

1182734



## Report and Accounts

30 September 2006

FRIDAY



\*AZ607MJR\*

A30

26/01/2007

99

COMPANIES HOUSE

# British Beer & Pub Association

## Report of the Council

(A company limited by guarantee)

### Principal Activities

The principal activities of the Association are to promote the Brewing Industry and Licensed Trade generally and to consider and take action upon matters which may affect or concern the Brewing Industry and Licensed Trade. No change in the activities of the Association is currently foreseen.

### Review of Developments

The group income and expenditure account discloses that total income of the Association and its subsidiaries for the year was £2,919,250 (2005 - £2,853,186). The surplus before taxation was £373,395 (2005 - £318,462). The retained surplus after tax was £373,395 (2005 - £318,462) and has been transferred to reserves.

### Business Review

The income of the Association is derived largely from subscriptions from its member companies. The Association's members are responsible for about 98% of the beer brewed in the UK and about 60% of the country's pubs.

Monthly management accounts are prepared where performance against budget is reviewed and monitored. As part of the annual budget process a reforecast for the year to 30 September is presented to the Council each July. Annual accounts are submitted to the Council for approval in December of each year.

The principal risk to the Association would arise from any member or members, who are responsible for a significant proportion of the subscription income, taking a decision to leave membership of the Association. This is mitigated against by the requirement for twelve months' notice of the termination of membership to be given by any company wishing to leave. Also, the Council which is the main governing body within the Association, is made up of representatives of member companies and as such they are fully involved in all major decisions affecting the business of the Association.

In addition, the level of risk is managed by the retention of reserves by the Association which currently amount to 3.5 times the annual income from subscriptions.

### Members of the Council

Full details of the membership of the Association's Council and changes therein during the year are given on page 2.

### Beneficial Interests

None of the members had a beneficial interest in any contract with the Association.

### Chief Executive

The Chief Executive of the Association is R. A. Hayward, OBE.

### Relevant Audit Information

The Council members who held office at the date of approval of this report confirm that, as far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and each Council member has taken all the steps that he/she ought to have taken as a Council member to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

### Auditors

A resolution to re-appoint CLB Littlejohn Frazer as auditors to the Association will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

  
W S Bridgens

Secretary

13 November 2006

Registered Number: 1182734

# British Beer & Pub Association (A company limited by guarantee)

The Council

October 2005 - September 2006

J. Adnams	P. Hewitt (appointed 14/12/05)
S. Allen (appointed 10/05/06)	G. Hodgson
R. Anand	C.T.H. Hopkins
J.R. Arkell, T.D., D.L.	M.A. Jenner
A. Arkley (appointed 14/12/05)	C. Johnson
N.J.B. Atkinson (resigned 08/03/06)	K. Jones (resigned 08/03/06)
J.Baer	R.P. Kershaw
P.A. Baker	M. Kheng (appointed 12/07/06)
W.M. Barker	G.M. Landesberg
C.J.E. Bartholomew	S. Lawson (resigned 14/12/05)
G.G. Bateman, J.P.(resigned 14/12/05)	M. Lees (resigned 10/05/06)
J. Bateman (appointed 14/12/05)	C.P. Lees-Jones
M. Berriman (appointed 08/03/06)	Captain B.C.M. Lewis
T. E. Bonham (resigned 14/12/05)	R. Marijnen
C.M. Brain (resigned 14/12/05)	D.S. McMullen
M.Bramley	J. Neame (appointed 12/10/05)
R. Breare	R.H.B. Neame, C.B.E (resigned 12/10/05)
T.J.W. Bridge	S. Oliver (resigned 14/12/05)
D. Bridgman	W.G. Paterson
P. Brook (appointed 14/12/05)	C. Pedrick (appointed 12/10/05, resigned 12/07/06)
S. Cahillane (resigned 12/10/05)	P.B. Robinson
J. Clarke	K.D.S. Ross (resigned 14/12/05)
T. Clarke	D. Soley
M. Clayton (appointed 08/03/06)	J. Staughton
D. Clydesdale (appointed 12/10/05)	Sir Brian Stewart, C.B.E.
C. Cordy (appointed 14/12/05)	J. Swan
H. Costigan	P. Swinburn
L. D'Arcy	P.F. Theakston
M. A. T. Davies	D.G.F. Thompson
E. Daubeney	R. Thompson
A.J. Day	G.A. Thorley
C.J. Dent	G.E. Tuppen
S.H. Wingfield Digby	M. Turner
E. Dinesen (resigned 12/07/06)	S. Waddington (appointed 14/12/05)
J. Dunsmore (Chairman)	P. Ward
S. Dusanj	V. Wardman
N.S. Elgood	J. Webster (appointed 14/12/05)
R.S.L. Evans (appointed 12/07/06)	P.R. Wells
R.A.S. Everard	T. Wells (appointed 14/12/05)
L. Fellman (resigned 12/10/05)	D.S. Welsh
R. Findlay	G. Whitley (appointed 14/12/05)
M.R.M. Foster	L. Wood
S. Goodyear	D.H. Woodhouse
R.M. Gray	J. Young

**British Beer & Pub Association (A company limited by guarantee) Statement of the Council's responsibilities**  
**Year ended 30 September 2006**

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the surplus or deficit of the Association for that period. In preparing those financial statements, the Council is required to:

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

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of the British Beer & Pub Association for the year ended 30 September 2006 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flow, the accounting policies and the related notes 1 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

### **Respective Responsibilities of Council and Auditors**

The Council's responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council's responsibilities.

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

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

We read the Council's report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

### **Basis of opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Association and of the Group as at 30 September 2006 and of the surplus and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Council's report is consistent with the Financial Statements.

  
**CLB Littlejohn Frazer**

Chartered Accountants and Registered Auditors  
13 November 2006

1 Park Place, Canary Wharf  
London, E14 4HJ

# British Beer & Pub Association

## Income and Expenditure Account for the twelve months ended 30 September 2006

		<i>Group</i> <i>2006</i>	<i>Group</i> <i>2005</i> <i>As restated</i>	<i>BBPA</i> <i>2006</i>	<i>BBPA</i> <i>2005</i> <i>As restated</i>
	Notes	£	£	£	£
Turnover	2	2,919,250	2,853,186	2,893,382	2,836,398
Operating costs	3	(3,233,434)	(3,138,379)	(3,206,938)	(3,129,395)
Operating deficit before exceptional costs		(314,184)	(285,193)	(313,556)	(292,997)
Defined benefit pension scheme - employer contributions	18	502,425	432,100	502,425	432,100
Defined benefit pension scheme - shortfall funding	3	(355,416)	(345,447)	(355,416)	(345,447)
Operating deficit		(167,175)	(198,540)	(166,547)	(206,344)
Profit on sale of tangible assets	6	8,824	3,700	8,824	3,700
Profit on sale of investments	6	226,388	215,462	226,388	215,462
Surplus before interest and taxation		68,037	20,622	68,665	12,818
Defined benefit pension scheme - net finance costs		(123,250)	(168,200)	(123,250)	(168,200)
Net investment income	6	428,608	466,040	425,876	442,736
Surplus on ordinary activities before taxation		373,395	318,462	371,291	287,354
Taxation on ordinary activities	7	0	0	0	0
Retained surplus for the financial year	14	373,395	318,462	371,291	287,354

The results were derived entirely from continuing operations

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

Movement in reserves is set out in note 14.

The company and group have no recognised gains or losses other than those reflected above.

The notes on pages 9-16 form part of these accounts

# British Beer & Pub Association

Balance Sheet  
at 30 September 2006

		<i>Group</i>	<i>Group</i>	<i>BBPA</i>	<i>BBPA</i>
		<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
		<i>As restated</i>		<i>As restated</i>	
Notes		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Fixed assets</b>					
Tangible assets	8	<b>61,785</b>	62,278	<b>61,785</b>	62,278
Investments	9	<b>10,215,307</b>	9,785,073	<b>10,215,313</b>	9,785,079
		<b>10,277,092</b>	9,847,351	<b>10,277,098</b>	9,847,357
<b>Current assets</b>					
Stocks		<b>7,787</b>	8,527	<b>0</b>	0
Debtors	10	<b>518,353</b>	356,653	<b>526,120</b>	363,082
Cash at bank and in hand	11	<b>807,462</b>	1,454,323	<b>78,152</b>	728,622
		<b>1,333,602</b>	1,819,503	<b>604,272</b>	1,091,704
<b>Current liabilities</b>					
Creditors	12	<b>488,827</b>	539,207	<b>487,282</b>	537,089
<b>Net current assets</b>		<b>844,775</b>	1,280,296	<b>116,990</b>	554,615
<b>Total assets less current liabilities</b>		<b>11,121,867</b>	11,127,647	<b>10,394,088</b>	10,401,972
Defined benefit scheme pension liability	18	<b>1,822,650</b>	2,478,775	<b>1,822,650</b>	2,478,775
<b>Net assets including pension liability</b>		<b>9,299,217</b>	8,648,872	<b>8,571,438</b>	7,923,197
<b>Reserves</b>	14	<b>9,299,217</b>	8,648,872	<b>8,571,438</b>	7,923,197

J Dunsmore

M Turner

)  
) Members of  
) the Council  
)

13 November 2006

The notes on pages 9 -16 form part of these accounts

# British Beer & Pub Association

## Statement of Total Recognised Gains and Losses for the twelve months ended 30 September 2006

	<i>Group</i>	<i>Group</i>	<i>BBPA</i>	<i>BBPA</i>
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>As restated</i>		<i>As restated</i>	
Notes	£	£	£	£
Profit for the financial year	373,395	318,462	371,291	287,354
Actuarial gain/(loss) on defined benefit pension scheme	18 276,950	(294,350)	276,950	(294,350)
Total recognised gains/(losses) for the year	650,345	24,112	648,241	(6,996)
Prior year adjustment re defined benefit pension scheme	18 (2,478,775)	0	(2,478,775)	0
Total recognised (losses)/gains since last annual report	(1,828,430)	24,112	(1,830,534)	(6,996)



# British Beer & Pub Association

## Statement of Cash Flow for the twelve months ended 30 September 2006

	<i>Group</i> <i>2006</i>	<i>Group</i> <i>2005</i>	<i>BBPA</i> <i>2006</i>	<i>BBPA</i> <i>2005</i>
	<i>As restated</i>		<i>As restated</i>	
Notes	£	£	£	£
<b>Cash flow from operating activities</b>				
Net operating deficit	(167,175)	(198,540)	(166,547)	(206,344)
Pension Scheme contributions	(502,425)	(432,100)	(502,425)	(432,100)
Depreciation charge	8 41,650	84,686	41,650	84,686
Decrease/(increase) in stocks	740	(3,263)	0	0
(Increase)/decrease in debtors	(161,700)	25,712	(163,038)	27,752
Decrease in creditors	(50,380)	(42,636)	(49,807)	(39,962)
Net cash outflow from operating activities	(839,290)	(566,141)	(840,167)	(565,968)
<b>Returns on investments and servicing of finance</b>				
Interest income	261,724	294,612	241,897	271,308
Dividend income	166,884	171,428	183,979	171,428
Net cash inflow from returns on investments and servicing of finance	428,608	466,040	425,876	442,736
<b>Taxation</b>				
Corporation tax paid	0	0	0	0
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	(51,783)	(22,776)	(51,783)	(22,776)
Sale of tangible fixed assets	19,450	3,700	19,450	3,700
Purchases less sales of investments	(203,846)	(3,075,323)	(203,846)	(3,075,323)
Net cash outflow from investing activities	(236,179)	(3,094,399)	(236,179)	(3,094,399)
<b>Decrease in cash in the period</b>	11 (646,861)	(3,194,500)	(650,470)	(3,217,631)
<b>Reconciliation of net cash flow to movement in debt</b>				
Decrease in cash in the period	(646,861)	(3,194,500)	(650,470)	(3,217,631)
Net cash at 1 October 2005	1,454,323	4,648,823	728,622	3,946,253
Net cash at 30 September 2006	11 807,462	1,454,323	78,152	728,622

## **1 Accounting Policies**

### ***Accounting convention***

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

### ***Basis of consolidation***

The group accounts consolidate the accounts of the Association and all the subsidiaries.

### ***Investments***

Investments are stated at the lower of cost and net realisable value.

### ***Stocks***

Stocks, which comprise goods held for resale, are valued at the lower of cost and net realisable value.

### ***Depreciation***

The cost of fixed assets is depreciated by equal instalments over the expected useful lives of the assets as follows:

Leasehold Improvements	4 - 5 years
Fixtures, fittings, tools and equipment	3 - 4 years
Plant, machinery and motor vehicles	4 years

### ***Operating Leases***

Rental costs under operating leases are charged to the profit and loss account over the period of the lease.

### ***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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### ***Pensions***

The group operates a defined benefit pension scheme which requires contributions to be made to a separately administered fund. Contributions to the fund are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives within the group.

### ***Change in Accounting Policy***

The Association has adopted the requirements relating to the accounting for its defined benefit pension scheme under FRS17. The adoption of these recommendations represents a change in accounting policy and the comparative figures have been restated accordingly.

## **2 Turnover**

Turnover comprises subscriptions from members and other receipts, and is earned in the United Kingdom.

**3 Operating Costs**

	<i>Group</i>	<i>Group</i>	<i>BBPA</i>	<i>BBPA</i>
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	£	£	£	£
Staff costs:				
- Wages and salaries	978,456	912,733	978,456	912,733
- Social security costs	111,418	104,283	111,418	104,283
- Pension costs	255,954	232,982	255,954	232,982
- Other staff costs	87,241	69,073	87,241	69,073
Depreciation	41,650	84,686	41,650	84,686
Other operating charges	1,758,715	1,734,622	1,732,219	1,725,638
	<b>3,233,434</b>	<b>3,138,379</b>	<b>3,206,938</b>	<b>3,129,395</b>

The funding of the past service pension deficit of £355,416 (2005 - £345,447) has been included as an exceptional item in the Income and Expenditure account and is not included in the operating costs above.

**4 Operating Deficit**

This is stated after charging:

Hire of plant and machinery	4,064	9,314	4,064	9,314
Leasehold property rents	99,481	98,898	99,481	98,898
Auditors' remuneration - audit services	8,900	8,900	8,750	8,400
Auditors' remuneration - non audit services	1,853	540	1,853	540
	<b>114,298</b>	<b>117,652</b>	<b>114,148</b>	<b>117,152</b>

**5 Council Members and Employees**

None of the Council members receive any remuneration.

The Association and its subsidiaries employed an average of 24 persons during the period (2005 - 24)

**6 Other Income**

Profit on sale of investments	226,388	215,462	226,388	215,462
Profit on sale of tangible assets	8,824	3,700	8,824	3,700
Dividends from listed investments	166,884	171,428	166,884	171,428
Dividend from group undertaking	0	0	17,095	0
Interest income	261,724	294,612	241,897	271,308
	<b>663,820</b>	<b>685,202</b>	<b>661,088</b>	<b>661,898</b>

# British Beer & Pub Association

Notes to the Accounts  
at 30 September 2006

## 7 Taxation on ordinary activities

	<i>Group</i>	<i>Group</i>	<i>BBPA</i>	<i>BBPA</i>
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>As restated</i>		<i>As restated</i>	
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>a) Analysis of charge in period</b>				
Current tax:				
UK Corporation tax	0	0	0	0
Over/under provision in prior year	0	0	0	0
Total current tax	0	0	0	0
Deferred Tax	0	0	0	0
Taxation on ordinary activities	0	0	0	0

## b) Factors affecting tax charge for the period

The tax charge for the period is lower than the standard rate of income tax in the UK of 30% (2005:30%).

The differences are explained below.

## Surplus on ordinary activities before taxation

	<i>373,395</i>	<i>318,462</i>	<i>371,291</i>	<i>287,354</i>
Expected tax charge/(credit) at standard rate of UK corporation tax of 30% (2005:30%)	112,018	95,538	111,387	86,206
Effects of:				
Expenses not deductible for tax purposes	5,981	3,320	2,562	3,320
Depreciation for year less capital allowances	2,543	15,085	2,543	15,085
Untaxed dividends	(44,937)	(51,428)	(50,065)	(51,428)
Profit on disposal of fixed assets	(2,647)	(1,110)	(2,647)	(1,110)
Profit on the sale of investments	(14,798)	(39,620)	(14,798)	(39,620)
Effect of different tax rates	0	0	0	0
Losses group relieved	0	0	9,178	9,332
Marginal relief	0	0	0	0
Tax losses carried forward	55,593	57,385	55,593	57,385
Pension contribution relief in excess of net pension cost charge	(113,753)	(79,170)	(113,753)	(79,170)
Tax charge	0	0	0	0

# British Beer & Pub Association

Notes to the Accounts  
at 30 September 2006

## 8 Tangible Assets

### Group and Association

#### Cost or valuation:

At 1 October 2005

Additions

Disposals

At 30 September 2006

	£	£	£	£
	<i>Leasehold</i>	<i>Fixtures</i>	<i>Motor</i>	
	<i>Improvements</i>	<i>and plant</i>	<i>vehicles</i>	<i>Total</i>
At 1 October 2005	122,766	177,230	129,861	429,857
Additions	0	4,694	47,089	51,783
Disposals	0	(1,578)	(45,585)	(47,163)
At 30 September 2006	122,766	180,346	131,365	434,477

#### Depreciation:

At 1 October 2005

Charge for the period

Disposals

At 30 September 2006

At 1 October 2005	112,268	170,734	84,577	367,579
Charge for the period	10,498	4,069	27,083	41,650
Disposals	0	(1,578)	(34,959)	(36,537)
At 30 September 2006	122,766	173,225	76,701	372,692

#### Net Book Value:

At 30 September 2006

At 30 September 2005

At 30 September 2006	0	7,121	54,664	61,785
At 30 September 2005	10,498	6,496	45,284	62,278

## 9 Investments

Shares in subsidiaries

Listed in Great Britain

Listed overseas

Cash on deposit

	<i>Group</i>	<i>Group</i>	<i>BBPA</i>	<i>BBPA</i>
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	£	£	£	£
Shares in subsidiaries	0	0	6	6
Listed in Great Britain	8,344,136	8,596,739	8,344,136	8,596,739
Listed overseas	912,083	605,146	912,083	605,146
Cash on deposit	959,088	583,188	959,088	583,188
	10,215,307	9,785,073	10,215,313	9,785,079

The market value at 30 September 2006 of listed investments and cash held by the group and the Association was £11,446,338 (September 2005 - £10,835,819).

The wholly-owned subsidiary at 30 September 2006 was Brewing Publications Limited which publishes and sells brewing industry literature. This company is incorporated and operates principally in Great Britain. All shares held are ordinary shares.

# British Beer & Pub Association

Notes to the Accounts  
at 30 September 2006

## 10 Debtors

	Group 2006	Group 2005 <i>As restated</i>	BBPA 2006	BBPA 2005 <i>As restated</i>
	£	£	£	£
<i>Amounts due within one year</i>				
Trade debtors	8,208	5,513	0	0
Amounts owed by group undertakings	0	0	17,858	16,477
VAT debtor	56,225	33,985	54,342	29,450
Other debtors	255,289	207,303	255,289	207,303
Prepaid pension costs	0	68,685	0	68,685
Prepayments and accrued income	198,631	41,167	198,631	41,167
	518,353	356,653	526,120	363,082

## 11 Cash and Cash Equivalents

### *Cash at bank and in hand*

At 1 October 2005	1,454,323	4,648,823	728,622	3,946,253
Net cash (outflow)/inflow	(646,861)	(3,194,500)	(650,470)	(3,217,631)
At 30 September 2006	807,462	1,454,323	78,152	728,622

## 12 Creditors

### *Amounts falling due within one year*

Trade creditors	1,045	123	0	0
Taxation and social security	38,922	40,719	38,922	40,719
Other creditors	271,519	214,161	271,519	214,161
Receipts in advance	0	5,016	0	5,016
Accruals	177,341	279,188	176,841	277,193
	488,827	539,207	487,282	537,089

## 13 Deferred Taxation

### *The potential amount of deferred tax not provided for the Association is:*

Capital Allowances in excess of depreciation	(4,083)	(18,075)
Trading Losses	(424,312)	(368,719)
	(428,396)	(386,794)

The potential tax asset of the group and company arising from tax losses carried forward and excess depreciation over capital allowances are set out above. As the recoverability of these amounts in the foreseeable future is uncertain, the potential deferred tax assets have not been recognised.

## 14 Reserves

Surplus for the period	373,395	318,462	371,291	287,354
Actuarial gain/(loss) on defined benefit pension scheme	276,950	(294,350)	276,950	(294,350)
Net addition/(reduction) to reserves	650,345	24,112	648,241	(6,996)
Opening reserves as previously reported	11,127,647	11,073,085	10,401,972	10,378,518
Prior year adjustment re defined benefit pension scheme	(2,478,775)	(2,448,325)	(2,478,775)	(2,448,325)
Opening reserves as restated	8,648,872	8,624,760	7,923,197	7,930,193
At 30 September 2006	9,299,217	8,648,872	8,571,438	7,923,197

Each member of the Association is guarantor for £1.

**15 Financial Commitments**

There are no amounts authorised but not contracted for by the group and the Association (2005 - £nil)

The Association has commitments under non-cancellable operating leases as set out below:

	<i>Land &amp; buildings</i>		<i>Plant &amp; machinery</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	£	£	£	£
<i>Leases expiring:</i>				
Within one year	0		0	
Within two to five years	0	0	5,014	3,634
Thereafter	100,340	100,340	0	0
	<b>100,340</b>	<b>100,340</b>	<b>5,014</b>	<b>3,634</b>

**16 Related Party Transactions**

No details are shown of related party transactions with companies in which the ultimate parent company holds 90% or more of the voting rights in line with the exemptions stated in Financial Reporting Standard 8.

**17 Ultimate controlling party**

There is no ultimate controlling party.

**18 Pension Commitments**

The Association contributes to a defined benefit pension scheme for its employees. The assets of the scheme are held by trustees separately from those of the Association. As at 1 July 2000 this defined pension scheme was closed to new employees and new employees go into a money purchase stakeholder scheme. A full actuarial valuation of the defined benefit scheme was carried out at 1/10/2005 by a qualified actuary. The major assumptions used by the actuary to calculate the scheme liabilities under FRS17 were in nominal terms:

	At year end 30/09/2006	At year end 30/09/2005	At year end 30/09/2004
Rate of increase in salaries	3.80%	3.80%	3.90%
Rate of increase of pensions in payment	2.90%	2.90%	3.00%
Rate of increase of pensions in deferment	2.90%	2.90%	3.00%
Discount Rate	5.00%	5.00%	5.60%
Inflation Assumption	2.90%	2.90%	3.00%

The assets of the scheme and the expected rate of return were:

	Long-Term		Long-Term		Long-Term	
	Asset Return Expected at year end 30/09/2006	Value at Year End 30/09/2006 £000's	Asset Return Expected at year end 30/09/2005	Value at Year End 30/09/2005 £000's	Asset Return Expected at year end 30/09/2004	Value at Year End 30/09/2004 £000's
Equities	7.50%	4,929	5.50%	4,658	5.50%	3,912
Bonds, Cash & Net Current Assets	4.00%	2,977	2.70%	1,718	3.30%	1,053
Property	5.50%	0	5.50%	56	5.50%	101
Total market value of assets		7,906		6,432		5,066
Actuarial value of liability		(10,420)		(9,851)		(8,443)
Recoverable deficit in the scheme		(2,514)		(3,419)		(3,377)
Net pension liability		(2,514)		(3,419)		(3,377)
Net pension liability attributable to the Association calculated on its scheme liabilities at 30 September 2005 of 72.5%		(1,823)		(2,479)		(2,448)

The British Beer & Pub Association provides pensions for its employees through a group pension fund, which is administered and maintained independently of the Association's finances. The fund is a defined benefit scheme which was established to enable a number of autonomous but related employers to operate a pension scheme among a wider membership base. As such it is not possible for individual employers to identify its share of the movement in the reserves and gains and losses of the fund. In such cases, paragraph 9(b) of FRS17 requires the Association to account on the basis of its active and deferred membership liabilities which was 72.5% as at 30 September 2005. Based on this percentage and available information about the deficit in the fund, the implication of that deficit on the Association would be as follows:

	2006 £	2005 £
<b>Analysis of the amount charged to operating profit:</b>		
Current service cost	184,875	176,900
Life assurance premium	18,850	16,675
	203,725	193,575
<b>Analysis of the amount included as net financing income:</b>		
Expected return on pension scheme assets	237,800	179,800
Interest on pension liabilities	(361,050)	(348,000)
	(123,250)	(168,200)



# British Beer & Pub Association

Notes to the Accounts  
at 30 September 2006

	2006	2005
	£	£
<b>Analysis of the amount recognised in the statement of recognised gains and losses:</b>		
Actual return less expected return on scheme assets	159,500	506,050
Experience gains/(losses) arising on the scheme's liabilities	117,450	(106,575)
Changes in assumptions underlying the scheme liabilities	0	(693,825)
	276,950	(294,350)

## Movement in the deficit in the year:

Deficit in scheme at 1 October	(2,478,775)	(2,448,325)
Movement in year:		
Employer's current service cost including life assurance	(184,875)	(193,575)
Employer's contributions	687,300	625,675
Cost of past service benefits granted during the year	0	0
Other finance income	(123,250)	(168,200)
Actuarial gain/(loss)	276,950	(294,350)
Deficit in scheme at 30 September	(1,822,650)	(2,478,775)

	2006	2005	2004	2003	2002
<b>History of experience gains and losses</b>					
Actual return less expected return on scheme assets:					
amount (£)	159,500	506,050	79,025	(55,100)	(733,700)
percentage of scheme assets	3%	11%	2%	(2%)	(25%)
Experience gains/losses on scheme liabilities:					
amount (£)	117,450	(106,575)	(782,275)	1,136,800	2,175
percentage of the present value of the scheme liabilities	2%	(1%)	(13%)	20%	0%
Total gain/(loss) recognised in statement of total recognised gains and losses:					
amount (£)	276,950	(294,350)	(326,250)	681,500	(1,733,475)
percentage of the present value of the scheme liabilities	4%	(4%)	(5%)	12%	(30%)