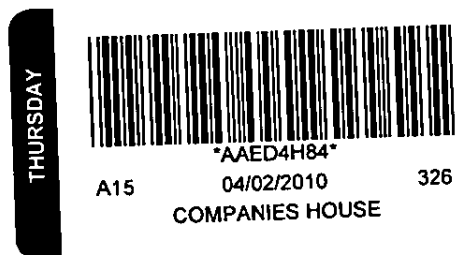


**British Retail Consortium**  
(A company limited by guarantee)

**DIRECTORS' REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 June 2009**



**Registered number: 405720**

**British Retail Consortium**  
**(A company limited by guarantee)**  
**DIRECTORS AND OFFICERS**

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**DIRECTORS**

Dr Patrick Allen  
Ray Baker  
Gordon Bentley  
Gordon Brown  
Ian Dallow  
John Dean  
Susan Donovan  
John Drummond  
Timothy Fallowfield  
Ian Filby (Honorary Treasurer)  
Anthony Ginty  
Timothy Godfray  
David Gwyther, CBE  
Alan Hawkins  
Paul Kelly  
Bryan Lovewell  
Jeremy Marwood  
Luke Mayhew (Chairman)  
Brian McBride  
Robert Moorhead  
Lucy Neville-Rolfe, CMG  
Stephen Robertson

**SECRETARY**

Anne Colquhoun

**REGISTERED OFFICE**

2nd Floor  
21 Dartmouth Street  
London  
SW1H 9BP

**AUDITOR**

Baker Tilly UK Audit LLP  
Chartered Accountants  
Lancaster House  
7 Elmfield Road  
Bromley  
Kent BR1 1LT

**BANKERS**

Lloyds TSB  
14 Berkeley Square  
London  
W1X 6BJ

# British Retail Consortium

(A company limited by guarantee)

## DIRECTORS' REPORT

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The directors present their annual report and the financial statements of British Retail Consortium (BRC) for the year ended 30 June 2009

### PRINCIPAL ACTIVITIES

The Consortium continues to be engaged in providing information and other services for retailers and representing their views and promoting their interests to Government and other bodies, both in the UK and the European Union. It is proposed to continue these activities in the foreseeable future.

The Consortium's results include that of BRC Trading, which continues to enhance the range of services and products that is offered to retail members and the retail supply chain, by concentrating on developing publications and training courses. BRC Trading continues to develop its international business; significant developments in North America include the appointment of a dedicated resource to develop the market for the BRC's Food Standard and a contractual arrangement with the Retail Industry Leaders' Association underpins the expansion of the BRC's Consumer Products Standard.

The results also include that of Action Against Business Crime Limited (AABC), whose principal activity is to develop business crime reduction partnerships in towns, cities and shopping centres in the UK.

During the year the Home Office confirmed that no further funding would be provided for AABC. There was sufficient revenue to take AABC to the end of September 2008. Therefore the BRC worked towards winding up AABC while continuing to concentrate on its own activity, working under its Business Plan and engaging with other partners of business crime reduction partnership services. In March 2009 the Chairman of AABC announced late additional financial support from the Home Office and prepared a Business Plan for AABC which allowed it to continue to operate with a number of new members independently of the BRC. The BRC therefore resigned its membership of AABC on 29<sup>th</sup> April 2009.

### KEY PERFORMANCE INDICATORS

The BRC is a membership organisation and as such its main key performance indicators are the retention of current members and the growth of its membership base.

Other key performance indicators for the BRC are:

- To reduce the regulatory burden on retail and to reduce the cost of doing business for retailers in the UK
- To maintain a business environment where retailers can grow and prosper
- To deliver excellent value for money for its members
- To grow its membership
- To reduce its reliance on subscription income
- To maintain the financial stability of the Consortium
- To make the BRC the place to work.

### RISKS

The key risk to the organisation, as with any membership organisation, is loss of membership income and the support of its members. The current difficult economic climate is placing extra demands on retailers and their cost base, and every expense is scrutinised to make sure it is delivering value for money. The BRC works hard to maintain high quality, value for money services to its members. Membership retention of the major retailers is high, although there is some churn in the Associate member category. The BRC has been particularly pleased to welcome companies from the growing online sector in the period covered by the accounts.

BRC Trading continues to meet its demanding targets and increase its financial contribution to the BRC.

Stephen Robertson had joined as Director General in February 2008 and to ensure a level of continuity the Board had decided to extend Sir Geoff Mulcahy's appointment as Chairman for up to a further year. Subsequently Sir Geoff Mulcahy resigned and Luke Mayhew was appointed Chairman, both with effect 1<sup>st</sup> May 2009.

# British Retail Consortium

(A company limited by guarantee)

## DIRECTORS' REPORT

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All relevant BRC staff have received training on the implications of the Competition Act in its lobbying and representative work

### BUSINESS REVIEW

These accounts show the consolidated accounts of the British Retail Consortium and its subsidiaries. The results for the year are set out on page 7

### PROPOSED DIVIDEND AND TRANSFER TO RESERVES

The Memorandum of the Consortium prohibits the distribution of any surplus to the members either by payment of dividends or by any other means. The general fund remains in surplus as at the end of the year.

### DIRECTORS' AND DIRECTORS' INTERESTS

The directors who held office from 1 July 2008 to the date of this report were:

Dr Patrick Allen	
Gordon Bentley	
Gordon Brown	
John Dean	
Susan Donovan	
John Drummond	
Timothy Fallowfield	
Ian Filby	(Honorary Treasurer from 16 September 2008)
Anthony Ginty	
Timothy Godfray	
David Gwyther, CBE	
Alan Hawkins	
Paul Kelly	
Bryan Lovewell	
Jeremy Marwood	
Brian McBride	
Robert Moorhead	
Lucy Neville-Rolfe, CMG	
Stephen Robertson	(Director General)

The following were appointed during the year

Ray Baker	(20 May 2009)
Ian Dallow	(20 May 2009)
Luke Mayhew	(1 May 2009) (Chairman from 1 May 2009)

The following directors resigned:

Peter Barrett	(15 April 2009)
Trevor Bish-Jones	(10 September 2008)
Michael Clare	(19 May 2009)
Helen Jones	(16 September 2008) (Honorary Treasurer until 16 September 2008)
Oliver Meakin	(17 April 2009)
Sir Geoffrey Mulcahy	(1 May 2009) (Chairman until 1 May 2009)
Gareth Thomas	(25 June 2008)

# British Retail Consortium

(A company limited by guarantee)  
DIRECTORS' REPORT

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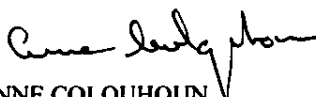
## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

## AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board

  
ANNE COLQUHOUN  
Secretary

Date 25 November 2009

# **British Retail Consortium**

**(A company limited by guarantee)**

## **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

---

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH RETAIL CONSORTIUM

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HENRY ARTHURS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants  
Lancaster House  
7 Elmfield Road  
Bromley  
Kent BR1 1LT

Date: 21 January 2010

**British Retail Consortium**  
**(A company limited by guarantee)**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 June 2009**

	<i>Notes</i>	2009 £	2008 £
TURNOVER	1	6,181,452	6,113,448
Administrative expenses		(6,221,508)	(5,810,661)
OPERATING (LOSS)/PROFIT		<u>(40,056)</u>	<u>302,787</u>
Interest receivable	2	94,534	141,388
Profit on disposal of goodwill	3	43,540	-
Interest payable	4	(638)	(1,166)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>97,380</u>	<u>443,009</u>
Taxation	6	(42,725)	(145,352)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>54,655</u>	<u>297,657</u>

The operating (loss)/profit for the year arises from the group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account



**British Retail Consortium**  
(A company limited by guarantee)  
**GROUP BALANCE SHEET**  
**30 June 2009**

Company Registration No 405720

	<i>Notes</i>	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	8	242,479	48,753
		<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>			
Debtors	10	678,831	513,955
Cash at bank and in hand		2,763,722	2,335,385
		<u>3,442,553</u>	<u>2,849,340</u>
<b>CREDITORS</b> Amounts falling due within one year	11	(2,047,081)	(1,314,797)
<b>NET CURRENT ASSETS</b>		<u>1,395,472</u>	<u>1,534,543</u>
		<u>          </u>	<u>          </u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,637,951	1,583,296
<b>CREDITORS</b> Amounts falling due after more than one year	12	-	-
		<u>1,637,951</u>	<u>1,583,296</u>
		<u>          </u>	<u>          </u>
<b>CAPITAL AND RESERVES</b>			
General funds	13	1,637,951	1,583,296
		<u>          </u>	<u>          </u>

The financial statements on pages 7 to 20 were approved by the board  
and authorised for issue on 25 November 2009 and signed on its behalf by



LUKE MAYHEW

Chairman

**British Retail Consortium**  
**(A company limited by guarantee)**  
**COMPANY BALANCE SHEET**  
**30 June 2009**

Company Registration No 405720

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	8	27,757	46,653
Investments	9	100	100
		<u>27,857</u>	<u>46,753</u>
<b>CURRENT ASSETS</b>			
Debtors	10	698,711	328,178
Cash at bank and in hand		727,821	787,279
		<u>1,426,532</u>	<u>1,115,457</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	(1,385,050)	(743,577)
<b>NET CURRENT ASSETS</b>		<u>41,482</u>	<u>371,880</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>69,339</u>	<u>418,633</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	(20,228)	(20,228)
		<u>49,111</u>	<u>398,405</u>
<b>CAPITAL AND RESERVES</b>			
General funds	13	<u>49,111</u>	<u>398,405</u>

The financial statements on pages 7 to 20 were approved by the board and authorised for issue on 25.11.2009 and signed on its behalf by.



LUKE MAYHEW

Chairman

**British Retail Consortium**  
**(A company limited by guarantee)**  
**GROUP CASH FLOW STATEMENT**  
**for the year ended 30 June 2009**

	<i>Notes</i>	2009 £	2008 £
Cash flow from operating activities	16a	798,451	415,204
Returns on investments and servicing of finance	16b	93,896	140,222
Taxation paid		(136,428)	(99,999)
Capital expenditure and financial investment	16b	(335,128)	(25,447)
Financing	16b	(5,066)	(4,540)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>415,725</b>	<b>425,440</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Increase in cash in the period		415,725	425,440
Cash inflow from repayment of finance leases		5,066	4,540
Change in net funds from cash flows		420,791	429,980
Movement in net funds in period		420,791	429,980
<b>NET FUNDS AT 1 JULY 2008</b>		<b>2,327,598</b>	<b>1,897,618</b>
<b>NET FUNDS AT 30 JUNE 2009</b>	<b>16c</b>	<b>2,748,389</b>	<b>2,327,598</b>

# **British Retail Consortium**

## **(A company limited by guarantee)**

### **ACCOUNTING POLICIES**

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#### **LIMIT OF LIABILITY**

The Consortium is a company limited by guarantee. Under the Articles of Association, the liability of each member is limited to £1. At 30 June 2009 there were 181 members (2008: 194)

#### **BASIS OF ACCOUNTING**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Consortium's financial statements.

#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

These accounts show the consolidated accounts of the British Retail Consortium and its subsidiaries

#### **BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2009. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

#### **TANGIBLE FIXED ASSETS**

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Leasehold improvements	over the life of the lease
Office and computer equipment	20%-33% per annum
Fixtures and fittings	14%-33% per annum

Leasehold improvement depreciation starts when the works are completed and are spread over the remainder of the lease period. For other fixed assets a full year's charge is taken in the year of acquisition.

#### **LEASES**

Where the Consortium enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### **PENSION COSTS**

The Consortium operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

# **British Retail Consortium**

## **(A company limited by guarantee)**

### **ACCOUNTING POLICIES**

---

#### **DEFERRED TAXATION**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at a rate of exchange set by reference to the ruling exchange rate at the date of purchase of the currency. Throughout the year transactions in foreign currencies are translated at the date of purchase of the currency.

#### **TURNOVER**

Turnover represents the amounts (excluding value added tax) received by the Consortium in respect of subscriptions and commercial activities. Funding provided by members for specific purposes is offset against the cost of such projects. Any surplus or deficit arising is shown within sundry income or administrative expenses.

In addition, turnover represents amounts (excluding value added tax) receivable in respect of royalties receivable on the sale of BRC publications. It also includes income generated from advertising, translation/licensing fees, fees received for training courses and training provider schemes and events income.

Turnover is recognised on an accruals basis when the group becomes entitled to receipt of the income

#### **GOVERNMENT GRANTS**

Revenue based government grants are credited to the profit and loss account and matched to the costs of achieving the government grants objective. Amounts received in advance of expenditure are credited to deferred income

#### **INVESTMENTS**

Investments in subsidiaries are recorded at cost.

Subsidiaries are entities over which the group has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the group up until the date that control ceases.

**British Retail Consortium**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2009**

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**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The group's turnover and profit on ordinary activities before taxation were all derived from its principal activities. Sales were all made in the United Kingdom

	2009 £	2008 £
Membership subscription	3,440,421	3,320,128
Commercial activities	785,458	856,747
Publications	1,400,133	1,250,095
Government income	-	128,000
Training	555,440	558,478
	<u>6,181,452</u>	<u>6,113,448</u>

**2 INTEREST RECEIVABLE**

	2009 £	2008 £
Bank interest	<u>94,534</u>	<u>141,388</u>

**3 PROFIT ON DISPOSAL OF GOODWILL**

On 30 April 2009 the group ceased to control Action Against Business Crime Limited, a company limited by guarantee

The results up to this date have been incorporated into the consolidated profit and loss account on page 7 as follows:

Turnover	59,621
Administrative expenses	(153,090)
Operating loss	<u>(93,469)</u>
The goodwill arising to the group is as follows	
Operating loss for the period eliminated on disposal	93,469
Reserves brought forward as at 1 July 2008 eliminated on disposal	(49,929)
Goodwill arising on disposal	<u>43,540</u>

The group has also provided against a balance of £34,649 due from Action Against Business Crime Limited at the year end. There were no terms or interest attached to this loan.

**4 INTEREST PAYABLE**

	2009 £	2008 £
Finance lease interest	<u>638</u>	<u>1,166</u>

**British Retail Consortium**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2009**

<b>5</b>	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Auditors' remuneration:		
	Audit	8,760	12,165
	Taxation services	4,785	2,955
	Other services	4,850	4,850
	Depreciation and other amounts written off tangible fixed assets		
	owned	138,468	48,310
	leased	2,934	2,934
	Operating lease rentals:		
	plant and machinery	16,091	26,666
	land and buildings	282,667	386,215
	Government grants receivable	-	(128,000)
		<hr/>	<hr/>
<b>6</b>	<b>TAXATION</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Current tax:		
	UK corporation tax on profits of the period	49,856	144,393
	Adjustments in respect of previous periods	258	(142)
	Total current tax	<hr/> 50,114	<hr/> 144,251
	Deferred tax		
	Origination and reversal of timing differences	(7,389)	1,101
	Total deferred tax	<hr/> (7,389)	<hr/> 1,101
		<hr/>	<hr/>
	Tax on profit on ordinary activities	<hr/> 42,725	<hr/> 145,352
		<hr/>	<hr/>
	Factors affecting the tax charge for the current period		
	The tax assessed for the period is higher (2008. higher) than the standard rate of corporation tax in the UK (2009 24.6%, 2008 29.5%) The differences are explained below:		
		<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Current tax reconciliation		
	Profit on ordinary activities before taxation	97,380	443,009
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.6% (2008 29.5%)	23,955	130,688
	Effects of		
	Expenses not deductible for tax purposes	8,258	13,136
	Depreciation in excess of capital allowances	(21)	3,455
	Benefit of small companies corporation tax rate	(943)	-
	Adjustments to tax in respect of previous periods	258	(142)
	Permanent timing differences	12,284	-
	Utilisation of losses	-	(2,977)
	Losses carried forward	5,619	91
	Sundry differences	704	-
		<hr/>	<hr/>
	Current tax charge for the period	<hr/> 50,114	<hr/> 144,251

**British Retail Consortium**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2009**

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**7 EMPLOYEES**

The average monthly number of persons (including directors) employed by the group during the year was:

	2009 No.	2008 No.
Office and management	55	55
	<u>£</u>	<u>£</u>

Staff costs for the above persons:

Wages and salaries	2,950,996	2,629,847
Social security costs	343,610	324,227
Other pension costs	193,673	196,935
	<u>3,488,279</u>	<u>3,151,009</u>

**DIRECTORS' REMUNERATION**

Emoluments	296,776	215,863
Pension contributions	-	14,236
Benefits in kind	731	-
	<u>297,507</u>	<u>230,099</u>

The emoluments of the Chairman were £Nil (2008: £Nil). The emoluments of the highest paid director, excluding pension contributions, amounted to £296,776 (2008: £119,601).

	2009 £	2008 £
The number of directors to whom relevant benefits are accruing under defined contribution pension schemes was	-	1
	<u>£</u>	<u>£</u>



**British Retail Consortium**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2009**

<b>8 TANGIBLE FIXED ASSETS</b>				
<b>GROUP</b>	<b>Leasehold improvements</b>	<b>Office and computer equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
1 July 2008	184,239	348,833	60,827	593,899
Additions	-	335,128	-	335,128
Disposals	-	(6,378)	-	(6,378)
<b>30 June 2009</b>	<b>184,239</b>	<b>677,583</b>	<b>60,827</b>	<b>922,649</b>
<b>Depreciation</b>				
1 July 2008	184,239	311,036	49,871	545,146
Charge for year	-	136,883	4,519	141,402
Disposals	-	(6,378)	-	(6,378)
<b>30 June 2009</b>	<b>184,239</b>	<b>441,541</b>	<b>54,390</b>	<b>680,170</b>
<b>Net book value</b>				
At 30 June 2009	-	236,042	6,437	242,479
<b>At 30 June 2008</b>	<b>-</b>	<b>37,797</b>	<b>10,956</b>	<b>48,753</b>

Included in the net book value of office equipment is £5,869 (2008: £8,803) in respect of assets held under finance leases. Depreciation for the year on these assets was £2,934 (2008: £2,934).

<b>COMPANY</b>	<b>Leasehold improvements</b>	<b>Office and computer equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
1 July 2008	184,239	336,900	60,827	581,966
Additions	-	13,227	-	13,227
<b>30 June 2009</b>	<b>184,239</b>	<b>350,127</b>	<b>60,827</b>	<b>595,193</b>
<b>Depreciation</b>				
1 July 2008	184,239	301,203	49,871	535,313
Charge for year	-	27,604	4,519	32,123
<b>30 June 2009</b>	<b>184,239</b>	<b>328,807</b>	<b>54,390</b>	<b>567,436</b>
<b>Net book value</b>				
At 30 June 2009	-	21,320	6,437	27,757
<b>At 30 June 2008</b>	<b>-</b>	<b>35,697</b>	<b>10,956</b>	<b>46,653</b>

Included in the net book value of office equipment is £5,869 (2008: £8,803) in respect of assets held under finance leases. Depreciation for the year on these assets was £2,934 (2008: £2,934).

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**9 FIXED ASSET INVESTMENTS**

COMPANY			Shares in subsidiary undertakings £
1 July 2008 and 30 June 2009			100
The company holds more than 20% of the following companies			
	Country of incorporation	Principal activity	Proportion of shares held
Subsidiary undertakings			
BRC Trading Limited	United Kingdom	Training and publication	100%
National Retail Training Council	United Kingdom	Dormant	*
British Retailers Association	United Kingdom	Dormant	*
Subsidiary undertakings joining the group in the year			
OPRL Limited	United Kingdom	Recycling	*
Subsidiary undertakings leaving the group in the year			
Action Against Business Crime Limited	United Kingdom	Crime Partnership	*

\* Each of these companies is a company limited by guarantee British Retail Consortium is the company's subscribing member.

10 DEBTORS	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	107,823	48,513	71,702	16,369
Amounts owed by group undertakings	-	-	362,519	178,368
Corporation tax recoverable	-	2,977	-	-
Other debtors	43,110	21,489	27,756	21,489
Prepayments and accrued income	527,898	440,976	236,734	111,952
	<u>678,831</u>	<u>513,955</u>	<u>698,711</u>	<u>328,178</u>

Included within other debtors is an amount of £4,861 (2008. £4,861) falling due after more than one year.

Included within other debtors is a deferred tax asset of £14,406 (2008 £7,017) in respect of the following timing differences:

	2009 £	2008 £
Accelerated capital allowances	<u>14,406</u>	<u>7,017</u>

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**11 CREDITORS amounts falling due within one year**

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank overdraft	12,612	-	12,612	-
Obligations under finance leases	2,721	7,787	2,721	7,787
Trade creditors	352,697	189,016	130,487	71,505
Corporation tax	49,856	147,370	10,024	-
Other taxation and social security costs	108,997	130,365	108,997	108,748
Accruals and deferred income	807,119	314,378	656,423	213,145
Income in advance	630,920	437,322	383,105	255,286
Other creditors	82,159	88,559	80,681	87,106
	<u>2,047,081</u>	<u>1,314,797</u>	<u>1,385,050</u>	<u>743,577</u>

**12 CREDITORS amounts falling due after more than year**

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts owed to group undertakings	-	-	20,228	20,228
	<u>-</u>	<u>-</u>	<u>20,228</u>	<u>20,228</u>

**13 GENERAL FUNDS**

	2009	2008
	£	£
<b>GROUP</b>		
1 July 2008	1,583,296	1,285,639
Profit for the year	54,655	297,657
30 June 2009	<u>1,637,951</u>	<u>1,583,296</u>
<b>COMPANY</b>		
1 July 2008	398,405	618,619
Loss for the year	(349,294)	(220,214)
30 June 2009	<u>49,111</u>	<u>398,405</u>

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**14 COMMITMENTS UNDER OPERATING LEASES**

At 30 June 2009 the group had annual commitments under non-cancellable operating leases as follows:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	8,790
In the second to fifth years inclusive	-	16,091	249,295	16,091
In more than five years	249,295	-	-	-
	<u>249,295</u>	<u>16,091</u>	<u>249,295</u>	<u>24,881</u>

**15 PENSION COSTS**

The pension charge for the year was £195,485 (2008 £196,935) representing contributions payable under the Group Personal Pension Plan (GPPP), which is a defined contribution pension scheme. The pension charge represents contributions payable under the GPPP.

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		2009 £	2008 £
a	Operating (loss)/profit	(40,056)	302,787
	Depreciation	141,402	51,244
	(Increase)/decrease in debtors	(172,233)	33,830
	Increase in creditors	869,338	27,343
	Net cash inflow from operating activities	<u>798,451</u>	<u>415,204</u>

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<b>16 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES <i>(continued)</i></b>			
<b>b ANALYSIS OF CASH FLOWS</b>			
		<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
Returns on investment and servicing of finance			
Interest received		94,534	141,388
Interest paid		(638)	(1,166)
		<u>93,896</u>	<u>140,222</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		335,128	25,447
		<u>335,128</u>	<u>25,447</u>
Financing			
Capital element of finance lease rental payments		(5,066)	(4,540)
		<u>(5,066)</u>	<u>(4,540)</u>
<b>c ANALYSIS OF NET DEBT</b>			
	<b>At beginning of year</b>	<b>Cash flow</b>	<b>At end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,335,385	415,725	2,751,110
Finance leases	(7,787)	5,066	(2,721)
Total	<u>2,327,598</u>	<u>420,791</u>	<u>2,748,389</u>

**17 COMPANY PROFIT AND LOSS**

The company's loss for the year ended 30 June 2009 was £349,294 (2008 £220,214)

**18 RELATED PARTY TRANSACTIONS**

The company is holding an amount of £60,744 on behalf of Passco Limited, a company of which British Retail Consortium's Company Secretary is also Company Secretary and one of the directors.

**19 ULTIMATE CONTROL**

The company has no ultimate controlling party. It is a company limited by guarantee