

Registered number: 01182734

BRITISH BEER & PUB ASSOCIATION

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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

ASSOCIATION INFORMATION

DIRECTORS

R Findlay (resigned 14 December 2011)
J Neame (Chairman)
B M Simmonds, OBE
S Gould
W S Townsend
M Hunter (resigned 11 June 2012)
S Orlowski (appointed 14 March 2012)
P Wells (appointed 11 June 2012)
E H Castenskiold (appointed 14 December 2011 & resigned 29 February 2012)

COMPANY SECRETARY

J C Wilson

COMPANY NUMBER

01182734

REGISTERED OFFICE

Brewers Hall
Aldermanbury Square
London
EC2V 7HR

AUDITOR

Littlejohn LLP
Statutory auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

BANKERS

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 2012

The Directors present their report and the financial statements for the year ended 30 September 2012

PRINCIPAL ACTIVITY

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

DIRECTORS

The Directors who served during the year were

R Findlay (resigned 14 December 2011)
J Neame (Chairman)
B M Simmonds, OBE
S Gould
W S Townsend
M Hunter (resigned 11 June 2012)
S Orlowski (appointed 14 March 2012)
P Wells (appointed 11 June 2012)
E H Castenskiold (appointed 14 December 2011 & resigned 29 February 2012)

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

REVIEW OF DEVELOPMENTS

The profit and loss account discloses that total income of the Association for the year was £2,256,704 (2011 - £2,213,133) The deficit before taxation was £17,703 (2011 surplus - £10,102) and a surplus after taxation of £5,543 (2011 surplus - £10,102) The retained surplus after tax has been transferred from reserves

This report was approved by the board on 20 March 2012 and signed on its behalf



J C Wilson
Secretary

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

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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 accounting 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
(A Company Limited by Guarantee)

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 2012, 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 Directors' Responsibilities Statement, 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 2012 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
(A Company Limited by Guarantee)

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

Date *3 December 2012*

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £	2011 £
TURNOVER	1	2,256,704	2,213,133
Administrative expenses		<u>(2,911,259)</u>	<u>(2,866,403)</u>
OPERATING LOSS	2	(654,555)	(653,270)
EXCEPTIONAL ITEMS			
Reorganisation and restructuring costs	5	<u>(51,380)</u>	<u>(97,581)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(705,935)	(750,851)
Income from other fixed asset investments		157,587	193,586
Profit on disposal of investments		376,953	327,255
Interest receivable and similar income		213,692	244,112
Defined Benefit scheme - net finance costs		<u>(60,000)</u>	<u>(4,000)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(17,703)	10,102
Tax on (loss)/profit on ordinary activities	6	<u>23,246</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u>5,543</u>	<u>10,102</u>

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 2012

	Note	2012 £	2011 £
PROFIT FOR THE FINANCIAL YEAR		5,543	10,102
Actuarial gain related to pension scheme	15	162,200	444,460
Pension surplus not recognised	15	(576,000)	(192,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(408,257)	262,562

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 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	188,895	5,972
Investments	8	8,662,559	9,305,628
		<u>8,851,454</u>	<u>9,311,600</u>
CURRENT ASSETS			
Debtors	9	625,066	378,712
Cash at bank and in hand		292,104	52,987
		<u>917,170</u>	<u>431,699</u>
CREDITORS: amounts falling due within one year	10	<u>(1,693,645)</u>	<u>(1,277,063)</u>
NET CURRENT LIABILITIES		(776,475)	(845,364)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,074,979	8,466,236
Defined benefit pension scheme asset	15	-	17,000
NET ASSETS		8,074,979	8,483,236
CAPITAL AND RESERVES			
Profit and loss account	13	8,074,979	8,483,236
		<u>8,074,979</u>	<u>8,483,236</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

29 November 2012



J Neame
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 2012

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 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.

1.8 Pensions

BRITISH BEER & PUB ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. ACCOUNTING POLICIES (continued)

The Association operates a defined benefits pension scheme and the pension charge is based on a full draft actuarial valuation dated 30 September 2011

It was agreed that the scheme would be closed as at 30 November 2011. The participating employers have agreed to continue to make contributions in order to reduce the liability.

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/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	3,868	5,112
Pension costs	305,921	221,592
Profit/loss on disposal of listed investments	(376,953)	(327,255)

3. AUDITORS' REMUNERATION

	2012 £	2011 £
Fees payable to the Association's auditor and its associates for the audit of the Association's annual accounts	10,250	9,750

4. DIRECTORS' REMUNERATION

	2012 £	2011 £
Aggregate emoluments	186,277	181,388

5. EXCEPTIONAL ITEMS

	2012 £	2011 £
Reorganisation costs	22,599	84,102
Relocation costs	28,781	13,479
	51,380	97,581

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

6. TAXATION

	2012 £	2011 £
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on (loss)/profit for the year	-	-
Adjustments to tax charge in respect of previous periods	(23,246)	-
	<u>(23,246)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(23,246)</u>	<u>-</u>

No liability to UK corporation tax arose on ordinary activities at the year ended 30 September 2012 or for the year ended 30 September 2011 due to losses brought forward

7. TANGIBLE FIXED ASSETS

	Leasehold improvements	Other fixed assets	Total
Cost			
At 1 October 2011	122,766	165,103	287,869
Additions	182,443	53,637	236,080
Disposals	(122,766)	(85,434)	(208,200)
	<u>182,443</u>	<u>133,306</u>	<u>315,749</u>
At 30 September 2012			
Depreciation			
At 1 October 2011	122,766	159,131	281,897
Charge for the year	43,551	9,606	53,157
On disposals	(122,766)	(85,434)	(208,200)
	<u>43,551</u>	<u>83,303</u>	<u>126,854</u>
At 30 September 2012			
Net book value			
At 30 September 2012	<u>138,892</u>	<u>50,003</u>	<u>188,895</u>
At 30 September 2011	<u>-</u>	<u>5,972</u>	<u>5,972</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Cash on deposit £	Total £
Cost				
At 1 October 2011	6	8,859,928	445,694	9,305,628
Movement in year	-	(329,634)	(313,435)	(643,069)
At 30 September 2012	6	8,530,294	132,259	8,662,559
Net book value				
At 30 September 2012	6	8,530,294	132,259	8,662,559
At 30 September 2011	6	8,859,928	445,694	9,305,628

The market value of listed investments at 30 September 2012 was £9,378,348 (2011 - £9,054,747)

Subsidiary undertakings

The following were subsidiary undertakings of the company

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

The aggregate of the share capital and reserves as at 30 September 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Brewing Publications Limited	811,110	1,821

9 DEBTORS

	2012 £	2011 £
Prepayments	77,728	183,005
Other debtors	540,675	195,707
Tax recoverable	6,663	-
	625,066	378,712

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

10. CREDITORS:
Amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	778,978	786,926
Social security and other taxes	47,036	38,371
Accruals	73,553	197,931
Subscriptions in advance	292,586	-
Other creditors	501,492	253,835
	1,693,645	1,277,063

11. DEFERRED TAXATION

The potential tax asset of the Association arising from tax losses carried forward and excess of depreciation over capital allowances is £680,352 (2011 - £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.

13. RESERVES

	Profit and loss account £
At 1 October 2011	8,483,236
Profit for the year	5,543
Pension reserve movement	(413,800)
	8,074,979
At 30 September 2012	8,074,979

The closing balance on the Profit and Loss Account includes a £413,800 debit (2011 - £252,460) credit, stated after deferred taxation of £NIL (2011 - £NIL), in respect of pension scheme liabilities of the Association pension scheme.

14. CAPITAL COMMITMENTS

At 30 September 2012 the Association had capital commitments as follows

	2012	2011
	£	£
Contracted for but not provided in these financial statements	-	99,418

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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 2012 are based on the advice of a professionally qualified actuary. The most recent draft valuation is dated 30 September 2011. The results of this valuation were a deficit of £3.10m. The Association's share of this deficit was £2.37m (76.6%). The deficit is being funded by the participating employers over 3 years.

It was assumed by the actuary that the investment returns would be 4.9% per annum (2011: 4.4%), that salary increases would average 1.8% (2011: 2.4%) and future pensions would increase at the rate of 5% (2011: 5%) for pre July 2001 pensions and for pre 1994 joiners in scheme A and 2.6% (2011: 3.10%) for all other pensions.

It was agreed that the scheme would be closed as at 30 November 2011. The participating employers have agreed to continue to make contributions in order to reduce the liability.

The contribution made for the year ended 30 September 2012 was £622,800. The agreed contribution rate for future years is the same.

Value of scheme assets and liabilities

	Value at 2012 £	Value at 2011 £
Market value of assets	10,552,000	8,954,000
Present value of scheme liabilities	(9,784,000)	(8,745,000)
Surplus in the scheme	768,000	209,000
Surplus not recognised	(768,000)	(192,000)
Surplus recognised	-	17,000
Net pension asset	-	17,000

	2012 £	2011 £
Movements in surplus during the year:		
Surplus/(deficit) in scheme at beginning of year	209,000	(850,260)
Current year service cost	(166,000)	(129,000)
Contributions	623,000	748,260
Expected return	406,000	468,000
Actuarial gain	162,000	444,000
Interest cost	(466,000)	(472,000)
Surplus in scheme at end of year	768,000	209,000

BRITISH BEER & PUB ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

16. OPERATING LEASE COMMITMENTS

At 30 September 2012 the Association had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within 1 year	-	25,080	4,177	3,201
Between 2 and 5 years	64,500	-	-	-
After more than 5 years	-	64,500	-	-
	<u>64,500</u>	<u>64,500</u>	<u>4,177</u>	<u>3,201</u>

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