

2974600

South Bank Employers' Group Limited

(Limited by guarantee)

Report and Accounts

31 March 1999



South Bank Employers' Group Limited

(Limited by guarantee)

Registered No. 2974600

DIRECTORS

John Woodward	The British Film Institute
Iain Tuckett	Coin Street Community Builders Ltd
Tim Matthews	Guy's & St Thomas' Hospital
Barrie Morgan	King's College London (appointed 1 September 1999)
David Joy	London and Continental Railways (UK) Ltd
Julia Barfield	London Eye Company
Emma Mandley	London Weekend Television Ltd
Basil Winham	P & O Developments Ltd
Margaret Whitlum-Cooper	The Royal National Theatre
Ian Coull	J Sainsbury Plc
Laurien Polder	Shell International Ltd
Mike McCart	The South Bank Centre
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

HSBC 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

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The company has existed informally since 1991 and was incorporated on 6 October 1994. Its principal objective is to improve the local environment and infrastructure to encourage sustainable economic activity, and to enhance the quality of life for local residents and employees in the South Bank area. For the year under review the South Bank was defined as the area bounded by the River Thames in the north; Baylis Road and The Cut in the south; Westminster Bridge in the west; and Blackfriars Road in the east. Following the year end and the commissioning of the Urban Design Strategy Review, the boundaries have been extended to encompass the area to Lambeth Bridge in the south.

In 1992 the company commissioned Ove Arup to study traffic and pedestrian problems and in 1993 Llewelyn-Davies and Imagination to produce an Urban Design Strategy. The South Bank Environmental Improvement report was published in 1994 and showed how ground level routes could be improved to reduce confusion and make subways and overhead walkways redundant. The report described the South Bank as "bleak, disaggregated and hostile, lacking shops and street level activity, and difficult for pedestrians to find their way around". It outlined an overall urban strategy and a number of specific projects to assist in the realisation of the objectives of the company.

During the year under review the company has developed and progressed a number of projects. The Spine Route improvements were the first of the environmental projects to be completed from the Urban Design Strategy and were officially launched by Tony Blair in July 1997.

The South Bank Riverside Walkway was identified as a priority in the Llewelyn-Davies report. A final landscape design report was published in August 1997 and proposed an integrated phased scheme. Government was able to provide far less Single Regeneration Budget funding than had been hoped for in 1998/99. Specific packages of work were created to enable work to commence with the funds available; pruning and planting, soft landscaping and new street furniture.

Good quality management of public spaces became an increasing priority for the company. SBEG commissioned the Project Centre in 1998 to review highway and other maintenance standards in the South Bank. Their report, published in September 1998, attempted to define minimum standards for each service and to propose an enhanced standard in line with best practice elsewhere. The report's findings have been discussed with officers of London Boroughs of Lambeth and Southwark and research is continuing.

SBEG commissioned Oscar Faber, in June 1998, to carry out a more detailed assessment of demand for coaches on the South Bank and the area's capacity to provide appropriate and effective pick up and set down provision. A report was circulated to the Board in September 1998. It showed that demand would outweigh supply in parts of the South Bank by 2000, unless more drop off bays were provided. Research is continuing.

The Eco-bus project is a demonstration project for environmentally sustainable and integrated transport in London. The five local authorities working in partnership with SBEG (Lambeth, Southwark, Tower Hamlets, Westminster and City) approved the route in principle and London Transport agreed to tender the service. It is intended that the service will open in 2000 and be integrated with new attractions such as Tate and British Airways London Eye.

£1 million was awarded to SBEG by the Arts Council Lottery Fund as part of Spine Route project. This was to fund the commissioning of both temporary and permanent installations of public art work accessible to all without charge. During the year under review the company supported the Thames Festival and The Museum of ... and launched an international open competition to commission an art/architectural landmark at Sutton Walk.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS (continued)

The marketing programme continues to promote the area as a distinctive destination through the creation of posters including monthly listings and exhibitions and the publication of South Bank News. Joint promotions between South Bank venues included the Spend Christmas on the South Bank and the celebration of Waterloo Station's 150th anniversary with Railtrack. The Millennium Mile concept was launched by Nick Raynsford, Minister for London, in September 1998 and featured an exhibition of 38 new developments in South Bank and Bankside, which attracted 6,000 visitors and excellent press coverage.

Following a successful bid to Government for SRB funds the company began work on a social and community programme. During the year a New Deal programme was established in partnership with The London Marriott and Royal National Theatre. Research, feeding into future social and community projects is ongoing.

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 Year 2000 and beyond.

The computer, file server, network and digital storage systems used by the company were provided through a local area network provided by Coin Street Community Builders. An independent server and network system was fully installed on behalf of the company during October 1999. This system is fully compliant and will be able to process dates into the Year 2000 and beyond. The company's digital financial systems will be upgraded to Year 2000 compliancy when the new server and network are fully operational in the middle of November 1999.

RESULTS

The surplus after taxation for the year to 31 March 1999 was £nil (1998 - £nil).

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 1999 were as follows:

Julia Barfield	
Clare Birks	(resigned 12 October 1998)
Duncan Campbell	(appointed 14 December 1998, resigned 5 November 1999)
Jane Clarke	(resigned 10 June 1998)
Ian Coull	
Susan Elliott	(resigned 10 June 1998)
Nick Ford	(appointed 14 December 1998, resigned 23 September 1999)
Eileen Gallagher	(appointed 10 June 1998, resigned 12 October 1998)
Robert Hill	(resigned 12 October 1998)
David Joy	
Emma Mandley	(appointed 14 December 1998)
Tim Matthews	(appointed 2 September 1998)
Mike McCart	
Michael O'Dwyer	(appointed 10 June 1998)
Laurien Polder	(appointed 3 March 1999)
Ben Runderkamp	(resigned 3 March 1999)
Arthur Tanner	(resigned 14 December 1998)

South Bank Employers' Group Limited
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DIRECTORS' REPORT

DIRECTORS (continued)

Iain Tuckett

Michael Wheway (resigned 3 November 1999)

Margaret Whitlum-Cooper

Basil Winham

John Woodward (appointed 10 June 1998)

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

10 November 1999

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 7 to 13 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 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

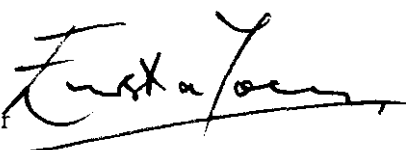
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
London


10th November 1999

South Bank Employers' Group Limited
(Limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 1999


	Notes	1999 £	1998 £
INCOME	3		
Subscriptions		9,117	273,000
Other contributions from members		77,650	774,461
Single Regeneration Budget funds		304,177	614,202
Local authority funds		112,500	414,389
Lottery		623,664	533,692
Contributions from other bodies		2,445	121,988
Benefits in kind		59,128	75,000
		<u>1,188,681</u>	<u>2,806,732</u>
DIRECT COSTS			
Spine Route		182,340	1,887,039
RNT Ramp		13,626	-
Public Art		67,271	250,938
Marketing		197,454	117,110
Waterloo Place		62,650	(25,970)
River Walk		145,138	82,629
Thames Festival		90,000	75,721
Cross River Integrated Passenger Transport		72,097	126,102
Coach Management		13,820	-
Hothouse		43,005	-
Benefits in kind		59,128	75,000
		<u>946,529</u>	<u>2,588,569</u>
Administrative expenses	4	315,728	274,826
		<u>1,262,257</u>	<u>2,863,395</u>
NET OPERATING DEFICIT	5	(73,576)	(56,663)
Other income	6	73,576	56,663
		<u>-</u>	<u>-</u>
SURPLUS BEFORE TAXATION		-	-
TAXATION	7	-	-
		<u>-</u>	<u>-</u>
SURPLUS AFTER TAXATION		-	-
		<u>-</u>	<u>-</u>

There are no recognised gains or losses for the year.

South Bank Employers' Group Limited
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BALANCE SHEET
at 31 March 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors	8	68,937	51,701
Cash at bank and in hand		1,154,621	787,314
		<u>1,223,558</u>	<u>839,015</u>
CREDITORS: amounts falling due within one year	9	1,223,558	839,015
		<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>-</u>
RESERVES			
Surplus for the year		<u>-</u>	<u>-</u>


Director

10 November 1999

South Bank Employers' Group Limited
(Limited by guarantee)

NOTES TO THE ACCOUNTS
at 31 March 1999

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. Contributions are charged in the profit and loss 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 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:

	1999 £	1998 £
Wages and salaries	178,624	157,106
Social security costs	17,760	15,209
Other pension costs	7,460	6,485
	<u>203,844</u>	<u>178,800</u>

South Bank Employers' Group Limited
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NOTES TO THE ACCOUNTS
at 31 March 1999

4. STAFF COSTS (continued)

Direct project costs include the following staff costs:

	1999 £	1998 £
Wages and salaries	56,780	72,005
Social security costs	5,652	7,195
Other pension costs	3,329	4,171
	<u>65,761</u>	<u>83,371</u>

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

	1999 No.	1998 No.
Administrative staff	4	4
Project staff	2	3
	<u>6</u>	<u>7</u>

No director received any remuneration during the year (1998 - £nil).

5. OPERATING DEFICIT

This is stated after charging:

	1999 £	1998 £
Audit fee	5,500	5,250
Payments to auditors for non audit services	9,605	8,250
	<u></u>	<u></u>

6. OTHER INCOME

	1999 £	1998 £
Bank interest receivable	73,576	56,663
	<u></u>	<u></u>

7. TAXATION

	1999 £	1998 £
UK corporation tax	-	-
	<u></u>	<u></u>

South Bank Employers' Group Limited
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NOTES TO THE ACCOUNTS
at 31 March 1999

8. DEBTORS

	1999 £	1998 £
Other debtors	42,931	9,454
Taxation recoverable	-	10,868
Value added tax recoverable	26,006	31,379
	<u>68,937</u>	<u>51,701</u>

9. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Accruals and deferred income	1,122,586	709,434
Other creditors	100,972	129,581
	<u>1,223,558</u>	<u>839,015</u>

10. SHARE CAPITAL

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

South Bank Employers' Group Limited
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NOTES TO THE ACCOUNTS
at 31 March 1999

11. TRANSACTIONS WITH MEMBERS

Financial transactions with members were as follows:

Income

Contributions received were as follows:

<i>Member</i>	<i>Subscriptions</i>	<i>Spine</i>	<i>Marketing</i>	<i>Other</i>	<i>Total</i>
	<i>£</i>	<i>route</i>	<i>£</i>	<i>£</i>	<i>£</i>
The British Film Institute	19,500		9,000		28,500
Coin Street Community Builders Ltd	19,500		9,000	1,800	30,300
Ernst & Young	19,500				19,500
HM Customs & Excise	19,500				19,500
Guy's & St Thomas' Hospital	19,500			3,493	22,993
IBM UK Ltd	19,500				19,500
J Sainsbury Plc	19,500		9,000		28,500
London and Continental Railways (UK) Ltd	19,500				19,500
London Eye Company	26,000			2,000	28,000
London Weekend Television Ltd	19,500	5,060		7,000	31,560
P & O Developments Ltd	19,500				19,500
Railtrack Plc	19,500				19,500
The Royal National Theatre	19,500	150,000	9,000	26,000	204,500
Shell International Ltd	19,500			4,000	23,500
The South Bank Centre	19,500		9,000	13,000	41,500
Whitbread plc	19,500				19,500
	<u>318,500</u>	<u>155,060</u>	<u>45,000</u>	<u>57,293</u>	<u>575,853</u>
Deferred income at 31 March 1999	309,383	122,410	45,000	-	476,793
Income in year	<u>9,117</u>	<u>32,650</u>	<u>-</u>	<u>57,293</u>	<u>99,060</u>
	<u>318,500</u>	<u>155,060</u>	<u>45,000</u>	<u>57,293</u>	<u>575,853</u>

Expenditure

Payments to Ernst & Young in respect of audit, taxation and accounting services are disclosed in note 5.

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

	<i>1999</i>	<i>1998</i>
	<i>£</i>	<i>£</i>
In respect of expenditure incurred for office services: for year to 31 March 1998 (offices were provided rent free)	26,012	25,892
In respect of the use of commercial car parks by the contractors undertaking the Spine Route project	-	29,032
Total	<u>26,012</u>	<u>54,924</u>

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NOTES TO THE ACCOUNTS
at 31 March 1999

12. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £139,000 (1998 - £nil).