

Registered number: 01182734

## **BRITISH BEER & PUB ASSOCIATION**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



## **BRITISH BEER & PUB ASSOCIATION**

### **ASSOCIATION INFORMATION**

<b>Directors</b>	S Emeny R Findlay K R Georgel W G R Lees-Jones J A K Momen W S Townsend P M Whitehead B M Simmonds, OBE
<b>Company secretary</b>	J C Wilson
<b>Registered number</b>	01182734
<b>Registered office</b>	Brewers Hall Aldermanbury Square London EC2V 7HR
<b>Independent auditor</b>	PKF 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**

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## **BRITISH BEER & PUB ASSOCIATION**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The Directors present their report and the financial statements for the year ended 30 September 2018.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Association's financial statements 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 to 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.

#### **Results**

The loss for the year, after taxation, amounted to £493,860 (2017 - profit £93,558) this arose as a result of the investment of £1m in the year into the "Long Live the Local" campaign.

#### **Directors**

The Directors who served during the year were:

S Emeny  
R Findlay  
K R Georgel  
W G R Lees-Jones  
J A K Momen  
W S Townsend  
P M Whitehead  
B M Simmonds, OBE

#### **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 the Director is aware, there is no relevant audit information of which the Association's auditor is unaware, and
- the 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.

**BRITISH BEER & PUB ASSOCIATION**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**Post balance sheet events**

There have been no significant events affecting the Association since the year end.

**Status of the Directors' Report**

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

**Auditor**

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

This report was approved by the board on

18/12/18

and signed on its behalf.



**J C Wilson  
Secretary**

## **BRITISH BEER & PUB ASSOCIATION**

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

#### **Opinion**

We have audited the financial statements of British Beer & Pub Association for the year ended 30 September 2018, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **BRITISH BEER & PUB ASSOCIATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH BEER & PUB ASSOCIATION (CONTINUED)**

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

## **BRITISH BEER & PUB ASSOCIATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH BEER & PUB ASSOCIATION (CONTINUED)**

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.



Alastair Duke (Senior Statutory Auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date:

18 May 2019



# BRITISH BEER & PUB ASSOCIATION

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Turnover	2,103,314	2,259,358
Administrative expenses	(3,470,101)	(2,575,516)
<b>Operating loss</b>	<b>(1,366,787)</b>	<b>(316,158)</b>
Income from other fixed asset investments	214,539	192,612
Profit on disposal of investments	562,610	97,005
Interest receivable and similar income	90,778	166,489
Other finance income/(costs)	5,000	(23,000)
<b>(Loss)/profit before tax</b>	<b>(493,860)</b>	<b>116,948</b>
Tax on (loss)/profit	-	(23,390)
<b>(Loss)/profit for the financial year</b>	<b>(493,860)</b>	<b>93,558</b>

The notes on pages 9 to 14 form part of these financial statements.

**BRITISH BEER & PUB ASSOCIATION**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 £	2017 £
(Loss)/profit for the financial year	(493,860)	93,558
<b>Other comprehensive income</b>		
Actuarial gain on defined benefit schemes	265,729	795,828
Movement in pension surplus not recognised	(171,000)	(844,000)
<b>Other comprehensive income for the year</b>	94,729	(48,172)
<b>Total comprehensive income for the year</b>	<b>(399,131)</b>	<b>45,386</b>

**BRITISH BEER & PUB ASSOCIATION**  
**REGISTERED NUMBER: 01182734**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	68,771	24,279
Investments	6	9,405,759	10,049,430
		<u>9,474,530</u>	<u>10,073,709</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	256,861	506,608
Cash at bank and in hand	8	2,892,424	1,689,424
		<u>3,149,285</u>	<u>2,196,032</u>
Creditors: amounts falling due within one year	9	(3,897,268)	(3,193,411)
<b>Net current liabilities</b>		<u>(747,983)</u>	<u>(997,379)</u>
<b>Total assets less current liabilities</b>		<u>8,726,547</u>	<u>9,076,330</u>
Pension liability/asset		-	(171,000)
<b>Net assets</b>		<u><u>8,726,547</u></u>	<u><u>8,905,330</u></u>
<b>Capital and reserves</b>			
Profit and loss account		8,726,547	8,905,330
		<u><u>8,726,547</u></u>	<u><u>8,905,330</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

18/12/18



**B M Simmonds, OBE**  
 Director

The notes on pages 9 to 14 form part of these financial statements.

## **BRITISH BEER & PUB ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018**

#### **1. General information**

British Beer & Pub Association ('the Company') is a private company limited by guarantee and is incorporated and domiciled in England. The address of its registered office is Ground Floor, Brewers Hall, Aldermanbury Square, London, EC2V 7HR.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 its group.

The following principal accounting policies have been applied:

##### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue comprises subscriptions from members and other receipts, and is earned in the United Kingdom.

##### **2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvement	- 4 years straight line
Plant & machinery	- 4 years straight line
Fixtures & fittings	- 3 - 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

## **BRITISH BEER & PUB ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018**

#### **2. Accounting policies (continued)**

##### **2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are held at cost at each Balance Sheet date. Gains and losses on sale of shares are recognised in profit or loss for the period.

##### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.6 Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### **2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.8 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 make shortfall contributions in the year to 30 September 2018 of £12,100 because the fund was in deficit at the 30 September 2017 triennial valuation and scheme expenses of £122,172. The Trustees and the Employers have agreed that the Employers will meet certain administrative expenses for running the Fund and Pension Protection Fund levies direct.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Association's policy for similarly held assets. This includes the use of appropriate valuation techniques.

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.

##### **2.9 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

## BRITISH BEER & PUB ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 2. Accounting policies (continued)

##### 2.10 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Association operates and generates income.

#### 3. Auditor's remuneration

Fees payable to the Association's auditor for the audit of the Association's annual financial statements totalled £12,050 (2017: - £11,800)

	2018 £	2017 £
Fees payable to the Association's auditor for the audit of the Association's annual financial statements	<u>12,050</u>	<u>11,800</u>

#### 4. Employees

The average monthly number of employees, including directors, during the year was 15 (2017 - 15).

**BRITISH BEER & PUB ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**5. Tangible fixed assets**

	Leasehold improvements £	Plant & machinery £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 October 2017	191,786	56,619	7,408	255,813
Additions	-	57,214	2,771	59,985
At 30 September 2018	191,786	113,833	10,179	315,798
<b>Depreciation</b>				
At 1 October 2017	187,893	39,366	4,275	231,534
Charge for the year on owned assets	2,336	10,667	2,490	15,493
At 30 September 2018	190,229	50,033	6,765	247,027
<b>Net book value</b>				
At 30 September 2018	1,557	63,800	3,414	68,771
At 30 September 2017	3,893	17,253	3,133	24,279

**6. Fixed asset investments**

	Investments in subsidiary companies £	Listed investments £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>				
At 1 October 2017	106	9,901,871	147,453	10,049,430
Additions	-	-	303,628	303,628
Disposals	-	(947,299)	-	(947,299)
At 30 September 2018	106	8,954,572	451,081	9,405,759
<b>Net book value</b>				
At 30 September 2018	106	8,954,572	451,081	9,405,759
At 30 September 2017	106	9,901,871	147,453	10,049,430

## BRITISH BEER & PUB ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 6. 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 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Brewing Publications Limited	832,501	1,678
BBPA Environmental Limited	(34,801)	(21,359)
	<u>797,700</u>	<u>(19,681)</u>

##### Listed investments

The fair value of the listed investments at 30 September 2018 was £10,586,827 (2017 - £11,270,427).

#### 7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	71,761	44,220
Other debtors	95,618	391,462
Prepayments and accrued income	82,716	64,160
Tax recoverable	6,766	6,766
	<u>256,861</u>	<u>506,608</u>

#### 8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,892,424	1,689,424
	<u>2,892,424</u>	<u>1,689,424</u>



## BRITISH BEER & PUB ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	744,929	755,313
Corporation tax	-	27,809
Other taxation and social security	33,349	29,915
Other creditors	1,983,269	1,635,561
Accruals and deferred income	1,135,721	744,813
	<u>3,897,268</u>	<u>3,193,411</u>

#### 10. Pension commitments

The Association operates a defined benefit plan for the benefit of its employees. The company's obligations under the plan are recognised net of plan assets. The change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. At the review date there was a surplus of £1,352,000. The Association is only allowed to recognise the surplus as an asset in its balance sheet if it can use that surplus to generate a future economic benefit. As such the surplus has not been recognised but the liability has been written off.

	2018 £	2017 £
Present value of plan Assets/liabilities	-	(171,000)
<b>Net pension scheme liability</b>	<u>-</u>	<u>(171,000)</u>

	2018 £	2017 £
Current service cost	(234,000)	(51,000)
Interest on obligation	5,000	(23,000)
	<u>(229,000)</u>	<u>(74,000)</u>

#### 11. Controlling party

It is the view of the Directors that there is no one controlling party.