

Registration No: 02974600

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)**

**UNAUDITED REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2016**

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**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)**

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**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Directors**

David Sharpe  
John Langley  
Mike McCart  
Steve McGuire  
Iain Tuckett  
Donna Uden  
John Bigos  
Yair Ginor  
Adrian Lee  
Ralph David Luck

Merlin Entertainments  
National Theatre  
Southbank Centre  
Guy's & St Thomas' NHS Foundation Trust  
Coin Street Community Builders  
ITV  
London Duck Tours Ltd  
Elizabeth House Partners  
London & Continental Railways  
Kings College London

**Secretary**

Indranie Sookdeo

**Chief Executive**

Nic Durston

**Accountants**

Moore Stephens (Guildford) LLP  
Priory House  
Pilgrims Court  
Sydenham Road  
Guildford Surrey  
GU1 3RX

**Bankers**

HSBC Bank PLC  
28 Borough High Street  
Southwark London  
SE1 1YB

**Solicitors**

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

**Registered Office**

Elizabeth House  
39 York Road  
London  
SE1 7NQ

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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## **Principal Activities and Review of Operations**

### **Summary of Main Activities**

South Bank Employers' Group (SBEG), incorporated in 1994, is an association of major organisations in South Bank, Waterloo and Blackfriars dedicated to promoting and improving the area for the benefit of employees, residents and visitors.

The vision is to make South Bank:

- a desirable destination for cultural pursuits, business and pleasure;
- a place which supports and encourages investment and business growth;
- a place with a flourishing, healthy and cohesive residential community;
- a place which is welcoming to visitors and tourists; and
- a friendly, clean, colourful, safe, dynamic and diverse area.

In the twenty two years since it was incorporated, the company has worked with members, statutory authorities and other partners to promote and secure dramatic changes to the urban landscape of South Bank, and the quality of the local environment, as well as promoting the area as a major cultural and tourist destination. In addition to improving and promoting South Bank, SBEG also works to spread the benefits of the area's success by creating opportunities for unemployed residents of Lambeth and Southwark to access jobs in the area. In the financial year 2015-16, SBEG continued to build on previous achievements and consolidate its influence and relations with partners.

SBEG continued to promote and drive for a strategic approach to much needed improvements to the public realm. In doing so, SBEG also continued to successfully deliver its critical public realm management and security programmes. SBEG's destination marketing activities achieved considerable success, and its employment and skills work, through the Waterloo Job Shop, delivered job opportunities to Lambeth and Southwark residents. SBEG's influence in promoting and coordinating improvements to the neighbourhood remained high; it continued to administer South Bank Partnership and the associated South Bank Forum, and helped to prepare and seek agreement to an updated Action Plan in the South Bank Partnership's 2014 Manifesto.

Further details of SBEG's operations and achievements can be found on the South Bank Employers' Group website: [www.sbeg.co.uk](http://www.sbeg.co.uk).

### **Membership and Governance**

SBEG is a non-profit company limited by guarantee, governed by a Board appointed by its members, which were eighteen in the year under review. They are:

Braeburn Estates, British Film Institute, Coin Street Community Builders, Elizabeth House Partners, Garden Bridge Trust, Guy's and St Thomas' NHS Foundation Trust, ITV, King's College London, London Duck Tours, London South Bank University, London & Continental Railways, Merlin Entertainments, National Theatre, Network Rail, Ogilvy & Mather, Park Plaza Hotels, Shell, Southbank Centre.

### **Directors**

Members appoint individuals as their nominees and these nominees are eligible to be appointed as Directors of the company with the power to run the company's affairs and to delegate day to day control through an Executive Committee to the Chief Executive. The Directors during the year to 31 March 2016 and changes post year end are detailed on page 1.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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### **South Bank Business Improvement District**

In May 2013, the Board resolved to investigate the feasibility of establishing a Business Improvement District (BID) for South Bank and, in November 2013, agreed to take the proposal for a BID to ballot, the first under newly introduced regulation allowing for cross-borough BIDs. The ballot was held in July 2014 and was successful, with majorities in favour of 90% by hereditament, and 95% by rateable value, on a turnout of 45%. The BID commenced operations in October 2014. It is a separate legal entity, delivered by SBEG under a Service Level Agreement with the BID Company. The BID generates approximately £470,000 per annum.

South Bank BID had a solid year. A number of governance, reporting and auditing issues were tackled and resolved, and the BID made good progress in further establishing itself, and promoting the work that it supports. The BID Board placed a particular emphasis on engaging with levy payers and other businesses in South Bank, and a successful Member reception was held at Mondrian London to promote the BID and its work.

Further information is available on the BID website [www.southbankbid.co.uk](http://www.southbankbid.co.uk).

### **Capital Projects**

During the year, SBEG continued to work with stakeholders and adjacent landowners to develop plans for the refurbishment and redesign of the South Bank Spine Route. Work to develop the concept into a detailed design continues

On behalf of London Borough of Lambeth and Jubilee Gardens Trust, SBEG continued its role as project manager for the re-landscaping of Jubilee Gardens, to ensure the proper management of the end of defects liability period.

SBEG continued to play an important role in developing plans to address the very poor public realm in the IMAX roundabout / Waterloo Road area, and has been extensively involved in a coordinated programme of improvements to the Westminster Bridge / Addington Street roundabout and Westminster Bridge Road.

For a number of years, SBEG has been working to promote and plan a decentralised energy network for South Bank, which resulted in a 2012 report that demonstrated the feasibility of such a proposal. In 2015, SBEG worked with Lambeth Council to secure a Department of Energy and Climate Change (DECC) grant to support detailed planning of such a network and to study an extension of the area it might cover. This was partly progressed in the year, pending further clarity from DECC.

### **Public Realm Management and Security Provision**

Management and coordination of public realm services was a central part of SBEG's activities in 2015-16. Services and projects included the South Bank Clean Team and Graffiti Removal Service, and the South Bank Patrol Service. This work plays a critical role in maintaining a clean and safe environment in the busiest parts of South Bank. During the year, the South Bank Patrol contract was re-tendered and a new contractor selected who started on 1 March 2016.

These high quality neighbourhood management services are delivered on behalf of both the South Bank BID and South Bank Visitor Management Group (VMG). The latter is a coordinating body of local landowners and occupiers which, with the statutory authorities, oversees management and maintenance issues in the area. This body, administered by SBEG, oversees the expenditure of some £600,000 of funding for local services from the London Eye's Section 106 planning agreement. SBEG also administers and supports the South Bank Business Watch, and monitors and shares information on utilities, events, and developments.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Public Realm Management and Security Provision (continued)**

On behalf of VMG, SBEG continues to manage sharing of local information via the "Our South Bank" website and its Twitter account, whose following is growing.

Also, on behalf of VMG, SBEG continues to coordinate the South Bank Construction Coordination Group to ensure the impact of developments is minimised for members, residents and visitors.

SBEG has played a key role in developing arrangements to mitigate the impact of construction in the South Bank neighbourhood. SBEG commissioned AECOM to produce a service specification for a tender process, and further developed a communication plan. Following the award of funding under the Government's Community Right to Challenge scheme, SBEG were able to commission AECOM and Dentons (SBEG's legal advisors), with support from SBEG members, to undertake a feasibility study to investigate and prepare a plan for the devolution of local management and maintenance from Lambeth Council.

Through the South Bank Business Watch, we continue to deliver the aims of the South Bank Security Strategy. The strategy aims to coordinate the security activity of the principal organisations in South Bank, including CCTV, security patrolling, and liaising with police and major incident unit.

SBEG successfully negotiated the MET PLUS scheme of additional Metropolitan Police Service (MPS) officers dedicated to South Bank, funded through London Eye S106 and South Bank BID funds. SBEG manages the scheme day to day on behalf of members.

SBEG coordinates multi-agency work to help reduce rough sleeping; street based anti-social behaviour and illegal trading.

SBEG worked with partners to assess the benefits of developing a Business Crime Reduction Partnership (BCRP) in South Bank and has taken a lead in supporting the launch of the Lambeth BCRP, and directing its relationship with South Bank.

**Neighbourhood Planning**

SBEG formally assumed the role of providing the secretariat function to South Bank and Waterloo Neighbours (SoWN), the constituted and designated Neighbourhood Forum in the South Bank and Waterloo area, although this transferred to We Are Waterloo with Ben Stephenson's move there. SBEG played a key role in the information gathering and consultation stages of developing a South Bank and Waterloo Neighbourhood Plan. The membership of SoWN grew to nearly 500 during the period and its Steering Group, representing seven membership categories, has made significant progress with the initial drafting of the plan. Should the plan pass various stages of consultation, examination and referendum, formal adoption will follow, and the plan will become part of Lambeth and Southwark's core strategy, and a material consideration in planning applications. SBEG's Chief Executive is a member of the Steering Group.

**Marketing and Promotion**

The Marketing Team continued to run both South Bank Marketing Group (SBMG - promoting the area to leisure visitors) and South Bank Venues group (SBV - targeting the MICE segment - meetings, incentives, conferences, events) with additional responsibilities to manage marketing and communications for SBEG and South Bank BID. Both SBMG and SBV have clear objectives around marketing and promotion, and SBEG's Marketing Team produced key action plans for both.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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### **Employment and Skills**

Our Work Programme contract continued through 2015-16, targeted at Lambeth and Southwark residents who have been unemployed for 12 months or more. We placed 119 people into work, achieving 120% of our target. We achieved 113% of our job outcome target (people staying in work for six months) and for those who remained in work after the six month period, we achieved 110% of our target for the year.

We continued to investigate routes to reducing our reliance on public sector contracts to enable us to offer a more flexible 'open door' service that enhances the employability and skills of Lambeth and Southwark residents without the constraints of public funding.

Under SBEG's new Chief Executive, SBEG has reframed aspects of its ambitions for work previously done by the Employability Working Group, established under the auspices of the South Bank Partnership. The Working Group exists to improve the access of those living in Lambeth and Southwark to job opportunities in South Bank organisations and is developing a delivery programme to include improving links between employers and schools, local apprenticeship, internship and work experience opportunities but it didn't hold any regular meetings in 2015/16, pending SBEG's review of where its work on Employment and Skills should be directed and focused.

### **South Bank Partnership and South Bank Forum**

SBEG continued to provide the Secretariat to South Bank Partnership, being co-chaired by the two local MPs and bringing together ward councillors, the leaders of Lambeth and Southwark Councils, the Mayor's agencies and SBEG members, to promote and coordinate regeneration in the neighbourhood. SBEG staff also promoted and administered South Bank Forum, a regular and well-attended residents' meeting.

### **Partnership and Influence**

Throughout the year, SBEG worked closely with its members, the new South Bank BID, neighbouring BIDs (especially We Are Waterloo and Better Bankside), Lambeth and Southwark Councils, the GLA, Transport for London (TfL) and the Metropolitan Police Service to advance SBEG's objectives to promote and improve the area. Much of this was on a direct basis but SBEG also played a significant role in groups such as the Waterloo Strategic Forum, Waterloo Steering Group, various BID meetings, Cross River Partnership, and many others.

We represented our members at several events, including attending a development conference held in Lambeth Palace in the presence of local business leaders and the Archbishop of Canterbury, as well as attending the British BIDs and Lambeth BIDs Forum, and events arranged by neighbouring BIDs.

A particular priority was the consolidation of the relationship between SBEG and South Bank BID and the role that SBEG plays in terms of partnership and influence, given its role as the delivery agent for South Bank BID. Of particular note was the inclusion of South Bank BID as a case study in an important document, published by the GLA and London Enterprise Panel (LEP) in March 2016 - *The Evolution of London's Business Improvement Districts*. This highlighted the role that SBEG plays in framing the strategic context for South Bank, its success, pressure and investment needs, and the relationship to South Bank BID. SBEG / South Bank BID CEO spoke at the launch event on 10 March 2016.

SBEG held constructive and positive meetings with representatives of the main contenders for the Mayor of London, the election for which was held on 5 May 2016. In November 2015, SBEG members met with Sadiq Khan to discuss his manifesto commitments and in March 2016, members met Nick de Bois, Zac Goldsmith's Campaign Manager to talk about Zac's priorities.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 7 September 2016.

  
.....  
Iain Tuckett  
Director



**CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT  
ON THE UNAUDITED FINANCIAL STATEMENTS OF  
SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
FOR THE YEAR ENDED 31 MARCH 2016**

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We have reviewed the financial statements of South Bank Employers' Group for the year ended 31 March 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard FRS 102, subject to the small companies exemptions under section 1A.

This report is made solely to the Directors, as a body, in accordance with the terms of our engagement letter. Our review has been undertaken so that we may state to the Directors those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, as a body, for our work, for this report or the conclusions we have formed.

#### **RESPECTIVE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

You have confirmed that you have met your responsibilities as set out in the Directors' Responsibilities Statement on page 6. You consider the company is exempt from an audit for the year.

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements* and ICAEW Technical Release TECH 09/13AAF *Assurance review engagements on historical financial statements*. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

#### **SCOPE OF THE ASSURANCE REVIEW**

A review of financial statements in accordance with ISRE2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

#### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 March 2016, and of its surplus for the year then ended;
- in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- in accordance with the requirements of the Companies Act 2006.

Priory House  
Pilgrims Court  
Sydenham Road  
Guildford  
Surrey GU1 3RX

Moore Stephens (Guildford) LLP  
Chartered Accountants

*Moore Stephens (Guildford) Ltd*

Date: *9 September 2016*

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	As restated 2015 £
<b>Income</b>	2		
Membership subscriptions		262,639	301,339
Other contributions from members		133,764	139,622
		-----	-----
		396,403	440,961
<b>Grants and other income</b>			
Employment & Skills		191,729	210,856
South Bank Marketing		89,014	80,720
Public Realm		1,002,958	911,744
South Bank Partnership		4,800	5,866
Neighbourhood Planning		8,000	14,710
Bid		-	28,000
Other Income		119,410	92,021
		-----	-----
		1,812,314	1,784,878
		-----	-----
<b>Expenditure</b>			
<b>Direct Costs</b>			
Employment & Skills		147,927	236,189
South Bank Marketing		230,523	222,120
Public Realm		1,002,958	911,744
South Bank Partnership		7,142	6,509
Neighbourhood Planning		8,000	14,710
Bid		-	25,873
Neighbourhood Management		13,437	23,624
		-----	-----
		1,409,987	1,440,769
		-----	-----
Administrative expenses		317,416	307,317
		-----	-----
		1,727,403	1,748,086
		-----	-----
<b>Net operating surplus</b>		84,911	36,792
Investment income	3	2,498	2,306
Investment payable and similar expenses		-----	-----
Net surplus before taxation		87,409	39,098
Taxation	6	(460)	(321)
		-----	-----
<b>Surplus for the year</b>		86,949	38,777
		=====	=====
<b>Other comprehensive income</b>			
Re-measurement gain on defined benefit pension scheme		5,000	14,100
		-----	-----
<b>Total comprehensive income for the year</b>		91,949	52,877
		=====	=====

The notes on pages 10 to 17 form part of these financial statements.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2016**

Company No 02974600

	Notes	2016 £	2015 £
<b>Current assets</b>			
Debtors	7	474,624	575,523
Cash at bank and in hand		884,912	660,856
		-----	-----
		1,359,536	1,236,379
Creditors: amounts falling due within one year	8	1,099,318	1,068,110
		-----	-----
<b>Total assets less current liabilities</b>		<b>260,218</b>	<b>168,269</b>
		=====	=====
<b>Retained surplus</b>	10	<b>260,218</b>	<b>168,269</b>
		=====	=====

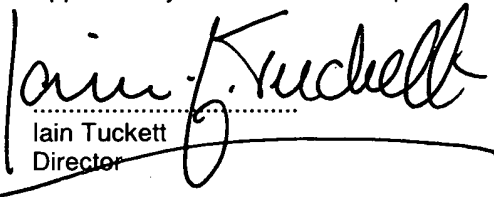
For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its' financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board on 7 September 2016

  
Iain Tuckett  
Director

The notes on pages 10 to 17 form part of these financial statements.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. ACCOUNTING POLICIES**

**Company information**

South Bank Employers Group is a private company limited by guarantee incorporated in England and Wales. The registered office is Elizabeth House, 39 York Road, London SE1 7NQ.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The company adopted FRS102 in the current year and the date of transition was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Income**

Income is recognised in the financial statements to the extent that the company has gained entitlement through fulfilment of the relevant grant or contract. Membership subscriptions are recognised in the year to which they relate. Grants are recognised to the extent that allowable expenditure has been incurred. Income under contracts for services is recognised to the extent that the services have been provided and so entitlement earned. Income that is not recognised in the year is deferred.

**1.3 Expenditure**

Where possible, expenditure is allocated directly to the headings within the income and expenditure accounts. Overhead costs are allocated to project headings on the basis of the number of staff working on that project. Non-project overheads are allocated to administration expenses. Irrecoverable VAT is allocated to the appropriate expenditure heading.

**1.4 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

**1.5 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and other short-term liquid investments with original maturities of three months or less.

**1.6 Creditors**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowance for any trade discounts due.

Accruals and deferred income includes contributions from members and other bodies, central government grants received and payments from local authorities which will meet the further costs of projects being, or to be, undertaken.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.7 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.8 Taxation**

The company is non-profit making and only pays tax on its investment income.

**1.9 Pensions**

**Defined benefit scheme**

The Company runs a final salary scheme through Citrus. The scheme is now closed and no payments are being made to the scheme for the current employees.

For the defined benefit scheme any increase in the net present value of the liabilities expected to arise from the employee service in the period is charged against the operating result and included as part of staff costs. The interest cost and expected return on assets are shown as net of other finance income or costs, adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are measured using fair values and liabilities on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. As the South Bank Employers Group section of the scheme is not open to new entrants no allowance has been made for new members. Accordingly, the whole of any surplus is not recognised in the Balance Sheet but restricted to zero.

**Defined contribution scheme**

The company directly contributes to certain employees' personal pension schemes. Contributions are charged in the income and expenditure account as they become payable.

**1.10 Operating leases**

Leases which transfer substantially all the risks and rewards of ownership to the lessees are classified as finance leases. All other leases are defined as operating leases.

Rentals applicable to operating leases are charged against profits on a straight line basis over the period.

**2. INCOME**

Income is shown exclusive of VAT and represents subscriptions, contributions from members and other bodies, central government grants received, and payments from local authorities, in respect of projects being undertaken by the company in the area known as South Bank as defined in the company's Memorandum of Association. The company also acts as a contractor to other bodies in undertaking projects which benefit that area but will also benefit other areas.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**3. INVESTMENT INCOME**

	2016 £	2015 £
Bank interest	2,298	1,606
Interest on net defined benefit asset	200	700
	-----	-----
	2,498	2,306
	=====	=====

**4. EMPLOYEES**

The average number of employees in the year (including part-time) was 21 (2015 – 21).

**5. DIRECTORS REMUNERATION**

None of the Directors received any remuneration for the year (2015 – None).

**6. TAXATION**

	2016 £	2015 £
UK corporation tax on investment income	460	321
	=====	=====

**7. DEBTORS**

	2016 £	2015 £
Trade debtors	437,543	510,085
Other debtors	37,081	65,438
	-----	-----
	474,624	575,523
	=====	=====

**8. CREDITORS: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	151,593	255,848
Other creditors	28,700	55,992
Accruals	26,879	44,537
Deferred income	892,146	711,733
	-----	-----
	1,099,318	1,068,110
	=====	=====

All amounts included within deferred income are either subscriptions and similar costs paid in advance or amounts committed to be expended upon specific projects. £415,518 of deferred income from 2015 was utilised in the year.

**SOUTH BANK EMPLOYERS' GROUP  
(COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. SHARE CAPITAL**

The company is limited by guarantee and does not have share capital.

In the event of the company being wound up, each member has agreed to contribute £1.

**10. RECONCILIATION OF MOVEMENT OF RESERVES**

	2016 £	2015 £
At 1 April 2015	168,269	115,392
Surplus for the year	91,949	52,877
At 31 March 2016	260,218 =====	168,269 =====
Analysed as:		
Retained surplus	260,218	168,269
	260,218 =====	168,269 =====

**11. PENSIONS****Defined Benefit Scheme**

The financial statements include the pension provisions and disclosures required in accordance with the FRSSE Paragraph 10.4 which uses information extracted from the actuarial valuation prepared by Hymans Robertson LLP for the purpose of FRS 102.

There are no employees who were active members of the Citrus Pension Scheme at 31 March 2016 or 31 March 2015. The Citrus Pension Scheme is a multi employer pension scheme, with separate assets for each employers section. The scheme assets and liabilities disclosed below represent the allocation to the company and not the scheme as a whole.

The valuation used for FRS 102 disclosures has been based by Hymans Robertson LLP on the most recent full actuarial valuation as at 31 March 2015. Scheme assets are stated at their fair values at the respective balance sheet dates.

The South Bank Employers Group section of the scheme is now closed. The pension charge for the year was £Nil. The current service costs remain at the same level.

**Irrecoverable surplus**

The Hymans Robertson LLP report establishes that the surplus at the year end is greater than the present value of the liability expected to arise. As the South Bank Employers Group employers section of the scheme is not open to new entrants no allowance has been made for new members. In accordance with FRS 102 the whole of the surplus should not be recognised but be restricted to zero. The difference is shown in the note below as an irrecoverable surplus and does not affect the balance sheet or the income and expenditure account.

**SOUTH BANK EMPLOYERS' GROUP  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**11. PENSIONS (CONTINUED)**

Disclosures for the year to 31 March 2016

**Financial assumptions**

Assumptions as at:	31-Mar-15 % p.a.	31-Mar-16 % p.a.
Retail Price inflation (RPI)	3.30%	3.15%
Consumer Price inflation (CPI)	2.30%	2.15%
Discount rate	3.35%	3.5%

**Longevity assumptions**

<b>Longevity assumptions as at 31 March 2016</b>		
Males (M) or Females (F)	M	F
Base table	Bespoke longevity tables for your members provided by Club Vita for the formal valuation of the Section as at 31 March 2015.	
Future improvements	Increases in longevity improvements seen in recent years will begin to tail off over the next 10-20 years and, over the long term, longevity improvements will stabilise at 1.5% p.a. for males and 1.0% p.a. for females.	

**Life expectancies**

<b>Longevity expectancies as at 31 March 2016</b>		
Males (M) or Females (F)	M	F
Average future life expectancy (in years) for a pensioner ages 65 at 31 March 2016	22.9	N/A
Average future life expectancy (in years) at age 65 for a non-pensioner aged 45 at 31 March 2016	25.8	25.8



**SOUTH BANK EMPLOYERS' GROUP  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**11. PENSIONS (CONTINUED)****Balance sheet position**

Assets	Fund value at 31-Mar-15 £'000	Fund value at 31-Mar-16 £'000
Equity securities		29.9
Diversified Growth and Hedge Funds	180.0	142.6
Debt securities – Corporate	610.0	615.5
Debt securities – Government	156.0	158.8
Cash and cash equivalents	1.0	0.8
<b>Total value of assets</b>	<b>946.0</b>	<b>947.6</b>
Actuarial (value) of liabilities	(876.0)	(820.4)
<b>Surplus / (deficit) of funded Plan liabilities</b>	<b>70.0</b>	<b>127.2</b>
Actuarial (value) of unfunded Plan liabilities	0.0	0.0
Irrecoverable (surplus)	(70.0)	(127.2)
<b>Surplus</b>	<b>0.0</b>	<b>0.0</b>
Related deferred tax liability	0.0	0.0
<b>Net pension asset / (liability)</b>	<b>0.0</b>	<b>0.0</b>

**Analysis of amount charged to operating profit**

Year ended:	31-Mar-15	31-Mar-16
Administration costs	27.8	17.5
<b>Total operating charge</b>	<b>27.8</b>	<b>17.5</b>

**Analysis of amount credited to other finance income**

Year ended:	31-Mar-15	31-Mar-16
Interest income on Plan assets	37.7	31.8
(Interest) on Plan liabilities	(32.0)	(29.3)
Impact of asset ceiling on net interest	(5.0)	(2.3)
<b>Net interest on net defined benefit liability</b>	<b>(0.7)</b>	<b>(0.2)</b>
<b>Total amount charged to profit &amp; loss (total operating charge less net interest)</b>	<b>27.1</b>	<b>17.3</b>

**SOUTH BANK EMPLOYERS' GROUP  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**11. PENSIONS (CONTINUED)**

**Analysis of amount recognised in Other Comprehensive Income (OCI)**

Year ended:	31-Mar-15	31-Mar-16
Actual return on assets excluding amounts included in net interest	64.1	(21.7)
Actuarial gains / (losses) on Plan obligations	(99.0)	81.6
<b>Re-measurement gain / (loss) in Plan</b>	<b>(34.9)</b>	<b>59.9</b>
Decrease / (increase) in irrecoverable surplus from membership fall and other factors	44.0	(57.2)
<b>Re-measurement gain / (loss) recognised in OCI</b>	<b>91.1</b>	<b>2.7</b>

**Reconciliation of Plan benefit obligation**

Year ended:	31-Mar-15	31-Mar-16
<b>Opening defined benefit obligation</b>	<b>748.0</b>	<b>876.0</b>
Administration costs	27.8	17.5
Interest cost	32.0	29.3
Actuarial (gains) / losses	99.0	(81.6)
Benefits and expenses (paid)	(30.8)	(20.8)
<b>Closing defined benefit obligation</b>	<b>876.0</b>	<b>820.4</b>

**Reconciliation of fair value of Plan assets**

Year ended:	31-Mar-15	31-Mar-16
<b>Opening fair value of Plan assets</b>	<b>862.0</b>	<b>946.0</b>
Adjustment as result of irrecoverable surplus	37.7	31.8
Contributions by South Bank Employers Group Ltd	13.0	12.3
Actual return on assets excluding amounts included in net interest	64.1	(21.7)
Benefits and expenses (paid)	(30.8)	(20.8)
<b>Closing fair value of Plan assets</b>	<b>946.0</b>	<b>947.6</b>

**SOUTH BANK EMPLOYERS' GROUP  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**11. PENSIONS (CONTINUED)****Sensitivity Analysis**

Change in assumptions compared with 31 March 16 actuarial assumptions:	Actuarial value of liabilities on 31-March-16
0.1% decrease in discount rate	839.1
1 year increase in member life expectation	845.0

**Defined contribution schemes**

The company contributes directly to employees personal pension schemes. The pension cost charge represents contributions payable by the company to the funds and amounted to £41,915 (2015 - £48,962). Unpaid contributions at 31 March 2016 were £Nil (2015 - £Nil).

**12. TRANSACTIONS WITH MEMBERS**

During the year subscription, marketing and other income was received from members totalling £568,306 (2015 - £554,649). Expenses from transactions with members within the normal course of the organisation, were incurred totalling £10,258 (2015 - £9,911). At the year end the members owed £280,900 (2015 - £230,115) in aggregate to the company and £1,350 (2015 - £1,977) was owed to members.

Three of the Directors of South Bank Employers Group are also Trustees of Jubilee Gardens Trust and the company is closely involved with the management and administration of Jubilee Gardens Trust. During the year South Bank Employers Group received income totalling £57,538 (2015 - £77,123) from Jubilee Gardens Trust with £4,025 (2015 - £16,975) being due at the year end.

**13. OPERATING LEASE COMMITMENTS**

The annual commitment under non-cancellable operating leases was as follows:

	<b>2016</b>	<i>2015</i>
	£	£
Lease expiring		
Within 1 year	33,329	<i>56,178</i>
Within 2-5 years	4,953	<i>4,953</i>
	-----	-----
	<b>38,282</b>	<i>61,131</i>
	=====	=====

**14. CONTROL**

There is no controlling party.