

SOUTHBANK CENTRE

Annual Report and Financial Statements

2024-25



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



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2024-25

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REFERENCE AND ADMINISTRATION DETAILS

Registered as a Charity No. 298909

Principal office
Belvedere Road
London
SE1 8XX

PROFESSIONAL ADVISORS

BANKERS

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

SOLICITORS

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

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

INDEPENDENT AUDITORS

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

BOARD OF GOVERNORS AND SENIOR STAFF

BOARD OF GOVERNORS

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

Governor

Misan Harriman (Chair)
Lisbeth Savill (Deputy Chair)
Kieron Boyle
Anais Hayes
Michael Hussey
Dame Vivian Hunt DBE
Sir Roland Keating (appointed 27 February 2025)
Salman Mahdi (resigned 10 February 2025)
Luke Mayhew
Jerome Misso
Ndiri Okezie OBE
Sandy Rattray
Sir William Sargent CBE
Lisbeth Savill
Lynne Shamwana
Anne Leigh Tavaziva (appointed 27 February 2025)

EXECUTIVE LEADERSHIP TEAM

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

Elaine Bedell OBE	CEO
Mark Ball	Artistic Director
Heather Clark-Charrington	Director of Audiences
Katy Dent	Director of People and Culture
Susan Johnston	Chief Operating Officer
Amy Ross	Director of Development

Purpose, vision, values

Purpose

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

Vision

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

Values

Creating welcoming spaces

Because upholding respect, safety and belonging is at the heart of vibrant teams and communities.

Making wonderful experiences together

Because we all contribute to amazing artistic moments at the Southbank Centre.

Sparking new thinking

Because different views and thought-provoking conversations inspire innovation, learning and growth.

CHAIR FOREWORD

The summer of 2024 typified for me what the Southbank Centre stands for. As the UK's most culturally democratic space for audiences and communities, it was moving to see the Southbank Centre come to life around the theme You Belong Here. Our programme of art, music and performance was inspired by the wonderful Tavares Strachan exhibition There Is Light Somewhere in the Hayward Gallery which provided our theme celebrating all those who make London their home. Summer at the Southbank Centre also shimmered to the bright lights of Chaka Khan's electric curation of Meltdown and the Autumn brought London rapper Ghetts as the curator of our London Literature Festival.

We continue to welcome millions of visitors a year to our site but we can't shy away from the fact that in a difficult financial environment, it's becoming increasingly challenging to maintain our site and ensure the buildings retain their competitive edge and continue to support innovation.

We're very grateful for the support of Arts Council England (ACE) to help us deliver our outstanding artistic programme. For us to deliver this and to continue to innovate, however, requires a significant investment into our capital infrastructure. All our venues are owned by the Government and the Royal Festival Hall in particular, needs urgently upgrading. We have a detailed, costed and phased plan to deliver this but it requires a vital contribution from the Government (which we have pledged to match-fund with private donations) to make this a reality.

As we look ahead to our 75th anniversary, we're not so much reflecting as reimagining. Central to the Festival of Britain in 1951 was the idea of looking ahead to an optimistic future - one filled with hope, innovation and creativity. It's in that spirit that we are also looking ahead - to find new ways to bring people together, to grow the creators of tomorrow and to invent the future of arts and culture.

I want to thank Elaine and the Executive Leadership Team for all their hard work and our inspiring Southbank Centre colleagues for all that they do. Here's to an exciting 75th anniversary year!

Misan Harriman

Chair

CEO'S FOREWORD

2024 has been challenging and rewarding in equal measure. One thing I love about Southbank Centre is that we never stand still - we're always pushing to deliver more, reach more people and create ever more transformative experiences across our venues. Last year, we presented and produced 5,597 events! And that's why I'm delighted that it was confirmed by the Association of Leading Visitor Attractions that, once again, we're the 5th most visited visitor attraction in the UK. The energy, enthusiasm and support our visitors bring to our site makes it all worthwhile.

And there were so many stunning highlights from our richly varied artistic programme! From Vikingur Olafsson and Yuja Wang's extraordinary joint piano recital (witnessed by one of the biggest audiences ever seen at the Royal Festival Hall) to the London Philharmonic Orchestra's roof-raising performance of Beethoven No 3; from our new partnership with the Montreux Jazz Festival to our popular new family musical at Christmas, *The Creakers*, written by McFly's Tom Fletcher.

It's also really important to us that we also nurture the next generation of backstage talent and to ensure our incredible production crews reflect the diversity of London. Last year, our Technical Academy once again opened up to another 25 individuals with no previous experience in the field - two thirds of whom came from lower socioeconomic backgrounds. Since graduating from the scheme, three-quarters of the participants have found paid work and experience in production crews, or have taken up further study or training placements.

Our groundbreaking work on creative wellbeing also continues and we were delighted to announce a new exciting partnership between the Southbank Centre and the South East London Integrated Care Board. This groundbreaking partnership aims to improve the mental health of children and young people across south east London, offering creative opportunities and resources to tackle health inequalities by focusing on those most in need.

But we've also had a financially challenging year. Although our commercial income has grown, including ticket sales, the basic costs of maintenance and security have increased considerably (keeping our 11 spaces safe every year now costs us £4m alone) and inflation is biting. We've also had to anticipate the impact of higher National Insurance Contribution rates, as well as the increases to London Living Wage whilst still recovering from an unexpected 10% cut to our ACE grant from April 2023.

Since 1951, we've made world-class arts accessible to everyone - welcoming all voices, backgrounds and stories. Every year since then, we've achieved what that Festival set out to do - inspiring, entertaining and bringing millions of visitors together to encounter amazing cultural experiences. Today, we host over 5,000 events across our 11-acre site, over 50% of which are free. That's something to be hugely proud of as we look ahead to our 75th year at the heart of the nation's cultural life.

Elaine Bedell OBE

CEO

ARTISTIC DIRECTOR'S FOREWORD

Southbank Centre is an engine of creativity. That means we're constantly looking for ways to innovate - pushing artistic boundaries and creating new experiences for audiences that could only happen here.

This year we've started a new Associate Artists programme, supporting six exceptional artists from across the UK - the choreographers Ivan Blackstock and Julia Cheng, the writer and poet Max Porter, the jazz composer and musician Cassie Kinsoshi, the opera composer and director Conor Mitchell and the multidisciplinary artist Love Ssega. We're working with these artists to create major new projects which will be premiered in our iconic venues.

In our quest to look for new ways to present work, and inspire artists, our talented sound technicians have developed Concrete Voids - placing sound sources in the voids surrounding the Queen Elizabeth Hall auditorium that turns the Hall itself into a musical instrument. Concrete Voids inspires artists to create unique compositions and has thrilled audiences with immersive musical experiences.

The Hayward Galley continues to showcase world class exhibitions including Haegue Yang (with an international tour to Kunsthal Rotterdam and Migros Museum, Zurich), and Linder Sterling and Mickalene Thomas. We enabled 481,410 people nationwide to access great art on their doorstep through our unique Hayward Gallery Touring programme, supporting galleries in 16 towns and cities across the country.

I'm also immensely proud of the wonderful National Poetry Library, which continues to offer free access to all, as well as performances, exhibitions and work with schools. An important development for the library is a new five-year strategy that will see it become a valuable community asset for our local communities of Lambeth and Southwark.

As the UK's largest presenter of classical music, our classical music programme has gone from strength to strength. In the last year we have featured world class musicians such as Yuja Wang, Vikingur Olafsson, Max Richter as well as superb seasons from our six resident orchestras, including a glorious celebration of Chineke's 10th anniversary that foregrounded global majority composers and musicians. Music's ability to unite us in difficult times was demonstrated by the West-Eastern Divan Orchestra, in a moving concert that brought together musicians from Israel, Palestine and the wider Middle East region, conducted by the great Daniel Barenboim.

Southbank Centre has always been a place that reflects the nation's creative pulse and we are ready to rise to this challenge in our 75th year with a programme that looks to the future and that places young people, who the future belongs to, at the forefront.

I am tremendously excited for the year ahead.

Mark Ball

Artistic Director

ARTISTIC HIGHLIGHTS

- An outstanding **classical music** programme featuring exceptional musicians such as **Yuja Wang**, **Vikingsur Olafsson**, **Max Richter** as well as wonderful seasons from our six resident orchestras and visiting orchestras.
- **Chaka Khan's Meltdown** lit up the site with many wonderful performances including Emeli Sandé; global star Bruce Hornsby; old-school soul singer Lady Blackbird; trip hop duo Morcheeba; the emphatic House Gospel Choir; Malian supergroup and Les Amazones d'Afrique and West African ensemble Balimaya Project.
- We had a wonderful series of Hayward Gallery exhibitions:
 - **Tavares Strachan: There Is Light Somewhere** (18 June – 1 Sep 2024)
 - **Haegue Yang: Leap Year** (9 Oct 2024 – 5 Jan 2025)
 - **Mickalene Thomas: All About Love** and **Linder: Danger Came Smiling** (11 Feb – 5 May 2025)
- Our Summer Season **You Belong Here** – was an uplifting series of events and programming inspired by the Tavares Strachan exhibition.
- Major literature events including **RuPaul** (April 2024), **Salman Rushdie** (April 2024), **Sally Rooney** (Sep 2024), **Judith Butler** (March 2025)
- **London Literature Festival** curated by British rapper **Ghetts** and featuring high-profile guests such as actor and author **Keanu Reeves** (Oct 2024)
- We had wonderful festivals including **Sound Within Sounds** (July 2024) and **Unlimited Festival** (Sep 2024)
- We hosted **Koestler Arts'** annual UK exhibition (Nov 2024)
- London premiere of **All of this Unreal Time** featuring Cillian Murphy (Dec 2024)
- Hayward Gallery Touring opened *After the End of History: Contemporary Working Class Photography 1989 – 2024* in Coventry; *Paula Rego: Visions of English Literature* in Nottingham; and *Material Worlds: Contemporary Artists and Textiles* in Coventry and toured to 23 venues in 22 locations across the UK, with **481,410** people attending.
- Southbank Centre collaborated with **Montreux Jazz Festival**
- **Concrete Voids** turned the Queen Elizabeth Hall into a bespoke sound installation
- It was the **70th anniversary of the National Poetry Library**. We commissioned a poem from Lemn Sissay's which, in a wonderful piece of site design, celebrated the anniversary of the library on the side of the Royal Festival Hall.
- We launched our first-ever **Technical Academy**, an innovative scheme aimed at addressing a sector-wide skills shortage and diversifying the pipeline into the technical industries. The second iteration of the Technical Academy took place in January 2025. Seventy-two percent of participants have found paid work and experience in production crews, or have taken up further study or training placements
- We hosted high-profile events for the creative industries, such as the **BAFTA Film, Television and Games Awards** (Feb 2025), the **BFI London Film Festival** (Oct 2024) and the European premiere of **Wicked**

CHARITABLE IMPACT IN NUMBERS

	2024/25 (2023/24)
Venue visitors	3,500,000 (3,500,000)
Site visitors	20m+ (20m+)
Tickets issued	722,000 (790,000)
Events	5,597 (5,100)
% free public events	66% of every time slot or exhibition day (53%)
Schools engaged (from CE)	373 school groups engaged in person with a total of 8,403 children and 757 teachers (365 school groups engaged in person with a total of 8,384 children and 877 teachers) 128 teachers engaged with us through digital events from 100 schools (117 teachers engaged with us through digital events from 103 schools)
Regional audiences for Hayward Touring	481,000 (197,000)
Global Majority audiences	18% (post show surveys) (13.5%)
Lambeth and Southwark bookers	10% (10%)

RECENT ACTIVITY AND FUTURE PLANS

In 2024/25 we continued to deliver against our Strategic Principles as well as our vision to offer inspirational life-enhancing encounters with art in democratic, open spaces and to have the most vibrant, innovative, welcoming and inclusive arts spaces in the world, renowned for championing the imagination of artists, audiences and communities.

Our principles and artistic strategy align with the Arts Council's Investment Principles and Outcomes and underpin all art form and departmental strategies to enable us to achieve our purpose and vision.

Our development of the Multitudes cross-art form classical music festival demonstrated our ambitions to develop new audiences for the arts and we are very grateful for Arts Council's additional support for this initiative to introduce new audiences to classical music.

We undertook major upgrades of the Royal Festival Hall in line with phase 1 of our capital development programme to provide improvements to the visitor spaces and amenities across all levels in readiness for the 75th anniversary. We also created a new bar and cafe on level 5, the *75th*.

Hayward Touring presented new exhibitions in Southend-on-sea, Nottingham, Birmingham, Sheffield, Warwick, Woking, Basingstoke, Muddles Green, Haverhill, Hove, Durham, Woking, Cirencester, Barnsley, Maidstone and Worcester.

STRATEGIC PRINCIPLES

1. INNOVATION AND DYNAMISM

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

- Aligning around the 75th anniversary, we developed a programme for 2026 (May to Sept) with focus on young people and public installations.
- We re-established a free programme on the Clore Ballroom.
- We delivered Phase 1A of a Front of House refurbishment. This included upgrading our ticket desk and visitor service spaces, WCs, lifts, entrance doors and WIFI. We also reviewed our security methodology.
- We created a fabulous new retail shop on Level 2 and a new bar and restaurant on Level 5, the *75th*.
- We developed a new partnership with Roblox/Karta Games and delivered year 2 of our partnership with Apple, focused on schools.
- We launched a distinctive performance and dance programme.
- We delivered year 1 of our new Associate Artists programme, targeting 6 cross-art form artists, platforming and showcasing new work.

2. COLLABORATION

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

- We delivered new east and south Asian festivals *ESEA Encounters* and *South Asian Sounds*.
- Developed new cross art-form festival *Multitudes*, with 6 resident orchestras focused on format innovation and audience development for classical music.
- We expanded our Clore Ballroom free offer.
- We collaborated with artists, opinion formers, partners and communities to inform the artistic programme for the 75th anniversary.
- It was the first year of operation for our new Community Connector role in Lambeth and Southwark as part of the Creative Engagement team.
- We developed, re-established and extended national partnerships, with a focus on our orchestral music festival *Multitudes*, our new Performance and Dance programme (co-commissioning with national and international partners) and work for our 75th anniversary celebrations

3. AUDIENCES AND PEOPLE

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

- We complete the rollout of our Values and Behaviours internally and externally with a renewed focus on internal communication to ensure purpose, values and priorities and roadmaps are embedded in staff objectives.
- We delivered the first year new Technical Academy delivering kick starter training for up to 25 young people, with sector wide engagement and representation programme, taking learnings from the pilot programme delivered in March 2024.
- We transformed the membership programme, significantly growing this revenue stream and increasing audience engagement.
- We delivered a new website with improved information architecture, discoverability, data collection, customer acquisition to drive revenue. We also delivered content native-to-platform, driving growth across all channels in followers/subscribers and engagement, with particular emphasis on under 30s.

4. RESILIENCE AND SUSTAINABILITY

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

- We implemented a longer-term business model from 2025, which was reviewed in September 2024.
- We delivered new revenue targets and grew commercial income as well as considered options to improve operational efficiency in order that investment levels in innovation and site refurbishment were appropriate for a national arts centre.
- Along with external consultancy we refreshed previous key metrics, and strengthened resource and focus on data across the organisation, including recruiting some key roles including Head of Audience Insight and Membership.
- We delivered near term sustainability targets for 2025 and began to invest in bio-diversity initiatives to green the site as funding is secured.

FORWARD LOOK

Our Strategic Priorities for 2025/26 are as follows:

1. Attract new audiences to SC by developing art form strategies that include greater collaboration across art forms and technological innovation, with a particular emphasis on increasing awareness and engagement with young people (under 30)
2. Improve visitor experience and maximise commercial income by delivering the first phase of refurbishment of the Royal Festival Hall, refreshing our public areas and amenities
3. Maximise the potential of the SC estate, and the possibilities to engage new and existing audiences by extending the range of our cultural offer.
4. Achieve a break-even 2025/26 budget by securing an uplift across all earned income streams, along with a new 3 year business plan which grows income annually by at least £2m and restores reserves to the target level of £5.5m.
5. Deliver a high-profile and impactful artistic programme to mark SC's 75th anniversary year, reaching 4 million people in London and 1 million people across the UK.
6. Develop a phased approach to a capital campaign that leverages public funding to maximum effect.
7. Strive to be the best place to work in the arts:
 - Reduce our ethnicity pay gap and increase diversity in all roles
 - Utilise technology to increase engagement, retention and voluntary effort among our workforce.
 - Ensure our hard working staff have a range of development opportunities and progression through the organisation
8. Increase awareness of Southbank Centre brand locally, nationally and globally - growing audience volumes and championing artists, audiences and the wider cultural eco-system

ENVIRONMENTAL REPORTING

In 2022/2023 Southbank Centre reset the target to reduce carbon emissions of our buildings to net zero by 2035 (Scope 1 and 2) and 2040 (all scopes).

Streamlined Energy and Carbon Reporting (SECR) Summary Report for Southbank Centre

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

Southbank Centre (SBC) meet SECR qualification criteria in the UK. SBC have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1st April 2024 –31st March 2025. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that SBC total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 14,450,318 kWh and 2,782 tonnes of CO₂e respectively in the 2024 financial year in the UK. In their 2024 financial year, SBC procured 100% renewable electricity. As a result, their Scope 2 Market Based* emissions dropped by 1,190.5 tCO₂e.

ENVIRONMENTAL REPORTING (continued)

SBC have chosen 'Tonnes of CO2e per million turnover (m£)' and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2024/25 was 51.6 tCO2e/m£ compared to 54.6 CO2e/m£ in 2023/24.

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

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	8,700,636	1,591.4	57.2%
	Company Fleet	0.0	0.0	0.0%
	Subtotal	8,700,636	1,591.4	57.2%
Indirect (Scope 2)	Electricity	5,749,681.0	1,190.5	42.8%
	Subtotal	5,749,681.0	1,190.5	42.8%
Indirect Other (Scope 3)	Grey Fleet	0.0	0.0	0.0%
	Subtotal	0.0	0.0	0.0%
Total Energy Use (kWh)				14,450,317.7
Total (Location-based*) Gross Emissions (tCO₂e)				2,781.8
Renewable Electricity (tCO₂e)				1,190.5
Total (Market-based*) Gross Emissions (tCO₂e)				1,591.3
Gross Turnover (m£)				53.9
Tonnes of Gross CO₂e per m£				51.6

The Southbank Centre is committed to energy reduction and has had ISO 50001 since July 2017. They have refurbished both The Queen Elizabeth Hall & Hayward Gallery in recent years and installed low energy systems like LED Lighting; Daylight Sensing blinds etc. and has reduced its overall energy consumption by around 4% per year for 3 years. The Hayward Gallery & Queen Elizabeth Hall are being added to our ISO 50001 Certification from June 2025

Within 2024/2025, the Southbank Centre completed the following:

- RFH Chiller Upgrades (104,070 kwh)
- Level 5 Function Room Chiller Upgrades (31,450 kwh)
- Poetry Library Upgrade Project (18,015 kwh)

It is expected that 153,535 kWh of energy is going to be saved over the next 5 years through these energy efficiency measures.

ENVIRONMENTAL REPORTING (continued)

Type of Emissions	Units	2024/25	2023/24	YOY % Change
Direct (Scope 1)	(kwh)	8,700,636.7	8,594,269.0	1.2%
	(tCO ₂ e)	1,592.1	1,573.1	1.2%
Indirect (Scope 2)	(kwh)	5,749,681.0	6,558,536.0	-12.3%
	(tCO ₂ e)	1,190.5	1,358.1	-12.3%
Indirect Other (Scope 3)	(kwh)	0.0	0.0	NA
	(tCO ₂ e)	0.0	0.0	NA
Total Energy Use (kWh)		14,450,317	15,152,805	-4.6%
Total Gross Emissions (tCO₂e)		2,781.8	2,931.2	-5.1%
Renewable Electricity (tCO₂e)		1,190.5	1,358.1	-12.3%
Total Net Emissions (tCO₂e)		1,591.3	1,573.1	1.2%
Tonnes of Gross CO₂e per m£		51.6	54.6	-5.5%

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

FINANCIAL REVIEW

The year to 31 March 2025 has seen significant increases in both income and expenditure as we continue to expand our activity, manage the challenge of inflation and make a limited capital investment into the Royal Festival Hall.

We aim to break even on an operational basis after allowing for regular loan repayments, including those of the Cultural Recovery Fund Repayable Finance that commenced in March 2025, and essential capital expenditure need. In the current year, as planned, we incurred a one off operating deficit, which reflected an increased cost base and investment to build new revenue streams that are expected to materialise in 2025. The total operating deficit was £1.4m, equal to the reduction in Free Reserves.

Funding, inflation and the economic environment remain key concerns. This was the second year of a three year funding agreement of Arts Council England that saw an overall reduction in core grant funding of £2.0m per annum from 2022/23 and this has not subsequently increased in line with inflation. We are therefore required to create new income streams or achieve significant operational savings and efficiencies each year to maintain the ambition, scope and quality of the artistic programme. Payroll increases have a disproportionate impact on Southbank Centre due to the proportion of people costs in the cost base and these will be compounded with increased NIC from April 2025. We remain conscious that the economic environment remains challenging particularly for the hospitality industry from which a significant amount of our commercial income derives and more general cost of living concerns may impact on future demand.

We remain aware of our responsibility to maintain and develop the Southbank Centre estate to ensure the iconic buildings remain fit for purpose in the 21st Century whilst preserving their rich architectural heritage. We continued our £13m capital improvement project to our foyer spaces and audience experience in the Royal Festival Hall from funds designated from the Cultural Recovery Fund Repayable Finance scheme. A new bar and restaurant was created on Level 5, the 75th, that takes full advantage of our riverside balcony. On Level 2 we created a stunning new shop and reconfigured our Welcome desk and bar and cafe facilities to improve the visitor experience. The Members area similarly benefited from investment to improve the service to members. The second part of the project has commenced to upgrade the WC's throughout the RFH for completion during 2025/26.

Significant additional funds in excess of our operating budgets will, however, be required in the future to maintain and develop the estate, including crucial upgrades in technology in our artistic spaces and adaptations to achieve our net-zero ambitions, ensuring our site is fit for purpose for the future.

Income

Total income has increased by £4.35m over the year to £58.3m (2024 - £53.9m) with all income streams except investment income contributing to the increase.

Donations and legacies increased by £0.45m to £21.2m (2024 - £20.8m) through growth in our core fundraising and specific ACE funding of the Arts Council Collection. Maximising our contributed income remains a key objective for the charity.

Overall we achieved an increase in income from Charitable Activities by £2.3m to £12.9m (2024 - £10.6m). Ticket income grew by £0.5m to £7.5m (2024 - £7.0m) through increases in performances, audiences and average ticket revenue in our performing spaces being partially offset by lower visitor volumes in the Hayward Gallery due to the nature of the exhibition programme during the year. Artistic rental income increased by 5% through inflationary increases. The increase in other income was due to income from our international tour partners for Hayward Gallery exhibitions.

We rely on our commercial income to support investment into the artistic programme. This increased by £1.8m over the prior year to £22.6m (£2024 - £20.8m). An increased number of commercial events increased revenue by £0.9m and an expansion of our concessions and leases added a further £0.9m. We continued our relationship with BAFTA for their three major award ceremonies: Film, TV and Games, hosted The London Film Festival and its opening and closing galas as well as the premiere of Wicked.

Income (continued)

We held 18 graduation ceremonies with a total attendance of 185,000 of which 50,000 are students graduating in the Royal Festival Hall. We are developing relationships with the creative and technology sectors and hosted Google, Telefonica, D&AD and Hubspot amongst others.

Our investment income is solely related to cash on deposit and the reduction is due to the reduction in interest rates and overall cash balances over the year. Any surplus cash is invested in cash deposits with our existing banking institutions.

Expenditure

Total Expenditure increased to £63.6m (2024 - £56.6m) predominantly due to increased charitable activity expenditure that grew by £6.6m to £54.2m (2024 - £47.6m).

We increased our direct investment into our artistic programme but felt the impact of inflation, particularly in relation to payroll that constitutes 35% of our cost base.

Payroll costs increased by £2.8m due to an increase in employees as a result of increased activity over the prior year and an increase in average pay of 5.4%. We are committed to being a London Living Wage (LLW) employer and in January 2024 we implemented the annual increase of 10% to relevant staff, though maintained increases to other staff at the same cash level. We extend our commitment to LLW increases to all our contract staff (cleaning, security and maintenance) with the increases shown within our Venue costs.

During the year we reassessed the security requirements across our entire 11 acre estate given its scale, location and prominence at a time of raised global tensions. This added £0.8m to our security costs annually and we expect this to continue at this level for the foreseeable future subject to no further increases in the underlying threat level.

Included within venue costs is £8.9m in respect of depreciation and loss on disposal. Of this amount £6.3m relates to deprecation on revalued or otherwise funded assets.

Balance Sheet

The key balance sheet movements relate to investment fixed assets, a reduction in cash and an increase in overall creditors within one year.

The net book value of tangible fixed assets fell by £1.7m. Additions total £7.8m in large part due to the investment in the foyer spaces of the Royal Festival Hall.

Cash and cash equivalents have fallen by £3.2m during the year as a result of the capital investment programme.

Creditors within one year show an increase due to the phasing of trade creditors at year end and an increase in deferred income due to the pipeline of commercial events.

Creditors over one year have reduced by £1.8m due to repayments in loans. Until March 2025 we had enjoyed a four year repayment holiday of the CRF Repayable finance. The first six-monthly repayment was made in March 2025 with full repayments totalling £832k due in 2025/26.

The Pension Scheme is in surplus based on the valuation carried out under Section 28 of FRS 102 of £2.1m (2024 - £2.3m) but as any surplus is not recoverable by Southbank Centre until the pension scheme has been wound up no asset has been recognised on the balance sheet. An estimated valuation on the current technical provisions basis specific to the scheme shows a deficit of £0.5m and a deficit on a buyout basis of £3.2m. A Triennial valuation will be carried out as at 31 March 2026.

Reserves

Our total reserve levels have decreased by £5.2m in the year and total £222m.

The overall free reserve requirements have been reviewed during the year and we seek to maintain a minimum level of £5.55m as a General Reserve for exceptional operational risks not covered by the budget contingency, and to provide us the ability to make the operational adjustments and investments required by new operating environments. The current level of £5.07m is marginally lower than our target and we will seek to supplement this during the year to 31 March 2026.

The capital reserve reflects our investment in fixed assets to date and funds reserved for future capital investment. Our capital investment budgets have therefore been increased to enable us to maintain the buildings.

An amount of £4.38m has been transferred to a specific Royal Festival Hall Refurbishment reserve representing the future spend on the current refurbishment project.

We have maintained our Strategic Investment Fund to support innovative artistic and strategic projects. Plans for 2025/26 include investment in our major classical and cross arts festival Multitudes, improvements for accessibility to the RFH stage and investment in artistic commissions.

Recognising the maturity of our long term loan in October 2027 we have provided £4.4m in the Loan Repayment Reserve as a balance to cover the amounts due at that time.

The fund to support the 75th Anniversary of the Royal Festival Hall and Festival of Britain was created in 2024 and will start to be drawn down during 2025/26 to support the Festival planned during 2026/27.

The projects fund represents restricted funds received for specific projects in future years.

Reserves Policy

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

Total funds held at 31 March 2025 are £221.9m (2024 - £227.2m) made up of Unrestricted funds of £220.0m (2024 - £225.4m) and Restricted funds of £1.9m (2024 - £1.7m).

Unrestricted reserves

Within unrestricted reserves there are both General and Designated reserves. Designated reserves are funds that the Governors have set aside to reflect particular intentions for the use of those funds. Unrestricted funds not designated in this way are in the General Reserve. The General Reserve is available for any charitable purpose and is not earmarked for reinvestment in any specific area. At 31 March 2025 the Group held General Reserves of £5.1m and Designated funds of £215.0m

Planned level of unrestricted reserves

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

Planned level of unrestricted reserves (continued)

The Board has reviewed its Reserves Policy in the light of the post pandemic trading, current financial challenges and risks and considers reserves of approximately £5.55m, which is equivalent to 8 weeks of turnover excluding confirmed Arts Council England grant income, will provide sufficient financial resilience for the organisation at this time. On 31 March 2025 the balance of General Reserves is £5.1m (2024: £6.4m) and we will seek to supplement during the year to 31 March 2026 to reach the target level.

Designated Reserves

As of 31 March 2025 Southbank Centre held four designated reserves:

(i) Capital and Revaluation Reserve (£202.9m)

The purpose of this reserve is to reflect funds expended on capital assets net of accumulated depreciation, including the balance of surplus or deficit from the revaluation of Land and Buildings, (£200.8m) and funds designated for future capital projects (£12.6m). Funds expended on fixed assets could only be realised on sale of those assets and are subject to the restrictions noted in note 25.

(ii) RFH Refurbishment Reserve (£4.4m)

This reserve is created for future spend on the current Royal Festival Hall refurbishment project.

(ii) Strategic Investment Fund (£2.4m)

The Strategic Investment Fund has been created to provide investment to support and promote artistic ambition, innovation, inclusion, sustainability and financial resilience. These funds have been allocated to projects in the year to 31 March 2026.

(iii) Loan Repayment Reserve (£4.4m)

This reserve is to provide for the repayment of the long term loan due in October 2027.

(iii) 2026 Festival Reserve (£0.9m)

The purpose of this reserve is to fund activities to support and celebrate the 75th anniversary of the Royal Festival Hall and the Festival of Britain in 2026.

Restricted Reserves

As of 31 March 2025 Southbank Centre held £1.9m of restricted income received in advance of expenditure for operating projects in a Projects Fund.

Going Concern

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

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

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

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

Funding Agreement

Southbank Centre is one of Arts Council England's National Portfolio Organisations and is funded via a funding agreement. Southbank Centre has been confirmed as a National Portfolio Organisation for the three year period commencing 1 April 2023. A one-year extension covering 2026/27 was announced in March 2023 and ACE are recommending that the Portfolio is further extended until March 2028.

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

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

An application for funding for one year to 31 March 2027 was made during 2024/25 and we anticipate a further one year application for the year to 31 March 2028 to be made in 2025/26.

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. Governors review the Risk Register prepared by management at each Board meeting to ensure that it is comprehensive and to assess actions to mitigate those risks.

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

Reputation

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

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

All strategies and business plans are discussed with Arts Council England at regular monitoring meetings.

Financial Resilience

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

The ability to develop our site and buildings to ensure Southbank Centre continues to be a venue of excellence and innovation attracting artists, audiences and commercial partners is critical to ensure our financial resilience and sustainability. This remains dependent on our ability to secure specific funding.

This is a key short term objective of the charity and is monitored regularly by the Board and Property, Commercial and Sustainability Committee.

The potential impact on demand from the significant recent increases in the cost of living present significant challenges for the charity due to the level of fixed revenue (including ACE funding and commercial lease income) and the potential impact on audience levels and other trading income.

Risk Management (continued)

Financial Resilience (continued)

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

Safeguarding

The Southbank Centre welcomes all to its venues, site and online platforms and provides services in schools and to other partners in London and the UK. A key risk is the safeguarding of children and vulnerable adults. Safeguarding risks are managed through a Safeguarding Committee that meets regularly. Specific training is provided to Safeguarding Leads and Deputies who act as internal advisers to the organisation on issues in relation to any aspect of safeguarding in arts programming and in relation to artists and visitors. In addition, DBS checks and safeguarding training is provided to all staff who come into regular contact with children and vulnerable adults. Processes and procedures are reviewed by our Internal Auditor. A Board member is a Safeguarding Governor and an annual safeguarding report is made to the Board.

Equality, Diversity and Inclusion

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

Health and Safety

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

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

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 departmental data retention reviews and training for all staff. Data management is monitored through regular meetings of key internal stakeholders. To mitigate the impact of a cyber-attack Southbank Centre holds a level of cyber insurance and is increasing our cyber security resource in the year to March 2026.

Public benefit

The Governors confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging, when reviewing Southbank Centre's aims and objectives and planning future activities. Southbank Centre relies mainly on Arts Council England revenue grant, income generated from commercial activities, fundraising and box office income to cover its operating costs. When determining ticket prices, careful consideration is given to ensuring accessibility of Southbank Centre's artistic activity to those on low income. Southbank Centre provides a wide range of artistic activity, with over 50% of the artistic programme being free to ensure everyone has the opportunity to experience events, as well as enjoying Southbank Centre's 11 acre site along the South Bank. Further details are given above under Achievements and Performance.

Our workforce

The Governors recognise that Southbank Centre's success and position in the arts depends on the quality, skills, motivation and engagement of our employees. We are committed to policies and practices which support and improve the attraction, development, performance and retention of talented people at different points in their employee journey.

We are committed to ensuring our recruitment process is inclusive and accessible; providing targeted recruitment campaigns to reach the broadest range of candidates and communities, offering reasonable adjustments, having standardised competency-based questions and scoring, and ensuring blind screening is in place to reduce bias.

The organisation is a member of the Living Wage Foundation, which on an annual basis calculates a national and London wage rate based on the real cost of living. Southbank Centre staff are paid the London Living Wage (LLW) as a minimum and automatically receive an increase in line with this each year. The most recent London Living Wage uplift was implemented from 1 January 2025. The organisation's commitment to LLW extends to those working for facilities, security and catering contractor partners at Southbank Centre and also applies to 60% of the staff working in partner restaurants on site.

To inform the Annual Pay Award negotiations and build pay equity and transparency, we continue to benchmark salaries with other arts and cultural organisations when roles are vacant. We also participate in an annual sector-specific independent salary benchmarking survey to support more relevant benchmarking across salaries and benefits compared to similar organisations.

We provide permanent minimum hours contracts rather than zero hours contracts. We offer enhanced benefits including a generous company pension scheme, enhanced sick and family leave pay. We also have a transgender equality policy, adoption policy, IVF policy and menopause policy.

Over the last few years, we have invested consciously in building a positive culture. Following the successful launch of Southbank Centre's new values in late 2023, the organisation launched a set of Behaviours for colleagues to demonstrate as one of the ways they can contribute as individuals to a positive organisational culture. We have also developed an overarching statement on Who we are, Our Mission and Our Vision as an organisation. This explicit framework provides guidance and clarity to everyone in our workforce on the aspirations and expectations of their organisation.

Engagement of our employees remains a priority. Effective internal communications are particularly important to promote the understanding and involvement of all employees in Southbank Centre's aims and performance of all our activities. This is achieved through our 6-weekly face to face, well attended All Staff Meetings, weekly all staff news digital bulletins, a People Manager newsletter and regularly updating posted across working spaces. These channels give regular updates on the organisation's performance and major developments, celebrating our successes and reflecting our shared culture.

All of Southbank Centre's Policies and Procedures are housed on an Intranet site, which has undergone a process of improvement and re-design to ensure policies, guidelines, forms and digital content are accessible and available.

Southbank Centre has a Whistleblowing policy which exists to encourage individuals to report suspected wrongdoing, provide guidance on how to raise concerns and to protect any members of staff who make disclosures in good faith about activity which is against the public interest. The policy is made available to all permanent and temporary staff and is published on our intranet. There were no whistleblowing claims made during 2024/25.

Our workforce (continued)

Measuring employee engagement levels has been a significant focus over the last year. For the first time, in 2024 an independent survey company was appointed to conduct an online survey of all our staff and provide an analysis of the results. This analysis identified the existing strengths of our culture and areas for improvement. It enabled us to gain valuable insights into the experiences of our colleagues through specific data cuts such as role, department, management responsibility, gender and ethnicity. A working group of Departmental Leads has been established who meet regularly to consider ways to improve engagement and employee experience at both a local and team based level and organisation wide. Pulse surveys are planned in 2025 to check the progress of the actions we have implemented and to provide regular insights into how our colleagues are experiencing the Southbank Centre.

Southbank Centre is striving to promote equity, diversity and inclusion in all areas of employment including recruitment and selection, development, and progression. We are engaged with a number of diversity initiatives and partnerships in order to achieve these aims. We now monitor the make-up of our workforce regularly and are pleased to see that the proportion of employees from a Global Ethnic Majority ethnic background is growing and a significant proportion of our workforce identifies their sexual orientation as LGBTQ+. This year we have increased our focus on neurodivergence awareness through our Learning Lunch offering and through piloting team specific workshops with our Visual Arts colleagues.

Through the appointment of our Learning & Development Manager we have been able to increase our central training offering to all colleagues at the Southbank Centre. In January 2024 we launched Season one of learning, which saw 90 colleagues engaging with sessions focusing on Communication. We were also able to provide 80 colleagues of all levels and roles 1:1 coaching through a pilot partnership with Henley Business School in which their alumni coaches worked with us on a pro bono basis. We were also able to offer management training to 28 people managers

Southbank Centre participates in a quarterly Joint Negotiating and Consultative Committee with its two recognised trade unions, Unite (Amicus section) and PCS. Improved union relations have been invested in, with additional monthly meetings to ensure transparency and taking a joint consultative and partnership approach.

Remuneration policy for senior leaders

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

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

The People and Nominations Committee co-ordinates the assessment of the annual performance of the Chief Executive and feeds into the assessment of agreed members of the Executive Leadership team, against organisational and individual objectives. The remuneration and employment terms of the Chief Executive and the Executive Leadership Team is reviewed in the context of the overall remuneration and employment terms and practices for all Southbank Centre employees and key subcontractors, in the context of salary trends within the arts sector and beyond.

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

Legal Framework

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

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

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

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

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

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

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

Governance

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

The Board has adopted a performance evaluation framework that ensures that the effectiveness of the Board, the Committees and the Chair is actively reviewed and monitored each year. As part of this process Governors and the Executive Leadership Team are asked to reflect on the skills required and size of the Board, taking into account future requirements.

New Governors are appointed under selection criteria that ensure the Board maintains a broad range of skills and relevant experience. A Governor is appointed after agreeing to become a Member of the Board, after the Secretary to the Board has received written approval from the Secretary of State for Culture, Media and Sport for their admission as a Member, and after their name has been entered in the Register of Members. Governors appointed after 1 January 2018 serve for a term of three years from the Annual General Meeting following the date of their appointment, and may be reappointed for a further two terms, subject to a maximum tenure of 9 years. Governors appointed prior to 1 January 2018, are eligible for reappointment of a fourth term, which if approved results in a maximum tenure of 12 years. One Governor is anticipated to complete a fourth term.

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, as well as their responsibilities and legal duties.

Governance (continued)

The Governors meet six times a year, and more frequently if required.

The Board of Governors retain decision-making over certain matters, including the approval of strategic plans and major projects, remuneration matters of the Chief Executive and variations to governing documents. The Board currently has four sub-committees to assist its governance of Southbank Centre: Finance, Audit and Risk; People and Nominations; and Property, Commercial and Sustainability Committee; and Donations and Conflict of Interest Oversight Committee.

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

As part of its forward succession planning the Board takes into account the importance and value of having a diverse Board coupled with the skills needed to support the Executive Leadership Team in delivering the strategic business plan. An open and transparent method of recruitment is in place to fill vacancies on the Board and regular diversity monitoring is carried out.

As at 31 March 2025, the profile of the Board was: 8 (57%) male, 6 (43%) female; 6 (43%) Global Majority; 0 (0%) LGBT; 1 (17%) disability; 0 (0%) under 35; 3 (22%) over 65.

Internal Financial Control

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

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

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

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

The Governors believe that Southbank Centre's system of internal financial control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. The Finance Audit and Risk Committee has monitored the operation and effectiveness of the system of internal financial control during the financial year ended 31 March 2025 through regular reports from senior staff, reports from the internal auditor and comments made in the annual management letter from the external auditors.

Disclosure of information to auditors

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

In so far as the Governors are aware:

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

Fundraising statement

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

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

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

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

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


Political and Charitable Donations

Neither the Charity or any of its subsidiaries made any political or charitable donations in year.

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. Southbank Centre also carries cybersecurity insurance. Apart from these insurances, Southbank Centre is self-insured by HM Treasury (as confirmed by an agreement with the Department for Culture, Media and Sport).

By Order of the Board


Misan Harriman (Jul 16, 2025 10:53 GMT+1)

Misan Harriman
Chair
16 July 2025
Southbank Centre Limited
As Trustee for Southbank Centre

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Southbank Centre ('the charity') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

Date: 17 July 2025

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 March 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds	
				2025 £'000	2024 £'000
INCOME FROM:					
Donations and legacies	2	17,848	3,417	21,265	20,826
Charitable Activities	3	12,941	-	12,941	10,651
Other Trading Activities	4	22,615	-	22,615	20,862
Investments	5	1,453	-	1,453	1,582
TOTAL		54,857	3,417	58,274	53,921
EXPENDITURE ON:					
Raising funds	9	1,381	-	1,381	1,396
Charitable activities	9	50,899	3,259	54,158	47,599
Other costs: Trading activities	9	8,066	-	8,066	7,591
TOTAL		60,346	3,259	63,605	56,586
Net (expenditure)/income before transfers		(5,489)	158	(5,331)	(2,665)
Other recognised (losses)/gains					
Actuarial gain on defined benefit pension schemes	23	120	-	120	1,103
Gain on derivative financial instrument		-	-	-	48
Net Movement in funds		(5,369)	158	(5,211)	(1,514)
Fund balances brought forward at 1 April 2024		225,433	1,762	227,195	228,709
Total funds carried forward at 31 March 2025		220,064	1,920	221,984	227,195

All of the above results are derived from continuing activities.
The notes on pages 35 to 60 form part of these financial statements.
The financial statements have been prepared in accordance with FRS 102.
Full prior year disclosure of the Consolidated Statement of Financial Activities is shown in Note 27.
There is no material difference between the net income/(expenditure) before transfers for the financial years stated above and their historical cost equivalent.

SOUTHBANK CENTRE
BALANCE SHEETS
As at 31 March 2025

	Notes	Group		Charity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Tangible assets	11	220,234	221,939	220,234	221,939
Heritage assets	13	70	70	70	70
Intangible assets	12	412	326	412	326
Investments	14	12,734	11,407	12,734	11,407
Total fixed assets		233,450	233,742	233,450	233,742
Current assets					
Stocks of consumables and goods held for resale		515	392	99	79
Short term investments	14	17,400	18,500	8,400	7,500
Debtors - due within one year	15	10,263	9,829	11,837	12,869
Cash at bank and in hand		2,086	4,204	1,416	2,658
Total current assets		30,264	32,925	21,752	23,106
Liabilities					
Creditors: amounts falling due within one year	16	(23,023)	(18,984)	(19,309)	(16,736)
Net current assets		7,241	13,941	2,443	6,370
Total assets		240,691	247,683	235,893	240,112
Creditors: amounts falling due after one year	18	(18,707)	(20,488)	(18,707)	(20,488)
Net assets excluding pension liability		221,984	227,195	217,186	219,624
Defined benefit pension asset / (liability)	23	-	-	-	-
Total net assets		221,984	227,195	217,186	219,624

THE FUNDS OF THE GROUP
As at 31 March 2025

	Notes	Group		Charity	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Unrestricted income funds					
General reserves	19	5,071	6,436	273	(1,135)
Designated funds	19	214,993	218,997	214,993	218,997
Total unrestricted income funds	19	<u>220,064</u>	<u>225,433</u>	<u>215,266</u>	<u>217,862</u>
Restricted income funds					
Projects fund	19	1,920	1,762	1,920	1,762
Total restricted income funds	19	<u>1,920</u>	<u>1,762</u>	<u>1,920</u>	<u>1,762</u>
Total group funds	19	<u>221,984</u>	<u>227,195</u>	<u>217,186</u>	<u>219,624</u>

The notes on pages 35 to 60 form part of these financial statements.

The financial statements on pages 30 to 34 were approved by the Board of trustees and signed on its behalf by


Misan Harriman (Jul 16, 2025 10:53 GMT+1)

Misan Harriman
Chair
16 July 2025

Southbank Centre's (excluding Southbank Centre Enterprises Limited) gross income for the year was £53,584k (2024 gross income: £45,619k).

Southbank Centre's (excluding Southbank Centre Enterprises Limited) net expenditure for the year was £3,378k (2024 net expenditure: £2,734k).

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash inflow from operating activities		6,525	4,973
Net cash generated from operating activities		<u>6,525</u>	<u>4,973</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	(7,777)	(4,855)
Purchase of intangible fixed assets	12	(194)	(321)
(Purchase) Sale of Investments	14	(1,327)	6,689
Sale of tangible fixed assets		-	1
Interest received	5	1,453	1,582
Cash generated (used in) investing activities		<u>(7,845)</u>	<u>3,097</u>
Cash flow from financing activities			
Repayment of loan		(1,120)	(6,211)
Repayment of derivative financial instrument		-	(362)
Interest expense		(778)	(940)
Cash used in / from financing activities		<u>(1,898)</u>	<u>(7,513)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(3,218)</u>	<u>557</u>
Cash and cash equivalents at the beginning of the year		22,704	22,148
Cash and cash equivalents at the end of the year		19,486	22,704
Net (outgoing) resources before transfers		(5,331)	(2,665)
Interest received	5	(1,453)	(1,582)
Interest paid	7	778	940
Depreciation and amortisation charge	11, 12	8,862	8,492
Loss/(Gain) on FA disposal		728	(1)
(Increase) in stock		(123)	(90)
(Increase) in debtors	15	(434)	(3,418)
Increase in creditors	16, 18	3,378	2,195
Retirement benefits movements	23	120	1,103
Net cash inflow from operating activities		<u>6,525</u>	<u>4,973</u>

SOUTHBANK CENTRE
CONSOLIDATED STATEMENT OF CASH FLOW
As at 31 March 2025

Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash in hand	2,086	4,204
Short term deposits	17,400	18,500
Total cash and cash equivalents	19,486	22,704

SOUTHBANK CENTRE NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a) *Basis of Preparation*

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

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

b) *General Information*

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

c) *Summary of significant accounting policies*

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

d) *Going Concern*

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

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

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

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

1 Statement of Accounting Policies (continued)

e) *Group Financial Statements*

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

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

f) *Income Recognition*

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

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

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

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

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

g) *Expenditure and resources expended*

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

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

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

h) *Taxation*

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

i) *Foreign Currencies*

The functional and presentational currency is pounds sterling. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

1 Statement of Accounting Policies (continued)

j) *Employee Benefits*

The Group provides a range of benefits to employees, including holiday pay 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 contributed to a pension scheme through the South Bank Centre Retirement Plan (the Pension Plan). The defined benefit scheme closed to future accrual in 2022. The defined contribution funds were transferred to a master trust in 2022 and the section formally closed in 2023. The Pension Plan's assets are held separately from those of Southbank Centre in an independently administered trust fund. Southbank Centre is complying with the reporting requirements of Section 28 of FRS 102 'Employee Benefits', in relation to the Pension Plan's defined benefit section, and the surplus is treated as an unrestricted fund.

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

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

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

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

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

k) *Leases*

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

1 Statement of Accounting Policies (continued)

k) Leases (continued)

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

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

l) Fixed assets and depreciation

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

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

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

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

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

m) Intangible fixed assets and amortisation

Intangible assets with an economic life of more than 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.

1 Statement of Accounting Policies (continued)

n) *Heritage asset (continued)*

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

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

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

o) *Stocks*

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

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.

1 Statement of Accounting Policies (continued)

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.

r) Financial instruments

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

(i) Financial assets

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

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

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

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

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

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

(ii) Financial liabilities

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables

are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Statement of Accounting Policies (continued)

s) *Financial instruments (continued)*

- t) 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.

u) 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)

Critical accounting judgements and key source of estimation uncertainty (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 15 for the net carrying amount of the debtors.

(ii) Defined benefit pension scheme

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

(iii) Deferred and advanced ticket income

Deferred income and income received in advance has been reviewed and where it has been agreed that the income will be deferred to an event after 31 March 2025, this has been treated as Creditors falling due after one year.

2 Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Donations and sponsorships	1,020	1,973	2,993	2,729
Arts Council England grants	16,828	1,444	18,272	18,097
Total	17,848	3,417	21,265	20,826

3 Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Artistic activities				
Ticket Income	7,451	-	7,451	6,979
Artistic rentals	2,769	-	2,769	2,631
Other income	2,721	-	2,721	1,041
Total	12,941	-	12,941	10,651

4 Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Other Trading Activities				
Retail sales	2,071	-	2,071	1,964
Concessions	12,900	-	12,900	11,992
Hall and space rentals	5,261	-	5,261	4,354
Memberships and subscriptions	880	-	880	781
Other income	1,503	-	1,503	1,771
Total	22,615	-	22,615	20,862

5 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Interest receivable	1,453	-	1,453	1,582
Total	1,453	-	1,453	1,582

6 Net Income / (Expenditure)

	2025 £'000	2024 £'000
Income is stated after crediting:		
Income from Creative Tax reliefs included within income from charitable activities	1,107	757
Expenditure is stated after charging / (crediting):		
Operating lease charges	90	90
Depreciation and amortisation charge on assets	8,864	8,492
Auditors' remuneration for audit services (Southbank Centre)	78	74
Auditors' remuneration for audit services (Enterprises)	8	8
(Surplus)/ loss on foreign exchange differences	-	(1)
Bad debt expense movement	(3)	(26)

7 Interest Expense

	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	2024 £'000
Interest expense	778	-	778	940
Total	778	-	778	940

8 Staff Costs

	2025 £'000	2024 £'000
Employee costs amounted to:		
Wages and salaries	18,688	16,328
Social security costs	1,730	1,463
Pension costs	1,141	951
Past service cost:		
Defined benefit pension	-	1,093
Total	21,559	19,835

Costs relating to terminations in the year are included in the above and were £115k (2024: £76k) of which Nil (2024: £Nil) was accrued at year end.

The Governors (Chairman and Board members) are not remunerated for their services and Governors received £nil (2024: £nil) in reimbursement of travelling and subsistence expenses.

	Average number of employees		Average full time equivalent number of employees	
	2025 No.	2024 No.	2025 No.	2024 No.
Raising Funds	15	13	13	13
Charitable Activities	123	116	112	106
Venue Operation	262	243	163	155
Other	42	35	33	29
Support	97	77	89	73
	539	484	410	376

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

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

	2025 No.	2024 No.
£60,000 - £69,999	22	14
£70,000 - £79,999	8	5
£80,000 - £89,999	3	3
£90,000 - £99,999	-	2
£100,000 - £109,999	4	2
£110,000 - £119,999	1	1
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
£160,000 - £169,999	-	-
£180,000 - £189,999	1	1
£200,000 - £209,999	-	1
£210,000 - £219,000	1	-
	42	31

8 Staff costs (continued)

Of these 42 (2024: 31) employees, Southbank Centre paid pension contributions of £260,247 for 42 employees (2024: £177,385; 31 employees), who were members of the defined contribution section of the pension scheme. The group did not pay any contributions into the defined benefit section of the pension scheme (2024: none).

The Executive Leadership Team comprises of 6 posts (2025: average FTE 6.25, 2024: average FTE 6) whose remuneration in the year was £890k (2024: £828k). In addition to this, Southbank Centre also paid £74k (2024: £58k) in pension contribution and £94k in Employer National Insurance Contributions (2024: £86k) for the 6 members of the Executive Leadership Team during the year.

The Chief Executive's remuneration for the year totalled £217k, with employer pension contributions of £19k (2024: remuneration of £204k and pension contributions of £15k). No Executive Leadership Team member receives bonuses.

9 Total Resources Expended

	Direct costs of Charitable Activity £'000	Artistic and Exhibition Venue costs £'000	Support costs £'000	Total 2025 £'000	Total 2024 £'000
Costs of raising funds	974	127	280	1,381	1,396
Expenditure on charitable activities	21,127	20,266	12,765	54,158	47,599
Other costs: Trading activities	4,090	2,182	1,794	8,066	7,591
	26,191	22,575	14,839	63,605	56,586

Other includes interest payable of £778k (2024: £940k) (note 7).

10 Allocation of Support Costs

	Management Support Services £'000	Depreciation & Disposals £'000	2025 £'000	2024 £'000
Costs of raising funds	229	51	280	292
Expenditure on charitable activities	4,823	7,942	12,765	12,258
Other costs: Trading activities	925	869	1,794	1,711
Total Support Costs	5,977	8,862	14,839	14,261

Management and Support Services comprises Finance, Legal, HR and Governance. These are allocated as above based on the proportion of direct spend, headcount and floor area. Depreciation relates to all depreciation over the entire site and are allocated based on floor area.

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

	2025 £'000	2024 £'000
Internal audit	32	34
External audit	87	83
Governors' indemnity insurance	13	11
Apportionment of staff costs	318	292
	450	420

11 Tangible Assets

Group and charity	Land & Buildings (Artistic) £'000	Land & Buildings (Other) £'000	Assets under Construction £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Total £'000
<i>Cost</i>						
At 1 April 2024	257,495	26,647	2,697	9,063	11,710	307,612
Additions	2,407	-	2,324	1,573	1,473	7,777
Transfers	861	-	(1,621)	717	43	-
Disposals	(999)	-	-	-	-	(999)
At 31 March 2025	<u>259,764</u>	<u>26,647</u>	<u>3,400</u>	<u>11,353</u>	<u>13,226</u>	<u>314,390</u>
<i>Accumulated Depreciation</i>						
At 1 April 2024	62,119	8,847	-	6,377	8,329	85,672
Charge for the year	6,708	-	-	563	1,484	8,755
On disposals	(271)	-	-	-	-	(271)
At 31 March 2025	<u>68,556</u>	<u>8,847</u>	<u>-</u>	<u>6,940</u>	<u>9,813</u>	<u>94,156</u>
<i>Net Book Value</i>						
At 31 March 2025	<u>191,208</u>	<u>17,800</u>	<u>3,400</u>	<u>4,413</u>	<u>3,413</u>	<u>220,234</u>
At 31 March 2024	<u>195,376</u>	<u>17,800</u>	<u>2,697</u>	<u>2,686</u>	<u>3,380</u>	<u>221,939</u>

12 Intangible Assets

Group and charity	Software £'000	Total £'000
<i>Cost</i>		
At 1 April 2024	1,035	1,035
Additions	194	194
Transfers	-	-
Disposals	-	-
At 31 March 2025	<u>1,229</u>	<u>1,229</u>
<i>Accumulated Amortisation</i>		
At 1 April 2024	709	709
Charge for the year	108	108
On disposals	-	-
At 31 March 2025	<u>817</u>	<u>817</u>
<i>Net Book Value</i>		
At 31 March 2025	<u>412</u>	<u>412</u>
At 31 March 2024	<u>326</u>	<u>326</u>

13 Heritage Assets

	Additions in year £'000	Value at 31 March 2025 £'000	Cost at 31 March 2025 £'000
Carrying amount at 1 April 2024	-	70	70
Additions: artwork	-	-	-
Carrying amount at 31 March 2025	-	70	70

The Southbank Centre Collection

The Southbank Centre Collection consists of approximately 30 sculptures and 80 drawings or prints that have been gifted to SC. This collection has been built up over the last sixty years and no assets were disposed of over the last five years.

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

The Southbank Centre Archive

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

Poetry Library

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

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

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

14 Investments

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed asset investments	12,734	11,407	12,734	11,407
Short term investments	17,400	18,500	8,400	7,500
	30,134	29,907	21,134	18,907

All investments relate to term cash deposits. Those that are intended to be held for 12 months or more are treated as fixed asset investments and those under 12 months are treated as short term investments within current assets.

15 Debtors: Amounts Due Within One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	3,929	1,405	1,974	756
Amounts owed by group undertakings	-	-	5,420	5,212
Other debtors	704	864	597	759
Prepayments and accrued income	5,630	7,560	3,846	6,142
	<u>10,263</u>	<u>9,829</u>	<u>11,837</u>	<u>12,869</u>

Trade debtors - Group is net of bad debt provision of £108k (2024: £117k), and Trade debtors - Charity is also net of bad debt provisions of £95k (2024: £47k).

16 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loans and overdrafts	1,581	921	1,581	921
Trade creditors	5,155	4,066	5,062	4,011
Amounts owing to group undertakings	-	-	-	-
Advanced ticket sales	3,327	3,219	3,327	3,219
Derivative financial instrument	-	-	-	-
Accruals and deferred income	12,960	10,778	9,339	8,585
	<u>23,023</u>	<u>18,984</u>	<u>19,309</u>	<u>16,736</u>

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

17 Deferred Income

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Deferred income brought forward	5,376	3,505	3,496	1,987
Deferred in the year	7,447	5,323	4,011	3,444
Released in the year	(5,259)	(3,452)	(3,496)	(1,935)
Deferred income carried forward	<u>7,564</u>	<u>5,376</u>	<u>4,011</u>	<u>3,496</u>

18 Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loans	18,707	20,488	18,707	20,488
	<u>18,707</u>	<u>20,488</u>	<u>18,707</u>	<u>20,488</u>

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

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Within one year	1,582	921	1,582	921
Within two to five years	10,516	11,638	10,516	11,638
After five years	8,191	8,850	8,191	8,850
	<u>20,289</u>	<u>21,409</u>	<u>20,289</u>	<u>21,409</u>

A term loan of £17.7m was provided by AIB Group (UK) plc in September 2004 to fund estate development and is secured by a fixed charge over the Royal Festival Hall extension building. The loan is partially repayable in quarterly instalments until October 2027 when a balance of £6m will remain outstanding. The balance outstanding, including interest, at 31 March 2025 was £8.9m (2024: £9.8m). This loan was assigned to Promontoria Holding 463 BV a private company with limited liability incorporated in the Netherlands on 17 January 2025. The terms of the loan are unchanged.

The loan received from the Culture Recovery Fund Repayable Finance of £10.9m in March 2021 provides for a fixed interest loan for 20 years at 2% per annum. Capital and interest payments commenced in March 2025. The balance outstanding including interest at 31 March 2025 was £11.38m (2024: £11.58m).

Analysis in changes of net debt

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash and cash equivalents	22,704	(3,218)	19,486
Loans falling due within one year	(921)	(661)	(1,582)
Loans falling due after more than one year	(20,488)	1,780	(18,708)
	<u>1,295</u>	<u>(2,099)</u>	<u>(804)</u>

19 Group and Charity Reserves

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	6,436	54,857	(53,061)	120	(3,281)	5,071
Total General Reserves	6,436	54,857	(53,061)	120	(3,281)	5,071
<i>Designated Funds</i>						
Capital & Revaluation Reserve	213,501	-	(6,358)	-	(4,228)	202,915
RFH Refurbishment Reserve	-	-	-	-	4,387	4,387
Strategic Investment Fund	4,596	-	(927)	-	(1,278)	2,390
2026 Festival Reserve	900	-	-	-	-	900
Loan Repayment Reserve	-	-	-	-	4,400	4,400
Total Unrestricted Funds	225,433	54,857	(60,346)	120	-	220,064
<i>Restricted Funds</i>						
Projects Funds	1,762	3,417	(3,259)	-	-	1,920
Total Restricted Funds	1,762	3,417	(3,259)	-	-	1,920
Total Funds (2025)	227,195	58,274	(63,605)	120	-	221,984
Total Funds (2024)	228,709	53,921	(56,586)	1,151	-	227,195

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

	Balances as at beginning of the year £'000	Income £'000	Expenditure £'000	Other Gains & Losses £'000	Transfers (out) / in £'000	Balances as at end of the year £'000
Unrestricted Income Funds						
<i>General Reserves</i>						
General Fund	5,564	51,396	(47,014)	1,103	(4,613)	6,436
Total General Reserves	5,564	51,396	(47,014)	1,103	(4,613)	6,436
<i>Designated Funds</i>						
Capital & Revaluation Reserve	211,638	-	(6,358)	48	8,173	213,501
Loan repayment reserve	5,899	-	-	-	(5,899)	-
Strategic Investment Fund	3,508	-	(898)	-	1,986	4,596
2026 Festival Reserve	-	-	-	-	900	900
Total Unrestricted Funds	226,609	51,396	(54,270)	1,151	547	225,433
<i>Restricted Funds</i>						
Projects Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Restricted Funds	2,100	2,525	(2,316)	-	(547)	1,762
Total Funds (2024)	228,709	53,921	(56,586)	1,151	-	227,195
Total Funds (2023)	228,237	53,282	(53,880)	1,070	-	228,709

19 Group and Charity Reserves (continued)

Unrestricted funds consist of a General Reserve and Designated Reserves.

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

Designated Funds:

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

The Loan repayment reserve reflects funds designated for repayment of the loan provided by Promontoria Holding 463 BV plc (previously AIB) which is repayable in 2027.

The RFH Refurbishment Reserve reflects funds designated for the refurbishment of the Royal Festival Hall.

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

The 2026 Festival Reserve reflects the balance allocated the Royal Festival Hall's 75th Anniversary.

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

Transfers in the year

£3.2m was transferred from the General Reserve to the RFH Refurbishment Reserve and Loan Repayment Reserve (2024: £8.1m from the General Reserve and Loan repayment reserve to the Capital Reserve).

£4.2m was transferred from the Capital Reserve to the RFH Refurbishment Reserve and the Loan Repayment Reserve.

£1.2m from the Strategic Investment Fund was transferred into the Loan Repayment Reserve.

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. A donation of £4.6m (2024: £7.5m) will be made after year end and credited to the Southbank Centre reserves at the date of receipt. An advance of £5m was paid during the year in advance of the Gift Aided donation.

Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2025 £'000	2024 £'000
Tangible and intangible fixed assets	-	233,450	233,450	233,742
Current assets	1,920	28,344	30,264	32,925
Current liabilities	-	(23,023)	(23,023)	(18,984)
Creditors falling due after one year	-	(18,707)	(18,707)	(20,488)
	<u>1,920</u>	<u>220,064</u>	<u>221,984</u>	<u>227,195</u>

20 Capital Commitments

Group and Charity	2025 £'000	2024 £'000
Authorised and contracted	4,179	1,611

Capital commitments in prior year related to property costs.

21 Commitments Under Operating Leases

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

	2025 £'000	2024 £'000
Payments due		
Not later than one year	21	90

22 Operating Lessor

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

	2025 £'000	2024 £'000
Receipts due	26,800	25,225
Not later than one year	4,462	4,038
Later than one year and not later than five years	15,500	14,649
Later than five year	3,249	6,538

23 Pension Costs

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

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

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

The amount recognised in the SOFA is as follows:

	2025 £'000	2024 £'000
Defined benefit scheme		
Current service costs	-	-
Defined contribution scheme	1,141	951
Total charge in net expenditure	<u>1,141</u>	<u>951</u>
Defined benefit scheme		
Plan expenses	222	290
Past service cost	-	1,093
Net interest (income) / expense	(102)	(280)
	<u>120</u>	<u>1,103</u>

(a) Defined benefit plan

The defined benefit section is funded by employer and employee contributions with assets held in separate trustee administered funds. A full actuarial valuation of the section was undertaken as at 1 April 2023 by a qualified independent actuary on behalf of the trustees of the plan. The actuary has undertaken additional calculations to produce estimated results for the purposes of Section 28 of FRS 102. The section closed to future accrual as from 1 May 2022 and no contributions are to be made into the scheme in respect of salaries after this date.

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

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

23 Pension Costs (continued)

An actuarial valuation of the plan, using the projected unit credit method, was carried out at 31 March 2025 by BBS Actuaries, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following key assumptions:

	2025	2024
Expected rate of salary increase	n/a	n/a
Expected rate of increase of pensions in payment	1.90%	1.90%
Discount rate	5.60%	4.70%
Rate of inflation (RPI)	3.30%	3.30%
Rate of inflation (CPI)	2.80%	2.80%

The mortality assumptions used were as follows:

	2025 years	2024 years
Longevity at age 65 for current pensioners		
Men	22.2	22.2
Women	24.7	24.7
Longevity at age 65 for future pensioners		
Men	23.5	23.5
Women	26.1	26.1

Reconciliation of plan assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 April 2024	46,240	(43,965)	2,275
Benefits paid	(2,087)	2,087	-
Employer contributions	-	-	-
Member's contributions	-	-	-
Current service cost	-	-	-
Past service cost	-	-	-
Plan expenses	(222)		(222)
Interest income/ (expense)	2,119	(2,017)	102
Remeasurement (losses) / gains			
Actuarial gains	(4,332)	4,227	(105)
As at 31 March 2025	<u>41,718</u>	<u>(39,668)</u>	<u>2,050</u>

Total amounts recognised in income or expenditure in the SOFA are as follows:

	2025 £'000	2024 £'000
Past service costs	-	1,093
Interest income	(2,119)	(2,272)
Interest cost	2,017	1,992
Plan expenses	222	290
	<u>120</u>	<u>3,375</u>

No amounts (2024: £nil) were included in the cost of assets.

23 Pension Costs (continued)

The fair value of the plan assets was:

	2025 £'000	2024 £'000
Equities		
Liability driven equities	20,294	23,964
Diversified growth fund	-	-
Corporate Bonds	16,200	16,948
Cash	764	244
London Eye asset	4,460	5,084
	<u>41,718</u>	<u>46,240</u>

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

The return on the plan assets was:

	2025 £'000	2024 £'000
Interest income	2,119	2,272
Return on plan assets less interest income	<u>(4,332)</u>	<u>(4,235)</u>
	<u>(2,213)</u>	<u>(1,963)</u>

(b) Defined contribution plan

Southbank Centre provides a defined contribution plan for its employees.

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

	2025 £'000	2024 £'000
Current year contributions	<u>1,141</u>	<u>951</u>
	<u>1,141</u>	<u>951</u>

24 Subsidiaries

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

The South Bank Foundation Limited (number: 3174667)

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

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

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

24 Subsidiaries (continued)

Southbank Centre Enterprises Limited (Registration number: 6158790)

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

	2025 £'000	2024 £'000
Turnover	18,948	15,832
Cost of sales	(6,358)	(6,059)
Administrative expenses	(3,214)	(2,562)
Operating profit	9,376	7,211
Interest receivable	422	360
Net profit	9,798	7,571
Profit and loss brought forward	7,571	6,398
Gift aid paid to Southbank Centre Limited	(12,571)	(6,398)
Retained in the subsidiary	4,798	7,571

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

	2025 £'000	2024 £'000
Current assets	13,930	15,031
Creditors: amount falling due within one year	(9,132)	(7,460)
Net current assets	4,798	7,571
Total net assets	4,798	7,571
Represented by:		
Profit and loss account	4,798	7,571

25 Contingent Liabilities

Group and Charity

Capital grant funding

The Royal Festival Hall refurbishment in 2004 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.

25 Contingent Liabilities (continued)

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

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

A term loan provided by Promontoria Holding 463 BV plc is secured by a fixed charge over the Royal Festival Hall extension building. This facility is repayable in quarterly instalments with the final balance repayable in October 2027. The balance due at 31 March 2025 is £8.91m (2024: £9.83m).

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

26 Related Parties

Donations from Trustees were £58,250 (2024: £65,243).

The American Fund for Southbank Centre Inc. ("American Fund") provides a tax efficient method for Southbank Centre to receive donations from US based donors. During the year, Southbank Centre received USD 263,975 (2024: USD 151,263) from the American Fund. The American Fund had USD 103,438 (2024: USD 212,952) in cash balances available to transfer to Southbank Centre at 31 March 2025.

SC's Trading subsidiary, Southbank Centre Enterprises Ltd, was recharged staff costs of £1,274,315 (2024: £1,006,725), being the costs of staff incurred by the charity for activities undertaken by the company. A management fee of £1,966,641 (2024: £1,492,125) was charged to SCEL to cover overheads incurred by SC. Amounts owing between the entities at year end are shown in notes 16 and 17.

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

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
INCOME FROM:					
Donations and legacies	2	18,301	2,525	20,826	23,442
Charitable Activities	3	10,651	-	10,651	11,150
Other Trading Activities	4	20,862	-	20,862	18,225
Investments	5	1,582	-	1,582	465
TOTAL		51,396	2,525	53,921	53,282
EXPENDITURE ON:					
Raising funds	9	1,396	-	1,396	1,327
Charitable activities	9	45,283	2,316	47,599	44,898
Other	9	7,591	-	7,591	7,655
TOTAL		54,270	2,316	56,586	53,880
Net (expenditure)/income before transfers		(2,874)	209	(2,665)	(598)
Transfers	19	547	(547)	-	-
Other recognised (losses)/gains					
Actuarial (loss)/gain on defined benefit pension schemes	23	1,103	-	1,103	-
Gain/(Loss) on derivative financial instrument		48	-	48	1,070
Net Movement in funds		(1,176)	(338)	(1,514)	472

All of the above results are derived from continuing activities.

The Movements on Reserves are also described in note 19.

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

	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000
Net movement in funds	(1,716)	(338)	(1,514)
Fund balances brought forward as at 1 April 2023	226,609	2,100	228,709
Total funds at 31 March 2024	225,433	1,762	227,195

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Southbank Centre Accounts 2024/25

Final Audit Report

2025-07-16

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