

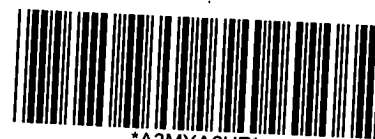
British Retail Consortium

(A company limited by guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

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COMPANIES HOUSE

Registered number: 405720

British Retail Consortium

(A company limited by guarantee)

DIRECTORS AND ADVISORS

DIRECTORS

Sir Charlie Mayfield
Helen Dickinson
Gordon Bentley
Steven Esom
Timothy Fallowfield
Ian Filby
Ben Fletcher
Alan Hawkins
David Lloyd-Seed
Philip Marchant
Rebecca Shelley

(Chairman)
(Director General)

SECRETARY

Paul Davies

REGISTERED OFFICE

21 Dartmouth Street
Westminster
London
SW1H 9BP

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
STC 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

The directors present their annual report and the group financial statements of British Retail Consortium (BRC) for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The BRC is the lead and the only trade association which covers the whole of the retail industry. This diverse and exciting industry covers large multiples to independents, high streets to out of town and online to bricks, and sells goods across all sectors: clothing, footwear, food, homewares, electricals, health & beauty, jewellery and everything in between, to ever more demanding consumers.

The BRC's mission is to make a positive difference by advancing vibrant and consumer focused retail. We aim to achieve this by standing for what is important to the industry and working in partnership with our members to shape debates and influence outcomes.

The BRC continues to be engaged in representing the industry to Government and other bodies, both in the UK and the European Union; and in providing information and other services for retailers.

The BRC's results include those of BRC Trading Limited, a wholly-owned subsidiary which exists to enhance the range of services that are offered to BRC retail members and the retail supply chain. Recently, BRC Trading has focussed on developing new BRC Technical Standards, the BRC Global Standards Directory, other publications including a series of technical guidelines, training courses, an events programme and a range of retail services.

PROPOSED DIVIDEND AND TRANSFER TO RESERVES

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

DIRECTORS

The directors who held office from 1 July 2013 to the date of this report were:

Helen Dickinson	(Director General)
Gordon Bentley	
Timothy Fallowfield	
Ben Fletcher	
Alan Hawkins	
David Lloyd-Seed	
Philip Marchant	
Rebecca Shelley	

The following were appointed during the year:

Sir Charlie Mayfield	appointed 22 May 2014 and appointed Chairman 1 October 2014
Steven Esom	appointed 22 May 2014
Ian Filby	appointed 22 May 2014

British Retail Consortium

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DIRECTORS' REPORT

The following directors resigned:

Margaret Casely-Hayford	resigned 21 March 2014
Sir Ian Cheshire	resigned 1 October 2014
Ian Dallow	resigned 20 December 2013
Nicholas Folland	resigned 21 March 2014
Anthony Ginty	resigned 21 March 2014
Timothy Godfray	resigned 21 March 2014
Martyn Jones	resigned 21 March 2014
Paul Kelly	resigned 21 March 2014
Bryan Lovewell	resigned 21 March 2014
Philip McNally	resigned 21 March 2014
Carol Paris	resigned 21 March 2014
Robert Templeman	resigned 21 March 2014

Effective 1 October 2014, Sir Ian Cheshire resigned as Chairman at the end of his two year term in office. Sir Charlie Mayfield was appointed Chairman with effect from the same date.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

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



PAUL DAVIES
Secretary
Date: 26 November 2014

British Retail Consortium

(A company limited by guarantee)

STRATEGIC REPORT

The directors present their strategic report and the group financial statements of The BRC for the year ended 30 June 2014.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The rise in BRC group profit reflects the strong trading performance of BRC Trading Limited where profits rose through an increase in Global Standards income and a higher contribution from Events. This more than compensated for the static income within the trade association and increased expenditure on strategic campaigning.

RISKS AND FINANCIAL INSTRUMENTS

The key risk to the BRC, as with any membership organisation, is the loss of membership income and the support of its members. The transformational change in the industry continues to place demands on retailers and their cost base, with every expense scrutinised to ensure it is delivering value for money. The BRC strives to produce work of the highest standard and to offer value for money services to its members. Membership retention amongst retailers remains high, although each year there is some churn in the Associate member category.

The growth of the BRC Trading business in recent years has enabled it to increase its financial contribution to the BRC Group. The key risk to BRC Trading is the continued increase in other standards in the global standards market. Competitor activity is regularly monitored and the value proposition of BRC Global Standards reassessed to ensure the market positioning is maintained and enhanced.

The BRC Risk Register, covering the activities of both the trade association and the trading company, is actively updated and reviewed.

The only financial instruments held by the BRC and its subsidiary companies during the year to 30 June 2014 were trade debtors, trade creditors, cash and finance leases.

KEY PERFORMANCE INDICATORS

The BRC is a membership organisation and as such its primary Key Performance Indicators are to champion the creation of a business environment where retailers can grow and prosper and deliver excellent value for money for its members.

The key performance indicators of the BRC and BRC Trading are:

- Number of new members and member satisfaction and retention;
- The number of sites using BRC standards;
- Sales of publications;
- Attendance and satisfaction with BRC events and training courses and related income.

STRATEGY TO ACHIEVE OBJECTIVES

During the year, the company reviewed its corporate governance and new Articles of Association were adopted in March, 2014. The new corporate governance structure, involving a streamlined board and the creation of a Policy Board and an Audit & Risk Committee, has improved the strategic direction of the trade association; and has tightened the identification and monitoring of financial and other risks faced by the business.

The trade association has identified three strategic campaign targets focused on Careers, Communities and Competitiveness. These are being progressed in parallel - particular success has been achieved in the last year on the business rates campaign under the Competitiveness agenda.

The trading company continues to expand the Global Standards offering and is actively pursuing a number of key initiatives designed to improve the breadth and depth of its work in this important area.

British Retail Consortium

(A company limited by guarantee)

STRATEGIC REPORT

FUTURE PLANS

The group will continue to advance its mission to make a positive difference by advancing vibrant and consumer focused retail.

By order of the board



PAUL DAVIES
Secretary
Date: 26 November 2014

British Retail Consortium

(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 group and the company 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 accounting estimates that are reasonable and prudent;
- c. 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

British Retail Consortium

(A company limited by guarantee)

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 8 to 21. 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 Chapter 3 of Part 16 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 and express an opinion on 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on 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 2014 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



NEIL THOMAS (Senior Statutory Auditor)

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

Chartered Accountants

STC House

7 Elmfield Road

Bromley

Kent BR1 1LT

Date:

2 December 2014

British Retail Consortium
 (A company limited by guarantee)
CONSOLIDATED PROFIT AND LOSS ACCOUNT
 for the year ended 30 June 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	9,085,306	8,435,728
Administrative expenses		(7,910,422)	(7,311,425)
OPERATING PROFIT		<u>1,174,884</u>	<u>1,124,303</u>
Interest receivable	2	26,979	21,913
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>1,201,863</u>	<u>1,146,216</u>
Taxation	4	(285,824)	(276,940)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>916,039</u></u>	<u><u>869,276</u></u>

The operating 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)
CONSOLIDATED BALANCE SHEET
30 June 2014

Company Registration No. 405720

	<i>Notes</i>	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	332,447	290,674
CURRENT ASSETS			
Debtors	8	1,871,308	1,529,074
Cash at bank and in hand		7,062,334	6,522,765
		<u>8,933,642</u>	<u>8,051,839</u>
CREDITORS: Amounts falling due within one year	10	(2,661,887)	(2,655,878)
NET CURRENT ASSETS		<u>6,271,755</u>	<u>5,395,961</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,604,202	5,686,635
PROVISION FOR LIABILITIES	9	(1,528)	-
NET ASSETS		<u>6,602,674</u>	<u>5,686,635</u>
CAPITAL AND RESERVES			
General funds	12	<u>6,602,674</u>	<u>5,686,635</u>

The financial statements on pages 8 to 21 were approved by the board and authorised for issue on 26 November 2014 and signed on its behalf by



HELEN DICKINSON

Director

British Retail Consortium
(A company limited by guarantee)
COMPANY BALANCE SHEET
30 June 2014

Company Registration No. 405720

	<i>Notes</i>	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	105,556	102,974
Investments	7	100	100
		<u>105,656</u>	<u>103,074</u>
CURRENT ASSETS			
Debtors	8	547,751	966,965
Cash at bank and in hand		2,048,672	1,958,209
		<u>2,596,423</u>	<u>2,925,174</u>
CREDITORS: Amounts falling due within one year	10	(1,361,776)	(1,760,853)
NET CURRENT ASSETS		<u>1,234,647</u>	<u>1,164,321</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,340,303</u>	<u>1,267,395</u>
CREDITORS: Amounts falling due after more than one year	11	(20,228)	(20,228)
PROVISION FOR LIABILITIES	9	(7,751)	(3,197)
NET ASSETS		<u>1,312,324</u>	<u>1,243,970</u>
CAPITAL AND RESERVES			
General funds	12	<u>1,312,324</u>	<u>1,243,970</u>

The financial statements on pages 8 to 21 were approved by the board and authorised for issue on 26 November 2014 and signed on its behalf by:



HELEN DICKINSON

Director

British Retail Consortium
(A company limited by guarantee)
GROUP CASH FLOW STATEMENT
for the year ended 30 June 2014

	<i>Notes</i>	2014 £	2013 £
Cash flow from operating activities	15a	1,091,418	2,076,471
Returns on investments and servicing of finance	15b	26,979	21,913
Taxation paid		(334,402)	(386,077)
Capital expenditure and financial investment	15b	(244,426)	(110,156)
INCREASE IN CASH IN THE PERIOD		<u>539,569</u>	<u>1,602,151</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the period		<u>539,569</u>	<u>1,602,151</u>
Movement in net funds in period	15c	539,569	1,602,151
NET FUNDS AT 1 JULY 2013	15c	<u>6,522,765</u>	<u>4,920,614</u>
NET FUNDS AT 30 JUNE 2014	15c	<u>7,062,334</u>	<u>6,522,765</u>

British Retail Consortium

(A company limited by guarantee)

ACCOUNTING POLICIES

LIMIT OF LIABILITY

The BRC is a company limited by guarantee. Under the Articles of Association, the liability of each member is limited to £1. At 30 June 2014 there were 179 members (2013: 185).

BASIS OF ACCOUNTING

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the BRC'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 BRC 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 2014. 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 408 of the Companies Act 2006 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 BRC 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 BRC 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

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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 substantively 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 at the balance sheet date. Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

TURNOVER

Turnover represents the amounts (excluding value added tax) received by the BRC group 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 BRCT 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.

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 2014

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.

	2014 £	2013 £
Membership subscription and sponsorship income	4,285,361	4,353,291
Commercial activities	4,057,004	3,341,090
Publications	190,458	273,089
Training	552,483	468,258
	<u>9,085,306</u>	<u>8,435,728</u>

The geographical markets where the group operates and the turnover derived from those areas is:

	2014 £	2013 £
United Kingdom	6,361,808	6,167,670
North America	506,533	426,655
Europe	1,498,325	1,262,044
Asia	414,611	336,070
Rest of the World	304,029	243,289
	<u>9,085,306</u>	<u>8,435,728</u>

2 INTEREST RECEIVABLE

	2014 £	2013 £
Bank interest	<u>26,979</u>	<u>21,913</u>

British Retail Consortium

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £	2013 £
	Profit on ordinary activities before taxation is stated after charging:		
	Auditor's remuneration:		
	Audit	17,000	15,500
	Depreciation and other amounts written off tangible fixed assets:		
	owned	202,653	170,532
	Operating lease rentals:		
	plant and machinery	224,753	182,863
	land and buildings	288,353	288,353
	Foreign exchange differences	18,287	216
		<u> </u>	<u> </u>
4	TAXATION	2014 £	2013 £
	Current tax:		
	UK corporation tax on profits of the period	279,105	282,788
	Adjustments in respect of previous periods	(4,792)	-
	Total current tax	<u>274,313</u>	<u>282,788</u>
	Deferred tax:		
	Origination and reversal of timing differences	10,208	(6,020)
	Effect of tax rate change on opening balance	1,303	172
	Total deferred tax	<u>11,511</u>	<u>(5,848)</u>
		<u> </u>	<u> </u>
	Tax on profit on ordinary activities	285,824	276,940
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the current period		
	The tax assessed for the period is higher (2013: higher) than the standard rate of corporation tax in the UK (2014: 22.5%; 2013: 23.75%). The differences are explained below:		
		2014 £	2013 £
	Current tax reconciliation		
	Profit on ordinary activities before taxation	1,201,863	1,146,216
		<u> </u>	<u> </u>
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.5% (2013: 23.75%)	270,419	272,234
	Effects of		
	Expenses not deductible for tax purposes	16,454	6,359
	Depreciation (less than)/in excess of capital allowances	(5,293)	4,631
	Marginal relief	(3,661)	(4,445)
	Other differences	1,186	4,009
	Adjustment in respect of previous periods	(4,792)	-
		<u> </u>	<u> </u>
	Current tax charge for the period	<u>274,313</u>	<u>282,788</u>

British Retail Consortium
 (A company limited by guarantee)
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2014

5 EMPLOYEES

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

	2014 No.	2013 No.
Office and management	67	66
	<u>£</u>	<u>£</u>

Staff costs for the above persons:

Wages and salaries	3,531,948	3,588,383
Social security costs	414,059	392,130
Other pension costs	287,447	211,842
	<u>4,233,454</u>	<u>4,192,355</u>

DIRECTORS' REMUNERATION

Emoluments	286,700	377,415
	<u>£</u>	<u>£</u>

The emoluments of the Chairman were £nil (2013: £nil). The emoluments of the highest paid director, excluding pension contributions, amounted to £286,700 (2013: £236,540).

	2014 £	2013 £
The number of directors to whom relevant benefits are accruing under defined contribution pension schemes was	-	-
	<u>£</u>	<u>£</u>

British Retail Consortium
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

6 TANGIBLE FIXED ASSETS

GROUP	Leasehold improvements £	Office and computer equipment £	Fixtures and fittings £	Total £
Cost				
1 July 2013	51,013	547,797	110,974	709,784
Additions	15,173	228,396	857	244,426
Disposals	-	-	-	-
30 June 2014	66,186	776,193	111,831	954,210
Depreciation				
1 July 2013	28,299	324,211	66,600	419,110
Disposals	-	-	-	-
Charge for year	11,720	170,505	20,428	202,653
30 June 2014	40,019	494,716	87,028	621,763
Net book value At 30 June 2014	26,167	281,477	24,803	332,447
At 30 June 2013	22,714	223,586	44,374	290,674

Included within the additions to Office & Computer Equipment of £228,396 are £56,636 of assets under construction.

COMPANY	Leasehold improvements £	Office and computer equipment £	Fixtures and fittings £	Total £
Cost				
1 July 2013	51,013	117,019	110,974	279,006
Additions	15,173	58,744	857	74,774
Disposals	-	-	-	-
30 June 2014	66,186	175,763	111,831	353,780
Depreciation				
1 July 2013	28,299	81,133	66,600	176,032
Disposals	-	-	-	-
Charge for year	11,720	40,044	20,428	72,192
30 June 2014	40,019	121,177	87,028	248,224
Net book value At 30 June 2014	26,167	54,586	24,803	105,556
At 30 June 2013	22,714	35,886	44,374	102,974

British Retail Consortium
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

7 FIXED ASSET INVESTMENTS

COMPANY

Shares in subsidiary undertakings
£

1 July 2013 and 30 June 2014

100

The company holds more than 20% of the following companies:

Included in the consolidated accounts:

Subsidiary undertakings	Country of incorporation	Principal activity	Proportion of shares held
BRC Trading Limited	United Kingdom	Training and publication	100%

Excluded from the consolidated accounts:

Subsidiary undertakings	Country of incorporation	Aggregate Capital & Reserves	Result for the year	Principal activity	Proportion of guarantee given
OPRL Limited	United Kingdom	£73,298	£42,433 Profit	Promotion of On-Pack Recycle Labelling on food products	100%
Passco Limited	United Kingdom	£20,823	£7,872 Profit	Promotion of Proof of Age Cards	100%

These companies have no share capital and are limited by guarantee. The company has provided a £1 guarantee in respect of each of the entities.

The BRC has not consolidated the results of these entities within these consolidated accounts on the basis that the Directors are of the opinion that their inclusion would not materially alter the financial statements.

8 DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,200,697	1,017,445	226,668	267,450
Amounts owed by group undertakings	-	-	3,549	293,633
Other debtors	16,371	18,858	16,371	8,875
Prepayments and accrued income	654,240	492,771	301,163	397,007
	<u>1,871,308</u>	<u>1,529,074</u>	<u>547,751</u>	<u>966,965</u>

Included within other debtors of the group is a deferred tax asset of £Nil (2013: £9,983) (see Note 9).

British Retail Consortium
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

9 DEFERRED TAX (LIABILITY)/ASSET

GROUP AND COMPANY

	Group £	Company £
Balance at 1 July 2013	9,983	(3,197)
Profit and loss account	(11,511)	(4,554)
Balance at 30 June 2014	<u>(1,528)</u>	<u>(7,751)</u>

	Group 2014 £	2013 £	Company 2014 £	2013 £
The deferred tax (liability)/asset comprises the following timing differences:				
Fixed asset timing differences	(8,261)	(4,091)	(8,331)	(3,864)
Short term timing differences	6,733	14,074	580	667
	<u>(1,528)</u>	<u>9,983</u>	<u>(7,751)</u>	<u>(3,197)</u>

10 CREDITORS: amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trade creditors	615,757	617,099	177,586	383,778
Corporation tax	118,933	179,022	19,003	46,688
Other taxation and social security costs	183,281	214,988	118,021	122,474
Accruals	620,774	615,494	324,277	532,618
Income in advance	1,041,115	935,782	696,493	633,364
Other creditors	82,027	93,493	26,396	41,931
	<u>2,661,887</u>	<u>2,655,878</u>	<u>1,361,776</u>	<u>1,760,853</u>

11 CREDITORS: amounts falling due after more than year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Amounts owed to group undertakings	-	-	20,228	20,228

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12 GENERAL FUNDS

	2014 £	2013 £
GROUP		
1 July 2013	5,686,635	4,817,359
Profit for the year	916,039	869,276
30 June 2014	<u>6,602,674</u>	<u>5,686,635</u>
COMPANY		
1 July 2013	1,243,970	1,072,959
Profit for the year	68,354	171,011
30 June 2014	<u>1,312,324</u>	<u>1,243,970</u>

13 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

	2014		2013	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	5,524
In the second to fifth years inclusive	288,353	208,525	288,353	228,196
In more than five years	-	-	-	-
	<u>288,353</u>	<u>208,525</u>	<u>288,353</u>	<u>233,720</u>

14 PENSION COSTS

The pension charge for the year was £287,447 (2013: £211,842) 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. Contributions outstanding at the year end of £Nil (2013: £Nil) are included in creditors.

15	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £	2013 £
a	Operating profit	1,174,884	1,124,303
	Depreciation	202,653	170,532
	(Increase) in debtors	(352,217)	(16,921)
	Increase in creditors	66,098	798,557
	Net cash inflow from operating activities	<u>1,091,418</u>	<u>2,076,471</u>

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15	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES (CONT.)	2014 £	2013 £	
b	ANALYSIS OF CASH FLOWS			
	Returns on investment and servicing of finance			
	Interest received	26,979	21,913	
		<u>26,979</u>	<u>21,913</u>	
		<u><u>26,979</u></u>	<u><u>21,913</u></u>	
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets	244,426	110,156	
		<u>244,426</u>	<u>110,156</u>	
		<u><u>244,426</u></u>	<u><u>110,156</u></u>	
c	ANALYSIS OF NET DEBT			
		At beginning of year £	Cash flow £	At end of year £
	Cash at bank and in hand	6,522,765	539,569	7,062,334

16 RELATED PARTY TRANSACTIONS

The company is holding an amount of £26,107 (2013: £2,495) on behalf of Passco Limited, a company considered to be a subsidiary of BRC.

The company has provided a £1 guarantee in respect of the following entities:

Subsidiary undertakings	Country of incorporation	Aggregate Capital & Reserves	Result for the year	Principal activity	Proportion of guarantee given
OPRL Limited	United Kingdom	£73,298	£42,433 Profit	Promotion of On-Pack Recycle Labelling on food products	100%
Passco Limited	United Kingdom	£20,823	£7,872 Profit	Promotion of Proof of Age Cards	100%

These companies have no share capital and are limited by guarantee.

The BRC has not consolidated the results of these entities within these consolidated accounts on the basis that the Directors are of the opinion that their inclusion would not materially alter the financial statements. The Directors are currently reviewing the relationship of BRC with these companies.

Advantage has been taken of the exemption provided by Financial Reporting Standard 8 from reporting certain transactions with wholly owned group companies.

17 ULTIMATE CONTROL

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