

SOUTHBANK CENTRE

A large-scale photograph of a stage performance at the Southbank Centre. The stage is filled with performers in various costumes, including some in red and white. The stage is illuminated by numerous bright spotlights, creating a dynamic and energetic atmosphere. The audience, seen from behind, fills the foreground, looking towards the stage. The overall scene is one of a major cultural event.

Annual Report and Financial Statements 2019 – 2020

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

SOUTHBANK CENTRE

Annual Report and Financial Statements 2019 – 2020

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Nile Rodgers photocall © Victor Frankowski

**SOUTHBANK
CENTRE**

Chair's Foreword

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

Southbank Centre is an indispensable part of the UK's cultural life. We are the UK's largest arts centre and a National Heritage site – a legacy of the 1951 Festival of Britain – and we are one of the nation's top five visitor attractions working with over 100,000¹ artists and creatives in a normal year. We were born as part of a tonic for the nation and a demonstration of culture as part of urban regeneration. We still aim to live up to that heritage and see that role as having even greater relevance as we recover from the tragedies of Covid-19.

We deliver a world-class cultural programme of over 3,500 events each year. We have the largest free arts programme in the UK; 40% of our events are accessible to the public free of charge. We curate, produce and stage our own world-leading creative work, and sit at the heart of a cultural ecosystem that supports not only the very best international orchestras and worldwide artists but also many community groups and ensembles who use Southbank Centre. Together, we attract audiences of 4.5m each year (19% of them Black, Asian and Ethnically Diverse) as well as the 31m visitors who engage with our site.

Beyond our central London site, we work with arts organisations across the country and the world to

showcase the breadth of our artistic programming. Our Hayward Gallery and Arts Council Collection teams organise touring exhibitions loaning thousands of artworks to more than 100 galleries nationwide reaching 2.8 million people. We produce international shows and festivals including Women of the World, now syndicated across six continents.

We generate £29m¹ in direct earned income, supporting over 7,000 jobs in the wider cultural economy and add £530m¹ Gross Value Added in London and £440m¹ across the UK. Our economic power is matched by our social impact. The work of our Learning and Participation teams supports the socially isolated, dementia sufferers and vulnerable adults, and ensures that we are a thriving hub where anyone can enjoy art for free: visitors can sing, dance, explore free installations, visit the Poetry Library and take part in curated events across the site. Over 300 schools benefit from our Learning programmes every year.

The financial year 2019/20 ended just as the national lockdown began so this report reflects on the last full year of activity before we temporarily closed our venues. Since it was another full year of artistic excellence, innovation and inclusivity, looking back can provide us with inspiration as we work to get back to doing what we do best: entertaining and delighting audiences and communities from across London, the UK and the world as only the Southbank Centre can.

Our important work would not be possible without the support of our principal funder, Arts Council England, and we continue to be grateful to them for their essential funding. Our reliance on public funding has reduced from nearly 60% to under 40% in recent years due to our entrepreneurial activity. This however left us uniquely vulnerable as an Arts Centre when our revenue from bars and

¹ Southbank Centre Economic and Social Impact Report 2018

restaurants and commercial hires collapsed in lockdown. Nevertheless, maintaining our highly entrepreneurial approach across all aspects of our organisation remains a vital objective in order to ensure we add real value to our public funding and extend our reach, impact and relevance as a flagship cultural organisation at the centre of the nation's cultural ecology.

We continue to take pride in the ongoing work of our four Resident Orchestras (London Philharmonic Orchestra; Philharmonia Orchestra; London Sinfonietta and Orchestra of the Age of Enlightenment) and four Associate Orchestras (Aurora Orchestra; National Youth Orchestra; Chineke! Orchestra; and BBC Concert Orchestra) who all play a huge part in delivering our world-class classical music programme. If there were ever two performances that showed off the Southbank Centre's ambition and our Director of Music Gillian Moore's amazing vision, it was the productions celebrating two behemoths of 20th-century music: Stockhausen's *Donnerstag Aus Licht* and the premiere of Philip Glass' third Bowie symphony. When these are combined with the *New Music Biennale*, Britten's *Peter Grimes* and Steve Reich's *Drumming*, re-living its premiere in Hayward Gallery in 1972, we see that the Southbank Centre continues to be the leading purveyor of 20th-century and new music.

The Hayward Gallery, under Director Ralph Rugoff, has had a tremendous year critically with the reflective Attius/Arbus joint commission followed by the ground-breaking *Kiss My Genders*. This exhibition broke boundaries and was the centrepiece of a summer of celebratory artistic activity across our 11-acre site, showing once again that the Southbank Centre commitment to inclusivity. The blockbuster exhibition of the year was surely Bridget Riley, an amazing retrospective of a cultural heavyweight. Finally, *Among the Trees* was a popular exhibition allowing us to reflect on nature which we brought back this summer.

Another highlight of the year was Nile Rodgers' *Meltdown* festival. Nile fully embraced the spirit of *Meltdown*: as well as curating a sell-out festival he was on site for the whole week, and a real joy to work with for the other artists and teams.

We hosted a number of heavyweight authors including Hillary Rodham Clinton and Chelsea

Clinton in conversation with Mary Beard about *The Book of Gutsy Women*, and Phoebe Waller-Bridge in conversation with Deborah Frances-White about *Fleabag: The Scriptures*.

Our commitment to driving forward the health and wellbeing agenda was manifest in the first national Creative Health Conference, a sell-out event in the Queen Elizabeth Hall that we were proud to produce in partnership with Arts Council England and the All Party Parliamentary Group for Arts, Health and Wellbeing. We also formed a partnership with the new National Academy for Arts, Health and Wellbeing which will be based at the Southbank Centre.

Our schools programme, too, has gone from strength to strength, reaching 13,600 school pupils and 250 school teachers, and I am delighted that we welcomed Alexandra Brierley as our new Director of Creative Learning to set an ambitious vision for this important element of our work.

We now find ourselves in an unprecedented position due to COVID-19. However, the decisive actions taken by the Board and leadership to manage our financial position has meant that we are now in a better position to weather the pandemic and reopen in 2021. In taking these vital measures to secure the future of the Southbank Centre we have sadly had to say goodbye to staff members across the organisation for whom there was no likelihood of work while we were in a hibernation period. We are determined to use this time as a catalyst to review what we do and how we do it so that we emerge from this moment with a vibrant and relevant artistic programme and ambition supported by a robust and sustainable business model. We have exciting plans and I look forward to the Southbank Centre and its artistic partners welcoming the public to vibrant and memorable art, music, performance and poetry once again.



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

Trustee Report

Strategic focus and activities



Soundstate artist Du Yun © Spa Theory 2017

Our mission, vision and values

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 objectives

We have seven key strategic objectives:

1. We champion greatness – we are a centre for excellence.
2. We innovate. We're at the forefront of the arts.
3. We are a global leader in education and participation programmes.
4. We will expand the diversity of voices and visitors at Southbank Centre to better reflect the city we live in and demonstrate that diversity is synonymous with artistic excellence.
5. We will be a National centre with genuine national impact.
6. We will be International, the place to see the best global artists, with key strategic global partnerships for our festivals.
7. We will be fit for the future and sustainability will be key.

Our values

Champion greatness

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



Take the lead

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



Images: Top - Friday Tonic - Clara Serra López; bottom-right: Little Gay Brother © Thomas Dhanens

Note on COVID

The impact of Covid-19 on Southbank Centre has been distressing. It has resulted in the closure of our site to the public, the suspension of most of our creative programme, a wide-scale redundancy programme, the depletion of our reserves and the cancellation of capital repair works.

The financial impact of Covid-19 put Southbank Centre in critical jeopardy. The lockdown caused the complete cessation of all our commercial and ticket income, as well as impacting our ability to fundraise. Our self-generated income collapsed since closure from £2.4m a month to £500,000.

The funds from the sale of the Waterloo Undercroft in the reporting year have had to be diverted into supporting survival - not artistic innovation and future income development as had been planned.

We have therefore developed a new operational model for when social distancing is eased that will sustain the significantly reduced income expectations in 2021/22 and reduce risk. We will reopen with a strong impactful 5-day artistic programme (Wednesday to Sunday).

With this model, we can make more effective use of the time available in the venues and build on our artistic strengths. We can reopen on a lower cost base than pre-Covid and, as commercial income recovers, consider how to increase artistic activity cost-effectively.

We are determined to get back, as soon as possible, to fulfilling our role as a cornerstone of the UK's cultural ecology, supporting the huge numbers of artists, musicians and creatives (over 100,000 a year) who depend on us for their livelihoods.



Open up the arts

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



Have fun

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



Images: Top - Installation view of Bridget Riley, *Composition with Circles 4*, 2004 at Hayward Gallery 2019 © Bridget Riley 2019 Photo Stephen White; bottom-left: Member of Chineke! Youth Orchestra; bottom-right: Installation view of *Shifting Borders*, Kader Attia: *The Museum of Emotion* at Hayward Gallery. Copyright the artist, courtesy Hayward Gallery 2019. Photo © Linda Nyland

Achievements and performance

Investing in arts and artists

Hayward Gallery

Diane Arbus: In the Beginning (13 February – 6 May) featured more than 100 photographs, the majority of which were vintage prints made by the artist, drawn from the Diane Arbus Archive at The Metropolitan Museum of Art, New York. More than two-thirds of these photographs had never been seen before in the UK.



Installation view of *diane arbus: in the beginning* at Hayward Gallery. Copyright the artist, courtesy Hayward Gallery 2019, photo © Mark Blower. Right: Installation view of Hannah Quinlan and Rosie Hastings, *Something for the boys* (2018), *Kiss My Genders*, Hayward Gallery. Photo: Thierry Bal



Kiss My Genders opened on 12 June with an excellent first wave of press coverage including a 5-star *Guardian* review. The exhibition celebrated more than 30 international artists whose work explores and engages with gender fluidity, as well as with non-binary, trans and intersex identities. The exhibition was critically acclaimed – it was one of the best-reviewed major shows in London over the summer period – and it attracted a young and highly diverse audience.

Bridget Riley opened at the end of October and was the largest retrospective to date of one of the most important artists of our time. Organised in partnership with National Galleries Scotland, the exhibition spanned 70 years and brought together some of the artist's best-known work, including her iconic black-and-white paintings of the 1960s

'...it was one of the best-reviewed major shows in London over the summer period...'

and expansive canvases in colour, as well as rarely-seen drawings and recent wall paintings.

Among the Trees opened on 4 March, with ambitious works from 38 artists which draw our attention to the beauty, scale and complexity of trees and forests. Alongside sculptures and installations, drawings, paintings and photographs, these are artworks that celebrate the soaring scale of trees and remind us of the power of the natural world. *Among the Trees* reopened in August 2020 for three months.

As part of *Cosmic Prophet*, a series of concerts celebrating the music of Karlheinz Stockhausen, in May 2019 Southbank Centre presented his opera *Donnerstag aus Licht* for the first time in the UK since its premiere at the Royal Opera House in 1985. Conducted by Maxime Pascal, the staging saw the Royal Festival Hall transformed with stunning video projections, and electronic sounds diffused through the auditorium. The performances earned Southbank Centre a Royal Philharmonic Society Award nomination.



Classical music

We hosted 267 classical concerts in 2019/20 and 23 orchestras played in our halls. 255,919 tickets were sold for a classical concert that year.

In May 2019 Southbank Centre presented the European premiere of Philip Glass's 12th Symphony to a sold out Royal Festival Hall. A Southbank Centre co-commission with the Los Angeles Philharmonic, the symphony was inspired by David Bowie's album *Lodger*, and marked the third and final symphony based on Bowie's *Berlin Trilogy* of albums.

New Music Biennial (NMB) free festival of new music gave Southbank the opportunity to connect deeply with artists and arts organisations right across the UK and helps us fulfil our mission to improve access to art for audiences outside of London.

Our 2019/20 International Orchestra Series opened on 30 November 2019 with a sell-out performance of the Bergen Philharmonic Orchestra's production of Britten's landmark opera *Peter Grimes*.

In December 2019, as part of the Hayward Gallery's major retrospective exhibition of the work of celebrated artist Bridget Riley, we presented four sold-out performances of Steve Reich's *Drumming* within the gallery itself.



James McVinnie, Philip Glass, Angelique Kidjo, Robert Ames and the LCO. *Philip Glass the Bowie Symphonies* © Mark Allan



On 31 January, the day that the UK left the European Union, Southbank Centre welcomed the Mahler Chamber Orchestra, an international orchestra made up of 45 musicians from more than 20 different countries, in a celebration of classical music's ability to unite us and bridge borders, and a testament to Southbank Centre's commitment to continue working with artists and musicians across the globe.

Encounters is a new initiative begun this year which aims to create close contact between leading classical music artists and groups of people who have never experienced a live classical concert before. The groups which have been invited have included our neighbours from the Coin Street Community, Southbank Centre's

cleaning workers and catering staff, a group of visually impaired older people, and young people taking part in a young arts entrepreneurs scheme. The groups have been hosted by leading artists including Nicola Benedetti, John Wilson, Chi-chi Nwanoku, Mark Anthony Turnage and James Gilchrist, as well as by Gillian Moore.

Chineke!, the world's first majority BME professional orchestra and Southbank Centre Associate Orchestra, performed a series of concerts exploring the music of Samuel Coleridge Taylor, a British BME composer who died in 1912. One concert featured his rarely heard Violin Concerto, performed by BBC New Generation Artist Elena Urioste.

Chineke! - Miles Brett, Sarah Martin, Didier Osindero © Ntando Brown

Contemporary music

The 2019/20 season started off with the UK premiere of Actress with Netherlands Chamber Choir (*Actress x Stockhausen Sin {x} II*), a Southbank Centre co-commission with the Holland Festival.

Holly Blakey and Mica Levi's Southbank Centre-commissioned work *Cowpuncher My Ass* returned to two sold-out Queen Elizabeth Halls with an incredible performance.

There's Only One Peach With The Hole In It was a special cabaret performance, in co-production

with Volksbühne Berlin, Musikhuset Aarhus and Southbank Centre, and was a celebration of 20 years of Peaches' career.

A Celebration of Mark Hollis and Talk Talk was an 'Only-at Southbank Centre' production with special guest artists Joan As Police Woman and Tim Burgess which received widespread praise.

We asked renowned contemporary classical pianist and composer Olafur Arnalds to curate a site-wide takeover at Southbank Centre, titled *OPIA*. The event was a significant success artistically and financially.

Meltdown Festival

This year's *Meltdown Festival* was unusually planned for August when our typical audiences tend to be on holiday, so we sought a curator with an international reputation who could attract tourist audiences. GRAMMY Award-winning producer, composer, guitarist, CHIC co-founder, Rock and Roll Hall of Fame Inductee, Chairman of the Songwriters Hall of Fame and Abbey Road's first ever Chief Creative Advisor, Nile Rodgers, was the perfect choice as someone who also calls London his second home and has massive respect for *Meltdown* as a festival.

The festival was a "radical-world party" (*Guardian*) with a line up of more than 70 multi-genre exceptional artists including huge legendary acts like Chic and Johnny Marr, the world premiere of Eurythmics Songbook, international stars including Anitta (Brazil), Songhoy Blues (Mali) and Viagra Boys (Sweden), and the best emerging talent including Kokoroko, Nakhane, and Anais. We held immersive events including a recreation of Studio 54, featuring multiple acrobats, roller-dancers, original S54 DJs and Despacio Soundsystem creating their greatest sonic presentation of the installation to date. More than 40 hours of free programming entertained over 8,000 people, including the *C'est CHIC Vogue Ball*, a *Meltdown Mardi Gras* and Friday's *And The Beat Goes On*, a showcase of talent from the famous BRIT School. The festival got a 5* *Guardian* review.



Artists from across the world with global standing, brought audiences to Southbank Centre from different backgrounds, cultures and heritage including Amjad Ali Khan (India), Bulgarian Voices, Mohsen Namjoo (Iran), Manu Delago (Austria), Dayme Arocena (Havana), George Dalaras (Greece), Michelle Gurevich (Canada) and Andrea Belfi (Italy)

futuretense, our slot for new artists is bringing free programming to the QEH foyer every Friday. In this way, we are establishing an early connection with artists that we want to nurture and support from an early stage. *futuretense* also

presents partnerships with *BBC Introducing* and *Tomorrow's Warriors*.

Concrete Lates, our late-night monthly slot is building up new, diverse and young audiences for the Southbank Centre. 2019 – 2020 season was our first year in partnership with Boiler Room.



Nile Rodgers © Victor Frankowski

Performance and dance

In May, our recently announced Artist in Residence, Deborah Colker, presented her internationally acclaimed production *Dog Without Feathers*. This was then followed up in June with an appearance by Natalia Osipova, Principal of the Royal Ballet, in a unique intimate performance, *The Mother*, directed by Arthur Pita in the QEH, garnering great critical acclaim.

In July we landed a major coup to present the international launch of Jean Paul Gaultier's *Fashion Freak Show* straight from the Folies Bergère in Paris. This sold-out, exclusive run of shows by the iconic designer and artist aligned with the Hayward's exhibition *Kiss My Genders* and accompanying public programme, and created a real focal point for the summer programme of inclusivity, celebration and fun.



Jean Paul Gaultier: Fashion Freak Show

Touring

The Hand Drawn Action Packed exhibition continued its successful national tour at Hunterian Gallery, Glasgow followed by the Glynn Vivian Art Gallery in Swansea. The exhibition featured ten international artists (Belgium, Canada, China, India, Nigeria, the Netherlands, South Africa, Turkey and the USA), most of whom had never been seen by audiences outside London before. Public and outreach programmes were developed by the venues to accompany the exhibition.

How Chicago! Imagists 1960s & 70s was the first significant UK exhibition in almost 40 years of work by the group of artists who have become known as the Chicago Imagists. It was an opportunity for UK audiences to see an incredible and hugely influential body of work which has been rarely seen outside the USA. It featured loans from major American Institutions and lenders and was supported by the Terra Foundation for American Art. The exhibition opened at Goldsmiths Centre for Contemporary Art, London and the De La Warr Pavilion, Bexhill-on-Sea.

Slow Painting was a major survey of contemporary painting featuring nineteen artists whose work spans a myriad of styles and applications, opened in Leeds then toured to Plymouth. The remainder of the tour has been postponed due to the covid-19 outbreak.

Comedy

Following a sold-out Royal Festival Hall performance in January 2019, Sandi Toksvig brought her autobiographical one-woman show back to the RFH in January 2020. The Spring programme was also scheduled to include BAFTA-winning comedian and voice of Love Island Iain Stirling, as well as a filming for HBO Max of two-time Edinburgh Comedy Award nominee Ahir Shah talking about philosophy, depression and love in Dots. Both events sadly had to be cancelled due to the COVID-19 crisis.

Literature and spoken word

The Summer season featured numerous exclusive events, including multi-award-winning *Atonement* and *Enduring Love* author Ian McEwan presenting his new novel *Machines Like Me* (RFH, 15 Apr); master storyteller Neil Gaiman reflecting on reinventing the modern classic *Good Omens* for the screen, joined by stars of the series David Tennant and Michael Sheen (RFH, 27 May); leading American crime writer James Ellroy making his first London appearance in five years to present his latest novel *This Storm* in a pre-publication event in collaboration with Penguin Live (QEH, 27 May); and internationally-acclaimed poet Ocean Vuong presenting his debut novel *On Earth We're Briefly Gorgeous* (PUR, 7 July). And, in the fastest sold-out event for a debut author in Southbank Centre history, Candice Carty-Williams was in conversation with June Sarpong about her novel *Queenie*, which chronicles the life of 25-year-old Jamaican-British Londoner Queenie Jenkins (PUR, 17 Apr).

The Autumn season featured three of the most anticipated launches of the year, including Dame Julie Andrews in a UK exclusive appearance for her memoir *Home Work: A Memoir of My Hollywood Years* (RFH, 2 Nov), Hilary Rodham



'The Autumn season featured three of the most anticipated launches of the year ...'

Dame Julie Andrews with Alex Higgins



Hillary Clinton and Chelsea Clinton in conversation with Mary Beard
© Takis Zontiros

Clinton and Chelsea Clinton in conversation with Mary Beard about *The Book of Gutsy Women* (RFH, 11 Nov) and Phoebe Waller Bridge in conversation with Deborah Frances White about *Fleabag: The Scriptures* (RFH, 8 Dec).

The 2020 Spring season opened the year with several high profile exclusives, and, in the most anticipated publishing event of the decade, we were proud to host the exclusive UK launch of Hilary Mantel's finale to her double-Booker Prize winning Cromwell trilogy, *The Mirror and the Light* (RFH, 06 Mar).

In the 2019 Summer season we launched a major partnership with Out-Spoken, one of London's premier live poetry and music nights which celebrates diverse voices in writing and performance. From May, they began a year-long residency at Southbank Centre with monthly events (PUR) and masterclasses, which have consistently sold out and have featured a fantastic range of poets, including Simon Armitage, Inua Ellams, Sabrina Mahfouz, Kei Miller, Morgan Parker, Hannah Sullivan, and Anthony Anaxagorou. Out-Spoken is now a thriving part of our seasonal programme, alongside mainstays including Polari, and we have renewed the relationship for 2020/21.

We also launched a new series of poetry salons, *National Poetry Library Lates*, which took place in the Hayward Gallery Cafe. The series has featured poets including Kim Hyesoon, Don Mee Choi, Theresa Lola, Mimi Khalvati and Aria Aber.

Consolidating our reputation as the UK's centre for literary excellence, in 2019 we expanded

the range of prestigious awards we exclusively present at Southbank Centre, programming the International Booker Prize 2019 shortlist readings for the first time. We also continue to annually host the TS Eliot Prize (RFH 13/01/19 & RFH 12/01/20) and the Forward Prizes for poetry.

Southbank Centre's acclaimed *London Literature Festival* (17-27 Oct) returned for a 13th year, offering audiences a packed eleven-day programme of exclusive appearances, live readings, newly commissioned performances, award ceremonies, book launches, and debates, as well as poetry readings, visual displays, workshops, family events, music, free activity and more. Participants included Armistead Maupin in conversation with Neil Gaiman, Elizabeth Day, Bernadine Evaristo, Jung Chang, Tricky, Fatima Bhutto, Suede frontman Brett Anderson and Elif Shafak.

Poetry International is Southbank Centre's longest running festival and was founded by former poet laureate Ted Hughes in 1967. This year, it took place across the London Literature Festival's opening five days (17 - 21 Oct) and featured a range of international poets including Nikki Giovanni, Lemn Sissay, Helen Seymour, Jay Bernard, Adonis and Khaled Mattawa. The festival also launched *Poems from the Edge of Extinction*, featuring contributors to this groundbreaking anthology of poetry written in endangered languages from around the world, including Rohingya, Māori and Assyrian – resulting from the National Poetry Library's *Endangered Poetry Project*.

National Poetry Library

In 2019-20 the National Poetry Library received 52,627 visits to its library and Reading Den, 15,672 of which were from children. The library answered 24,399 enquiries, loaned 15,626 books from its shelves and welcomed 665 new members. Its website, www.nationalpoetrylibrary.org.uk hosted 965,434 page views.

The National Poetry Library continued with its core mission of collecting a copy of every poetry item published in the UK in 2019, adding a further 1,198 items to its catalogue. These range from prize-winning books such as Fiona Benson's *Vertigo & Ghost*, through to artists' books and collections for children.

Multi artform festivals and seasons

April 2019 saw the first Easter season of family activity programmed by the Public Programming team. Building on our existing strong family audience for *Imagine* (our childrens' literature festival) we created a 16-day programme of activities. Highlights included Kaleidoscope by Filskit Theatre in the Purcell Room, a show for babies and young children with special educational needs (SEN) and a collaboration with afro dance duo HomeBros on a new performance.

In June we celebrated Refugee Week in partnership with Counterpoints Arts. Highlights of 2019 included an ambitious collaboration across two countries with Seenaryo, based in Lebanon. Over three months we supported weekly rehearsals between refugee women in Lebanon and London coming together to create a new piece of theatre via Skype. The final piece was performed in the Purcell Room and a theatre in Lebanon simultaneously to amazing audiences.

We had a lively Summer season responding to the Hayward Gallery exhibition *Kiss My Genders*. Over 25 event days we collaborated with 15 LGBTQI+ organisations from across London to curate DJ sets, live music, comedy, performances and

cabaret on the riverside terrace stage. The season received consistently high audience numbers and our QTPOC (Queer, Trans, Intersex People of Colour) Pride event in collaboration with Pxssy Palace and BBZ saw our biggest numbers to date, with 1,000+ people attending.

Africa Utopia (AU) 2019 was the first year we partnered with music conglomerate Indbada X. This relationship gave us the scope to build bigger and more exciting gig line-ups, as well as reach new audiences using different ticketing platforms.

London is Love with photographer Liz Johnson Artur, our biggest participation project this year, was a real Winter highlight, Liz's final images were exhibited around our site and represented the diversity of our local community, acting as a reminder that we are a space for everyone that welcomes everyone. Groups whose images were shown included Archbishop's Park Gardening Club, Black Cowboy Coffee, Bookmongers of Brixton, BORN N BREAD, Ebony Horse Club, Effra Hall Tavern, Positive Ageing at Blackfriars Settlement and The Chateau.

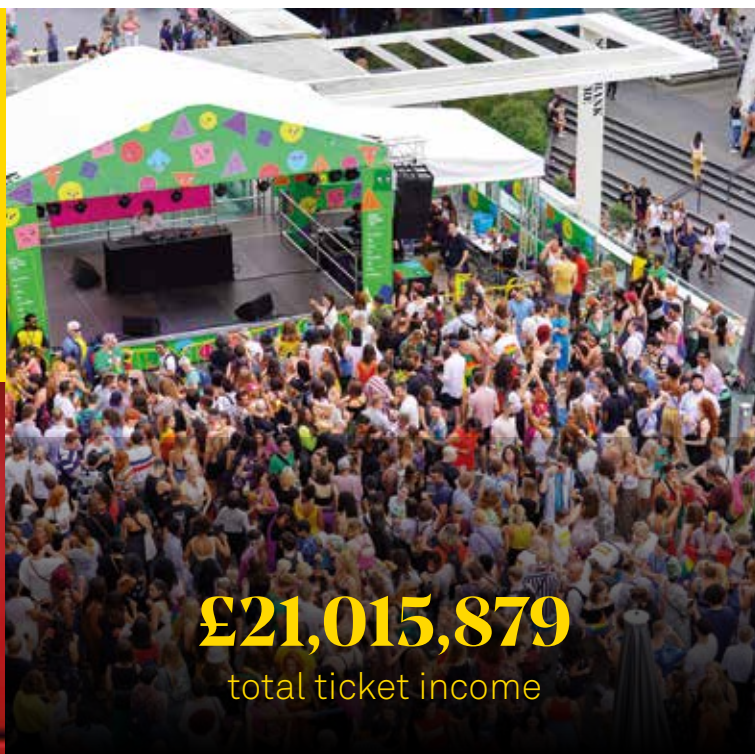
February 2020 saw the return of *Imagine* for its 19th year with more than 60 separate shows and events, including nine days of free Ballroom activity which were focused on developing partnerships and relationships with artists including Mellow baku, Groove Baby and ShayShay.



Africa Utopia 2019 © Pete Woodhead

74%

average capacity in
Royal Festival Hall



£21,015,879

total ticket income

721

unique productions



15,000

Total performances
(inc exhibition days)



873,153

tickets sold
in 2019/20

Southbank Centre's own audience insight analysis

Images, clockwise from top right: Pride Party © Takis Zontiros; Bridget Riley at Hayward Gallery © Pete Woodhead; Family at Soundpit © Pete Woodhead; Philip Glass © Pete Woodhead

**SOUTHBANK
CENTRE**

Putting audiences at our heart

We attracted over 60% new audiences to Southbank Centre this year. 68% of them came from within the London area and 11% from our own neighbourhood of Lambeth. We continue to try to diversify our audience so that we can reflect society around us and 19% of our paid ticketed audience identified as Black, Asian or Ethnically Diverse. Our free (unticketed) programme is a key driver for us in attracting new and local audiences to our site from where we hope that they will go on to engage further with us via a repeat paid visit. We continue to try to improve data capture for this free audience in order to help us monitor the social impact of our work.

Our free to join Under 30's scheme continues to be popular and we now have in excess of 27,000 people signed up and able to access free or heavily discounted tickets. In addition this year we launched our 'Encounters' scheme whereby small and targeted groups of people who have never been inside cultural venues before are given a unique opportunity to be 'hosted' at an event by a leading artist.

The growth of our online channels continues as does the percentage of audiences booking tickets online - now standing at nearly 80%. We have invested heavily in our ability to produce engaging

online content and actively use social channels to target relevant content to different audience groups. We commissioned the development of a new website this year (went live August 2020) to ensure that our site was optimal for mobile devices and to reflect the changed patterns of usage for our website.

Data insight and analysis of all of our activity remains an important part of our strategic work and using this information we are developing new segmentation profiles for our audiences which will further influence our marketing and programming decision making.

Creative Learning

This year, our Schools programme has reached 264 Primary and Secondary Schools and 8,426 school students. Within Lambeth, our home borough, we have worked directly with 28 primary schools (including our six Arts Explorer Schools) and 15 of the 17 secondary schools.

We also launched our first schools and family-focused exhibition resource, the 'Hello Hayward Guide,' which provides an exciting, versatile and creative way for children, school groups and families to explore the gallery space and learn about the work featured in the exhibition, at their own pace. We launched this new resource with the opening of the Bridget Riley exhibition, and we



Art Explorers © Marie Ortinou

have committed to creating this resource for each of our exhibitions moving forward.

Art Explorers is Southbank Centre's long-term commitment to Lambeth and schools with low arts provision. In the second year of three, Art Explorers children at our six Lambeth primary schools have been tasked with creating the *City of the Future*. The 180 children work collaboratively with A Line Art collective in a series of creative workshops in school and at Southbank Centre to create the people, places, and things of the *City of the Future*, building towards a grand exhibition of their work for their families.

Imagine a Story continued this year with over 1000 school children taking part to become published authors in their debut novel *London/Londoff*. In a giant 'game of consequences,' children from 35 primary schools wrote chapters responding to a creative brief from author Sharna Jackson, and their work was illustrated by Dapo Adeola before being published professionally by Brixton-based publisher Knights Of.

Creative Learning Lab was a new schools project for 2020. Established in response to the crisis in arts education and curriculum delivery in many schools, and in acknowledgment of recent reports such as the Durham Commission, Southbank Centre's Creative Learning Lab aims to embed creativity and the arts across all curriculum subjects, supporting and empowering non-arts teachers in their creative practice, inspiring creativity in the classroom, and enabling artists to develop their practice working alongside teachers and young audiences.

We introduced two free careers days for 14-18 year olds; *Careers In the Music Industry* and *Careers in Art and Art Galleries*. Both days aimed to support young people into careers in the creative industries and raised awareness of the breadth of roles available within the arts. Participants heard panel discussions with professionals, young artists and apprentices, talks from Southbank Centre and partner organisations, such as Roundhouse, Raw Materials, Tate, Engage, Somerset House and many more.

A key focus for our Schools programme this year has been a new strand of activities for SEND (Special Educational Needs and Disabilities)

Schools in which we are piloting ideas and approaches. We have worked with and welcomed onto our site 18 SEND Schools and 103 students from these schools and will continue to build on this new area of work into 20/21.

Consistently championing creativity and birthing many of today's pioneering composers and artists, Kinetica Bloco is renowned for recognising young talent in their summer school and nurturing it for a lifetime. This year, their summer school finale once more transformed the Clore Ballroom, meshing sounds from Brazil, Caribbean and London.

Tomorrow's Warriors continue to grow from strength to strength whilst resident at Southbank Centre, creating a huge impact on the Jazz scene not only across Britain, but internationally too. Alumni such as Nubya Garcia, Shirley Tetteh, Cassie Konoshi, Steve Williams, Binker and Golding, to name but a few, have continued to perform to great acclaim and are inspiring younger generations following behind them. Resident at Southbank Centre for 6 days a week, their programme caters for approximately 185 musicians aged from 11-25; 44% of these are female and 47% are from a BAME background.

In 2019 we also launched a regular podcasting course for young people to run alongside the Violet Nights live events, which sees small teams of young people learn podcasting skills 'on the job,' and work with Southbank Centre to release an episode of the *Violet Nights* podcast series each month.

In January we joined forces with Southbank Centre Associate Artist Nicola Benedetti for a three-day-long music education project aiming to inspire young string players, music teachers, and school children with little previous musical experience. The Benedetti Sessions (the second such project following on from the inaugural sessions in Glasgow) worked with 100 string teachers across the weekend offering seminars, practical professional development sessions and tips for motivating students.

Health and wellbeing

Southbank Centre believes in the power of arts and culture to positively impact people's health and wellbeing.

As part of our commitment to this developing strand of work we delivered our first, and the UK's largest, Creative Health Conference. Firmly establishing the Southbank Centre as national conveyors in this field, this free conference brought together over 800 delegates from both the Creative Industries and Health and Social Care sectors and officially launched National Creativity and Wellbeing Week in June 2019.

In 2019, The National Academy for Social Prescribing (NASP) was launched by the Secretary of State for Health and Social Care to create multi-sector partnerships to promote health and wellbeing, championing social prescribing at a national and local level. From March 2020, Southbank Centre was due to be NASP's new home, sitting alongside our Creative Learning team who will collaborate across various key objectives.

(B)old Programme

In November 2019 we launched *(B)old Visions: Filmmaking for Dementia*, funded by the Baring Foundation. Taking inspiration from our Hayward Gallery retrospective of celebrated artist Bridget Riley, the participants made three films in response to her paintings. The workshops were led by filmmaker Naomi Grant, and over the course of the project the 12 participants visited the Bridget Riley exhibition to explore the themes in her work, brainstormed ideas, and were taught how to plan, script, shoot and edit a film.

We have a long-term commitment to providing art workshops for people living with dementia and developing the *(B)old* series and we have recently launched *(B)old Voices: Singing for Dementia* lead by vocal artist Fran Lobo and another *(B)old Words: Poetry for Dementia* project lead by poet Shazea Quraishi.

Streetwise Opera

Streetwise Opera is an award-winning performing arts charity for people who are currently homeless, vulnerably housed or who have been affected by homelessness. They run their weekly sessions at Southbank Centre for their performers. Streetwise Opera will be a key partner in our work to reduce loneliness and

social isolation, and will help signpost people to our Wellbeing Choir, giving vulnerable people a pathway through different projects that take place at Southbank Centre.

Women for Refugee Women

Women for Refugee Women run their weekly drama sessions, *Refugee Women's Voice*, at Southbank Centre on Fridays and the sessions support their participants to develop performance poetry to tell their stories safely and creatively to wide audiences.

Grounded Ecotherapy

We have been working with Grounded Ecotherapy to transform and maintain some of the green spaces across our site. The Queen Elizabeth Roof Garden was built eight years ago by Grounded Ecotherapy and is still maintained by them today. Headed up by gardener Paul Pulford and a group of volunteers who have experienced homelessness, addiction and mental health problems, they have transformed the roof garden into one of London's best-loved public spaces – a beautiful oasis with local wildlife and native plants and flowers.



Roof Garden at Queen Elizabeth Hall © India Roper-Evans



Girl jumping in fountain © Takis Zontiros

**SOUTHBANK
CENTRE**

Fit for the Future

Diversity

Southbank Centre aims to be a truly inclusive organisation – a place where everyone can see themselves. We have a clear strategy to improve diversity and inclusion at all levels of our organisation, as well as in our programming, the artists we work with, and the communities we serve.

In 2019/20 we delivered apprenticeship and work experience programmes, structured paid internships, and targeted internal development programmes, including our Bring Out Potential programme, which helps junior members of our front of house team develop business skills and Accelerate, which propels D/deaf, disabled or Black, Asian and Ethnically Diverse people into management roles. Our Black, Asian and Ethnically Diverse workforce has increased to 21.3%, and Black, Asian and Ethnically Diverse people made up 25% of our appointments in the last financial year.

While we are making progress, we know it's not enough. Although our Board is one of the most diverse in the sector, with 3 black Governors, our senior management team is not. Our re-structuring and redundancy programme in the summer of 2020 will have affected our numbers of black and asian staff. We have an agreed programme of re-engagement in place with our unions and we have much work to do to rebuild our organisation and our pledges to anti-racism will be central to our recovery.

We are reviewing our targets and action plans and these are published on our website and will be updated as we make progress.

We published our anti-racism statement in June 2020 and subsequently set out a route-map. We are determined to rebuild an inclusive and progressive organisation that embraces values and behaviours we can be proud of.

25%
of our
appointments in
the last financial
year were Black,
Asian and
Ethnically Diverse



14%
of senior managers
(Heads of Department and the
Executive Team) are Black, Asian and
Ethnically Diverse

In 2019/20
21.3%
of our workforce
identify as BAME.

This is up from
16%
in 2016
and puts us in the
top 10%
of Arts Council
England National
Portfolio
Organisations

The following is what we have done, what we are doing now, as well as what we intend to do in the future:

- ▶ Our redundancy programme is subject to an Equalities Impact Assessment. Once this is completed we will share the data and the findings. We will establish a working group consisting of Black, Asian, Ethnically Diverse staff and those with other protected characteristics (eg disability, gender and age) to discuss our plan for action.
- ▶ Across our sector the impact of redundancy on Black, Asian and Ethnically Diverse staff is widely recognised as disproportionate, so we responded during the consultation process by providing workshops exclusively for those staff, to help with CV writing, interviewing preparation and to create a safe environment where staff could develop and practise the skills needed.
- ▶ We have a re-engagement/re-hiring framework in place. In addition we will now review and develop our recruitment processes to source a diverse candidate pool for vacancies and ensure that we give all candidates the opportunity to give their best in the selection processes.
- ▶ In July, we appointed an independent consultant (David Bryan) to work with us, our Governors and with our Black, Asian and Ethnically Diverse staff to support them and the leadership to make changes and develop action plans. These meetings have continued throughout the autumn.
- ▶ In September, we pitched to be a part of a partnership programme run by Sour Lemons, who will help us create anti racism action plans with real accountability. We are now in advanced discussions with Sour Lemons about a bespoke programme for SOuthbank Centre and are currently reviewing with them how they will work with all of us across the organisation.
- ▶ This month we're generating as many opportunities for internal dialogues to happen (in team meetings and smaller groupings) so

that we can listen, understand and explore opportunities to improve and change our culture.

- ▶ During the summer, some specific historical issues relating to particular departments were raised by the BAME staff network. Where possible, with the various managers involved, we have reflected on the issues, addressed issues raised, and on other concerns have a clearer understanding of the aspect that we will change. We know that behaviours and processes need to change.
- ▶ Since September 2019, ACE's Creative Case for Diversity has been a standing item on our Board meeting agenda - this means we discuss progress at our Board meetings and the Executive team is held accountable for the delivery of our plans by the Board. Glyn Aikins, one of our Governors, has been given overall responsibility for our anti-racism pledges and action plans.
- ▶ Although our Board is one of the most diverse in the sector, we recognise that our senior management team is still largely White and that we need more diversity in our senior management. We will address this also by examining why the recruitment measures we have taken to improve representation amongst our staff haven't worked and what future actions are needed when we start to recruit to fill vacancies in the future.
- ▶ In all our discussions about SC culture going forward, we want to include those staff who work on our site but who are employed by a third party - e.g. our security and cleaning staff.
- ▶ We are going to engage with our BAME network to establish an anti-racism task force consisting of elected staff who work at all levels of the organisation and across our site.

These continuing actions will make Southbank Centre a place where all staff experience a fair and consistently constructive place to work that is in keeping with our values.

Property

Health, Safety and Security

The newly combined Health, Safety and Security function has begun developing aligned strategies and processes to continue to reduce accidents and security incidents across the site. The introduction of an electronic Visitor/ Contractor Management System within the three buildings and an upgrade of CCTV across internal and external areas has improved security management to further provide a safer site. The business continuity management system has also undergone a major review and upgrade to align with global changes.

Projects, Planning and Licensing

In July 2019, PAYE Stone and Restoration commenced with a programme to sympathetically clean the exterior of the Hayward Gallery ahead of the opening of the Bridget Riley Exhibition in October. A steam based stone cleaning system was applied removing moss, algae and fungi along with any other biological matter. Poultices were applied on the more difficult areas.

Concrete weathers differently depending on the exposure to the elements. It is thought that this has been the first time the Hayward Gallery exterior has been cleaned since being built in 1968.

The Southbank Centre IMAX stores (Waterloo Undercroft) were sold to the London Borough of Lambeth in February 2020. An extensive clear-out operation took place as a result of this, with items requiring to be kept being sent away to a storage facility off-site.

Assets

We sold the IMAX land (Waterloo Undercroft) to Lambeth Council for £8m with the agreement of Arts Council England and the Secretary of State.

Environmental sustainability

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

In 2019 we committed to becoming a net-zero carbon organisation by 2050, and have already reduced our CO2 emissions by 48% over the past four years. We continue to use 100% renewable electrical energy, and plan to switch to wind and solar power as soon as we are able. We have maintained our commitment to sending zero waste to landfill, and reduced our use of plastic bottles by 95% in 2019, as well as consciously using less plastic overall.

Our action plan

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

We are signed up to the Arts Council England (ACE)-approved 2019 – 2023 Environmental Policy and Action Plan and the ACE Spotlight programme for building-based National Portfolio Organisations, which include these goals.

CO2

Over the past four years, we've reduced our CO2 emissions by 48%. We did this by replacing inefficient equipment, introducing LED lighting and improving our buildings (particularly the refurbishment of Queen Elizabeth Hall and Hayward Gallery last year), among other things.

Energy

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

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

Waste

We send zero waste to landfill.

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

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

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

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

Plastics

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

Water

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

Streamlined Energy and Carbon Reporting (SECR) summary

The UK government's SECR policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. Southbank has opted to use the Operational Control boundary definition to define its carbon footprint boundary.

Streamlined Energy and Carbon Reporting (SECR) summary				
Type of emission	Activity	kWh	tCO ₂ e	% of total
Direct (Scope 1)	Natural Gas	13,664,903.9	2,512.3	42.0%
	Company Fleet	92,953.6	22.7	0.4%
Indirect (Scope 2)	Electricity	9,840,787.4	2,515.3	42.0%
Indirect Other (Scope 3)	Grey Fleet	24,494.0	5.9	0.1%
	Electricity (T&D)	N/A	213.5	3.6%
	Well-to-Tank All Scopes	N/A	714.3	11.9%
Subtotal		24,494.0	933.7	15.6%
Total Energy Use (kWh)				23,623,139
Total Gross Emissions (tCO ₂ e)				5,984
Renewable Electricity (tCO ₂ e)				0
Electricity Exported to Grid (tCO ₂ e)				0
Total Net Emissions (tCO ₂ e)				5,984
Tonnes of Gross CO ₂ e per Visitor				0.114
Tonnes of Gross CO ₂ e per £m				0.001

The reporting period for the compliance is 1 April 2019 – 31 March 2020. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that Southbank's total energy use and total gross Green House Gas (GHG) emissions amounted to 23,623,139 kWh and 5,984 tonnes of CO₂e respectively in the 2019/20 financial year in the UK.

Southbank have chosen 'Tonnes of CO₂e per million turnover and 'Tonnes of CO₂e per visitor as intensity metrics as these are appropriate metrics for the business. The company will compare their performance over time with these metrics.

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

Within the 2019/20, Southbank Centre completed the following:

- ▶ LED installation in Stairwells & Front of House areas
- ▶ Fan Coil Unit replacement in the Office Building
- ▶ BMS Upgrade from Trend to ALC
- ▶ BMS Time Schedule Modifications
- ▶ Office Building Plate Heat Exchanger Replacement
- ▶ Catering Lift Modernisation

It is expected that 834,963 kWh of energy is going to be saved over the next five years through these energy efficiency measures.

Innovation

The Southbank Centre has always been driven by innovation - we find the most exciting and original artists and musicians at work today and provide the space for them to create and present groundbreaking new works.

As the UK's largest cultural institution, we believe we have a responsibility to support innovation in the arts. By bringing people together, supporting artistic experimentation and catalysing vital conversations, we help to drive innovation and forge an arts and culture sector that is fit for the future.

Purcell Sessions

This season was the year we started sowing the seeds of what is to become Purcell Innovate in the years to come. The first instalment of this idea was Purcell Sessions, where we create a space for experimentation, collaboration and creation and nurture innovation within music and beyond. We asked Erased Tapes Records and London Contemporary Orchestra to come together to create new work and the results have gone on to play bigger venues, namely QEH.

Inviting artists to use our most intimate auditorium as a blank slate, our Purcell Sessions create a space for experimentation, collaboration and creation, nurturing innovation within music and beyond.

National Academy of Social Prescribing

We are proud to be the home of the new National Academy of Social Prescribing, who we are partnering with to prove, demonstrate and advocate for the role of arts and creativity in boosting the nation's mental health and wellbeing, as well as championing social prescribing at a local and national level.

Creative Health Conference

We want to explore how artistic innovation can address public health challenges, and in 2019 we held our first Creative Health Conference, bringing together artists, practitioners, funders and policy makers. We hope this Conference will take place annually and are currently working towards next year's event.

Future Plans

Whilst our performance spaces are closed to the public to 31 March 2021, our planned activity is designed to be either fully-funded by partner organisations and promoters, ticketing, ACE NPO investment, or donations or – in the case of our reduced Hayward Gallery opening hours – cover its costs.

Inside Out is an online season of music, literature and comedy from 17 September – 30 December. With over 40 events across three months, online audiences will be able to take advantage of a truly diverse range of programming. Our resident and associate orchestras will play 16 of 57 pieces of music by composers of colour and a new Southbank Centre commission inspired by Black Lives Matter from James B Wilson and poet Yomi Sode.

In place of the Southbank Centre's flagship *London Literature Festival* we're presenting a series of exclusive author events including streamed appearances from Alicia Garza, Kae Tempest, Arundhati Roy and John Cleese.

Everyday Heroes is a free outdoor art and poetry exhibition featuring more than 40 newly commissioned portraits of key workers during the pandemic. The animation of our outdoor spaces for Covid-safe exhibitions is designed not only to

provide free cultural activity to visitors, but also crucially to help drive catering income to the site.

Our *Art by Post* scheme, initiated during closure, delivers a series of free drawing, poetry and craft activity booklets through the post to the 22% of the population who have no access to computers or any online cultural offer, or to those who are living with dementia, or with other long-term health conditions.

Southbank Centre will reopen with a commitment to developing diversity of talent, including disability-led work. Our popular Friday evening *futuretense* emerging artists platform will commit to 50% BAME artists, 50% female artists. *Purcell Innovate* will see our smallest auditorium transformed into a space for innovation with a commitment to 40% BAME talent.

We will reopen with a new initiative to develop emerging talent through programmes for young curators, young music leaders, young producers. Our programmes on the main stages will continue to present diverse artists across all disciplines, including a special initiative to increase diversity in classical music working in partnership with Chineke! Orchestra. Our world-renowned music festival *Meltdown* will return in June, curated by Grace Jones and with a predominantly female line-up.

At the Hayward Gallery during 2021 we will present solo exhibitions by Matthew Barney and Igshaan Adams, and a group exhibition surveying current painting in the UK; we will also be presenting several major outdoor commissions, including works by Anthea Hamilton, Slavs & Tartars, and a public sculpture and fountain by Klaus Weber.

This programme mix will deliver diversity, audience re-engagement and impact, with an overall reduced risk profile supported by an audience development plan to help diversify our audiences, especially to our local communities.

'With over 40 events across three months, online audiences will be able to take advantage of a truly diverse range of programming.'



London Is Love © Pete Woodhead

SOUTHBANK CENTRE

Financial Review

Southbank Centre made a surplus of £2.3m (2019: £0.0m) on the unrestricted operations fund after transfers between funds.

Income for the year was £60.4m (2019: £52.4m).

Donations and legacies were consistent with the prior year at £23.2m including Arts Council England grants.

Artistic activity was similar to the prior year though income reduced to £11.4m (2019: £13.3m) due to a different performance mix and the high levels of sales achieved in the Hayward Gallery in 2018/19 due to its reopening.

Other trading activities were £18.0m (2019: £15.6m) with increases in hall and space rentals on the prior year and other commercial activity across the site.

Income in the year also included £7.7m from the sale of land. The sale of this land was planned to increase unrestricted reserve levels and provide for the organisation to be able to take more artistic risk and Investment. However, due to Covid-19, these reserves have been repurposed to provide financial stability and retained within free reserves.

Of the income received, £1.6m was for capital projects which have included final funding for Festival Wing refurbishment and for improvements to the Skatespace in the undercroft of the Queen Elizabeth Hall.

Expenses for the year were £55.0m (2019: £57.2m). 2019 had higher expenditure on charitable activities with the re-opening of the Festival Wing.

Total reserves increased by £5.4m from £223.0m at 31st March 2019 to £228.4m at 31st March 2020. Of these reserves £0.4m is restricted (2019: £0.2m).

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 aiming to ensure that 45% of the artistic programme is free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 17 acre site along the South Bank. Further details are given above under Achievements and Performance.

Employee Policies

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality and motivation of its employees and Southbank Centre is committed to policies which 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. 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 remuneration committee membership is made up of a minimum of four Governors of the Southbank Centre who meet twice a year to consider the following matters:

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

In the period following the outbreak of Covid-19, remuneration of all staff was considered. Staff salaries were reduced from 1st May to 7th September 2020. The Senior Leadership Team have extended the reductions in their salaries until 31st March 2021.

Further details on the charity's Governors, senior staff and professional advisors are set out on pages 40 and 41 of these financial statements.

Reserves Policy

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

Unrestricted reserves

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

Planned level of unrestricted reserves

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

General Reserve

The policy of the Southbank Centre is to retain free reserves, in addition to the level of operating contingency within the budget, to ensure financial stability and to act as a safeguard against unforeseen events. Due to the increasing risks present due to the COVID-19 pandemic the Board consider that a level of 8 weeks full operating turnover would provide sufficient financial resilience for the organisation.

On 31 March 2020 the balance is £4.7m (2019: £2.4m) which approximates 4 weeks turnover. The Board have made an application to the Cultural Recovery Fund Repayable Finance scheme in part to achieve the target level of reserves and note that otherwise it will prove difficult to increase free reserves from operational surpluses in the near future.

During the year, the Board agreed to transfer the balance on the Hayward Gallery print fund (£6,000) and the Strategic Reserve (£260,000) into General Reserves in order to supplement free reserves due to the inherent uncertainty.

Designated Reserves

As of 31 March 2020 Southbank Centre held two designated reserves:

(i) Capital and Revaluation Reserve (£222.0m)

The Board agreed to combine the Capital and Revaluation reserves into one. The purpose of this reserve is to reflect costs relating to capital projects (including interest) and depreciation on funded assets and funds designated for future maintenance and capital projects. 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. In addition, the reserve reflects the balance of surplus or deficit from the revaluation of Land and Buildings.

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) Pension Plan (£1.3m)

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

Review of the policy

The Reserves Policy is reviewed annually.

Going Concern

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

The COVID-19 pandemic has had a significant impact on Southbank Centre. As part of the measures taken by HM Government the three performing auditoria and the Hayward Gallery were required to close from 20 March 2020 and commercial activity across the site was curtailed. Given the social distancing measures in operation since then Southbank Centre has only been able to present a limited range of activity across the site and commercial income from leases, retail operations and concessions has been significantly reduced.

In the period from 1 April 2020 Southbank Centre has therefore seen a reduction in total income of 50%. As at the date of signing there remains no confirmed date as to the end of social distancing regulations and therefore Southbank Centre remains unable to open all its venues in a manner that is financially viable and commercial income remains severely impacted.

Southbank Centre responded quickly to the developing situation with a speedy and effective closure of its buildings and minimisation of all operating costs; significant use of the furlough scheme and the implementation of a pay reduction across the organisation to September 2020.

Since September 2020:

- ▶ A major restructure has been completed in order to achieve an efficient operating model within anticipated revenue streams during the period whilst social distancing regulations remain in place and commercial income is significantly reduced.

- ▶ A successful application for £10.911m support was made to the Culture Recovery Fund Repayable Finance to provide additional liquidity to the organisation. The Repayable Finance scheme provides for a fixed interest loan of 20 years at 2% per annum with a four year capital repayment and interest payment holiday. This additional funding will support operations in 2021/22 and provide additional financial stability and contingency against the risks that remain.
- ▶ Existing loan facilities have been renegotiated to ensure all covenants can be met in the foreseeable future.

Financial models have been developed in order to assess the various potential scenarios during 2021/22 including continued social distancing regulations into 2021/2022 and also the impact of eased social distancing regulations but reduced consumer demand through to the summer of 2022.

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

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

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

Risk Management

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

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

► **COVID-19**

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

The Southbank Centre closed on 17th March and staff were working from home where possible. We have taken advantage of the government's job retention scheme with many of the staff being furloughed. The Hayward Gallery has reopened and commercial activity has now returned to the site. It remains unclear, however, when social distancing regulations will be sufficiently relaxed to enable the full reopening of Southbank Centre in a financially viable way.

The Board has convened a Recovery Strategy Committee to meet on a more regular basis to support the Board and Executive on the response to COVID-19 and on the post-pandemic strategy. Business plans and budgets have been reviewed and updated on a frequent basis following government announcements to establish activities that can take place on site, funding available and cost savings required to ensure financial sustainability. We continue to monitor and take necessary actions to ensure that we come through this period with a sufficient reserve level in order to operate.

► **Reputation**

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

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

► **Financial Resilience**

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

Financial risk is mitigated through a reserves policy which is reviewed and approved by the Board as well as an annual budget setting process. During the Covid-19 period, we have revised and re-approved the budget on a frequent basis and reviewed our cost base.

► **Health and Safety**

The Southbank Centre operates on a 17 acre site with Grade I listed buildings to maintain as well as plant and equipment with many visitors and tenants also on site. Damage through a terrorist incident, fire, systems failure of equipment, tenant activities could have legal, reputational and financial ramifications.

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

► **Data**

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

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

► BREXIT

This is considered to pose a small direct risk to the organisation due to any possible restriction on the movement of artists and suppliers between the EU and UK and any increased currency volatility. We continue to monitor and assess the situation as it progresses.

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

Legal Framework

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

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

Southbank Centre Enterprises Limited manages certain commercial activities on the Southbank estate. The results of Southbank Centre Enterprises Limited are consolidated on a line-by-line basis with those of Southbank Centre. See note 26 for details of Southbank Centre Enterprises Limited's results.

Southbank Centre Pension Fund Corporate Trustees Limited was incorporated on 11 March 2020. Southbank Centre Pension Fund Corporate Trustee Limited will act in capacity of Corporate Trustee of the Southbank Centre Retirement Plan and is otherwise dormant.

Governance

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

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive, and variations to governing documents. The Board currently has seven sub-committees to assist its governance of Southbank Centre: Finance Audit and Risk, Remuneration, Nominations and Governance, Development, Digital Strategy and Property Committees. In addition a Southbank Centre Recovery Committee has been formed to monitor the impact and actions required in respect of the COVID-19 pandemic.

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

As part of its forward succession planning the Board has agreed to prepare a diversity plan linked to the skills needed to support the Senior Leadership Team in delivering a new strategic business plan. 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 Audit and Risk Committee, which receives regular reports on internal audit activity.

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Audit and

Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2020 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Annual audit

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

In so far as the Governors are aware:

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

Fundraising statement

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

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

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

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

Political and Charitable Donations

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

Insurances

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

By Order of the Board



Susan Gilchrist
Chair
Southbank Centre Limited
As Trustee for Southbank Centre
04 March 2021

Structure, Governance and Management

Board of Governors

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

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

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

the Secretary of State for Digital, Culture, Media and Sport for his or her admission as a Member, and after his or her name has been entered in the Register of Members. A Governor usually serves for a period of three years from the Annual General Meeting following the date of

their appointment, and may be reappointed for three further periods of three each, subject to a maximum tenure of 12 years as a Governor.

An induction programme is offered to all new Governors in order to ensure that they are briefed

on the charity's objectives, strategy and activities. The Governors meet six times a year on a regular basis, but may meet more frequently if required.

The Boards also has a number of sub-committees which meet at different times.

The Governors who currently serve on committees are:

Finance, Audit and Risk

Luke Mayhew (C), Brent Hanson, Susan Gilchrist, William Sargent, Cornelius Medvei.

Non-board members: James Ainscough, Lynne Shamwana

Remuneration

Venetia Butterfield (C), Brent Hansen, Maggie Semple, Lisbeth Savill

Nominations and Governance

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

Property Committee

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

Development Committee

Sandy Rattray (C), Venetia Butterfield, Vivian Hunt, William Sargent

Recovery Strategy Committee

Luke Mayhew (C), Susan Gilchrist, Mike Hussey, Sandy Rattray, William Sargent, Glyn Aikins

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
Alexandra Brierley	Director of Creative Learning (started March 2020)
Beth Byrne	Executive Producer
Chay Champness	Director of Commercial projects (left March 2020)
Victoria Cheetham	Executive Director (left September 2019)
Jan Davies	Interim HR Director (started February 2020)
Chris Denton	Executive Director, Audiences
Andrew Gambrell	Finance Director
Anthony Hewitt	Director of Development (started May 2020)
Susan Johnston	Chief Operating Officer (started November 2019)
Alison Lodge	Director of Human Resources (left February 2020)
Mike McCart	Director of Partnerships and Property
Gillian Moore CBE	Director of Music
Sunita Pandya	Director of Arts Planning, Partnerships and Admin (left December 2020)
Ruth Pelopida	Technical Director
Ralph Rugoff	Director, Hayward Gallery
Mark Rushworth	Property Director (left June 2020)
Madani Younis	Creative Director (left December 2019)

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.

Independent Auditors' Report

to the Trustee of Southbank Centre

Opinion

We have audited the financial statements of Southbank Centre for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- ▶ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate
- ▶ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 40, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Crowe U.K. LLP
Statutory Auditor
London
08 March 2021

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

Professional Advisors

Bankers

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

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

Solicitors

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

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

Independent Auditors

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the Year ended 31 March 2020

	Note	UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTAL FUNDS	
		Operations £'000	Designated £'000	Projects £'000	Capital £'000	2020 £'000	2019 £'000
INCOME FROM:							
Donations and legacies	2	19,944	-	1,697	1,571	23,212	23,486
Charitable activities	3	11,419	-	-	-	11,419	13,313
Other trading activities	4	18,011	-	-	-	18,011	15,630
Proceeds from sale of fixed assets	5	7,739	-	-	-	7,739	-
Investments	6	40	-	-	-	40	16
Total		57,153	-	1,697	1,571	60,421	52,445
EXPENDITURE ON:							
Raising funds	10	1,147	35	-	-	1,182	1,222
Charitable activities	10	38,257	5,531	1,506	-	45,294	47,909
Other	10	8,092	472	-	-	8,564	8,066
Total		47,496	6,038	1,506	-	55,040	57,197
Net income/(expenditure) before transfers		9,657	(6,038)	191	1,571	5,381	(4,752)
Transfers	20	(7,392)	8,963	-	(1,571)	-	-
Other recognised (losses)/gains							
Actuarial gains on defined benefit pension plan	24	-	97	-	-	97	1,734
(Loss)/gain on derivative financial instrument		-	(117)	-	-	(117)	38
Net movement in funds		2,265	2,905	191	-	5,361	(2,980)
Fund balances brought forward at 1 April 2019	20	2,422	220,415	197	-	223,034	226,014
Total funds carried forward at 31 March 2020	20	4,687	223,320	388	-	228,395	223,034

All of the above results are derived from continuing activities.

The notes on pages 50 to 72 form part of these financial statements.

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

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

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

BALANCE SHEETS

As at 31 March 2020

	Note	GROUP		CHARITY	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Tangible assets	12	243,636	248,291	243,636	248,291
Intangible assets	13	297	678	297	678
Investments	15	8,005	-	8,005	-
Total fixed assets		251,938	248,969	251,938	248,969
Current assets					
Stocks of consumables and goods held for resale		369	378	110	101
Debtors – due within one year	16	6,427	6,101	4,575	8,386
Cash and cash equivalents		6,022	4,420	1,025	1,136
Total current assets		12,818	10,899	5,710	9,623
Liabilities					
Creditors: amounts falling due within one year	17	(13,703)	(15,900)	(13,925)	(14,737)
Total current liabilities		(13,703)	(15,900)	(13,925)	(14,737)
Net current (liabilities)		(885)	(5,001)	(8,215)	(5,114)
Total assets less current liabilities		251,053	243,968	243,723	243,855
Creditors: amounts falling due after one year	19	(23,958)	(22,004)	(23,475)	(21,891)
Net assets excluding pension liability		227,095	221,964	220,248	221,964
Defined benefit pension asset (liability)	24	1,300	1,070	1,300	1,070
Total net assets		228,395	223,034	221,548	223,034

THE FUNDS OF THE GROUP

Unrestricted income funds

General reserves	20	4,687	2,422	(2,160)	2,422
Designated funds	20	222,020	219,345	222,020	219,345
Pension reserve	24	1,300	1,070	1,300	1,070
		<u>223,320</u>	<u>220,415</u>	<u>223,320</u>	<u>220,415</u>
Total unrestricted income funds	20	<u>228,007</u>	<u>222,837</u>	<u>221,160</u>	<u>222,837</u>
Restricted income funds					
Projects fund	20	388	197	388	197
Restricted capital reserve	20	-	-	-	-
Total restricted income funds	20	<u>388</u>	<u>197</u>	<u>388</u>	<u>197</u>
Total group funds	20	<u>228,395</u>	<u>223,034</u>	<u>221,548</u>	<u>223,034</u>

The notes on pages 50 to 72 form part of these financial statements.

The financial statements on pages 46 to 72 were approved by the Board of trustees and signed on its behalf by



Susan Gilchrist, Chair.
04 March 2021

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £48,155k (2019 gross income: £38,510k)

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £1,715k (2019 net expenditure: £4,718k)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2020

	<i>Note</i>	2020 £'000	2019 £'000
Net cash inflow from operating activities		7,078	5,363
Net cash generated from operating activities		7,078	5,363
Cash flow from investing activities			
Purchase of tangible fixed assets	12	(3,261)	(3,662)
Purchase of intangible fixed assets	13	(126)	(157)
Investments	15	(8,005)	-
Sale of tangible fixed assets	5	7,739	101
Interest received	6	40	16
Cash used in investing activities		(3,613)	(3,702)
Cash flow from financing activities			
Loan		-	-
Repayment of loan		(837)	(586)
Interest paid	8	(1,026)	(1,052)
Cash used in financing activities		(1,863)	(1,638)
Net increase / (decrease) in cash and cash equivalents		1,602	23
Cash and cash equivalents at the beginning of the year		4,420	4,397
Cash and cash equivalents at the end of the year		6,022	4,420

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

Net incoming (outgoing) resources before transfers		5,381	(4,752)
Interest received	6	(40)	(16)
Interest paid	8	1,026	1,052
Depreciation and amortisation charge	12, 13	8,194	8,356
Gain on disposal of tangible fixed assets		(7,739)	(85)
Impairment of intangible fixed assets	13	229	433
(Increase)/Decrease in stock		9	(105)
Decrease/(Increase) in debtors	16	(326)	(726)
(Decrease)/Increase in creditors	17, 19	476	281
Retirement benefits movements	24	(133)	925
Net cash inflow from operating activities		7,078	5,363

Notes to the Financial Statements

1) Statement of Accounting Policies

a) Basis of preparation

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

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

b) General information

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

c) Summary of significant accounting policies

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

d) Going concern

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

The COVID-19 pandemic has had a significant impact on Southbank Centre. As part of the measures taken by HM Government the three performing auditoria and the Hayward Gallery were required to close from 20 March 2020 and commercial activity across the site was curtailed. Given the social distancing measures in operation since then Southbank Centre has only been able to present a limited range of activity across the site and commercial income from leases, retail operations and concessions has been significantly reduced.

In the period from 1 April 2020 Southbank Centre has therefore seen a reduction in total income of 50%. As at the date of signing there remains no confirmed date as to the end of social distancing regulations and therefore Southbank Centre remains unable to open all its venues in a manner that is financially viable and commercial income remains severely impacted.

Southbank Centre responded quickly to the developing situation with a speedy and effective closure of its buildings and minimisation of all operating costs; significant use of the furlough scheme and the implementation of a pay reduction across the organisation to September 2020.

Since September 2020:

- ▶ A major restructure has been completed in order to achieve an efficient operating model within anticipated revenue streams during the period whilst social distancing regulations remain in place and commercial income is significantly reduced.
- ▶ A successful application for £10.911m support was made to the Culture Recovery Fund Repayable Finance to provide additional liquidity to the organisation. The Repayable Finance scheme provides for a fixed interest loan of 20 years at 2% per annum with a four-year capital repayment and interest payment holiday. This additional funding will support operations in 2021/22 and provide additional financial stability and contingency against the risks that remain.
- ▶ Existing loan facilities have been renegotiated to ensure all covenants will be met in the foreseeable future.

Financial models have been developed in order to assess the various potential scenarios during 2021/22 including continued social distancing regulations into 2021/2022 and also the impact of eased social distancing regulations but reduced consumer demand through to the summer of 2022.

Southbank Centre substantially relies on funding by grants from Arts Council England. Arts Council England has confirmed funding for Southbank Centre to March 2022 and confirmed its intention to extend the current

1) Statement of Accounting Policies continued....

funding agreement to 31 March 2023. These financial statements have been prepared upon the expectation that Southbank Centre will continue to receive the agreed level of funding from Arts Council England.

Having taken these factors into account the Board of Governors has a reasonable expectation that Southbank Centre has adequate resources to continue operating for the foreseeable future being at least 12 months from the date of approval of these financial statements and, for this reason, have therefore prepared the financial statements on a going concern basis.

e) Group financial statements

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

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

f) Income recognition

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

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

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

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

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

g) Expenditure and resources expended

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

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

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

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

h) Taxation

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

i) Foreign currencies

The functional and presentational currency is pounds sterling.

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

1) Statement of Accounting Policies continued...**j) Employee benefits**

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

i) Short term benefits

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

ii) Defined contribution pension plans

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

iii) Defined benefit pension plans

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

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

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

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

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

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

k) Leases

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

l) Fixed assets and depreciation

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

- i) Depreciation is provided on the properties at rates calculated to write off the revalued amounts over the

l) Statement of Accounting Policies continued....

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

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

m) Intangible fixed assets and amortisation

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

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

Purchased software licences	the contractual period
Website	4 years

Amortisation is charged on the month when assets are capitalised and ends the month they are disposed. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

n) Heritage Assets

Southbank Centre maintains the following types of heritage assets:

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

A heritage asset is recognised when that asset has historic, artistic, scientific, technological, geophysical or environmental qualities, it contributes 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.

1) Statement of Accounting Policies continued...**p) Impairment of tangible and intangible assets**

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

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

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

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

q) Cash and cash equivalents

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

r) Funds

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

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

s) Financial instruments

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

(i) Financial assets

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

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

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

1) Statement of Accounting Policies continued....

been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

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

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

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

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

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

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

(iii) Offsetting

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

iv) Hedging arrangements

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

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

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:

1) Statement of Accounting Policies continued...*(i) Impairment of debtors*

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

All debts held at the year-end not received in light of Covid-19 having occurred and additional provisions made where appropriate.

(ii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 25 for the disclosures relating to the defined benefit pension scheme.

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed post year-end in light of Covid-19, where it has been agreed that the income will be deferred (events moved or a credit note provided), this has been treated as creditors >1 year, where a refund has been issued this has been treated as other creditors.

2) Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Donations and sponsorships	1,584	490	2,074	3,019
Arts Council England grant	18,360	1,940	20,300	19,949
Funding for asset construction	-	838	838	518
Total	19,944	3,268	23,212	23,486

Donated services have been provided in the form of artwork, free hotels and catering to a value of £nil (2019: £67k).

3) Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Artistic activities				
Ticket income	7,076	-	7,076	8,723
Artistic rentals	3,067	-	3,067	2,376
Other income	1,276	-	1,276	2,214
Total	11,419	-	11,419	13,313

4) Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Retail sales	1,929	-	1,929	1,811
Concessions	8,092	-	8,092	7,748
Hall and space rentals	3,248	-	3,248	2,374
Memberships and subscriptions	1,257	-	1,257	1,241
Other income	3,485	-	3,485	2,456
Total	18,011	-	18,011	15,630

5) Proceeds From Sale of Fixed Assets

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Sale of land	7,739	-	7,739	0
Total	7,739	-	7,739	0

6) Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Interest receivable	40	-	40	16
Total	40	-	40	16

7) Net Income / (Expenditure)

	2020 £'000	2019 £'000
Net income / (expenditure) is stated after charging (crediting):		
Operating lease charges	173	173
Depreciation and amortisation charge on assets	8,194	8,356
Auditors' remuneration for audit services (Southbank Centre)	56	60
Auditors' remuneration for audit services (Enterprises)	6	6
Auditors' remuneration for non-audit services	-	6
Losses on foreign exchange differences	9	15
Past service cost for GMP pension equalisation	-	942
Impairment losses	229	433
Income from Creative Tax reliefs included within income from charitable activities	(656)	(734)

8) Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Interest payable	1,026	-	1,026	1,095
Total	1,026	-	1,026	1,095

9) Staff Costs

	2020 £'000	2019 £'000
<i>Employee costs amounted to:</i>		
Wages and salaries	16,559	16,089
Social security costs	1,518	1,503
Pension costs	966	815
	19,043	18,407

9) Staff Costs continued....

Costs relating to terminations in the year are included in the above and were £120k (2019: £73k) of which £67k (2019: nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2019: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2020 No.	2019 No.	2020 No.	2019 No.
Raising funds	14	17	13	15
Charitable Activities	130	141	119	126
Other	31	34	28	29
Support	419	400	318	292
Total	594	592	478	462

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

	2020 No.	2019 No.
£60,000 - £69,999	3	5
£70,000 - £79,999	6	3
£80,000 - £89,999	1	3
£90,000 - £99,999	3	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£140,000 - £149,999	-	1
£160,000 - £169,999	1	-
£240,000 - £249,999	-	1
£250,000 - £259,999	1	-
	16	15

Of these 16 (2019: 15) employees, Southbank Centre paid pension contributions of £70,483 for 11 employees (2019: £64,000 11 employees), who were members of the defined contribution section of the pension scheme. The group also paid contributions for 1 employee £8,627 (2019: £12,000 1 employee) who were members of the defined benefit section of the pension scheme and £6,031 was paid for 3 members of the auto-enrolment pension scheme (2019: £3,000 2 employees).

16 Key management personnel were paid a total of £1.36 million (2019: 12 employees, £1.16 million). The Southbank Centre paid £0.075 million (2019: £0.064 million) in pension contributions and £0.166 million in Employers National Insurance Contributions (2019: £0.148 million).

The Chief Executive's salary and bonus subject to tax paid in the year totalled £252,424 (2019: £240,750). In recognition of the severe impact of COVID 19 on Southbank Centre, the Chief Executive volunteered to cap her total remuneration for the year to 31 March 2021 to £147,000, a 42% reduction.

10) Total Resources Expended

	Direct Costs £'000	Support Costs £'000	2020 £'000	Total 2019 £'000
Costs of raising funds	691	491	1,182	1,222
Expenditure on charitable activities	13,009	32,285	45,294	47,909
Other	3,822	4,742	8,564	8,066
	<u>17,522</u>	<u>37,518</u>	<u>55,040</u>	<u>57,197</u>

Other includes interest payable of £1,026k (2019: £1,095k) (note 8), and past service cost for GMP pension equalisation of £nil (2019: £942k) (note 24).

11) Allocation of Support Costs

	Management and Administration £'000	Marketing and Comms £'000	Human Resources £'000	Operations £'000	Depreciation and Disposals £'000	2020 £'000	Total 2019 £'000
Costs of raising funds	157	140	28	118	48	491	478
Expenditure on charitable activities	2,954	2,620	533	18,544	7,634	32,285	32,174
Other	861	779	66	2,201	835	4,742	5,087
Total support costs	<u>3,972</u>	<u>3,539</u>	<u>627</u>	<u>20,863</u>	<u>8,517</u>	<u>37,518</u>	<u>37,739</u>

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:

	2020 £'000	2019 £'000
Internal audit	28	33
External audit	62	66
Governors' indemnity insurance	9	9
Apportionment of staff costs	241	201
	<u>340</u>	<u>309</u>

12) Tangible Assets

Group and charity	Land and Buildings (Artistic) £'000	Land and Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>							
At 1 April 2019	256,013	26,647	303	9,211	9,945	230	302,349
Additions	1,877	-	143	196	1,045	-	3,261
Transfers	-	-	-	-	-	-	-
Disposals	(1,274)	-	-	(2,080)	(3,919)	-	(7,273)
At 31 March 2020	256,616	26,647	446	7,327	7,071	230	298,337
<i>Accumulated depreciation</i>							
At 1 April 2019	30,774	8,847	-	6,383	7,854	200	54,058
Charge for the year	6,463	-	-	552	890	11	7,916
On disposals	(1,274)	-	-	(2,080)	(3,919)	-	(7,273)
At 31 March 2020	35,963	8,847	-	4,855	4,825	211	54,701
<i>Net Book Value</i>							
At 31 March 2020	220,653	17,800	446	2,472	2,246	19	243,636
At 31 March 2019	225,239	17,800	303	2,828	2,091	30	248,291

13) Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2019	1,693	1,693
Additions	126	126
Transfers	-	-
Impairment	(620)	(620)
At 31 March 2020	1,199	1,199
<i>Accumulated amortisation</i>		
At 1 April 2019	1,015	1,015
Charge for the year	278	278
On disposals	(620)	(620)
Impairment	229	229
At 31 March 2020	902	902
<i>Net Book Value</i>		
At 31 March 2020	297	297
At 31 March 2019	678	678

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

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

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

The Southbank Centre Archive

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

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

Poetry Library

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

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

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

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

15) Investments

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash on short-term deposit	8,005	-	8,005	-
	<u>8,005</u>	<u>-</u>	<u>8,005</u>	<u>-</u>

16) Debtors: Amounts Due Within One Year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	3,029	2,675	2,407	1,730
Amounts owed by group undertakings	-	-	-	4,536
Other debtors	679	360	679	209
Prepayments and accrued income	2,719	3,066	1,489	1,911
	<u>6,427</u>	<u>6,101</u>	<u>4,575</u>	<u>8,386</u>

Trade debtors - group is net of bad debt provision of £792k (2019: £221k), and Trade debtors - charity is net of bad debt provisions of £259k (2019: £103k).

17) Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,149	961	1,149	961
Trade creditors	4,847	3,634	4,798	3,621
Amounts owing to group undertakings	-	-	788	-
Advanced ticket sales	-	2,746	-	2,746
Accruals and deferred income	7,707	8,559	7,190	7,409
	<u>13,703</u>	<u>15,900</u>	<u>13,925</u>	<u>14,737</u>

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

18) Deferred Income

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred income brought forward	3,530	3,113	2,647	1,793
Deferred in the year	3,011	4,655	2,099	3,501
Released in the year	(3,417)	(4,238)	(2,647)	(2,647)
Deferred income carried forward	<u>3,124</u>	<u>3,530</u>	<u>2,099</u>	<u>2,647</u>

19) Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans	17,876	18,900	17,876	18,900
Trade creditors	-	220	-	220
Derivative financial instrument	2,888	2,771	2,888	2,771
Advanced ticket sales	2,711	-	2,711	-
Deferred income	483	113	-	-
	<u>23,958</u>	<u>22,004</u>	<u>23,475</u>	<u>21,891</u>

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

	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	1,149	961	1,149	961
Within two to five years	9,510	9,746	9,510	9,746
After five years	8,366	9,154	8,366	9,154
	<u>19,025</u>	<u>19,861</u>	<u>19,025</u>	<u>19,861</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until April 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2020 was £12,374k (2019: £12,986k).

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 2020 was £6,650k (2019: £7,000k).

The group has in place a secured £2m revolving credit facility with Lloyds Banks plc which expires in March 2022. No amounts were drawn down under this facility at 31 March 2020 or 2019.

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

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 2020, the fair value of the contracts outstanding was £2,888k (2019: £2,771k).

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	4,420	1,602	6,022
Loans falling due within one year	(961)	(188)	(1,149)
Loans falling due after more than one year	(18,900)	1,024	(17,876)
	<u>(15,441)</u>	<u>2,438</u>	<u>(13,003)</u>

20) Group and Charity Reserves

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

20) 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 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 & Revaluation	222,682	-	(6,194)	38	2,553	219,079
Hayward Gallery Prints Fund	6	-	-	-	-	6
Pension Plan Reserve (<i>note 24</i>)	261	-	(925)	1,734	-	1,070
Total unrestricted funds	225,631	49,786	(55,875)	1,772	1,523	222,837
<i>Restricted funds</i>						
Capital Reserve	-	1,523	-	-	(1,523)	-
Projects Fund	383	1,136	(1,322)	-	-	197
Total restricted funds	383	2,659	(1,322)	-	-	197
TOTAL funds (2019)	226,014	52,445	(57,197)	1,772	-	223,034
TOTAL funds (2018)	220,943	52,011	(54,086)	7,146	-	226,014

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

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

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

Restricted funds

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

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

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

Transfers in the year

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

£7.4m was transferred from General Reserves to the Capital and Revaluation reserve.

£260k was transferred in the year from the Strategic Reserve to the General Reserve.

£6k was transferred from the Hayward Gallery Prints Fund to the General Reserves.

Charity reserves

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

20) Group and Charity Reserves continued...

Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds	
	£'000	£'000	2020 £'000	2019 £'000
Tangible and intangible fixed assets	-	251,938	251,938	248,969
Current assets	388	12,430	12,818	10,899
Current liabilities	-	(13,703)	(13,703)	(15,900)
Creditors falling due after one year	-	(23,958)	(23,958)	(22,004)
Pension plan asset	-	1,300	1,300	1,070
	<u>388</u>	<u>228,007</u>	<u>228,395</u>	<u>223,034</u>

21) Capital Commitments

Group and charity	2020 £'000	2019 £'000
Authorised and contracted	<u>176</u>	<u>1,188</u>

Capital Commitments relate to system upgrades and property costs.

22) Commitments Under Operating Leases

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

	2020 £'000	2019 £'000
Payments due		
Not later than one year	<u>173</u>	<u>173</u>
	<u>173</u>	<u>173</u>

23) Operating Lessor

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

	2020 £'000	2019 £'000
Receipts due	34,437	38,380
Not later than one year	3,618	3,909
Later than one year and not later than five years	14,482	14,506
Later than five years	<u>16,337</u>	<u>19,965</u>

24) Pensions

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

The amount recognised in the SOFA is as follows:

	2020	2019
	£'000	£'000
Defined benefit scheme		
Current service cost	224	223
Past service cost	0	942
Defined contribution scheme	742	750
Total charge in net expenditure	966	1,915
Defined benefit scheme		
Net interest (income) / expense	(31)	(10)
Total charge	935	1,905

(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 surplus on the pension scheme is not recoverable by the Southbank Centre until the pension scheme has been wound up, which is expected to be a long way into the future. It is, therefore, not deemed to be probable that the surplus will bring future economic benefits to the Southbank Centre as so many variables which go into calculating the surplus could change during this time. As such, an asset has not been recognised for the full balance of the surplus. The surplus is, however, anticipated to reduce future employer contributions to the scheme, by an estimated £1.3m and therefore the value of the surplus has been capped at this value.

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

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2020 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2020	2019
Expected rate of salary increase	2.80%	3.60%
Expected rate of increase of pensions in payment	2.20%	3.40%
Discount rate	2.40%	2.50%
Rate of inflation (RPI)	2.80%	3.60%
Rate of inflation (CPI)	2.20%	NA

24) Pensions continued...

The mortality assumptions used were as follows:

	2020 years	2019 years
Longevity at age 65 for current pensioners		
Men	22.4	22.3
Women	24.3	24.2
Longevity at age 65 for future pensioners		
Men	23.7	23.6
Women	25.9	25.7

Reconciliation of plan assets and liabilities:

	£'000 Assets	£'000 Liabilities	£'000 Total
At 1 April 2019	63,650	(62,580)	1,070
Benefits paid	(1,465)	1,465	-
Employer contributions	326	(18)	308
Members' contributions	18	-	18
Current service cost	-	(224)	(224)
Interest income/ (expense)	1,577	(1,546)	31
Remeasurement (losses) / gains			
Actuarial gains	-	6,952	6,952
Return on plan assets excluding interest income	(896)	-	(896)
As at 31 March 2020	63,210	(55,951)	7,259

Total cost recognised as an expense:

	2020 £'000	2019 £'000
Current service cost	224	223
Interest cost	1,546	1,600
	1,770	1,823

No amounts (2019: nil) were included in the cost of assets.

24) Pensions continued...

The fair value of the plan assets was:	2020	2019
	£'000	£'000
Equities	11,011	20,269
Liability driven investments	19,162	13,762
Diversified growth fund	24,307	20,307
Cash	359	234
London Eye Asset	8,371	9,078
	63,210	63,650

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:	2020	2019
	£'000	£'000
Interest income	1,577	1,610
Return on plan assets less interest income	(896)	3,373
	681	4,983

(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:

	2020	2019
	£'000	£'000
Current year contributions	742	750
	742	750

25) Subsidiaries

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

The South Bank Foundation Limited (number: 3174667)

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

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

The Southbank Centre Pension Fund Corporate Trustees Limited was formed for the purpose of acting as a trustee for the Southbank Centre's pension fund. Southbank Centre Pension Fund Corporate Trustees Limited was incorporated in March 2020 and was dormant during the year.

Southbank Centre Enterprises Limited (Number: 6158790)

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

25) Subsidiaries continued...

	2020 £'000	2019 £'000
Turnover	13,318	13,935
Cost of sales	(3,509)	(5,202)
Administrative expenses	(2,982)	(2,786)
Operating profit	6,827	5,947
Interest receivable	19	7
Net result	6,846	5,954
Gift aid due to Southbank Centre Limited	-	(5,954)
Retained in the subsidiary	6,846	-

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

	2020 £'000	2019 £'000
Current assets	7,896	5,811
Creditors: amount falling due within one year	(567)	(5,698)
Net current assets	7,329	113
Creditors: amounts falling due after one year	(483)	(113)
Total net assets	6,846	-
Represented by:		
Profit and loss account	6,846	-

26) Contingent Liabilities

Group and Charity

Capital grant funding

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

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

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

A term loan of £17.7m provided by AIB Group (UK) plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments 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 instalments commencing June 2019 with the final balance repayable in June 2023.

26) Contingent Liabilities continued...

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

27) Related Parties

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. Donations received are transferred to Southbank Centre and recognised by Southbank Centre on a cash basis. During the year, Southbank Centre received USD 67,441 (2019: USD 66,209) from the American Fund. The American Fund had USD 52,605 (2019: USD 41,553) in cash balances available to transfer to Southbank Centre at 31 March 2020.

Donations from Trustees were £54,731 (2019: £95,060).

SBC's Trading subsidiary, Southbank Centre Enterprise Ltd, was recharged staff costs of £1,030,455 (2019: £1,000,831), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,071,431 (2019: £1,008,000) was charged to SCEL to cover overheads incurred by SBC. Amounts owing between the 2 entities at year end are shown in notes 16 and 17.

Southbank Centre, as sponsoring employer, has agreed to pay for the expenses of The Southbank Centre Retirement Plan. These expenses were £210,413 (2019: £178,981) for the year ended 31 March 2020.

Chris Denton, a member of the Executive team of Southbank Centre, is closely related to a director of Jane Denton Creative Services Limited. During the course of the year Southbank Centre paid Jane Denton Creative Services Limited £7,676 (2019: £8,580) for editing and proofing services. Chris Denton was not involved in the decision to engage the company for these services.

Mike Hussey, a Trustee, is the Chief Executive of Almacantar. During the year Almacantar made a donation of £15,000 (2019: nil) to the Southbank Centre.

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

	Note	Unrestricted funds		Restricted funds		Total funds
		Operations	Designated	Projects	Capital	2019
		£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and legacies	2	20,827	-	1,136	1,523	23,486
Charitable activities	3	13,313	-	-	-	13,313
Other trading activities	4	15,630	-	-	-	15,630
Investments	6	16	-	-	-	16
Total		49,786	-	1,136	1,523	52,445
Expenditure on:						
Raising funds	10	1,187	35	-	-	1,222
Charitable activities	10	41,035	5,552	1,322	-	47,909
Other	10	6,534	1,532	-	-	8,066
Total		48,756	7,119	1,322	-	57,197
Net income/(expenditure) before transfers		1,030	(7,119)	(186)	1,523	(4,752)
Transfers	20	(1,030)	2,553	-	(1,523)	-
Other recognised gains						
Actuarial gain on defined benefit pension plan	24	-	1,734	-	-	1,734
Gain on derivative financial instrument		-	38	-	-	38
Total		-	1,772	-	-	1,772
Net movement in funds		-	(2,794)	(186)	-	(2,980)

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

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

	Unrestricted funds		Restricted funds		Total funds
	Operations	Designated	Projects	Capital	2019
	£'000	£'000	£'000	£'000	£'000
Net movement in funds	-	(2,794)	(186)	-	(2,980)
Fund balances brought forward at 1 April 2018	2,422	223,209	383	-	226,014
Total funds carried forward at 31 March 2019	2,422	220,415	197	-	223,034

29) Post Balance Sheet Events

In March 2020, the World Health Organisation declared the Coronavirus a global pandemic. The UK government's restrictions imposed to control the spread of the Coronavirus have had a significant impact on the activities of the Southbank Centre.

As a result the Southbank Centre closed its doors to the public on 17 March 2020 and all activities on site ceased. A large number of staff were put on furlough or asked to work from home. A small number of the Southbank Centre's activities resumed in August 2020 including the re-opening of the Hayward Gallery, outdoor markets and retail units but at the time of signing there are limited indoor activities open to the public taking place on site.

Year end debtors have been reviewed and the provision has been revised in light of current trading conditions. In addition, deferred income balances relating to events due to take place in the year ending 31st March 2021 which have been postponed to the following year have been reclassified to creditors due over one year as have any credit notes issued. Refunds for cancelled events have been reclassified as 'other creditors'. It is not anticipated that the pandemic has had any other impact on the valuation of any of assets or liabilities held on the balance sheet at year end.

Since September 2020:

- A major restructure has been completed in order to achieve an efficient operating model within anticipated revenue streams during the period whilst social distancing regulations remain in place and commercial income is significantly reduced.
- A successful application for £10.911m support was made to the Culture Recovery Fund Repayable Finance to provide additional liquidity to the organisation. The Repayable Finance scheme provides for a fixed interest loan of 20 years at 2% per annum with a four-year capital repayment and interest payment holiday. This additional funding will support operations in 2021/22 and provide additional financial stability and contingency against the risks that remain.
- Existing loan facilities have been renegotiated to ensure all covenants will be met in the foreseeable future.

