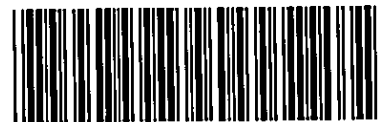

SOUTH BANK EMPLOYERS' GROUP LIMITED
(COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2008

THURSDAY



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**SOUTH BANK EMPLOYERS' GROUP LIMITED
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 MARCH 2008**

Directors

Colin Cohen
Andrew Eddy
William Edgerley
John Langley
Mike McCart
Steve McGuire
Gillian McLaughlin
Ruth Pearson (resigned 26 August 2008)
David Sharpe
Margaret Whittum-Cooper
David Joy (resigned 23 April 2009)
Christy Swords
Iain Tuckett
Caroline User
Michael Wilkinson
Geoffrey Shepherd (appointed 30 May 2008)

IBM UK
Shell International
P & O Developments
National Theatre
Southbank Centre
Guys' & St Thomas' NHS Foundation Trust
British Film Institute
London Development Agency
London Eye Company
Royal National Theatre
London & Continental Stations & Property
ITV
Coin Street Community Builders
King's College
London South Bank University
Guy's & St Thomas' Charity

Secretary

Indranie Sookdeo (appointed 7 March 2008)
Edward Inman (resigned 7 March 2008)

Reporting Accountants

TKG Partnership Limited
Chartered Accountants
Frovi House
284B Chase Road
Southgate
London N14 6HF

Bankers

HSBC Bank Plc
22 Stamford Street
London
SE1 9LJ

Solicitors

Denton Wilde Sapte
5 Chancery Lane
Clifford's Inn
London
EC4A 1BU

Registered Office

103 Waterloo Road
London
SE1 8UL

Principal activities and review of operations

Summary of Main Activities

South Bank Employer's Group (SBEG), which was incorporated in 1994, is an association of the major organisations in the South Bank, Waterloo and Blackfriars dedicated to achieving the best possible experience for employees, residents and visitors to the area. In the fourteen years since it was formed, the company has worked with its members, the statutory authorities and other partners to promote and secure dramatic changes to the urban landscape of the South Bank and the quality of life enjoyed here. In addition to improving and promoting the local neighbourhood, South Bank Employer's Group also works in a wider context to spread the benefits of the area's success by creating new jobs and opportunities for residents throughout the boroughs of Lambeth and Southwark. In the financial year 2007/08 the Group continued to build on its previous achievements and consolidate its influence and relations with its partners.

The Group played a major role in the feasibility work related to the redevelopment of Waterloo Station and in preparations for the implementation of the Mayor's Waterloo Opportunity Area Planning Framework. It also continued to support the work of the South Bank Partnership, particularly by playing a leading role in the development of the Partnership's Manifesto for the South Bank Neighbourhood, *Under Pressure and on the Edge - London's South Bank: A Manifesto for Action*.

Further details of the Group's operations and achievements can be found on the South Bank Employer's Group website: www.sbeg.co.uk

Membership and Governance

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

- British Film Institute Coin Street Community Builders Ernst & Young
- Guy's and St Thomas' Hospital Trust IBM UK ITV King's College London
- London & Continental Railways London Development Agency
- The London Eye Company London South Bank University Network Rail
- P&O Developments National Theatre Shell Southbank Centre

As well as its Finance and Executive Committees, the Board has established the following Sub-Groups:

South Bank Property Group comprises the landowning members of South Bank Employers' Group, as well as property owners and developers with interests in the area. In partnership with London Development Agency, London South Bank University and London Remade, the property group is using neighbourhood thinking to tackle the area's carbon footprint. By examining energy supply options, the group hopes to implement a decentralised Combined Heat and Power system as well as a joint approach to green procurement and office recycling.

South Bank Marketing Group, comprising those members of the Group with tourism interests, together with additional local visitor and cultural attractions.

Employment & Skills Group, made up of local employers, both members and other organisations, committed to providing employment opportunities for residents of Lambeth and Southwark.

IMAX Environs Steering Group, comprising Group members and statutory authorities committed to securing the best possible redevelopment of the IMAX area.

North Southwark and North Lambeth Sport Action Zone Board, overseeing the community sport and related work of the Sport Action Zone which is hosted by South Bank Employer's Group.

**SOUTH BANK EMPLOYERS' GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

Environment

Progress has been made in many areas of the management and coordination of public realm services. Contractual arrangements for the graffiti removal service, the local area management agreement and utilities monitoring service have all been consolidated, strengthening the public realm services offer. Buy-in amongst members and local authorities has remained consistently high and South Bank Employer's Group is forecasting a reduction in public subsidy against increased private contributions to services such as graffiti removal. Lambeth Council indicated its intention to appoint South Bank Employers' Group to investigate the feasibility of an area-wide cleansing service crossing both public and privately owned land, to achieve consistently high standards and economies of scale for contributors.

A new Security Coordinator was recruited in early 2008 and work on security is progressing well. New members have joined the South Bank Business Watch and a zoning protocol for the South Bank area has been agreed. Progress has been made on crime prevention, counter terrorism and area wide emergency planning as well as improved communications with businesses, police and local authority to ensure optimum use of resources in the area

Public realm projects included the King's Plaza Phase I project, improved lighting in the IMAX subways and on Waterloo Road, the completion of the feasibility study for the South Bank Legible London pilot and securing funds for the Waterloo Bridge steps project.

South Bank Employers' Group continues to chair and project manage the Jubilee Gardens project and this year saw the publication of a brochure with photo real images of the proposed scheme.

South Bank Employers Group continues its key role in supporting the work of the Waterloo Implementation Group and promoting incremental improvements around Waterloo Station. South Bank Employers' Group commenced the procurement of a design team for the Waterloo City Square Project via an international design competition. The Group also led on the setting up of a Steering Group for the Lower Marsh Area Based Scheme and assisted the London Borough of Lambeth in pulling together funding, including a TFL bid for the scheme and securing agreement to pool existing S106 contributions in the immediate area towards the scheme.

The Group continues to play a significant role in the development of relevant local planning policies responding to draft documents including S106 Supplementary Planning Document (SPD) (the Sustainable Construction and Design Supplementary Planning Document and the Waterloo Supplementary Document), The London Borough of Lambeth Local Development Framework and the Communities & Local Government Call in direction consultation.

Marketing & Tourism

The marketing team worked closely with members of the South Bank Marketing Group towards maintaining the South Bank's position as one of London's most popular destinations, as well as continuing to promote the area to residents and employees.

The principal success of the year was the complete overhaul of the destination website www.southbanklondon.com and e-newsletter which scooped the Visit London Award for the best visitor information initiative. Other activities included seasonal campaigns focused on summer and Christmas, regular PR activity, research into the profile of the area and its attractions in international guidebooks as well as the production of monthly and quarterly posters.

A number of new marketing group members were recruited during the year - South West Trains, London South Bank University, the London Aquarium, Park Plaza Riverbank Hotel and Park Plaza County Hall Hotel. In addition, partnership working with Visit London, LDA, and Better Bankside was reinforced. A flagship partnership project was the trial of a mobile visitor information scheme which was so successful it is to be rolled out as a regular weekend service across the summer months.

**SOUTH BANK EMPLOYERS' GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

Wayfinding continued to be a focus for the Group and achievements include the development of an extremely popular tear-off map which is used by front of house at the attractions as well as by hotel concierge teams. The marketing group members also participated in initial work, again led by South Bank Employer's Group on behalf of Transport for London, on the feasibility study for a South Bank pilot of the ambitious London-wide wayfinding project, Legible London.

Employment Skills

In 2007/2008 South Bank Employer's Group through the Waterloo Job Shop placed over 200 local people into jobs.

South Bank Employers Group employer-led recruitment programme is proving to be a great success. Over 48 employers are now committed to local recruitment and as a result have advertised and filled a wide variety of vacancies locally. The Employment & Skills Group was formally launched in September 2007 with over 100 employers and partners attending which proves the appetite for this activity.

The team has continued to develop its relationship with Guy's and St. Thomas' Trust (GSTT). The ongoing recruitment programme offers guaranteed interviews and provides training to potential candidate. Over 88 residents have been placed with a number of departments including Porterage, Housekeeping and Sterile Services.

In January, a pilot work experience placement programme was also developed in partnership with the Trust. Twenty-three people completed 2-week work experience placements in a range of non-clinical areas including pharmacy, procurement, patient support services, admissions, and IT & telecommunications. This programme was extended to a further nine placements with design agency Future as well as in the Waterloo Job Shop itself.

South Bank Employer's Group also developed its role as a brokering agent, enabling a partnership between the London Eye Company, Lambeth College and the Train to Gain Programme. The project aims to help businesses improve their productivity and competitiveness by ensuring that employees have the right skills to do the best job. SBEG will be working with all employers to find out what skills gaps exist within these companies and then proceed to work with both Lambeth and Southwark colleges to find the appropriate courses for staff in order to develop the required skills.

Employment & Skills main achievements in 2007/2008 are as follows:

- 553 people received employment support.
- 190 people attended a training course.
- 200 people secured jobs.
- 32 people completed a work experience placement.
- 48 employers engaged.

Waterloo Arts and Events Network

Funding was secured to continue this effective and innovative network of community arts organisations and major cultural institutions delivered by South Bank Employers' Group. Joint dance programmes with the Sport Action Zone were a particularly successful activity as well as the popular annual Waterloo Carnival.

North Lambeth and North Southwark Sport Action Zone (SAZ)

SBEG continued to host the North Lambeth and North Southwark Sport Action Zone (SAZ) which had another successful year. Core funding for a further three years was secured from Sport England which further enabled the SAZ team to focus their energies and resources on delivering an ever increasing range of programmes which benefit the community in both Lambeth and Southwark. The renewal of funding from Sport England was highly unusual but is a reflection of how the SAZ and its way of working is seen to be a best practice model by both Sport England and other key strategic partners.

SAZ and its reputation have grown to the extent that many of its programmes and activities are now being delivered nationally. Furthermore, Sport England has adopted the SAZ ethos and core values as part of its UK roll out of Regional County Sports Partnerships.

Programmes were developed and delivered during the year enabling sport and physical activity to contribute to health, educational and skills, regeneration, community safety and social inclusion in some of the most deprived wards of Lambeth and Southwark

Over 10,000 people have attended the SAZ's many programmes. Many more in the community as a whole have benefited from the SAZ's help and grant-aid to local sports and community clubs and through our partnership working with, for instance, the Lambeth and Southwark Primary Care Trusts, the Aylesbury Estate Healthy Living Network, South Bank University, the London Nautical College and schools other throughout the Zone.

A particular feature of the year was the increased use, in partnership with Lambeth Council, of the former Lilian Baylis school site in Kennington where a whole range of programmes has been developed in partnership with the community organisations and with funding from Positive Futures, Football Foundation, Nike and Crime Concern among others.

SAZ Director Brian Dickens has over the past year continued to advise the Government in their development of strategies for both engaging disaffected young people as well as the implementation of strategies to impact on the guns and gangs agenda and community development through Sport.

South Bank Partnership

In 2007/08 the Partnership agreed to establish and resource a dedicated Secretariat to develop the Partnership's important leadership, coordination and community engagement roles. A Partnership Manager was appointed in July 2007 to take this work forward and funding for the post has been agreed until March 2010 (Lambeth and South Bank Employers' Group) and until March 2009 (Southwark and London Development Agency).

During 2007/08, the Partnership produced and launched its manifesto. *Under Pressure and on the Edge - London's South Bank: A Manifesto for Action*. The document sets out priorities for the area under the following headings:

- Economic growth, new developments and new jobs
- A safe, clean and accessible environment for all.
- An efficient transport interchange and improved gateway to London.
- Increased opportunities for culture, sport, recreation and shopping
- Improved schools and training, especially to benefit local people without work
- Recognition of the South Bank by statutory authorities as a unique area within central London
- Maximum use by all partners of the capacity of existing South Bank organisations, including South Bank employer Group, to secure the coordinated delivery of improvements in the area

The Group is fully signed up to the Action Plan from the South Bank Partnership Manifesto, alongside the local MPs, elected members from Lambeth and Southwark, and representatives from Mayoral agencies and other organisations who make up the Partnership

The Manifesto was formally launched by the Minister for London, the Mayor and leading representatives from Lambeth and Southwark in May 2007 but much work came out of the production of the document during 2006-07, including the formation of a high-level Manifesto Working Group to move forward the Action Plan.

In addition to its regular meetings, the Partnership oversees the allocation and administration of the London Eye S106 monies through its Visitor Management Group which is serviced by South Bank Employer's Group and which has supported a number of the initiatives in this report. Community communications are facilitated through the quarterly publication of local magazine South Bank News, which is distributed to every household in the South Bank Partnership area, as well as the residents meeting both of which are supported by South Bank Employer's Group's marketing resources.

The first year's operation of the Partnership Secretariat has been successful, with improved preparation and servicing of meetings. The Secretariat has reviewed the Manifesto Action Plan during the year and will be commissioning a comprehensive survey of residents, employees, visitors and commuters in the second half of 2008. The results of this key piece of work will inform the work and priorities of the Partnership over the next five to ten years.

The work of the Partnership has been recognised as best practice in work by the Department of Communities and Local Government (CLG) on models of town centre management. The value of the Manifesto itself has been picked up in the development and roll-out of Neighbourhood Charters and the Partnerships has taken part in a national pilot programme sponsored by CLG. This programme alongside parallel work with Lambeth, has led to Waterloo being designated a 'model area' as part of Lambeth's own roll-out of neighbourhood management and delivery in the borough, in which the Partnership and SBEG are playing a key role.

Future Plans

The Group's current programmes and future plans are described more fully in its 2008-2010 Business Plan, which is available on the website www.sbeg.co.uk. Following the end of the Waterloo Single Regeneration Budget, the top priorities for 2008-09 are to build on the activities described in this report and to secure sustainable resources to underpin the Group's continued success and influence.

Directors

Members appoint individuals as their nominees and these nominees are the 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 2008 were as follows:

Colin Cohen
Andrew Eddy
William Edgerley
John Langley
Mike McCart
Steve McGuire
Gillian McLaughlin
Ruth Pearson (resigned 26 August 2008)
David Sharpe
Margaret Whittum-Cooper
David Joy (resigned 23 April 2009)
Christy Swords
Iain Tuckett
Caroline User
Michael Wilkinson
Geoffrey Shepherd (appointed 30 May 2008)

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

**SOUTH BANK EMPLOYERS' GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

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). The financial statements are required by law to give true and fair view of the state of affairs of the company and of its profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue the business.

The directors are responsible for keeping proper accounting records which 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 1985. 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 are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 29 June 2009



Indranie Sookdeo
Company Secretary

SOUTH BANK EMPLOYERS' GROUP LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Income	3		
Membership subscriptions	13	300,625	310,500
Other contributions from members	13	36,000	193,064
	13	<u>336,625</u>	<u>503,564</u>
Local authority funds (SRB6)		-	2,815,699
Sport England		150,957	90,529
Football Foundation		556,863	196,196
Other Sports Action Zone Projects		780,067	579,338
Contributions from other bodies		<u>1,547,307</u>	<u>804,910</u>
		<u>3,371,819</u>	<u>4,990,236</u>
Expenditure			
Direct costs			
South Bank Marketing Group		116,009	71,542
Waterloo Project Board		-	2,203,520
Waterloo Community Regeneration Trust		-	612,179
Sport Action Zone		1,472,580	866,063
Employment and Skills		416,715	220,381
Neighbourhood Management		58,942	38,959
Other Projects		<u>885,248</u>	<u>406,408</u>
		2,949,494	4,419,052
Administrative expenses		<u>546,608</u>	<u>595,119</u>
	4	<u>3,496,102</u>	<u>5,014,171</u>
Net Operating deficit	5	(124,283)	(23,935)
Other income	6	17,957	35,371
Net finance income in respect of defined pension scheme	12	<u>13,000</u>	<u>7,000</u>
Net deficit before taxation		(93,326)	18,436
Taxation	7	<u>(3,591)</u>	<u>(6,721)</u>
Surplus/(deficit) for the year		<u>(96,917)</u>	<u>11,715</u>

SOUTH BANK EMPLOYERS' GROUP LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2008

Statement of total recognised gains and losses

	Notes	2008 £	2007 £
Surplus/(deficit) for the year		(96,917)	11,715
Actuarial gain/(loss) in pension plan	12	61,000	112,000
Total recognised gains in the year		(35,917)	123,715
Prior year adjustment		-	302,048
		<u>(35,917)</u>	<u>425,763</u>

SOUTH BANK EMPLOYERS' GROUP LIMITED
BALANCE SHEET
AS AT 31 MARCH 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	8	1,109,982	1,479,948
Cash at bank and in hand		<u>893,854</u>	<u>731,552</u>
		2,003,836	2,211,500
Creditors: amounts falling due within one year	9	<u>1,830,990</u>	<u>1,917,737</u>
Net current assets excluding pension scheme asset		172,846	293,763
Defined benefit pension scheme asset		<u>241,000</u>	<u>156,000</u>
Total assets less current liabilities		<u>413,846</u>	<u>449,763</u>
Reserves	11	<u>413,846</u>	<u>449,763</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no members have requested an audit pursuant to Section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act.



Andrew Eddy
 Company Director

Approved by the board on 29 June 2009

**SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

1. STATUS OF THE COMPANY

The company was incorporated on 6 October 1994 and is limited by guarantee of its members. The guarantee of each member is restricted to £1.

2. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention.

Under the requirements of FRS 1 (revised) the company is exempt from preparing a cash flow statement, on the basis that it is a small company.

The Company has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the company's activities.

b) Income Recognition

Income received 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 has been provided and so entitlement earned. Income that is not recognised in the year is deferred.

c) 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.

d) Accruals and deferred income

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.

e) Pensions

The Company runs a final salary scheme through LAWDC, to which all employees who were employed before February 2004 were entitled to join.

**SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

2 ACCOUNTING POLICIES (CONTINUED)

e) Pensions (continued)

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 profit and included as part of staff costs. The interest cost and expected return on assets are shown as a net of other finance costs or 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 market 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. The resulting defined asset or liability is presented separately after other net assets on the face of the balance sheet as required under FRS 17. The number of scheme members at the year end was six.

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

3 INCOME

Income represents subscriptions, contributions from members and other bodies, central government grants received, and payments from local authorities exclusive of VAT, 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.

4 STAFF COSTS

	2008	2007
	£	£
Administrative expenses include the following staff costs:		
Wages and salaries	302,518	374,077
Social security costs	50,484	51,599
Other pension costs	37,693	44,174
	<u>390,695</u>	<u>469,850</u>
Direct project costs include the following staff costs:		
Wages and salaries	866,373	476,156
Social security costs	69,861	40,445
Other pension costs	47,397	38,714
	<u>983,631</u>	<u>555,315</u>
Total staff costs	<u>1,374,326</u>	<u>1,025,165</u>

**SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

4. STAFF COSTS (CONTINUED)

The average monthly number of employees during the year was as follows:

	2008 No.	2007 No.
Administrative Staff	12	12
Project Staff	14	14
	<u>26</u>	<u>26</u>

No director received any remuneration during the year (2007-£nil).

	2008 £	2007 £
5. OPERATING DEFICIT		
This is stated after charging:		
Audit fee	<u>-</u>	<u>10,000</u>
6. OTHER INCOME		
Bank interest receivable	<u>17,957</u>	<u>35,371</u>
7. TAXATION		
(a) Analysis of charge in year:		
<i>Current Tax</i>		
UK corporation tax on the result for the year	<u>3,591</u>	<u>6,721</u>
(b) Factors affecting tax charge for the year:		
Pre-tax result	<u>(93,326)</u>	<u>18,436</u>
Pre-tax result multiplied by standard rate of corporation tax in the UK of 20% (2007-19%)	-	3,503
Effects of:		
Disallowed expenses and non-taxable income	<u>3,591</u>	<u>3,218</u>
Current tax for the year	<u>3,591</u>	<u>6,721</u>

SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008	2,007
	£	£
8 DEBTORS		
Other debtors	<u>1,109,982</u>	<u>1,479,948</u>
9 CREDITORS: amounts falling due within one year		
	2008	2,007
	£	£
Accruals and deferred income	1,370,841	1,303,970
Corporation tax	3,591	6,721
VAT payable	7,111	8,509
Other creditors	449,447	598,537
	<u>1,830,990</u>	<u>1,917,737</u>
10 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.		
11 RECONCILIATION OF MOVEMENT OF RESERVES		
	2008	2,007
	£	£
At 1 April 2007	449,763	24,000
Prior year adjustment	-	302,048
	<u>449,763</u>	<u>326,048</u>
Surplus for the year	(96,917)	11,715
Actuarial gain	61,000	112,000
At 31 March 2008	<u>413,846</u>	<u>449,763</u>
Analysed as:		
Pension asset	241,000	156,000
Retained Profit	172,846	293,763
	<u>413,846</u>	<u>449,763</u>

SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

12 PENSIONS

The financial statements have been prepared under FRS 17 'Retirement Benefits'.

Some employees of the company are members of the LAWDC pension scheme. It is a defined benefit scheme funded by contributions from both members and the employers. The scheme assets and liabilities disclosed below represent their allocation to the company and not the scheme as a whole.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 March 2006 and updated by Hymans Robertson to take into account the requirements of FRS 17 in order to assess the liabilities of the scheme as at 31 March 2008. Scheme assets are stated at their market values at the respective balance sheet dates.

FRS 17 disclosures

The major assumptions used by the actuary were:	2008	2007	2006
	%	%	%
Rate of increase in salaries	4.6	4.2	4.1
Rate of increase in pensions payments	3.6	3.2	3.1
Discount Rate	6.9	5.4	4.9
Inflation Assumption	3.6	3.2	3.1

The assets and liabilities of the scheme and the expected rate of return were:

	Expected long-term rate of return at			Value at		
	31 March	31 March	31 March	31 March	31 March	31 March
	2008	2007	2006	2008	2007	2,006
	%	%	%	£000	£000	£000
Equities	7.0	7.00	6.70	455	516	448
Corporate Bonds	6.9	5.40	4.90	48	20	15
Government Bonds	4.5	4.50	4.20	73	31	22
Cash	5.25	5.25	4.50	30	22	4
Total market value of assets				606	589	489
Present value of scheme liabilities				365	(433)	(451)
Net pension asset				241	156	38
Analysis of the defined benefit cost for the year ended 31 March:					2008	2007
					£000	£000
Current service cost					29	52
Total operating charge					29	52
Analysis of net return on pension scheme assets					38	31
Interest on pension scheme liabilities					(25)	(24)
Net return					13	7

SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

12 PENSIONS (CONTINUED)

Analysis of amount recognised in the statement of total recognised gains and losses:

	2008 £000	2007 £000
Actual return less expected return on pension scheme assets	(74)	6
Experience gains arising on scheme liabilities	5	49
Changes in assumptions underlying present value of scheme liabilities	<u>130</u>	<u>57</u>
Actuarial gain recognised in STRGL	<u>61</u>	<u>112</u>

Analysis of movements in surplus during the year:

Surplus in scheme at beginning of year	156	38
Total operating charge	(29)	(52)
Net return	13	7
Actuarial gains	61	112
Employer contributions	<u>40</u>	<u>51</u>
Surplus in scheme at year end	<u>241</u>	<u>156</u>

History of experience gains and losses:

Difference between expected return and actual return on pension scheme assets:

Amount (£000)	(74)	6
Percentage of scheme assets	12.1%	0.96%

Experience gains on pension scheme liabilities:

Amount (£000)	365	49
Percentage of the present value of scheme liabilities	1.3	11.29%

Total amount recognised in the statement of total recognised gains and losses:

Amount (£000)	61	112
Percentage of the present value of scheme liabilities	16.80%	25.79%

Defined contribution schemes

The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted £39,514 (2007:£34,123). The amount of unpaid contributions at 31 March 2008 was £nil (2007:£1,320).

SOUTH BANK EMPLOYERS' GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

13 TRANSACTIONS WITH MEMBERS

Financial transactions with members were as follows:

Income

Contributions received were as follows:

Member	Subscriptions	Marketing	Total 2008	Total 2007
	£	£	£	£
The British Film Institute	19,500	-	19,500	29,500
Coin Street Community Builders Ltd	19,500	9,000	28,500	28,500
Ernst & Young LLP	16,250	-	16,250	19,500
Guy's & St Thomas' Hospital	19,500	-	19,500	19,500
IBM UK Ltd	19,500	-	19,500	19,500
ITV Plc	16,250	-	16,250	19,500
King's College London	19,500	-	19,500	114,500
London and Continental Railways (UK) Ltd	19,500	-	19,500	19,500
London Eye Company Ltd	19,500	9,000	28,500	19,500
London Development Agency	19,500	-	19,500	19,500
London South Bank University	14,625	-	14,625	19,500
Network Rail	19,500	-	19,500	19,500
P&O Developments Ltd	19,500	-	19,500	25,400
Royal National Theatre	19,500	9,000	28,500	29,500
Shell International Ltd	19,500	-	19,500	27,500
South Bank Centre	19,500	9,000	28,500	73,164
	<u>300,625</u>	<u>36,000</u>	<u>336,625</u>	<u>503,564</u>

Expenditure

	2008	2007
	£	£
Coin Street Community Builders Ltd	5,916	1,461,862
Guy's & St Thomas' Hospital	30,000	3,048
Ernst & Young LLP	-	29,727
King's College London	718	1,503
London South Bank University	444	1,470
Network Rail	-	-
South Bank Centre	<u>810</u>	<u>126,485</u>
Payments to members recognised in year	<u>37,888</u>	<u>1,624,095</u>

14 OPERATING LEASE COMMITMENTS

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

Leases expiring	2008	2007
	£	£
Within 2-5 years	<u>80,000</u>	<u>80,000</u>