

Registered number: 01182734

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016



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

ASSOCIATION INFORMATION

DIRECTORS

J B Neame (resigned 9 December 2015)
B M Simmonds, OBE
F Landtmeters (appointed 9 December 2015)
W S Townsend
P R Wells
S Emeny
J C Lousada (resigned 8 October 2015)
D Forde
K R Georgel (appointed 9 December 2015)

COMPANY SECRETARY

J C Wilson

REGISTERED NUMBER

01182734

REGISTERED OFFICE

Brewers Hall
Aldermanbury Square
London
EC2V 7HR

INDEPENDENT AUDITOR

PKF 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 2016

The Directors present their report and the audited financial statements for the year ended 30 September 2016.

DIRECTORS

The Directors who served during the year were:

J B Neame (resigned 9 December 2015)
B M Simmonds, OBE
F Landtmeters (appointed 9 December 2015)
W S Townsend
P R Wells
S Emeny
J C Lousada (resigned 8 October 2015)
D Forde
K R Georgel (appointed 9 December 2015)

DISCLOSURE 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 relevant audit information and to establish that the Association's auditor is aware of that information.

AUDITOR

The auditor, PKF 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 has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

REVIEW OF DEVELOPMENTS

The profit and loss account discloses that total turnover of the Association for the year was £2,255,750 (2015 - £2,158,648). The surplus before taxation was £406,604 (2015 - surplus of £929,512) and a surplus after taxation of £365,068 (2015 - £822,447). The retained surplus after tax has been transferred to reserves.

This report was approved by the board on 09/01/2017 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 2016

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 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 2016, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Alastair Duke (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

3 February 2017

Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD
Date:

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
TURNOVER	1	2,255,750	2,158,648
Administrative expenses		(2,511,280)	(2,196,633)
OPERATING LOSS	2	(255,530)	(37,985)
Income from other fixed asset investments		180,014	161,293
Profit on disposal of investments		259,148	424,712
Interest receivable and similar income		166,972	198,492
Defined Benefit scheme - net finance income		56,000	183,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		406,604	929,512
Tax on profit on ordinary activities	5	(41,518)	(107,065)
PROFIT FOR THE FINANCIAL YEAR	12	365,086	822,447

The notes on pages 8 to 15 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 2016

	Note	2016 £	2015 £
PROFIT FOR THE FINANCIAL YEAR		365,086	822,447
Actuarial (loss) / gain related to pension scheme	14	(2,459,448)	1,062,600
Movement in pension surplus not recognised	14	1,483,000	(1,256,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>(611,362)</u>	<u>629,047</u>

The notes on pages 8 to 15 form part of these financial statements.

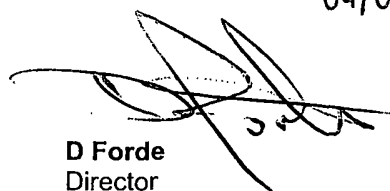
BRITISH BEER & PUB ASSOCIATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01182734

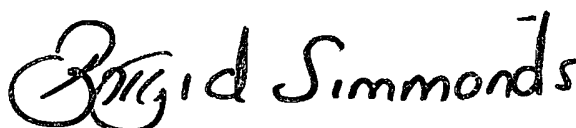
BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	£	2016 £	£	2015 £	£
FIXED ASSETS						
Tangible assets	6		27,555		32,603	
Investments	7		10,160,395		9,544,700	
			<u>10,187,950</u>		<u>9,577,303</u>	
CURRENT ASSETS						
Debtors	8	1,414,960		2,201,413		
Cash at bank and in hand		1,289,701		525,254		
		<u>2,704,661</u>		<u>2,726,667</u>		
CREDITORS: amounts falling due within one year	9	(3,870,187)		(3,685,184)		
NET CURRENT LIABILITIES			(1,165,526)		(958,517)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,022,424</u>		<u>8,618,786</u>	
Defined benefit pension scheme liability	14		(1,015,000)		-	
NET ASSETS			<u>8,007,424</u>		<u>8,618,786</u>	
CAPITAL AND RESERVES						
Profit and loss account	12		8,007,424		8,618,786	
	13		<u>8,007,424</u>		<u>8,618,786</u>	

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 09/01/2017


D Forde
 Director


B M Simmonds, OBE
 Director

The notes on pages 8 to 15 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 2016

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 January 2015).

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 January 2015).

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 improvement	-	4 years straight line
Fixtures & fittings	-	3 - 4 years straight line
Other fixed assets	-	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 2016

1. ACCOUNTING POLICIES (continued)

1.8 Pensions

The Association operates a Defined Benefit Pension Scheme which is funded, and the Association is the Principal Employer of the Fund. It was agreed that the scheme would be closed as at 30 November 2011. The participating employers have agreed to continue to make contributions if required, in order to reduce the liability.

The Association did not make any shortfall contributions to the Fund during the year to 30 September 2016 because the Fund was in surplus at the 30 September 2014 triennial valuation. However, the Trustees and the Employers have agreed that the Employers will meet certain administrative expenses of running the Fund and Pension Protection Fund levies directly.

A review of the pension provision for the year ending 30 September 2016, for the purposes of quantifying the amounts to be disclosed under FRSSE (2015) was undertaken by a professionally qualified actuary. The results of this review show a deficit of £1,015,000 at the review date and no recovery plan has been agreed as yet as the Scheme was in surplus at the last full valuation.

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:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	17,252	65,057
Pension costs	287,667	237,604
	<u> </u>	<u> </u>

3. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Association's auditor for the audit of the Association's annual accounts	11,716	11,716
	<u> </u>	<u> </u>

4. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Aggregate remuneration	219,338	210,175
	<u> </u>	<u> </u>

BRITISH BEER & PUB ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

5. TAXATION

	2016 £	2015 £
UK corporation tax charge on profit for the year	<u>41,518</u>	<u>107,065</u>

6. TANGIBLE FIXED ASSETS

	Leasehold improvement	Other fixed assets	Total
Cost			
At 1 October 2015	191,786	106,681	298,467
Additions	-	12,204	12,204
At 30 September 2016	<u>191,786</u>	<u>118,885</u>	<u>310,671</u>
Depreciation			
At 1 October 2015	181,162	84,702	265,864
Charge for the year	4,395	12,857	17,252
At 30 September 2016	<u>185,557</u>	<u>97,559</u>	<u>283,116</u>
Net book value			
At 30 September 2016	<u>6,229</u>	<u>21,326</u>	<u>27,555</u>
At 30 September 2015	<u>10,624</u>	<u>21,979</u>	<u>32,603</u>

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Cash on deposit £	Total £
Cost				
At 1 October 2015	106	9,404,815	139,779	9,544,700
Movement	-	279,960	335,735	615,695
At 30 September 2016	<u>106</u>	<u>9,684,775</u>	<u>475,514</u>	<u>10,160,395</u>
Net book value				
At 30 September 2016	<u>106</u>	<u>9,684,775</u>	<u>475,514</u>	<u>10,160,395</u>
At 30 September 2015	<u>106</u>	<u>9,404,815</u>	<u>139,779</u>	<u>9,544,700</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Association:

Name	Class of shares	Holding
Brewing Publications Limited	Ordinary shares	100%
BBPA Environmental Limited	Ordinary Shares	100%

The aggregate of the share capital and reserves as at 30 September 2016 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	810,536	799
BBPA Environmental Limited	(37,896)	(1,850)
	<u> </u>	<u> </u>

Listed investments

The market value of the listed investments at 30 September 2016 was £10,636,759 (2015 - £9,815,168).

8. DEBTORS

	2016 £	2015 £
Amounts owed by group undertakings	64,077	80,761
Prepayments	104,710	93,411
Other debtors	1,241,798	2,022,059
Tax recoverable	4,375	5,182
	<u>1,414,960</u>	<u>2,201,413</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

9. CREDITORS:
Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	761,193	737,197
Corporation tax	36,335	107,065
Other taxation and social security	42,386	150,388
Accruals	173,810	93,121
Subscriptions in advance	682,351	932,132
Other creditors	2,174,112	1,665,281
	<u>3,870,187</u>	<u>3,685,184</u>

10. DEFERRED TAXATION

The potential tax asset of the Association arising from tax losses carried forward and excess of depreciation over capital allowances. As the recoverability of these amounts in the foreseeable future is uncertain as the Association's main taxable income in recent years derives from non trade income which cannot be offset against the brought forward trade losses, the potential deferred tax assets have not been recognised.

11. 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.

12. RESERVES

	Profit and loss account £
At 1 October 2015	8,618,786
Profit for the financial year	365,086
Pension reserve movement	(976,448)
	<u>8,007,424</u>
At 30 September 2016	

The closing balance on the Profit and Loss Account includes a £976,448 debit (2015 - £193,400 credit), stated after deferred taxation of £NIL (2015 - £NIL), in respect of pension scheme movement of the Association pension scheme as disclosed in the Statement of Total Recognised Gains and Losses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

13. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2016	2015
	£	£
Opening members' funds	8,618,786	7,989,739
Profit for the financial year	365,086	822,447
Other recognised gains and losses during the year	(976,448)	(193,400)
	<hr/>	<hr/>
Closing members' funds	8,007,424	8,618,786
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

14. PENSION COMMITMENTS

The Association operates a Defined Benefit Pension Scheme which is funded, and the Association is the Principal Employer of the Fund. It was agreed that the scheme would be closed as at 30 November 2011. The participating employers have agreed to continue to make contributions if required, in order to reduce the liability.

The Association did not make any shortfall contributions to the Fund during the year to 30 September 2016 because the Fund was in surplus at the 30 September 2014 triennial valuation. However, the Trustees and the Employers have agreed that the Employers will meet certain administrative expenses of running the Fund and Pension Protection Fund levies directly.

A review of the pension provision for the year ending 30 September 2016, for the purposes of quantifying the amounts to be disclosed under FRSSE (2015) was undertaken by a professionally qualified actuary. The results of this review show a deficit of £1,015,000 at the review date and no recovery plan has been agreed as yet as the Scheme was in surplus at the last full valuation.

It was assumed by the actuary that the discount rate would be 2.4% per annum (2015: 3.9%), and future pensions would increase at the rate of 5.0% (2015: 5.0%).

The Association did contribute £81,000 to the Fund during the year to 30 September 2016 to cover administrative expenses, and the Association expects to contribute £122,000 to the Fund towards administrative expenses in the forthcoming year.

Value of scheme assets and liabilities

	Value at 2016 £	Value at 2015 £
Market value of assets	15,705,000	13,491,000
Present value of scheme liabilities	(16,720,000)	(12,008,000)
(Deficit)/surplus in the scheme	(1,015,000)	1,483,000
(Deficit)/surplus not recognised	-	(1,483,000)
Net pension (liability)/asset	(1,015,000)	-

	2016 £	2015 £
Movements in (deficit)/surplus during the year:		
Surplus in scheme at beginning of year	1,483,000	227,000
Administrative expenses	(176,000)	(149,000)
Contributions by Association	81,000	212,000
Expected return	519,000	692,000
Actuarial (loss)/gain	(2,459,000)	1,009,000
Interest cost	(463,000)	(508,000)
(Deficit)/surplus in scheme at end of year	(1,015,000)	1,483,000

BRITISH BEER & PUB ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

15. OPERATING LEASE COMMITMENTS

At 30 September 2016 the Association had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Expiry date:				
Within 1 year	64,500	86,000	3,517	4,177
Between 2 and 5 years	-	64,500	-	1,740

16. 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 January 2015).

17. CONTROLLING PARTY

There is no ultimate controlling party.