

Registered number. 01182734

**BRITISH BEER & PUB ASSOCIATION**  
(A Company Limited by Guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**



**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**ASSOCIATION INFORMATION**

<b>DIRECTORS</b>	R Findlay (Chairman) S Gould M Hunter J Neame B M Simmonds, OBE W S Townsend
<b>COMPANY SECRETARY</b>	John Wilson
<b>COMPANY NUMBER</b>	01182734
<b>REGISTERED OFFICE</b>	Brewers Hall Aldermanbury Square London EC2V 7HR
<b>AUDITOR</b>	Littlejohn LLP Statutory auditor 1 Westferry Circus Canary Wharf London E14 4HD
<b>BANKERS</b>	Barclays Bank plc 93 Baker Street London W1A 4SD

**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

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**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

The Directors present their report and the financial statements for the year ended 30 September 2011

**PRINCIPAL ACTIVITIES**

The principal activity of the Association is to be the voice of beer and pubs in Britain, championing the sector and its customers with Government, media and opinion formers to achieve a vibrant, sustainable and responsible beer and pub industry

**REVIEW OF DEVELOPMENTS**

The profit and loss account discloses that total income of the Association and its subsidiaries for the year was £2,213,133 (2010 - £2,459,229) The surplus before and after taxation was £10,102 (2010 deficit - £126,318) The retained surplus after tax has been transferred from reserves

**DIRECTORS**

The Directors who served during the year were

R Findlay (Chairman)  
S Gould  
M Hunter  
J Neame  
B M Simmonds, OBE  
W S Townsend

**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Association's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Association's auditor in connection with preparing its report and to establish that the Association's auditor is aware of that information

**AUDITOR**

The auditor, Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 14 December 2011 and signed on its behalf



**John Wilson**  
Secretary

**BRITISH BEER & PUB ASSOCIATION**  
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**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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 Association and of the profit or loss of the Association for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association 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 Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BRITISH BEER & PUB ASSOCIATION**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH BEER & PUB ASSOCIATION**

We have audited the financial statements of British Beer & Pub Association for the year ended 30 September 2011, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association'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 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 DIRECTORS AND AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities, 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 Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the Association's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

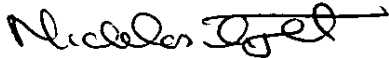
**BRITISH BEER & PUB ASSOCIATION**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH BEER & PUB ASSOCIATION**

**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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



Nicholas Light (Senior statutory auditor)

for and on behalf of  
**Littlejohn LLP**

Statutory auditor

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

14 December 2011

**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>2,213,133</b>	<b>2,459,229</b>
Administrative expenses		<b>(2,866,403)</b>	<b>(3,178,163)</b>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(653,270)</b>	<b>(718,934)</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	<b>5</b>	<b>(97,581)</b>	<b>(31,600)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(750,851)</b>	<b>(750,534)</b>
Income from other fixed asset investments		<b>193,586</b>	<b>177,417</b>
Profit on disposal of investments		<b>327,255</b>	<b>277,127</b>
Interest receivable and similar income		<b>244,112</b>	<b>227,122</b>
Defined Benefit scheme- net finance costs		<b>(4,000)</b>	<b>(57,450)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10,102</b>	<b>(126,318)</b>
Tax on profit/(loss) on ordinary activities	<b>6</b>	<b>-</b>	<b>-</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>13</b>	<b>10,102</b>	<b>(126,318)</b>

The notes on pages 8 to 14 form part of these financial statements

**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>10,102</b>	<b>(126,318)</b>
Actuarial gain related to pension scheme	15	<b>444,460</b>	<b>265,468</b>
Pension surplus not recognised	15	<b>(192,000)</b>	<b>-</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b><u>262,562</u></b>	<b><u>139,150</u></b>

The notes on pages 8 to 14 form part of these financial statements

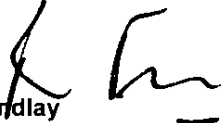
**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER 01182734**

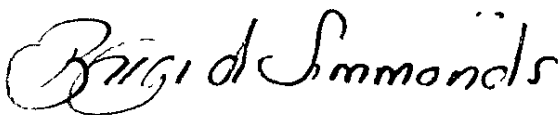
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2011**

	Note	£	2011	£	£	2010	£
<b>FIXED ASSETS</b>							
Tangible assets	7			5,970			17,692
Investments	8			9,305,628			9,659,971
				<u>9,311,598</u>			<u>9,677,663</u>
<b>CURRENT ASSETS</b>							
Debtors	9		378,711			418,880	
Cash at bank and in hand			52,987			-	
			<u>431,698</u>			<u>418,880</u>	
<b>CREDITORS:</b> amounts falling due within one year	10		<u>(1,277,060)</u>			<u>(1,025,609)</u>	
<b>NET CURRENT LIABILITIES</b>				<u>(845,362)</u>			<u>(606,729)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				8,466,236			9,070,934
Defined benefit pension scheme asset/(liability)	15			17,000			(850,260)
<b>NET ASSETS</b>				<u>8,483,236</u>			<u>8,220,674</u>
<b>CAPITAL AND RESERVES</b>							
Profit and loss account	13			8,483,236			8,220,674
				<u>8,483,236</u>			<u>8,220,674</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2011

  
**R Firdlay**  
 Director

  
**B M Simmonds, OBE**  
 Director

The notes on pages 8 to 14 form part of these financial statements

**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Association is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Association as an individual undertaking and not about its group.

**1.2 Cash flow**

The financial statements do not include a Cash Flow Statement because the Association, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

**1.3 Turnover**

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

**1.4 Investments**

Investments held as fixed assets are shown at cost less provision for impairment

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	4 - 5 years straight line
Motor vehicles	-	4 years straight line
Fixtures & plant	-	3 - 4 years straight line

**1.6 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

**1.7 Deferred tax**

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 exception:

- 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

**BRITISH BEER & PUB ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**1. ACCOUNTING POLICIES (continued)**

**1.8 Pensions**

For employees joining the Association after 1 July 2000, the defined benefit pension scheme has been replaced by a defined contribution scheme. The association charges contributions it makes to the defined contribution scheme to the profit and loss account. The Association's liability is limited to the amount of its contributions.

**2. OPERATING LOSS**

The operating loss is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	5,972	19,114
Pension costs	221,592	260,528
	<u>221,592</u>	<u>260,528</u>

**3. AUDITORS' REMUNERATION**

	2011 £	2010 £
Fees payable to the Association's auditor for the audit of the Association's annual accounts	9,750	9,600
	<u>9,750</u>	<u>9,600</u>

**4. DIRECTORS' REMUNERATION**

	2011 £	2010 £
Aggregate emoluments	181,388	183,515
	<u>181,388</u>	<u>183,515</u>

**5. EXCEPTIONAL ITEMS**

	2011 £	2010 £
Reorganisation costs	84,102	31,600
Relocation costs	13,479	-
	<u>97,581</u>	<u>31,600</u>

**BRITISH BEER & PUB ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**6. TAXATION**

	2011 £	2010 £
UK corporation tax charge on profit/loss for the year	-	-

No liability to UK corporation tax arose on ordinary activities at the year ended 30 September 2011 or for the year ended 30 September 2010 due to losses brought forward

**7. TANGIBLE FIXED ASSETS**

	Leasehold improvements	Other fixed assets	Total
<b>Cost</b>			
At 1 October 2010	122,766	210,559	333,325
Additions	-	3,850	3,850
Disposals	-	(49,305)	(49,305)
At 30 September 2011	122,766	165,104	287,870
<b>Depreciation</b>			
At 1 October 2010	122,766	192,867	315,633
Charge for the year	-	5,112	5,112
On disposals	-	(38,845)	(38,845)
At 30 September 2011	122,766	159,134	281,900
<b>Net book value</b>			
At 30 September 2011	-	5,970	5,970
At 30 September 2010	-	17,692	17,692

**8. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £	Listed investments £	Cash on deposit £	Total £
<b>Cost</b>				
At 1 October 2010	6	9,328,795	331,170	9,659,971
Movement in year	-	(468,867)	114,524	(354,343)
At 30 September 2011	6	8,859,928	445,694	9,305,628

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Brewing Publications Limited	Ordinary shares	100%

**BRITISH BEER & PUB ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**8. FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 30 September 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Brewing Publications Limited	<b>809,289</b>	<b>1,072</b>

**Listed investments**

The market value of the listed investments at 30 September 2011 was £9,054,747 (2010 - £10,887,165)

**9 DEBTORS**

	<b>2011 £</b>	<b>2010 £</b>
Amounts owed by group undertakings	-	12,504
Other debtors	<b>378,711</b>	<b>406,376</b>
	<b>378,711</b>	<b>418,880</b>

**10. CREDITORS:**  
**Amounts falling due within one year**

	<b>2011 £</b>	<b>2010 £</b>
Bank loans and overdrafts	-	602,165
Amounts owed to group undertakings	<b>786,926</b>	-
Social security and other taxes	<b>38,371</b>	<b>42,033</b>
Other creditors	<b>451,763</b>	<b>381,411</b>
	<b>1,277,060</b>	<b>1,025,609</b>

**11. DEFERRED TAXATION**

The potential tax asset of the Association arising from tax losses carried forward and excess of depreciation over capital allowances is £667,063 (2010 - £667,063). As the recoverability of these amounts in the foreseeable future is uncertain, the potential deferred tax assets have not been recognised.

**12 COMPANY STATUS**

The Association is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**BRITISH BEER & PUB ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**13 RESERVES**

	Profit and loss account £
At 1 October 2010	8,220,674
Profit for the year	10,102
Pension reserve movement	252,460
	<hr/>
At 30 September 2011	8,483,236
	<hr/>

The closing balance on the Profit and Loss Account includes a £252,460 (2010 - £265,468) credit, stated after deferred taxation of £NIL (2010 - £NIL), in respect of pension scheme liabilities of the Association pension scheme

**14 CAPITAL COMMITMENTS**

At 30 September 2011 the Association had capital commitments as follows

	2011 £	2010 £
Contracted for but not provided in these financial statements	99,418	-
	<hr/>	<hr/>

**15 PENSION COMMITMENTS**

The Association operates a Defined Benefit Pension Scheme, which is funded

The pension cost and provision for the year ending 30 September 2011 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 30 September 2008. The results of this valuation were a deficit of £3.12m. The Association share of this deficit was £2.39m (76.6%). The deficit is being funded by the participating employers over 4 years.

It was assumed by the actuary that the investment returns would be 4.4% per annum (2010 5.5%), that salary increases would average 2.4% (2010 3.5%) and future pensions would increase at the rate of 5% (2010 5%) for pre July 2001 pensions for pre 1994 joiners in scheme A and 3.10% (2010 3.20%) for all other pensions.

It has been agreed that the scheme will be closed as at 30 November 2011. The participating employers have agreed to continue to make contributions in order to reduce the liability. Contributions to the fund for the year beginning 01 October 2011 are expected to be £641,000. This includes two months of contributions in respect of future accrual and the current contributions paid by the Company to remove the deficit in the actuarial valuation as at 30 September 2008.

The contribution made for the year ended 30 September 2011 was £622,800. The agreed contribution rate for future years is 76.6%.

**BRITISH BEER & PUB ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**15. PENSION COMMITMENTS (continued)**

**Value of scheme assets and liabilities**

	<b>Value at 2011 £</b>	<b>Value at 2010 £</b>
Market value of assets	<b>8,954,000</b>	8,281,226
Present value of scheme liabilities	<b>(8,745,000)</b>	(9,131,486)
Surplus/(deficit) in the scheme	<b>209,000</b>	(850,260)
Surplus/(deficit) not recognised	<b>(192,000)</b>	-
Surplus/(deficit) recognised	<b>17,000</b>	-
Net pension asset/(liability)	<b>17,000</b>	(850,260)

	<b>2011 £</b>	<b>2010 £</b>
<b>Movements in surplus/(deficit) during the year:</b>		
Deficit in scheme at beginning of year	(850,260)	(1,675,242)
Current year service cost	(129,000)	(135,582)
Contributions	748,260	752,546
Expected return	468,000	424,364
Actuarial gain	444,000	265,468
Interest cost	(472,000)	(481,814)
Surplus/(deficit) in scheme at end of year	<b>209,000</b>	(850,260)

**16. OPERATING LEASE COMMITMENTS**

There are no amounts authorised but not contracted for by the group and the Association (2010 - £NIL)

At 30 September 2011 the Association had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2011 £</b>	<b>2010 £</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Expiry date:</b>				
Within 1 year	25,080	-	3,201	-
Between 2 and 5 years	-	100,340	-	4,270
After more than 5 years	64,500	-	-	-

**BRITISH BEER & PUB ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**17. RELATED PARTY TRANSACTIONS**

No details are shown of related party transactions with companies in which the ultimate parent company holds 100% of the voting rights in line with the exemptions stated in Financial Reporting Standards for Smaller Entities (effective April 2008)

**18. CONTROLLING PARTY**

There is no ultimate controlling party