people living in Southwark

1,242
free events hosted



18,689
concessionary tickets
issued and
67,110
tickets to schools,
under 30s
and students

In 2018/19, we worked
with over
100,000
creatives across
191
bookable spaces, selling
1 million

tickets and achieving
gross ticket sales of
£21.5m

Our Winter season
exceeded all expectations
and records, delivering
£3.345m
gross box ticket sales

11%
of ticket buyers were
from Lambeth and
Southwark

Creative learning

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

Our youth and schools programming reaches thousands of children every year across our whole range of artistic endeavours from National Poetry Library workshops to classical concerts on the stage and monthly free events for young people.

It is crucial that young people are given meaningful opportunities for self expression, with the arts being absolutely vital to developing imagination and creativity. This applies even more to children who are less socially mobile, and one of our chief goals is to ensure we reach these audiences.

We have identified the need to make a step change in the range and depth of our creative learning work.

One of our initial focuses has been our work with schools and in particular Lambeth schools with limited or no arts provision. This will now be supported by the creation of the Lambeth Local Cultural Education Partnership of which we are a partner.

288

schools took part in our programmes in the 2018/19 academic year to April



This re-emphasis on working and engaging with schools is already paying dividends: in Autumn 2017, we engaged with 23 schools whilst in Autumn 2018, we engaged with 80. Highlights from 2018/19 included: fully subscribed schools days for the *London Literature Festival*, *National Poetry Day Live* and *International Day of the Girl*; the development of the Hayward Schools Takeover model for *Lee Bul* and *Space Shifters*, and the recruitment of 36 schools for the Imagine Story Writing Project with children's writer Joseph Coelho, involving the participation of over 1,000 primary school children.

We also launched Arts Explorers in January 2019, a three-year creative learning project for primary schools that incorporates Arts Award. SC will work with six Lambeth primary schools with limited or no arts provision, following one class of children in each school from year four to year six. The project will also engage the child's whole family, giving Lambeth families the confidence and knowledge of how to make the most of London's cultural offer.

We continue our commitment to arts and health. This programme has provided second chances to vulnerable adults through participation projects, artistic presentations and employment opportunities. Activities such as the annual Koestler Trust Exhibition, the QEH Roof garden project with Grounded Eco-Therapy, and the Employment and Volunteer Programmes help us to achieve this vision, giving individuals the lifeline they need.

We have identified the need to make a step change in the range and depth of our creative learning work.

7,957

school age children took part in events tailored for young people





SOUTHBANK CENTRE

Southbank Centre site

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

The 17 acre site and its iconic buildings on the Thames in the heart of London is a unique public asset which requires careful management in order to ensure its longevity as well as maintaining its relevance and fitness for purpose as a world leading centre for the arts. The completion of the project to bring our sixties buildings up to contemporary standards in 2018 addressed one of the biggest long term risks to Southbank Centre, the perilous state of the Festival Wing buildings. The award winning refurbishment project has refreshed the buildings and extended their economic life by at least 30 years, as well as providing the capacity to grow our commercial and artistic revenue streams.

We continuously review and consider further strategic development and asset disposals, along with a range of capital projects. Work to extend the existing skate-space has taken place to enhance the urban arts on site. The potential and activation of the estate and public realm has continued with exciting site wide summer and winter events.

The intensive nature of our operations and the fact that our estate is primarily comprised of listed or architecturally and historically important buildings which are not inherently environmentally friendly presents challenges. However, Southbank Centre has continued to deliver our Environmental Policy and Action Plan. Rigorous asset and energy management in accordance with our ISO accredited systems have seen significant reductions of 29% in our CO² emissions over the past three years, with good progress towards a further saving of 8% in the current year. We are participating in the Spotlight Programme introduced by Julie's Bicycle sponsored by ACE, with the aim of driving down environmental impacts and costs, and were ranked first out the 30 arts organisations involved in pre-assessments for energy management.

Southbank Centre sends zero waste to landfill and the energy generated from waste collected is used to provide closed loop recycling which reduces CO² emissions in London. In December 2018 we introduced new policies and practices to reduce plastic waste, and we have reduced our use of plastic water bottles by 95% and are actively working towards a target of zero.

21% increase in site footfall with reopening of Hayward Gallery and Queen Elizabeth Hall



Diversity

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

We are committed to delivering a diverse artistic programme inviting local, national and international artists to perform in our venues. Our programme must reflect the demographics and diaspora of London, and be truly representational of the UK.

In the Autumn of 2018 Southbank Centre's artistic strategy saw changes with the reduction of festivals and a refocus on artforms with an always on programming approach. This gives us the opportunity to have continual conversations with our audiences and identify next steps in audience journeys for all groups rather than the one off moments in the year.

The programme is diverse in terms of gender, ethnicity, disability and age and we welcome artists from all backgrounds. Work is now being undertaken to use Southbank Centre audience segments to influence future programming

decisions, ensuring we programme with a clearer sense of who we want to reach and to avoid superserving one audience type.

The focus on artforms and the reopening of the QEH, Purcell and Hayward Gallery means we can start to rebuild our reputation in particular with gigs, visual arts and performance and Dance audiences that were most affected by the closure.

The fourth *Unlimited Festival* in September 2018 once again shone a light on extraordinary work by disabled artists. Featuring the British Paraorchestra, writer and comedian Jackie Hagan and sitar master Baluji Shrivastav OBE, the events challenged perceptions and broke down walls. Supporting established, emerging and international disabled artists across all artforms, this festival aimed to embed work by disabled artists within the cultural sector and reach new audiences.

We are also planning to have 4-8 associate artists on a 2 year agreement who represent the new direction of our programming and are representative of the artists currently working in London, nationally and internationally.



19%

of audiences identified as BAME in 2018/19

61%

of our audiences attended for the first time



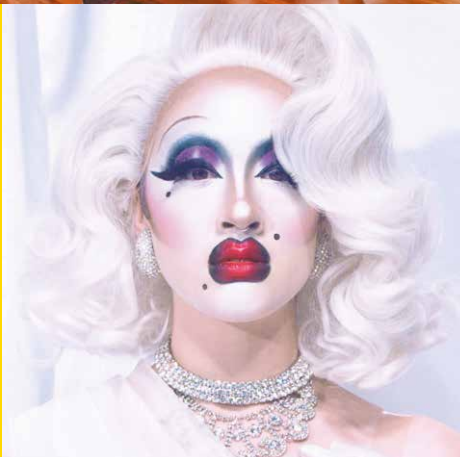
9%

of respondents to surveys said they are limited a little or a lot by a health problem or disability which is expected to last 12 months or more

Our under 30s scheme has nearly

20,000

members



**SOUTHBANK
CENTRE**

National

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



In 2017, we created a cross organisation mentoring scheme, Momentum, which allows staff to have a senior mentor from a different organisation to their own. This scheme has been launched again in 2018 with 80 participants from the Barbican, National Theatre, Royal Opera House and Southbank Centre.

We also regularly share our knowledge and skills with other organisations by speaking at conferences, sitting on working groups and also sharing initiatives, particularly about the work we have undertaken regarding workforce diversity.

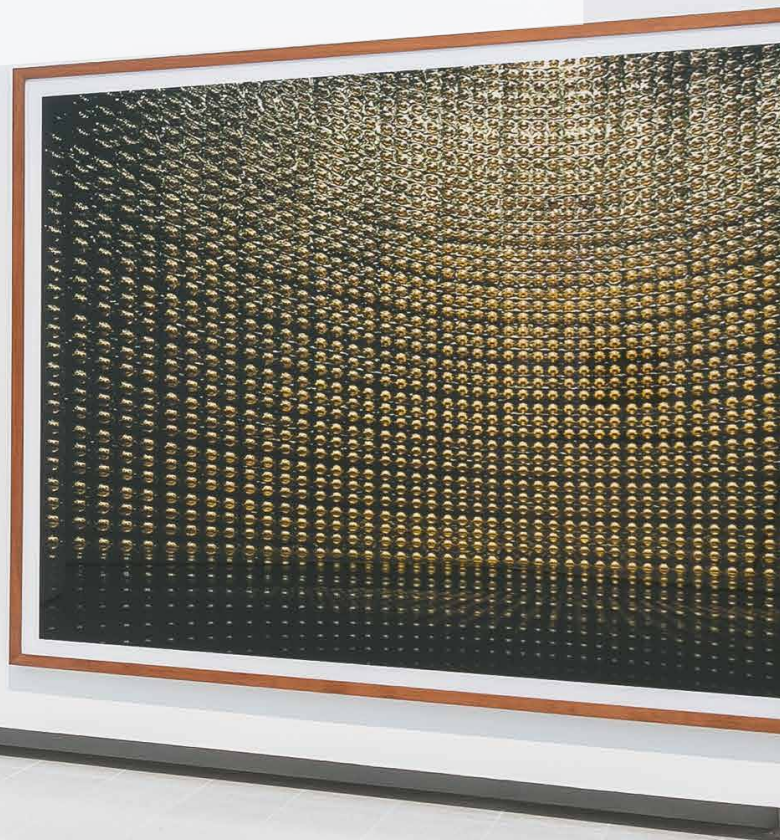
We are supporting the training of two technical apprenticeships at White Light, a small organisation that works across the Creative industries, through transferring £18,000 of our levy funds.

Hayward Gallery Touring launches two major exhibitions and a number of smaller-scale shows a year, created in collaboration and partnership with galleries, museums and art spaces across the UK. We held exhibitions in 30 venues across the UK in 2018/19.

Works from the Arts Council Collection are lent to galleries and public institutions throughout the country. In 2018/19, 1,652 works from the Collection were shown in 126 different galleries and museums across the UK and internationally, reaching an audience of over 2.8 million people.

Arts Council England invested in a network of four National Partner museums and galleries across England: the Towner Art Gallery, Eastbourne; the Birmingham Museums Trust; the Walker Art Gallery, National Museums Liverpool; and the Collection's existing partner, Yorkshire Sculpture Park. The partners are providing a year-round home for the Collection's art works and hosting a special programme of exhibitions.

The Collection has also delivered Curators' Days with their National Partners, a series of joint events designed to provide an informal forum for curators from around the country to meet and network.



**We are reaffirming the
cultural strategy with
adventurous and innovative
multi art form projects and
festivals**



**SOUTHBANK
CENTRE**

International

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

We are reaffirming the cultural strategy with adventurous and innovative multi art form projects and festivals

We remain committed to fostering new talent and providing a platform for independent and emerging artists from the UK and internationally across all artforms. We particularly aim to encourage artists from diverse and non-traditional backgrounds.

We have invited artists from six of the seven continents to perform in our venues. Countries include India, Pakistan, China, South Korea, Republic of Korea, Japan, Indonesia, Taiwan and Malaysia (Asia); Mali, Nigeria, South Africa and Senegal (Africa); the USA and Cuba (North America); Brazil (South America); Eastern and Western Europe (Europe); New Zealand and Australia (Australia).

The first edition of *SoundState*, our festival of new music by artists who are defining what it means to make new music in the 21st Century, took place in January 2019. The weekend featured an international line-up from Iran, Pakistan, Estonia, Turkey, China, Bali, USA, Brazil, Sweden, Slovenia, the Netherlands, Germany, Japan and the UK. Over five days, the festival featured more than 50 composers and presented 30 world and UK premieres.

Africa Utopia is an annual festival in July celebrating the arts and culture of one of the world's most dynamic and fast-changing continents. Championed by Senegalese singer and human rights advocate Baaba Maal, the annual programme featured a range of talks, workshops, music, performances, fashion and food. Headlining the festival in 2018 were musical duo, Amadou & Mariam.



“It’s not often Africa gets the opportunity to showcase itself in such an uplifting and inspirational way.”

Afroretro

Financial summary

Southbank Centre made a surplus of £1,030,000 on the unrestricted operations fund before transfers between funds.

Income	2019		2018	
	£'000		£'000	
Donations and sponsorship	2,125	4%	1,914	5%
Arts Council revenue grant	18,617	37%	19,186	45%
Other trading activities	15,715	32%	13,695	32%
Income from artistic activities	13,313	27%	7,821	18%
Interest receivable	16	0%	15	0%
Total operating income	49,786	100%	42,631	100%

Southbank Centre operating income rose by 17% with an increase in artistic activity due to the reopened Festival Wing and Commercial activity overall across the site. ACE funding reduced by £569,000 and now represents 37% of income (2017/18 45%).

Expenditure	2019		2018	
	£'000		£'000	
Cost of fundraising	1,187	2%	910	2%
Retail and trading	6,225	13%	6,464	16%
Cost of charitable activities	41,035	84%	33,087	81%
Other	309	1%	322	1%
Total operating expenditure	48,756	100%	40,783	100%

Overall expenditure increased by 20% predominantly due to the increase in charitable activity following the reopening of the Festival Wing.

Public benefit

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

Employee policies

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

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

We have signed up to London Living Wage which means that all staff on the lowest salaries automatically increase in line with this every year in November. Four members of staff have their salaries and bonus payments reviewed by the Governors during the Remuneration Committee meeting. We continue to benchmark salaries with other cultural organisations whenever roles are vacant.

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

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

Pay policy for key management personnel

The pay for some senior staff is reviewed at the Remuneration Committee of the Board where they meet to review the staff performance over the year. Any salary increases are normally in line with the pay award given to all other staff. This committee also reviews salary benchmarking which takes place across the cultural sector on a regular basis.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 3-5 of this report.

Reserves Policy

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

Unrestricted reserves

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

Planned level of unrestricted reserves

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

General reserve

The policy of the Southbank Centre is to retain unrestricted reserves equivalent to three weeks of budgeted operating expenditure, in addition to the level of operating contingency within the budget, to ensure financial stability and to act as a safeguard against unforeseen events. We believe that this level is sufficient at this time based on our current business continuity plans. At 31 March 2019 the balance is £2.4m (2018: £2.4m), which is compliant with this policy.

Designated reserves

At 31 March 2019 Southbank Centre held five designated reserves:

(i) Capital Reserve (£49.7m)

The purpose of this reserve is to reflect funds designated for future maintenance and capital projects, costs relating to capital projects (including interest) and depreciation on funded assets. Income and expenditure are allocated to this reserve if they relate to capital purchases which have been funded by grants and donations whose restricted terms have been fulfilled. From time to time surpluses are also allocated to this reserve to fund future asset purchases. Southbank Centre reviews its reserve levels in order to ensure sufficient future liquidity for its plans, including capital expenditure and major capital projects, and the level of transfers to and from this reserve is budgeted to reflect this.

(ii) Revaluation Reserve (£169.4m)

This reserve reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 11.

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

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

(iv) Strategic Reserve (£0.3m)

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

(v) Pension Plan Reserve (£1.07m)

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

Review of the policy

The Reserves Policy is reviewed annually.

Going Concern

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

The Governors have given due consideration to the working capital and cash flow requirements of Southbank Centre. The Governors consider Southbank Centre's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing this report and financial statements. Southbank Centre has in place bank loans which are drawn down and subject to repayment over a period of time, together with other available financing facilities. Cash flow forecasts are carried out monthly as are checks that all loan covenant requirements are being met. Budget reviews are also carried out monthly by senior management and a contingency is in place to cover any unknown variations.

Southbank Centre substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure (in the unrestricted operations fund). Arts Council England has confirmed funding for Southbank Centre to March 2022. The going concern basis used in the

preparation of these financial statements is based upon the expectation that Southbank Centre will continue to receive sufficient support from the Arts Council England which, together with the total revenue it raises, will match its expenditure.

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

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

Funding Agreement

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

Risk Management

The Governors regularly examine the major strategic, business and operational risks which the charity faces, identifying the potential impact if an individual risk materialises, and what mitigating action is to be taken in order to reduce

each risk to a level which the Governors consider to be acceptable. Twice annually, Governors review the risk register prepared by management in order to ensure that it is comprehensive and to assess actions to mitigate those risks. From the perspective of the environment in which the charity operates, the major risk is any reduction in our funding from Arts Council England.

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

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

Legal Framework

Southbank Centre is a registered charitable trust with a single corporate trustee, Southbank Centre Limited, a company limited by guarantee (company 2238415). Southbank Centre was formed by deed of trust on 31 March 1988. Its main objects are stated below and there have not been any changes to these during the year. As trustee of Southbank Centre, Southbank Centre Limited has power to revoke or vary any or all of the provisions of the deed of trust, subject to the consent of the Department for Digital, Culture, Media and Sport (after consultation with Arts Council England), with the exception of the charitable objects of the trust and the clause requiring ministerial consent, provided that the alterations would not have the effect of causing the trust to cease to be exclusively charitable under the laws of England and Wales.

Southbank Centre Limited has two wholly owned subsidiaries which it holds on behalf of Southbank Centre. The South Bank Foundation Limited is a dormant registered charity and company limited

by guarantee. The Charity Commission issued a uniting direction for registration purposes for Southbank Centre (charity 298909) and The South Bank Foundation Limited (charity 298909-1) in October 2004.

Southbank Centre Limited's other wholly owned subsidiary is Southbank Centre Enterprises Limited (company 6158790), which undertakes 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 and financial position.

Governance

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

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

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

As part of its forward succession planning the Board has agreed to prepare a diversity plan linked to the skills needed to support the Executive in delivering a new strategic business plan. A new, more open and transparent method of recruitment will be implemented to fill future vacancies on the Board.

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

Internal Financial Control

The Board of Governors has overall responsibility for Southbank Centre's system of internal financial control. The Governors are supported in their monitoring role by the Board's 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 2019 through regular reports from senior staff, reports from the internal auditor and the annual report to the committee from the external auditors.

Annual audit

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

In so far as the Governors are aware:

- ▶ There is no relevant audit information of which the charity's auditors are unaware.
- ▶ They have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Statement of Trustee's responsibilities is set out on page 30.

Political and Charitable Donations

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

Insurances

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

By Order of the Board



Susan Gilchrist
Chair
Southbank Centre Limited
As Trustee for Southbank Centre
04 July 2019

Responsibilities

Statement of Trustee's Responsibilities

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

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

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

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

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

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

Auditors' Report

Independent Auditors' Report to the Trustee of Southbank Centre

Report on the audit of the financial statements

Opinion

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

- ▶ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and parent charity balance sheets as at 31 March 2019; the consolidated statement of financial activities, and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a summary of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charity's activities, beneficiaries, suppliers and the wider economy.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Trustee's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Trustee for the financial statements

As explained more fully in the Statement of Trustee's Responsibilities set out on page 30, the Trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity's Trustee as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
04 July 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the Year ended 31 March 2019

	Note	UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTAL FUNDS	
		Operations	Designated	Projects	Capital	2019	2018
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM:							
Donations and legacies	2	20,827	-	1,136	1,523	23,486	30,334
Charitable activities	3	13,313	-	-	-	13,313	7,967
Other trading activities	4	15,630	-	-	-	15,630	13,695
Investments	5	16	-	-	-	16	15
Total		49,786	-	1,136	1,523	52,445	52,011
EXPENDITURE ON:							
Raising funds	9	1,187	35	-	-	1,222	942
Charitable activities	9	41,035	5,552	1,322	-	47,909	45,815
Other	9	6,534	1,532	-	-	8,066	7,329
Total		48,756	7,119	1,322	-	57,197	54,086
Net income/(expenditure) before transfers		1,030	(7,119)	(186)	1,523	(4,752)	(2,075)
Transfers	18	(1,030)	2,553	-	(1,523)	-	-
Other recognised gains							
Actuarial gains on defined benefit pension plan	23	-	1,734	-	-	1,734	6,505
Gain on derivative financial instrument	22	-	38	-	-	38	641
Total		-	1,772	-	-	1,772	7,146
Net movement in funds		-	(2,794)	(186)	-	(2,980)	5,071
RECONCILIATION OF FUNDS							
		UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTAL FUNDS	
		Operations	Designated	Projects	Capital	2019	2018
		£'000	£'000	£'000	£'000	£'000	£'000
Net movement in funds		-	(2,794)	(186)	-	(2,980)	5,071
Fund balances brought forward at 1 April 2018	18	2,422	223,209	383	-	226,014	220,943
Total funds carried forward at 31 March 2019	18	2,422	220,415	197	-	223,034	226,014

All of the above results are derived from continuing activities. The notes on pages 36 to 57 form part of these financial statements. The financial statements have been prepared in accordance with FRS 102. Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 28. Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £38,510k (2018 gross income: £42,246k). Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £4,718k (2018 net expenditure: £2,544k). There is no material difference between the net income / (expenditure) before transfers for the financial years stated above and their historical cost equivalents.

BALANCE SHEETS

As at 31 March 2019

	Note	GROUP		CHARITY	
		2019	2018	2019	2018
		£'000	£'000	£'000	As Restated £'000
Fixed assets					
Tangible assets	11	248,291	252,578	248,291	252,578
Intangible assets	12	678	1,377	678	1,377
Total fixed assets		248,969	253,955	248,969	253,955
Current assets					
Stocks of consumables and goods held for resale		378	273	101	82
Debtors – due within one year	14	6,101	5,375	8,386	5,400
Cash and cash equivalents		4,420	4,397	1,136	3,075
Total current assets		10,899	10,045	9,623	8,557
Liabilities					
Creditors: amounts falling due within one year	15	(15,900)	(15,030)	(14,737)	(13,898)
Net current (liabilities)		(5,001)	(4,985)	(5,114)	(5,341)
Total assets less current liabilities		243,968	248,970	243,855	248,614
Creditors: amounts falling due after one year	17	(22,004)	(23,217)	(21,891)	(22,895)
Net assets excluding pension asset		221,964	225,753	221,964	225,719
Defined benefit pension asset	23	1,070	261	1,070	261
Total net assets		223,034	226,014	223,034	225,980

THE FUNDS OF THE GROUP

Unrestricted income funds					
General reserves	18	2,422	2,422	2,422	2,388
Designated funds	18	219,345	222,948	219,345	222,948
Pension reserve	23	1,070	261	1,070	261
		220,415	223,209	220,415	223,209
Total unrestricted income funds	18	222,837	225,631	222,837	225,597
Restricted income funds					
Projects fund	18	197	383	197	383
Restricted capital reserve	18	-	-	-	-
Total restricted income funds	18	197	383	197	383
Total group funds	18	223,034	226,014	223,034	225,980

The notes on pages 36 to 57 form part of these financial statements.

The financial statements on pages 33 to 57 were approved by the Board of trustees and signed on its behalf by

Susan Gilchrist, Chair
04 July 2019



CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Net cash inflow from operating activities		5,363	13,782
Net cash generated from operating activities		5,363	13,782
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(3,662)	(18,923)
Purchase of intangible fixed assets	12	(157)	(500)
Sale of tangible fixed assets		101	-
Interest received	5	16	15
Cash used in investing activities		(3,702)	(19,408)
Cash flow from financing activities			
Repayment of loan		(586)	(705)
Interest paid	7	(1,052)	(706)
Cash used in financing activities		(1,638)	(1,411)
Net increase / (decrease) in cash and cash equivalents		23	(7,037)
Cash and cash equivalents at the beginning of the year		4,397	11,434
Cash and cash equivalents at the end of the year		4,420	4,397

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

Net (outgoing) resources before transfers		(4,752)	(2,075)
Interest received	5	(16)	(15)
Interest paid	7	1,052	706
Depreciation and amortisation charge	11, 12	8,356	7,325
Gain on disposal of tangible fixed assets		(85)	-
Impairment of tangible fixed assets		-	6,240
Impairment of intangible fixed assets	12	433	
Increase in stock		(105)	107
Decrease/(Increase) in debtors	14	(726)	2,183
(Decrease)/Increase in creditors	15, 17	281	(832)
Retirement benefits movements	23	925	143
Net cash inflow from operating activities		5,363	13,782

Notes to the Financial Statements

1) Statement of Accounting Policies

a) General information

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

b) Summary of significant accounting policies

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

c) Basis of preparation

The 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 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'.

d) Going concern

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

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

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

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

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

e) Group financial statements

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 and balances are eliminated on consolidation.

f) Income recognition

All income is recognised once the group 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.

1) Statement of Accounting Policies continued...

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, concessions, space rentals 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.

Construction and refurbishment costs are those related to building projects.

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

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

A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. Pension plan assets are measured at fair value. The defined benefit obligation

1) Statement of Accounting Policies continued...

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 is recognised in the Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

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

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

k) Leases

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

l) Tangible fixed assets and depreciation

The Royal Festival Hall, Queen Elizabeth Hall and Purcell Room and the Hayward Gallery are stated 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. These were revised as part of the depreciated replacement cost assessment as being 46 years for the Royal Festival Hall, 28 years for the Queen Elizabeth Hall and 41 years for the Hayward Gallery. New additions since 1 April 2009 have been written off over the useful life of the building to which that addition relates. Site development costs are capitalised and depreciated over 10 years, their expected period of economic benefit. Expenditure on maintenance of the properties is charged to the Statement of Financial Activities in the year in which it is incurred. Depreciation on lease premiums is charged over the length of the lease.
- ii) Depreciation is provided on all other tangible fixed assets acquired since 1 April 1986 at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The expected useful life is reviewed on an annual basis along with the residual value of assets. The expected useful life for Fixtures and Fittings is 10 years, for Plant and Machinery 4 years and for Motor Vehicles 8 years. Individual items costing under £1,000 are not capitalised unless they form part of a bulk purchase costing over £1,000 in aggregate and can be monitored.
- iii) Assets in the course of construction are held at cost and are not depreciated.
- iv) The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

m) Intangible fixed assets and amortisation

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

l) Statement of Accounting Policies continued...

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

Purchased software licences – the contractual period

Website – 4 years

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

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

n) Heritage Assets

Southbank Centre maintains the following types of heritage assets:

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

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

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

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

o) Stocks

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

The amount of stock recognised as expense during the year was £796k (2018: £720k).

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.

1) Statement of Accounting Policies continued...**q) Cash and cash equivalents**

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

r) Funds

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

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

s) Financial instruments

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

i) Financial assets

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

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

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

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

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

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

ii) Financial liabilities

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

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

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

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

1) Statement of Accounting Policies continued...

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 group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the carrying amount of debtors.

ii) *Defined benefit pension plan*

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

2) Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
Donations and sponsorships	2,125	894	3,019	3,263
Arts Council England grant	18,617	1,332	19,949	25,395
Funding for asset construction	85	433	518	1,676
Total	20,827	2,659	23,486	30,334

Donated services have been provided in the form of free hotels and flights to a value of £67k (2018: £29k).

3) Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
Artistic activities				
Ticket income	8,723	-	8,723	5,255
Artistic rentals	2,376	-	2,376	1,731
Other income	2,214	-	2,214	981
Total	13,313	-	13,313	7,967

4) Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
Retail sales	1,811	-	1,811	1,503
Concessions	7,748	-	7,748	7,234
Hall and space rentals	2,374	-	2,374	1,765
Memberships and subscriptions	1,241	-	1,241	1,061
Other income	2,456	-	2,456	2,132
Total	15,630	-	15,630	13,695

5) Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
Interest receivable	16	-	16	15
Total	16	-	16	15

6) Net Income / (Expenditure)

	2019 £'000	2018 £'000
Net income / (expenditure) is stated after charging (crediting):		
Operating lease charges	173	113
Depreciation and amortisation charge on assets	8,356	7,325
Auditors' remuneration for audit services (Southbank Centre)	60	59
Auditors' remuneration for audit services (Enterprises)	6	6
Auditors' remuneration for non-audit services	6	10
Losses on foreign exchange differences	15	4
Past service cost for GMP pension equalisation	942	-
Income from Creative Tax reliefs included within income from charitable activities	(734)	-

7) Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
Interest payable	1,095	-	1,095	1,123
Total	1,095	-	1,095	1,123

8) Staff Costs

	2019 £'000	2018 £'000
<i>Employee costs amounted to:</i>		
Wages and salaries	16,089	15,106
Social security costs	1,503	1,369
Pension costs	815	965
	18,407	17,440

Cost relating to redundancies of £73k (2018: £228k) are included in the above figures.

The Governors (Chair and Board members) are not remunerated for their services and Governors received £nil (2018: £nil) in reimbursement of travelling and subsistence expenses.

	2019 No.	2018 No.
Monthly average full time equivalent employees were:		
Operational services	53	50
Marketing	42	46
Press & Communications	10	9
Visitor Experience	145	117
Retail Sales and Space Rental	29	26
Fundraising	15	14
Performing arts	73	81
Hayward Gallery	53	44
Management and administration	42	45
	462	432

8) Staff Costs continued...

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

	2019	2018
	No.	No.
£60,000 - £69,999	5	3
£70,000 - £79,999	3	2
£80,000 - £89,999	3	2
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1
£120,000 - £129,999	1	-
£140,000 - £149,999	1	2
£190,000 - £199,999	-	1
£240,000 - £249,999	1	-
	<u>15</u>	<u>12</u>

Of these 15 (2018: 12) employees, the group paid pension contributions of £64,000 for 11 employees (2018: £46,000 for 8), who were members of the defined contribution section of the pension plan. The group also paid contributions for 1 employee £12,000 (2018: £24,000 2 employees) who were members of the defined benefit section of the pension plan and £3,000 was paid for 2 members of the auto-enrolment pension plan (2018: £1,000 1 employee).

12 Key management personnel were paid a total of £1.16 million (2018: 16 employees, £1.6 million) and the group paid £0.064 million (2018: £0.081 million) in pension contributions.

The Chief Executive's salary and bonus subject to tax totalled £240,750 (2018: £194,377).

9) Total Resources Expended

	Direct Costs £'000	Support Costs £'000	Total	
			2019 £'000	2018 £'000
Costs of raising funds	744	478	1,222	942
Expenditure on charitable activities	15,735	32,174	47,909	45,815
Other	2,979	5,087	8,066	7,329
	<u>19,458</u>	<u>37,739</u>	<u>57,197</u>	<u>54,086</u>

Other includes interest payable of £1,095k (2018: £1,123k) (note 7), and past service cost for GMP pension equalisation of £942k (2018: nil) (note 23).

10) Allocation of Support Costs

	Management and Administration £'000	Marketing and Comms £'000	Human Resources £'000	Operations £'000	Depreciation and Disposals £'000	Total 2019 £'000	Total 2018 £'000
Costs of raising funds	140	143	32	112	51	478	4,102
Expenditure on charitable activities	2,965	3,019	521	17,606	8,063	32,174	27,197
Other	1,493	578	66	2,068	882	5,087	216
Total support costs	4,598	3,740	619	19,786	8,996	37,739	31,515

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

Support Costs

Management and Administration
Marketing and Communications
Human Resources
Operations
Depreciation and Disposals
Governance

Allocation basis

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

Costs classified as governance relate to the general running of the group 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:

	2019 £'000	2018 £'000
Internal audit	33	32
External audit	66	65
Governors' indemnity insurance	9	9
Apportionment of staff costs	201	217
	309	323

11) Tangible Assets

Group and charity	Land and Buildings (Artistic) £'000	Land and Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>							
At 1 April 2018	254,048	26,647	207	8,786	8,933	230	298,851
Additions	1,831	-	285	534	1,012	-	3,662
Transfers	134	-	(173)	-	-	-	(39)
Disposals	-	-	(16)	(109)	-	-	(125)
At 31 March 2019	256,013	26,647	303	9,211	9,945	230	302,349
<i>Accumulated depreciation</i>							
At 1 April 2018	24,921	8,210	-	5,942	7,014	186	46,273
Charge for the year	5,853	637	-	550	840	14	7,894
Disposals	-	-	-	(109)	-	-	(109)
At 31 March 2019	30,774	8,847	-	6,383	7,854	200	54,058
<i>Net Book Value</i>							
At 31 March 2019	225,239	17,800	303	2,828	2,091	30	248,291
At 31 March 2018	229,127	18,437	207	2,844	1,919	44	252,578

12) Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2018	2,487	2,487
Additions	157	157
Transfers	39	39
Impairment	(990)	(990)
At 31 March 2019	1,693	1,693
<i>Accumulated amortisation</i>		
At 1 April 2018	1,110	1,110
Charge for the year	462	462
Impairment	(557)	(557)
At 31 March 2019	1,015	1,015
<i>Net Book Value</i>		
At 31 March 2019	678	678
At 31 March 2018	1,377	1,377

13) Heritage Assets**The Southbank Centre Collection**

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

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

The Southbank Centre Archive

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

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

Poetry Library

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

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

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

14) Debtors: Amounts Due Within One Year

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	2,675	3,221	1,730	1,827
Amounts owed by group undertakings	-	-	4,536	1,551
Other debtors	360	544	209	574
Prepayments and accrued income	3,066	1,610	1,911	1,448
	<u>6,101</u>	<u>5,375</u>	<u>8,386</u>	<u>5,400</u>

Trade debtors – group is net of bad debt provision of £221k (2018: £221k), and Trade debtors – charity is net of bad debt provisions of £103k (2018: £131k).

15) Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	961	580	961	580
Trade creditors	3,634	2,770	3,621	2,690
Advanced ticket sales	2,746	3,391	2,746	3,404
Accruals and deferred income	8,559	8,289	7,409	7,224
	<u>15,900</u>	<u>15,030</u>	<u>14,737</u>	<u>13,898</u>

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

16) Deferred Income

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Deferred income brought forward	3,113	2,561	1,793	1,845
Deferred in the year	4,655	3,909	3,501	2,584
Released in the year	(4,238)	(3,357)	(2,647)	(2,636)
Deferred income carried forward	<u>3,530</u>	<u>3,113</u>	<u>2,647</u>	<u>1,793</u>

17) Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans	18,900	19,867	18,900	19,867
Trade creditors	220	219	220	219
Derivative financial instrument	2,771	2,809	2,771	2,809
Deferred income	113	322	-	-
	<u>22,004</u>	<u>23,217</u>	<u>21,891</u>	<u>22,895</u>

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

Within one year	961	580	961	580
Within two to five years	9,746	9,823	9,746	9,823
After five years	9,154	10,044	9,154	10,044
	<u>19,861</u>	<u>20,447</u>	<u>19,861</u>	<u>20,447</u>

17) Creditors: Amounts Falling Due After One Year continued...

A term loan of £15.1m 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 April 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2019 was £12,986k (2018: £13,565k).

A term loan of £7m 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 2023 when a balance of £5,25m will remain outstanding. The balance outstanding at 31 March 2019 was £7,000k (2018: £7,000k).

The group has in place a secured £2m revolving credit facility with Lloyd Bank plc which expires in March 2022. No amounts were drawn down under this facility at 31 March 2019 or 2018.

The group also has in place a floating to fixed interest rate swap agreement with Lloyds Bank plc, entered into in January 2008 and which expires in April 2027. At 31 March 2019, the fair value of the contracts outstanding was £2,771k (2018: £2,809k).

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	4,397	23	4,420
Loans falling due within one year	(580)	(381)	(961)
Loans falling due after more than one year	(19,867)	967	(18,900)
	<u>(16,050)</u>	<u>609</u>	<u>(15,441)</u>

18) Group and Charity Reserves

	Balances as at beginning of the year 1 April 2018 £'000	Movements in		Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year 31 March 2019 £'000
		Income £'000	Expenditure £'000			
<i>Unrestricted funds</i>						
General Reserve	2,422	49,786	(48,756)	-	(1,030)	2,422
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	-	260
Capital Reserve	53,277	-	(6,194)	38	2,553	49,674
Revaluation Reserve	169,405	-	-	-	-	169,405
Hayward Gallery Prints Fund	6	-	-	-	-	6
Pension Plan Reserve (note 23)	261	-	(925)	1,734	-	1,070
Total unrestricted funds	<u>225,631</u>	<u>49,786</u>	<u>(55,875)</u>	<u>1,772</u>	<u>1,523</u>	<u>222,837</u>
<i>Restricted funds</i>						
Capital Reserve	-	1,523	-	-	(1,523)	-
Projects Fund	383	1,136	(1,322)	-	-	197
Total restricted funds	<u>383</u>	<u>2,659</u>	<u>(1,322)</u>	<u>-</u>	<u>(1,523)</u>	<u>197</u>
TOTAL funds (2019)	<u>226,014</u>	<u>52,445</u>	<u>(57,197)</u>	<u>1,772</u>	<u>-</u>	<u>223,034</u>
TOTAL funds (2018)	<u>220,943</u>	<u>52,011</u>	<u>(54,086)</u>	<u>7,146</u>	<u>-</u>	<u>226,014</u>

18) Group and Charity Reserves continued...

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

	Balances as at beginning of the year 1 April 2017 £'000	Movements in		Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year 31 March 2018 £'000
		Income £'000	Expenditure £'000			
<i>Unrestricted funds</i>						
General Reserve	2,422	42,631	(40,783)	-	(1,848)	2,422
<i>Designated funds</i>						
Strategic Reserve	260	-	-	-	-	260
Capital Reserve	54,788	-	(11,643)	641	9,491	53,277
Revaluation Reserve	169,405	-	-	-	-	169,405
Hayward Gallery Prints Fund	14	3	(11)	-	-	6
Pension Plan Reserve (note 23)	(6,387)	143	-	6,505	-	261
Total unrestricted funds	220,502	42,777	(52,437)	7,146	7,643	225,631
<i>Restricted funds</i>						
Capital Reserve	-	7,643	-	-	(7,643)	-
Projects Fund	441	1,591	(1,649)	-	-	383
Total restricted funds	441	9,234	(1,649)	-	(7,643)	383
TOTAL funds (2018)	220,943	52,011	(54,086)	7,146	-	226,014
TOTAL funds (2017)	203,114	68,081	(47,470)	(2,782)	-	220,943

Unrestricted funds

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

The General Reserve is available for spending on the group's charitable objectives.

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

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

The Revaluation Reserve reflects the balance of surplus or deficit on the revaluation of the Land and Buildings (Artistic) as per Note 11. The revaluation reserve has been split out from the capital reserve reflecting the surplus on revaluations carried out in prior years.

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

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

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

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

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

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

Transfers in the year

£1m was transferred to the Unrestricted Capital Reserve from the General Reserve in the year to reflect funding received for the Festival Wing refurbishment project.

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

Analysis of net assets between funds

	Restricted funds £'000	Unrestricted funds £'000	Total funds	
			2019 £'000	2018 £'000
Tangible and intangible fixed assets	-	248,969	248,969	253,955
Current assets	197	10,702	10,899	10,045
Current liabilities	-	(15,900)	(15,900)	(15,030)
Creditors falling due after one year	-	(22,004)	(22,004)	(23,217)
Pension plan asset	-	1,070	1,070	261
	<u>197</u>	<u>222,837</u>	<u>223,034</u>	<u>226,014</u>

19) Capital Commitments

Group and charity	2019 £'000	2018 £'000
Authorised and contracted	1,188	1,847

Capital Commitments relate to Festival Wing, System and Website upgrades.

20) 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:

	2019 £'000	2018 £'000
Payments due		
Not later than one year	173	113
	<u>173</u>	<u>113</u>

21) 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:

	2019 £'000	2018 £'000
Receipts due	38,380	40,548
Not later than one year	3,909	3,783
Later than one year and not later than five years	14,506	14,286
Later than five years	<u>19,965</u>	<u>22,479</u>

22) Financial Instruments

Group	Note	2019 £'000	2018 £'000
Financial Assets			
Financial assets measured at amortised cost			
Trade debtors	14	2,675	3,221
Other debtors	14	360	544
		<u>3,035</u>	<u>3,765</u>
Cash and cash equivalents		<u>4,420</u>	<u>4,397</u>
Financial Liabilities			
Financial liabilities measured at fair value through profit or loss			
Derivative financial instrument	17	2,771	2,809
Financial liabilities measured at amortised cost			
Bank loans and overdrafts (current)	17	961	580
Bank loans and overdrafts (non-current)	17	18,900	19,867
Trade creditors	15, 17	3,854	2,989
		<u>23,715</u>	<u>23,436</u>

22) Financial Instruments continued...

As part of the group's risk mitigation strategy the organisation entered into interest rate swap arrangements in January 2008. At 31 March 2019 the fair value of contracts outstanding was £2,771k (2018: £2,809k). The gain on the derivative financial instrument was £38k (2018: £641k).

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

23) Pensions

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

The amount recognised in the SOFA is as follows:

	2019 £'000	2018 £'000
Defined benefit scheme		
Current service cost	223	247
Past service cost	942	-
Defined contribution scheme	750	715
Total charge in net expenditure	<u>1,915</u>	<u>962</u>
Defined benefit scheme		
Net interest (income) / expense	<u>(10)</u>	<u>165</u>
Total charge	<u>1,905</u>	<u>1,127</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 2017 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. As the section is closed to new entrants, under the projected unit method the current service cost will increase (as a percentage of pensionable salaries) as members approach retirement. The next tri-annual valuation will take place as at 1 April 2020.

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

23) Pensions continued...

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2019 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2019	2018
Expected rate of salary increase	3.60%	3.50%
Expected rate of increase of pensions in payment	3.40%	3.30%
Discount rate	2.50%	2.70%
Rate of inflation	3.60%	3.50%

The mortality assumptions used were as follows:

	2019 years	2018 years
Longevity at age 65 for current pensioners		
Men	22.3	22.9
Women	24.2	24.8
Longevity at age 65 for future pensioners		
Men	23.6	24.4
Women	25.7	26.3

Reconciliation of plan assets and liabilities:

	£'000 Assets	£'000 Liabilities	£'000 Total
At 1 April 2018	60,607	(60,346)	261
Benefits paid	(2,188)	2,188	-
Employer contributions	248	(18)	230
Current service cost	-	(223)	(223)
Past service cost	-	(942)	(942)
Interest income/ (expense)	1,610	(1,600)	10
Remeasurement (losses) / gains			
Actuarial losses	-	(1,639)	(1,639)
Return on plan assets excluding interest income	3,373	-	3,373
As at 31 March 2019	63,650	(62,580)	1,070

Total cost recognised as an expense:

	2019 £'000	2018 £'000
Current service cost	223	247
Interest cost	1,600	1,753
	1,823	2,000

No amounts (2018: nil) were included in the cost of assets.

23) Pensions continued..

The fair value of the plan assets was:	2019	2018
	£'000	£'000
Equities	20,269	18,962
Liability driven investments	13,762	13,692
Diversified growth fund	20,307	19,219
Cash	234	65
London Eye Asset	9,078	8,669
	<u>63,650</u>	<u>60,607</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:	2019	2018
	£'000	£'000
Interest income	1,610	1,588
Return on plan assets less interest income	3,373	623
	<u>4,983</u>	<u>2,211</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

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

	2019	2018
	£'000	£'000
Current year contributions	750	715
	<u>750</u>	<u>715</u>

21) Subsidiaries

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

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. The South Bank Foundation Limited was dormant during the year.

Southbank Centre Enterprises Limited (number: 6158790)

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

	2019 £'000	2018 £'000
Turnover	13,935	9,764
Cost of sales	(5,202)	(2,293)
Administrative expenses	(2,786)	(3,236)
Operating profit	<u>5,947</u>	<u>4,235</u>
Interest receivable	<u>7</u>	<u>-</u>
Net result	5,954	4,235
Gift aid due to Southbank Centre Limited	<u>(5,954)</u>	<u>(4,235)</u>
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

	2019 £'000	2018 As restated £'000
Current assets	5,811	5,498
Creditors: amount falling due within one year	<u>(5,698)</u>	<u>(5,140)</u>
Net current assets	113	358
Creditors: amounts falling due after one year	(113)	(322)
Total net assets	<u>-</u>	<u>36</u>
Represented by:	<u>-</u>	<u>-</u>
Profit and loss account	<u>-</u>	<u>36</u>

25) Contingent Liabilities

Group and charity

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

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

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

A term loan of £15.1m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments until 2027.

A term loan of £7m provided by Lloyds Bank plc is secured by an assignment and charge over the retail lease income from property at the Royal Festival Hall. The loan is repayable in quarterly installments commencing June 2019 until June 2023.

Land and buildings comprise Southbank Centre's three concert halls, the Hayward Gallery, the extension building, the Waterloo Undercroft, Jubilee Gardens and the National Film Theatre, the last of which is occupied by the British Film Institute on an underlease. The freehold interest in these properties, with the exception of the Waterloo Undercroft, is vested in Arts Council England. A lease of 150 years on these properties was granted to Southbank Centre Limited by Arts Council England commencing on 1 April 1988 and the amount shown for land and buildings represents Southbank Centre's interest. Under the terms of the lease there are constraints on the transfer of the properties and, therefore, the value cannot be realised for the benefit of Southbank Centre in an artistic way. Southbank Centre is responsible for maintaining the properties and keeping them in good repair. The open market value of the land has been assessed at a nominal value, given the constraints on its permitted existing use. The value to Southbank Centre of its interest in the National Film Theatre has been assessed at nil, given the long underlease to which it is subject. A peppercorn rent is payable on the lease from Arts Council England to Southbank Centre and on the underlease from Southbank Centre to the British Film Institute. The lease on the Waterloo Undercroft is for 150 years, expiring in February 2148, and was partly financed by lottery funds of £937,500 from Arts Council England.

26) Related Parties

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD 66,209 (2018: USD 78,823) from the American Fund. The American Fund had USD 41,553 (2018: USD 52,086) in cash balances available to transfer to Southbank Centre at 31 March 2019.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £178,981 (2018: £271,042) for the year ended 31 March 2019.

Chris Denton, a member of the Executive team of Southbank Centre, is closely related to a director of Jane Denton Creative Services Limited. During the course of the year Southbank Centre paid Jane Denton Creative Services £8,580 (2018: £5,320) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services.

The Charity has taken advantage of the exemptions provided under FRS 102 S33.1A and has not disclosed transactions with wholly owned subsidiaries.

27) Restatement

The prior year Charity balances at 31 March 2018 - Debtors – amounts owed by group undertakings and Unrestricted income funds – general reserves have been restated to reflect £2,458,000 charges by Southbank Centre Enterprises Limited to Southbank Centre that had not been included in the Charity's own financial statements for the year ended 31 March 2018. This adjustment does not impact on the Consolidated Statement of Financial Activities or the Consolidated Statement of Cash Flows.

The net expenditure of the Charity for the year ended 31 March 2018 has also been restated to reflect this adjustment.

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

	Note	Unrestricted funds		Restricted funds		Total funds
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	2018 £'000
Income from:						
Donations and legacies	2	21,100	-	1,591	7,643	30,334
Charitable activities	3	7,821	146	-	-	7,967
Other trading activities	4	13,695	-	-	-	13,695
Investments	5	15	-	-	-	15
Total		42,631	146	1,591	7,643	52,011
Expenditure on:						
Raising funds	9	910	32	-	-	942
Charitable activities	9	33,087	11,079	1,649	-	45,815
Other	9	6,786	543	-	-	7,329
Total		40,783	11,654	1,649	-	54,086
Net income/(expenditure) before transfers		1,848	(11,508)	(58)	7,643	(2,075)
Transfers	18	(1,848)	9,491	-	(7,643)	-
Other recognised gains						
Actuarial gain on defined benefit pension plan	23	-	6,505	-	-	6,505
Gain on derivative financial instrument	22	-	641	-	-	641
Total		-	7,146	-	-	7,146
Net movement in funds		-	5,129	(58)	-	5,071

All of the above results are derived from continuing activities
The Movements on Reserves are also described in note 18

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

	Unrestricted funds		Restricted funds		Total funds
	Operations £'000	Designated £'000	Projects £'000	Capital £'000	2018 £'000
Net movement in funds	-	5,129	(58)	-	5,071
Fund balances brought forward at 1 April 2017	2,422	218,080	441	-	220,943
Total funds carried forward at 31 March 2018	2,422	223,209	383	-	226,014