

2974600

# South Bank Employers' Group Limited

(Limited by guarantee)

## Report and Accounts

31 March 1998

 ERNST & YOUNG



# South Bank Employers Group Limited

(Limited by guarantee)

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Registered No. 2974600

## DIRECTORS

John Woodward	The British Film Institute
Iain Tuckett	Coin Street Community Builders
Michael Wheway	HM Customs and Excise
Tim Matthews	Guy's & St Thomas' Hospital
Arthur Tanner	IPC Magazines
David Joy	London and Continental Railways Ltd
Julia Barfield	Millennium Wheel Company Ltd
Basil Winham	P & O Developments Ltd
Margaret Whitlum-Cooper	The Royal National Theatre
Ian Coull	J Sainsbury plc
Ben Runderkamp	Shell International Ltd
Mike McCart	SBC
Michael O'Dwyer	Whitbread plc

## SECRETARY

William Hamilton	J Sainsbury Plc
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## AUDITORS

Ernst & Young  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

## BANKERS

Midland Bank plc  
22 Stamford Street  
Blackfriars  
London SE1 9LJ

## SOLICITORS

Denton Hall  
5 Chancery Lane  
Cliffords Inn  
London EC4A 1BU

## REGISTERED OFFICE

Stamford House  
Stamford Street  
London SE1 9LL

# South Bank Employers Group Limited

(Limited by guarantee)

## DIRECTORS' REPORT

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The directors present their report and accounts for the year ended 31 March 1998.

### PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The company was incorporated on 6 October 1994, with its principal objective being to improve the local environment and infrastructure, encourage sustainable economic activity, and enhance the quality of life for the local residents and employees. Prior to incorporation the South Bank Employers' Group (SBEG) was an informal group which was originally set up in 1991 to improve the South Bank area. This is defined as the area bounded by the River Thames, Blackfriars Road, The Cut, Baylis Road and Westminster Bridge Road. In 1992 the SBEG commissioned Ove Arup to study problems and options related to pedestrian and vehicle movement. In 1993 SBEG appointed Llewelyn-Davies and Imagination to produce an overall urban design strategy and to identify measures to improve the environment of the South Bank and provide it with a coherent and positive identity. This report received an overwhelmingly positive response when published in 1994, and the company has proceeded to implement proposals arising from it.

During the year under review the company has developed and progressed a number of projects. The Spine Route project involved the planting of over 100 trees, a wide pedestrian pavement and new lighting, banners, a new system of signs and information throughout the area, public art installations and the creation of a new gateway to the arts at Sutton Walk. CCTV cameras have been installed at the entry and exit points to the area as defined above. The Spine Route was officially opened by Prime Minister, Tony Blair on 15 July 1997.

The Thames Festival was launched in September with the "Wire Walk" across the Thames sponsored by the company's public art programme, and it received international press coverage.

The Ecobus project has progressed to the extent that SBEG commissioned consultants to consider whether it could be developed commercially. As a result of SBEG's Cross River Integrated Passenger Transport Strategy the Cross River Partnership were asked to lead a project, Thames 2000, to create a new riverbus service by the year 2000.

The Marketing programme continued to bring a number of the areas attractions together to market the area with South Bank News the South Bank Visitor's Guide and joint promotions.

### YEAR 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The computer and digital storage system used by the company is provided through a local network provided by Coin Street Community Builders Limited, a member of the company. A programme designed to address the impact of the Year 2000 has been commissioned by their board and is under way. Regular meetings take place between representatives of the two companies to ensure that the impact is minimised.

### RESULTS

The surplus after taxation for the year to 31 March 1998 was £nil (1997 - £nil).

South Bank Employers Group Limited  
(Limited by guarantee)

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DIRECTORS' REPORT

**DIRECTORS**

Members appoint individual trustees as their nominees and these trustees are the directors of the company with the power to run the company's affairs and to delegate day to day control to an executive committee.

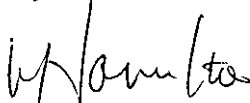
The directors during the year to 31 March 1998 were as follows:

Clare Birks	(resigned 30 June 1998)
Julia Barfield	(appointed 31 March 1998)
Jane Clarke	(resigned 10 June 1998)
Peter Cotton	(resigned 1 September 1997)
Ian Coull	
Susan Elliott	(resigned 10 June 1998)
Eileen Gallagher	(resigned 12 October 1998)
Robert Hill	(resigned 1 March 1998)
David Joy	
Mike McCart	(appointed 4 June 1997)
Ben Runderkamp	(appointed 1 September 1997)
Arthur Tanner	(appointed 4 June 1997)
Iain Tuckett	
Michael Wheway	(appointed 1 September 1997)
Margaret Whitlum-Cooper	
Basil Winham	
John Withrington	(resigned 1 September 1997)
Ewart Wooldridge	(resigned 4 June 1997)

**AUDITORS**

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board

  
Secretary

12 NOV 1998

South Bank Employers Group Limited  
(Limited by guarantee)

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

**REPORT OF THE AUDITORS**  
**to the members of South Bank Employers Group Limited**  
**(Limited by guarantee)**

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*  
Ernst & Young  
Registered Auditor  
London

**112 NOV 1998**

South Bank Employers Group Limited  
(Limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT  
for the year ended 31 March 1998

	Notes	1998 £	1997 £
<b>INCOME</b>	3		
Subscriptions		273,000	140,000
Other contributions from members		774,461	63,942
Single regeneration budget funds		614,202	3,485,179
Other government funds		-	20,000
Local authority funds		414,389	660,069
Lottery		533,692	-
Contributions from other bodies		121,988	9,961
Benefits in kind - Thames Festival		75,000	
		<u>2,806,732</u>	<u>4,379,151</u>
<b>DIRECT COSTS</b>			
Spine route project		1,887,039	3,728,585
Public art		250,938	-
Marketing project		117,110	47,915
Waterloo place project		(25,970)	275,830
River walk project		82,629	40,099
Thames festival		75,721	-
Cross river integrated passenger transport		126,102	76,539
Benefits in kind - Thames Festival		75,000	
		<u>2,588,569</u>	<u>4,168,968</u>
Administrative expenses	4	274,826	264,321
		<u>2,863,395</u>	<u>4,433,289</u>
<b>NET OPERATING DEFICIT</b>	5	(56,663)	(54,138)
Other income	6	56,663	54,949
		<u>-</u>	<u>811</u>
<b>SURPLUS BEFORE TAXATION</b>		-	811
<b>TAXATION</b>	7	-	811
		<u>-</u>	<u>-</u>
<b>SURPLUS AFTER TAXATION</b>		<u>-</u>	<u>-</u>

There are no recognised gains or losses for the year.

South Bank Employers Group Limited  
(Limited by guarantee)

BALANCE SHEET  
at 31 March 1998

	Notes	1998 £	1997 £
<b>CURRENT ASSETS</b>			
Debtors	8	51,701	693,261
Cash at bank and in hand		787,314	1,062,638
		<u>839,015</u>	<u>1,755,899</u>
<b>CREDITORS: amounts falling due within one year</b>	9	839,015	1,755,899
		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>RESERVES</b>			
Surplus for the year		-	-
		<u>-</u>	<u>-</u>



Director

12 NOV 1998



South Bank Employers Group Limited  
(Limited by guarantee)

NOTES TO THE ACCOUNTS  
at 31 March 1998

1. STATUS OF COMPANY

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

2. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Under the requirements of FRS 1 (revised) the company is exempt from preparing a cash flow statement.

*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. Certain of the members contribute subscription fees in kind; income and expenditure are grossed up for these amounts.

*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.

*Pensions*

The company directly contributes to certain employees personal pension schemes.

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. This is defined as the area bounded by the River Thames, Blackfriars Road, The Cut, Baylis Road and Westminster Bridge Road. The company also acts as a contractor to other bodies in undertaking projects which benefit that area but will also benefit other areas as a result of its membership of the Cross River Partnership.

4. STAFF COSTS

Administrative expenses include the following staff costs:

	1998 £	1997 £
Wages and salaries	157,106	112,951
Social security costs	15,209	11,522
Other pension costs	6,485	5,817
	<u>178,800</u>	<u>130,290</u>

South Bank Employers Group Limited  
(Limited by guarantee)

NOTES TO THE ACCOUNTS  
at 31 March 1998

4. **STAFF COSTS** (continued)

Direct project costs include the following staff costs:

	1998 £	1997 £
Wages and salaries	72,005	37,320
Social security costs	7,195	3,807
Other pension costs	4,171	778
	<u>83,371</u>	<u>41,905</u>

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

	1998 No.	1997 No.
Administrative staff	4	3
Project staff	3	2
	<u>7</u>	<u>5</u>

No director received any remuneration during the year.

5. **OPERATING DEFICIT**

This is stated after charging:

	1998 £	1997 £
Audit fee	5,250	4,500
Payments to auditors for non audit services	8,250	24,100
	<u></u>	<u></u>

6. **OTHER INCOME**

	1998 £	1997 £
Bank interest receivable	56,663	54,949
	<u></u>	<u></u>

7. **TAXATION**

	1998 £	1997 £
UK corporation tax	-	811
	<u></u>	<u></u>

South Bank Employers Group Limited  
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NOTES TO THE ACCOUNTS  
at 31 March 1998

8. DEBTORS

	1998 £	1997 £
Prepayments and accrued income	-	2,000
Other debtors	9,454	201,168
Corporation tax recoverable	10,868	-
Value Added Tax recoverable	31,379	490,093
	<u>51,701</u>	<u>693,261</u>

9. CREDITORS: amounts falling due within one year

	1998 £	1997 £
Accruals and deferred income	709,434	1,623,482
Other creditors	129,581	130,606
Corporation tax	-	1,811
	<u>839,015</u>	<u>1,755,899</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.

South Bank Employers Group Limited  
(Limited by guarantee)

NOTES TO THE ACCOUNTS  
at 31 March 1998

11. TRANSACTIONS WITH MEMBERS

Financial transactions with members were as follows:

**Income**

Each member pays an annual subscription of £19,500.

Contributions receivable for other projects were as follows:

<i>Member</i>	<i>Spine route £</i>	<i>Marketing £</i>	<i>Other £</i>	<i>Total £</i>
Coin Street Community Builders Ltd			5,000	5,000
IBM UK Ltd		9,000		9,000
J Sainsbury Plc	60,585			60,585
Royal National Theatre		9,000		9,000
	<u>60,585</u>	<u>18,000</u>	<u>5,000</u>	<u>83,585</u>
Deferred income at 31 March 1998		7,151		7,151
Income in the year	60,585	10,849	5,000	76,434
	<u>60,585</u>	<u>18,000</u>	<u>5,000</u>	<u>83,585</u>

**Expenditure**

Payments to Ernst & Young in respect of audit, taxation and accounting services are disclosed in note 6.

The following expenditure was charged by Coin Street Community Builders Ltd:

	<i>1998 £</i>	<i>1997 £</i>
In respect of office services for expenditure incurred:		
for the year	25,892	25,130
for prior years	-	(6,314)
(Offices were provided rent free)		
In respect of the use of commercial car parks by the contractors undertaking the Spine Route project	29,032	83,941
	<u>54,924</u>	<u>102,757</u>

**South Bank Employers Group Limited**  
(Limited by guarantee)

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 1998

	1998 £	1997 £
<b>INCOME</b>		
Subscriptions	273,000	140,000
Other contributions from members	774,461	63,942
Single regeneration budget funds	614,202	3,485,179
Other government funds	-	20,000
Local authority funds	414,389	660,069
Lottery	533,692	-
Contributions from other bodies	121,988	9,961
Benefits in kind - Thames Festival	75,000	-
	<u>2,806,732</u>	<u>4,379,151</u>
<b>PROJECT EXPENDITURE</b>		
Spine route	1,887,039	3,728,585
Public art	250,938	-
Marketing	117,110	47,915
Waterloo Place	(25,970)	275,830
River walk project	82,629	40,099
Thames festival	75,721	-
Cross river integrated passenger transport project	126,102	76,539
Benefits in kind - Thames Festival	75,000	-
	<u>2,588,569</u>	<u>4,168,968</u>
<b>ADMINISTRATION EXPENSES</b>		
Legal and professional fees	3,795	11,503
Audit	5,250	4,000
Consultancy fees	8,250	29,650
Salaries	178,800	130,295
Other administration costs	78,731	88,873
	<u>274,826</u>	<u>264,321</u>
<b>NET OPERATING DEFICIT</b>	<u>(56,663)</u>	<u>(54,138)</u>
Other income	56,663	54,949
	<u>-</u>	<u>811</u>
<b>SURPLUS BEFORE TAXATION</b>	-	811
Taxation	-	811
	<u>-</u>	<u>-</u>
<b>SURPLUS AFTER TAXATION</b>	<u>-</u>	<u>-</u>