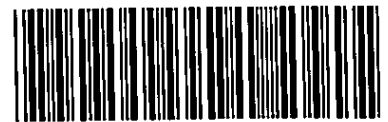


**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**(LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2007**

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COMPANIES HOUSE

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**(LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**Directors**

Edward Berg	British Film Institute
Colin Cohen	IBM UK
Andrew Eddy	Shell International
William Edgerley	P & O Developments
David Joy	London & Continental Stations & Property
Mike McCart	SouthBank Centre
Steve McGuire	Guy's & St Thomas' Hospital Trust
David Sharpe	London Eye Company
Christy Swords	ITV
Iain Tuckett	Coin Street Community Builders
Caroline User	King's College
Maggie Whitlum-Cooper	Royal National Theatre
Michael Wilkinson	London South Bank University

**Secretary**

John Wilson

**Auditors**

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

**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

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**Principal activities and review of operations**

**Summary of Main Activities**

South Bank Employers' 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 thirteen years since it was formed, the company has worked with its members and statutory and other partners to promote and secure dramatic changes to the urban landscape of the South Bank, and to deliver a range of public realm, marketing and social projects which will have a real impact on the area and ensure its future at the heart of London. In the financial year 2006/07 the Group continued to build on its previous achievements and consolidate its influence and relations with its partners.

The year saw the successful completion of the Waterloo Project Board Single Regeneration Budget programme which had been a central feature of the Group's activities since 2000 and a major contributor to its overheads. In parallel the Group successfully managed the transition to the post SRB period, achieving the staff changes and establishing the funding and structure necessary to continue to deliver the Board's priorities in the areas of public realm projects, neighbourhood management, security and community safety, marketing and employment. At the same time, the North Southwark and North Lambeth Sport Action Zone, for which South Bank Employers' Group is the delivery agent, went from strength to strength.

The Group played a major role in feasibility work on 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 preparation 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 Employers' Group website [www.sbeg.co.uk](http://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, who increased to 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   Kings' College London  
London & Continental Railways   London Development Agency  
London Eye Company   London South Bank University   Network Rail  
P&O Developments   Royal National Theatre   Shell   Southbank Centre

We were proud to welcome the London Development Agency which joined the Group in February 2007 following its move to the Palestra building in Blackfriars Road.

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

South Bank Property Group, which comprises the landowning members of South Bank Employers' Group, as well as property owners and developers with interests in the area. The Property Group was expanded and relaunched during the year, with new members including Land Securities, Great Portland Estates, Derwent Valley, Beetham, Delancey, Catalyst Capital and Galliard.

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

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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Employment and Skills Group, comprising 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 work of Sport Action Zone which is hosted by South Bank Employers' Group

### **Environment**

The management and improvement of the public realm continued to be a high priority. The appointment of a Public Realm Manager in April 2006 enabled the Group to play a more active role in improving standards of public realm management, including the introduction of a local graffiti removal contract, which continues to be hugely successful in controlling levels of graffiti and fly posting in the area. A part-time Utilities Monitoring Officer was also appointed, in partnership with Lambeth Council, leading to a marked improvement in coordinating and remedying defects arising from utilities work.

A report on CCTV improvements was commissioned and delivered and the Group was a key partner with the Metropolitan Police in the introduction of a Community Security Zone and adoption of a Security Strategy for the area. A Security Coordinator was recruited to start in April 2007, to take this work forward.

Public realm projects included: improvement to the area outside the James Clerk Maxwell building of the King's College, the removal of street clutter, within the guidance set out by the Group's Streetscapes Design Guide, improvements to the IMAX subways, new lighting along Waterloo Road and the review of public toilet provision.

The company continued to chair the Jubilee Gardens Steering Group and, under its auspices, was successful in obtaining planning permission for the design for the Gardens. Work, particularly fundraising and establishing an independent trust to take the project forward, is ongoing.

In addition, SBEG played a central role in a Group chaired by the LDA, and also including the GLA, Transport for London, Lambeth Council and Network Rail, to oversee feasibility work on the redevelopment of Waterloo Station and to lead on incremental implementation of the Mayor's Planning Framework for Waterloo. SBEG led the preparation of the Strategic Brief for the proposed Waterloo City Square, and helped to prioritise other public realm projects to ensure the best chances of funding, efficient use of s106 payments and maximum coordination of delivery.

The Group also led, with members of the South Bank Property Group, and on behalf of Transport for London, on the development of a brief for major improvements to Blackfriars Road. Developers were also supportive of a new area of environmental sustainability work by SBEG, leading to a neighbourhood Combined Heat and Power scoping project, produced in partnership with London South Bank University, which would aim to meet and surpass the Mayor's CO2 reduction targets.

### **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. Successes included the complete overhaul of the Group's destination web site [www.southbanklondon.com](http://www.southbanklondon.com) and e-newsletter, 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 monthly and quarterly posters.

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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Two new members were recruited during the year - South West Trains and London South Bank University - and partnership working with Visit London, LDA, and Better Bankside was reinforced

The Marketing Group had a significant role in improving wayfinding in the area. It produced an extremely popular tear-off map for attractions, concierges etc. It also participated in initial work, again led by South Bank Employers' 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**

The London Development Agency's relocation to the Palestra building in Blackfriars Road was the catalyst for a new employment, education and procurement project. As part of their commitment to regenerating the London South Central area, the LDA is working with South Bank Employers' Group on an initiative to see more residents employed locally. Over 150 local people were assisted into employment through the "Palestra" project during the year.

Other employment & skills projects delivered during the year include Waterloo Job Shop which is continuing to work with local employers to fill their vacancies with local residents, placing over 200 people into employment during the year, the 'Reach' programme of seminars aimed at identifying and challenging employers' perceptions about unemployed people which was successfully completed in December 06, and the 'One Step Further' programme of job preparation activities and ESOL/basic skills training, which was successfully delivered to 135 clients based in Southwark and Lambeth.

**Waterloo Project Board**

2006/07 was the final year of Waterloo Single Regeneration Budget and therefore also of the Waterloo Project Board. SBEG successfully managed the administration, and in some cases the delivery of the Waterloo Project Board's projects and programmes which included The Coin Street Neighbourhood Centre, and two new squares around the Royal Festival Hall, Colombo Street Community & Sports Centre, Waterloo Job Shop, and a new design for Jubilee Gardens, Waterloo Road Lighting, South Bank Forum & News and Waterloo Community Regeneration Trust.

Work included the publication of a final report on the £19.5m seven-year programme which played an essential part in both catalysing and delivering major change and improvement in the area.

**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 on behalf of Waterloo Project Board. Joint dance programmes with the Sport Action Zone were a particularly successful activity.

**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 are 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 national development of Regional County Sports Partnerships.

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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

Over 3,000 young people attended the SAZ's athletics, tennis and football 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, London South Bank University, the London Nautical College and schools 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 was developed in partnership with 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 advised 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

### **South Bank Partnership**

SBEG continued to provide the secretariat function for the South Bank Partnership, which produced 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 Employers' Group, to secure the coordinated delivery of improvements to 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 oversaw the allocation and administration of the London Eye S106 monies through its Visitor Management Group which is serviced by South Bank Employers' Group and which has supported a number of the initiatives in this report. Four issues of South Bank News were produced by SBEG's Marketing Team during the year and distributed to every household in the South Bank Partnership area. The South Bank Forum was also supported by SBEG's marketing resources and publicised more effectively during the year

Funding was secured in 2006-7 for a dedicated secretariat for the South Bank Partnership, including the appointment from June 2007 of a Partnership Manager, to develop the Partnership's important leadership, coordination and community engagement roles

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**Future Plans**

The Group's current programmes and future plans are described more fully in its 2007-2010 Business Plan, which is available on the website [www.sbeg.co.uk](http://www.sbeg.co.uk). Following the end of the Waterloo Single Regeneration Budget the top priorities for 2007-08 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 2007 were as follows:

Edward Berg  
Colin Cohen  
Andrew Eddy  
William Edgerley  
David Joy  
Mike McCart  
Steve McGuire  
David Sharpe (appointed 22 May 2006)  
Christy Swords  
Iain Tuckett  
Caroline Usher  
Maggie Whitlum-Cooper  
Michael Wilkinson

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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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). The financial statements are required by law to give a 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 in 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.

So far as each of the directors is aware at the time the report is approved

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Auditors**

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting

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

By order of the Board 24/01/08



Secretary



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
SOUTH BANK EMPLOYERS' GROUP LIMITED**

We have audited the financial statements of South Bank Employers Group Limited for the year ended 31st March 2007 which comprise Income and Expenditure account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the directors' report is consistent with the financial statements.

*Horwath Clark Whitehill LLP*

Horwath Clark Whitehill LLP Chartered Accountants & Registered Auditors <i>31 January 2008</i>	St Bride's House 10 Salisbury Square London EC4Y 8EH
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**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>Income</b>	3		
Subscriptions received during the year	13	448,500	310,500
Movement on deferred and accrued income account	13	<u>(138,000)</u>	<u>(80,330)</u>
Income from members recognised in the year	13	310,500	230,170
Other contributions from members	13	193,064	82,750
Local authority funds (SRB6)		2,815,699	3,014,562
Sport England		90,529	51,816
Football Foundation		196,196	118,511
SAZ Project Income other		579,338	307,969
Contributions from other bodies		<u>804,910</u>	<u>820,757</u>
		<u>4,990,236</u>	<u>4,626,535</u>
<b>Expenditure</b>			
<b>Direct costs</b>			
South Bank Marketing Group		71,542	65,333
Waterloo Project Board		2,203,520	2,258,792
Waterloo Community Regeneration Trust		612,179	755,771
Sport Action Zone		866,063	478,296
Employment and Skills		220,381	123,608
Sponsorship – RV1		-	60,000
Neighbourhood Management		38,959	82,319
Other projects		<u>406,408</u>	<u>296,995</u>
		4,419,052	4,121,114
Administrative expenses		<u>595,119</u>	<u>550,814</u>
	4	<u>5,014,171</u>	<u>4,671,928</u>
<b>Net operating deficit</b>	5	(23,935)	(45,393)
Other income	6	35,371	52,337
Net finance income in respect of defined benefit pension scheme	12	<u>7,000</u>	<u>3,000</u>
<b>Net surplus before taxation</b>		18,436	9,944
<b>Taxation</b>	7	<u>(6,721)</u>	<u>(9,944)</u>
<b>Surplus for the year</b>		<u>11,715</u>	<u>-</u>

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**Statement of total recognised gains and losses**

	Notes	2007 £	2006 £
Surplus for the year		11,715	-
Actuarial gain/(loss) in pension plan	12	<u>112,000</u>	<u>3,000</u>
Total recognised gains in the year		123,715	3,000
Prior year adjustment (deferred income)	11	<u>302,048</u>	-
Total recognised gains since last annual report		<u>425,763</u>	<u>3,000</u>

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**BALANCE SHEET**  
**AT 31 MARCH 2007**

	Notes	2007 £	2006 £ <i>As restated</i>
<b>Current assets</b>			
Debtors	8	1,479,948	498,651
Cash at bank and in hand		<u>731,552</u>	<u>967,380</u>
		<b>2,211,500</b>	<b>1,466,031</b>
<b>Creditors: amounts falling due within one year</b>	9	<u>1,917,737</u>	<u>1,177,983</u>
<b>Net current assets excluding pension scheme asset</b>		<b>293,763</b>	<b>288,048</b>
<b>Defined benefit pension scheme asset</b>		<u>156,000</u>	<u>38,000</u>
<b>Total assets less current liabilities</b>		<u>449,763</u>	<u>326,048</u>
<b>Reserves</b>	11	<u>449,763</u>	<u>326,048</u>

*Andrew Foley* 24101108  
 Director

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**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**

In accordance with the company's objects, income and property is to be applied solely in promoting the general benefit of the inhabitants of the South Bank of the River Thames. No part is to be paid by way of a dividend, bonus or otherwise to the members of the company. Accordingly, subscriptions, contributions from members and other bodies, central government grants received and payments from local authorities are recognised to the extent required to meet the costs of the projects being undertaken.

**Prior year adjustment**

Membership subscription income is credited to the period to which they refer. This is a change in accounting policy and the prior year comparatives have been restated. Previously the subscription income has been recognised to the extent required to meet the costs of the projects being undertaken. The prior year adjustments have been set out in note 11. This has had no effect on the current year results.

**c) Expenditure**

Expenditure on development is charged to the income and expenditure account in the period in which it is incurred.

Irrecoverable VAT is allocated to the expense to which it relates.

**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 future 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 2007**

**2. ACCOUNTING POLICIES (CONTINUED)**

**e) Pensions (Continued)**

For the defined benefit scheme any increase in the 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 the expected return on assets are shown as a net amount of other finance costs or credits 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 are measured 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. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. 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 accounts 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 the 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 areas but will also benefit other areas.

**4. STAFF COSTS**

	2007	2006
	£	£
Administrative expenses include the following staff costs		
Wages and salaries	374,077	442,082
Social security costs	51,599	40,654
Other pension costs	44,174	34,928
	<b>469,850</b>	<b>517,664</b>
Direct project costs include the following staff costs		
Wages and salaries	476,156	392,530
Social security costs	40,445	37,595
Other pension costs	38,714	42,249
	<b>555,315</b>	<b>472,374</b>
Total staff costs	<b>1,025,165</b>	<b>990,038</b>

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**4. STAFF COSTS (CONTINUED)**

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

	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No</b>
Administrative staff	<b>12</b>	<b>12</b>
Project staff	<b>14</b>	<b>14</b>
	<b><u>26</u></b>	<b><u>26</u></b>

No director received any remuneration during the year (2006 - £nil)

**5. OPERATING DEFICIT**

This is stated after charging

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Audit fee	<b>10,000</b>	<b>17,000</b>
Payments to auditors for non audit services	<b>-</b>	<b>8,700</b>
	<b><u>-</u></b>	<b><u>8,700</u></b>

**6. OTHER INCOME**

Bank interest receivable

<b><u>35,371</u></b>	<b><u>52,337</u></b>
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**7. TAXATION**

(a) Analysis of charge in year

*Current tax*

UK corporation tax on the result for the year

<b><u>6,721</u></b>	<b><u>9,944</u></b>
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(b) Factors affecting tax charge for the year

Pre-tax result

<b><u>18,436</u></b>	<b><u>9,944</u></b>
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Pre-tax result multiplied by standard rate of corporation tax in UK of 19% (2006 – 19%)

<b>3,503</b>	<b>1,889</b>
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*Effects of*

Disallowed expenses and non-taxable income

<b><u>3,218</u></b>	<b><u>8,055</u></b>
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Current tax for the year

<b><u>6,721</u></b>	<b><u>9,944</u></b>
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**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	2007	2006
	£	£
<b>8. DEBTORS</b>		
Other debtors	<u>1,479,948</u>	<u>498,651</u>
<b>9. CREDITORS: amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	£	£
		<i>As restated</i>
Accruals and deferred income	1,303,970	821,608
Corporation tax	6,721	9,944
VAT payable	8,509	33,274
Other creditors	<u>598,537</u>	<u>313,157</u>
	<u>1,917,737</u>	<u>1,177,983</u>
<b>10. SHARE CAPITAL</b>		
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		
<b>11. RECONCILIATION OF MOVEMENT ON RESERVES</b>	<b>2007</b>	<b>2006</b>
	£	£
Reserves brought forward at 1 April , as previously stated	24,000	21,000
Prior year adjustment	<u>302,048</u>	<u>302,048</u>
At April 2007 as restated	<b>326,048</b>	323,048
Surplus for the year	11,715	3,000
Actuarial gain	<u>112,000</u>	-
At 31 March 2007	<u>449,763</u>	<u>326,048</u>



**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
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**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 the 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 account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2007. 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	2007 %	2006 %	2005 %
Rate of increase in salaries	4.2	4.1	3.9
Rate of increase in pensions payments	3.2	3.1	2.9
Discount rate	5.4	4.9	5.4
Inflation assumption	3.2	3.1	2.9

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 2007 %	31 March 2006 %	31 March 2005 %	31 March 2007 £000	31 March 2006 £000	31 March 2005 £000
Equities	7.00	6.70	7.20	516	448	262
Corporate bonds	5.40	4.90	5.40	20	15	10
Government bonds	4.50	4.20	4.70	31	22	16
Cash	5.25	4.50	4.75	22	4	2
Total market value of assets				589	489	290
Present value of scheme liabilities				(433)	(451)	(269)
Net pension asset				156	38	21
Analysis of the defined benefit cost for the year ended 31 March					2007 £000	2006 £000
Current service cost					52	69
Total operating charge					52	69
Analysis of net return on pension scheme						
Expected return on pension scheme assets					31	20
Interest on pension scheme liabilities					(24)	(17)
Net return					7	3

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**12. PENSIONS (CONTINUED)**

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

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Actual return less expected return on pension scheme assets	6	73
Experience gains arising on scheme liabilities	49	2
Changes in assumptions underlying present value of scheme liabilities	57	(72)
	<u>112</u>	<u>3</u>

Analysis of movements in surplus during the year

Surplus in scheme at beginning of year	38	21
Total operating charge	(52)	(69)
Net return	7	3
Actuarial gains	112	3
Other expenses	-	-
Employer contributions	51	80
	<u>156</u>	<u>38</u>

History of experience gains and losses

Difference between expected return and actual return on pension scheme assets

Amount (£000)	6	73
Percentage of scheme assets	0.96%	14.88%

Experience gains on pension scheme liabilities

Amount (£000)	49	2
Percentage of the present value of scheme liabilities	11.29%	0.39%

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

Amount (£000)	112	3
Percentage of the present value of scheme liabilities	25.79%	0.6%

**Defined contribution schemes**

The assets of the schemes 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 to £34,123. The amount of unpaid contributions at 31 March 2007 was £1,320.

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
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**13. TRANSACTIONS WITH MEMBERS**

Financial transactions with members were as follows

**Income**

Contributions received were as follows

Member	Subscriptions £	Marketing £	Other £	Total £
The British Film Institute	19,500	9,000	1,000	29,500
Coin Street Community Builders Ltd	19,500	9,000	-	28,500
Ernst & Young LLP	19,500	-	-	19,500
Guy's & St Thomas' Hospital	19,500	-	-	19,500
IBM UK Ltd	39,000	-	-	39,000
ITV Plc	19,500	-	-	19,500
King's College London	39,000	-	95,000	134,000
London and Continental Railways (UK) Ltd	19,500	-	-	19,500
London Eye Company Ltd	39,000	-	-	39,000
London Development Agency	19,500	-	-	19,500
London South Bank University	19,500	2,000	-	21,500
Network Rail	19,500	-	-	19,500
P&O Developments Ltd	39,000	-	5,900	44,900
Royal National Theatre	39,000	9,000	1,000	49,000
Shell International Ltd	39,000	-	8,000	47,000
SouthBank Centre	39,000	9,000	44,164	92,164
	<u>448,500</u>	<u>38,000</u>	<u>155,064</u>	<u>641,564</u>
Deferred income at 31 March 2006 as previously stated	425,673	-	-	425,673
Prior year adjustment	(302,048)	-	-	(302,048)
Deferred income at 31 March 2006 as restated	123,625	-	-	123,625
Deferred income at 31 March 2007	(281,125)	-	-	(281,125)
Accrued Income at 31 March 2007	19,500	-	-	19,500
Movement on deferred and accrued income	(138,000)	-	-	(138,000)
Income from members recognised in year	<u>310,500</u>	<u>38,000</u>	<u>155,064</u>	<u>503,564</u>

**SOUTH BANK EMPLOYERS' GROUP LIMITED**  
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**13. TRANSACTIONS WITH MEMBERS (CONTINUED)**

**Expenditure**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Coin Street Community Builders Ltd	<b>1,461,862</b>	353,140
Guy's & St Thomas' Hospital	<b>3,048</b>	296
Ernst & Young LLP	<b>29,727</b>	25,700
King's College London	<b>1,503</b>	1,666
London South Bank University	<b>1,470</b>	8,640
Network Rail	-	10,000
SouthBank Centre	<b>126,485</b>	184,150
	<b><u>1,624,095</u></b>	<b><u>583,592</u></b>
Payments to members recognised in year	<b>1,624,095</b>	583,592

**14. CAPITAL COMMITMENTS**

Amounts contracted for but not provided in the financial statements amounted to £Nil (2006 - £Nil)

**15. FINANCIAL COMMITMENTS**

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

Leases expiring	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Within one year	-	-
Within 2-5 years	<b>80,000</b>	80,000
Over 5 years	-	-
	<b><u>80,000</u></b>	<b><u>80,000</u></b>