

CAMPAIGN FOR REAL ALE LIMITED
AMENDING FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

Company Registration Number: 01270286



CAMPAIGN FOR REAL ALE LIMITED

COMPANY INFORMATION FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

DIRECTORS	N Antona	(Chair, Appointed 6 April 2019)
	J Parker	(Retired 6 April 2019)
	L Attack	
	N Boley	
	A Corbett-Collins	
	I Garner	
	H Gieschen	(Appointed 6 April 2019)
	G Hough	
	J Kemp	(Appointed 6 April 2019)
	A S Newton	
	I Packham	(Retired 6 April 2019)
	G Timmins	(Appointed 6 April 2019)
	C Tonry	(Appointed 6 April 2019)
	B T Wilkinson	
SECRETARY	Andrew Kenneth Owst	
REGISTERED OFFICE	230 Hatfield Road St Albans Hertfordshire AL1 4LW	
REGISTERED NO.	01270286	
LEGAL STATUS	The company is limited by guarantee and incorporated in England & Wales	
INDEPENDENT AUDITORS	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB	

CAMPAIGN FOR REAL ALE LIMITED

CHAIRMAN'S REVIEW FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

This has been a very positive year in which the Campaign has seen many changes. I was honoured to take over as your Chairman after the Members' Weekend in Dundee, following Jackie Parker in the role. I want to thank Jackie for her chairmanship in leading the Campaign for the previous year, and for serving for numerous years on the National Executive. On behalf of the membership I thank her. I would also like to thank my fellow Directors for all their hard work in serving CAMRA. Particularly noting the contributions of Lynn Attack, Abigail Newton and Ben Wilkinson who like me have come to the end of their term on the National Executive. Some of us have opted to re-stand for election.

During the year significant governance work has been undertaken and I thank the many contributors to this important work. After considerable consultation, the National Executive reviewed roles and committees to simplify structures and improve decision making. Five new strategic committees were created: Campaigns, Commercial & Communications, Events, Finance & General Purposes and People. The policies of the organisation have been reviewed and refined. Also, there are five special resolutions being proposed to the 2020 AGM to provide clarity of leadership and improve the effectiveness of the Campaign. The governance review is on-going, further work is planned for 2020.

For operational reasons the accounting year-end was moved to 30 November in 2019 and will be at that date in future. Consequently, the accounts for 2019 have been prepared for a shorter accounting period of only 11 months. It should be noted that the comparative figures in this Report and Accounts are shown against the last audited accounting period of 12 months to 31 December 2018.

I am pleased our membership numbers increased again during the period to a new high of 192,289 as at 30 November 2019. It is noticeable that the annual growth in membership has slowed in recent years, though the relaunch of the voucher scheme during 2019, now giving members £30 of vouchers, really does make it a good incentive to join CAMRA.

I am pleased to note that as a result of considerable commitment by both volunteers and staff the financial outcome of the year shows a pre-tax surplus in excess of £167,000 a considerable improvement from the deficits of recent years. Also, it should be noted that the Campaign has committed increased resources into capital investment to support festivals and improve our IT infrastructure. The planned strategy to ensure sustainability and limit costs, taken by the National Executive in 2018 resulted in the difficult decision to move to standard electronic versions of What's Brewing and BEER Magazine from Spring 2018 and the comparable year-on-year costs again show a reduction in 2019 compared to the previous year. It is difficult to draw a direct comparison of accounting performance due to the shorter accounting period, but undeniably we have made a significant step forward in rebuilding reserves and ensuring long-term financial sustainability.

During 2019 the Campaign staged more than 200 festivals across the UK; this would not be possible without the thousands of enthusiastic and committed volunteers. I wish to thank them all for their fantastic contribution and the difference they make to CAMRA in bringing fun and enjoyment to the many thousands who attend our festivals. We believe that we have seen considerable progress made in the period, responding to adverse factors from the previous year. This has resulted in growth in festival income on a like-for-like basis. Similarly, our national festivals have seen a dramatic improvement in bottom line performance. 2020 will see GBBF Winter at a new venue in the West Midlands. Also, we were pleased to confirm the addition of a new national festival – The Great Welsh Beer Festival will take place in Cardiff at the end of April.

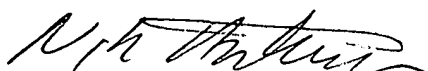
Campaigning through the period has been maintained with high energy and achieving numerous objectives. CAMRA secured a full public consultation as part of the Pubs Code statutory review. We secured parliamentary questions and debates, including the first on the floor of the House of Commons for several years. The Campaigns team ran two well received surveys of licensees to investigate issues in the industry and gave evidence to two All Party Parliamentary Group inquiries. At short notice we delivered a Pledge for Pubs campaign to encourage General Election candidates to show support for pubs and brewing.

Further detail on the financial performance of CAMRA is contained within the following Report and Accounts. Also, more information on the aims of CAMRA can be found in the Strategic Report on subsequent pages.

In addition to the usual business of the National Executive, we have progressed work on reviewing performance and the governance of the Campaign. Our new Chief Executive Tom Stainer has led a settled staff team in the period with significantly reduced staff turnover. We have been pleased with the stability of the staffing structure and the progress made in stabilising finances. I have every confidence that the staff will provide high quality support for the work and objectives identified by the National Executive for many years to come in. I would like to thank all our staff for their hard work in a year in which we saw many positive changes.

As I look back on 2019 and what we have achieved, it is with optimism in the future and for that reason, I have decided to seek re-election to the National Executive. I have really enjoyed and appreciated working with so many people across many different projects during my first year as Chairman and after a number of years as a director. There is much still to do, and I thank all members for their continued support for the Campaign.

N Antona
National Chairman
8 February 2020



CAMPAIGN FOR REAL ALE LIMITED

REPORT OF THE DIRECTORS FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

The Directors present their annual report and the audited financial statements for the 11-month accounting period to 30 November 2019. For operational reasons the accounting year end has this year been moved. The comparative figures quoted relate to the previous 12-month accounting year to 31 December 2018. It is difficult to draw exact comparisons of performance due to the timing of festivals and the impact of the shorter 11-month period. Regardless of that it is noticeable that there has been a considerable improvement in the financial performance of CAMRA.

PRINCIPAL ACTIVITIES

The Campaign for Real Ale (CAMRA) is an independent, voluntary, not-for-profit company limited by guarantee. The organisation campaigns for consumer rights, promoting real ales and ciders and for the benefits of community pubs in our society.

DIRECTORS

The Directors who served during the year and to the date of this report are listed on Page 1. In accordance with the Articles of Association, Nik Antona, Lynn Atack, Abigail Newton and Ben Wilkinson will retire at the forthcoming Annual General Meeting (AGM) on 4 April 2020 with four directors to be appointed. Nik Antona, Abigail Newton and Ben Wilkinson will offer themselves for re-election.

Directors' and Officers' insurance was purchased by the Campaign during the period. No Director receives any remuneration for their work for the company.

On election, directors join the National Executive (NE), which is the board of directors of CAMRA Limited. The NE conducts its business through a number of committees. Each committee has a remit which has been approved by the NE. These include the key strategic committees for Campaigns, Commercial & Communications, Events, Finance & General Purposes and People.

RESULTS

The surplus before taxation for the 11-month period is £167,536 which is an improvement of more than £446,000 on the previous year (2018, 12m: deficit (£279,057)). Due to tax provisioning the surplus after taxation for the 11-month period is £76,685 (2018, 12m: deficit (£218,611)). Total reserves at period-end 30 November 2019 are £3,289,043 (31 December 2018: £3,212,358) which is in line with the Reserves Policy objectives to maintain reserves for emergency campaigns, potential future property acquisition and to withstand adverse economic and operational conditions. A review of the results for the period and CAMRA's financial position is included in the Strategic Report.

MEMBERSHIP

At 30 November 2019 CAMRA had 192,289 members (31 December 2018: 190,918), an increase of 0.7% on the previous period-end.

VOLUNTEERS

The Directors would like to offer their appreciation to all those individuals who have given their time and expertise freely for the benefit of the Campaign. The invaluable efforts of members involved in running beer festivals, local campaigning, lobbying government, branch, regional and national committees and other administrative roles are of inestimable worth. We give our thanks to each of our volunteers for their valued contribution.

The company has chosen, in accordance with Section 414 C(11) of The Companies Act 2006, to disclose information about its branches and its future developments in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, Directors are required to:

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

CAMPAIGN FOR REAL ALE LIMITED

**REPORT OF THE DIRECTORS (Continued)
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time CAMRA's financial position, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTMENT POLICY

Reserves not immediately required for operating expenses are held in mixed equity and property fund investments. The overall investment policy is to invest in funds which offer capital growth but at low risk of loss. Investments are made after taking advice from an independent advisor, and the policy and level of investments are reviewed at least annually by an Investment Committee. Further information is disclosed in notes 7, 15 and 20 of the financial statements.

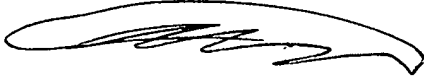
AUDIT INFORMATION

The Directors who were in office on the date of approval of these financial statements have confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which CAMRA's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any information needed by the auditors in connection with preparing their report, and to establish that it has been communicated to the auditor.

RSM UK Audit LLP has indicated its willingness to continue in office and the Directors will seek authority to appoint the auditors at the AGM in accordance with Section 485 of the Companies Act 2006.

Approved and signed by order of the National Executive.



N Antona
Chairman
8 February 2020

CAMPAIGN FOR REAL ALE LIMITED

STRATEGIC REPORT FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

STRATEGIC OBJECTIVES

CAMRA is the independent campaigning voice of pub and club goers and real ale, cider and perry drinkers and works to promote real ale, cider and perry and thriving pubs and clubs in every community. The Campaign organises its activities into strategic objectives as follows:

1. Secure the long-term future of real ale, real cider and real perry by increasing their quality, availability and popularity.
2. Promote and protect pubs and clubs as social centres and part of the UK's cultural heritage.
3. Increase recognition of the benefits of moderate social drinking.
4. Play a leading role in the provision of information, education and training to all those with an interest in beer, cider and perry of any type.
5. Develop products and services which promote the Campaign as widely as possible, grow and diversify the membership and activist base, and generate campaigning funds.
6. Develop and maintain the necessary ethos, governance, structure, capabilities and financial resources to deliver CAMRA's objectives.
7. Develop CAMRA's organisational systems, membership, infrastructure and staff to ensure financial and corporate sustainability.

FUTURE DEVELOPMENTS

In April 2018 CAMRA's membership voted to adopt all but one of the changes to the organisation's Articles of Association, which were recommended as the outcome of the Revitalisation Project - a strategic review of CAMRA's positioning and purpose.

The implications of the changes to the Articles have been embedded into the Strategic Plan (2018-22) which has been approved by the National Executive. Detailed business plans to implement this strategy have been acted upon and continue to be reviewed and revised. Following several years of consultation on change, the organisation will now consolidate and build a stable platform to further develop its campaigning and commercial activities.

In order to ease the pressure on production of accounts prior to Members' Weekends a decision was approved by the National Executive, meeting in 2018, to change the accounting year end of the company to 30 November with effect from 2019. As a result, the accounts detailed in this statutory report and accounts are for an 11-month period for 2019 and are shown against a comparison for the last 12-month accounting period to 31 December 2018. It is difficult to draw exact comparisons of performance due to the timing of festivals and also the fact that year-end write offs have impacted on the shorter eleven-month period. Regardless of that it is noticeable that 2019 has seen a considerable improvement in the financial performance of CAMRA. It is hoped that growth in membership, financial sustainability and continued pro-active campaigning will be carried through to future years.

MEMBERS AND BRANCH NETWORK

The Campaign continued to try to grow its membership, though in a year of change this proved challenging, with membership numbers increasing to 192,289 at 30 November 2019 (31 December 2018: 190,918) members, an increase of 0.7% on the previous year. CAMRA has more than 220 branches throughout the UK, the Channel Islands and the Isle of Man. Branch campaigning, including the organisation of local and regional beer festivals, is at the core of CAMRA's operational activity and remains crucial to the organisation's continued success.

BUSINESS REVIEW

There have been many campaigning achievements in the period to 30 November 2019. The most notable of these were:

- Secured full public consultations as part of the Pubs Code statutory review
- Introduced the Summer of Pub campaign
- Secured parliamentary questions and debates, including the first on the floor of the House of Commons for some years
- Ran two well received surveys of licensees to investigate issues in the industry
- Gave evidence to two All Party Parliamentary Group inquiries
- Ran the Pledge for Pubs for the General Election

KEY PERFORMANCE INDICATORS

Appropriate key performance indicators are measured and reviewed on a regular basis to enable the business to set its performance targets and monitor its performance against those targets.

Financial Returns

Total income for the 11-month period was £11.91m being 5.8% down on the previous year's income of £12.63m, though not on a like for like basis. Predominantly this modest decrease results from the fact that the accounting period is one month shorter. Festival income was £8.14m (12 months 2018: £8.33m). Membership income was £2.83m for the eleven months (12 months 2018: £3.17m). Publishing, advertising and other trading income was £0.93m (12 months 2018: £1.14m). Total contribution in the period of £3.07m (12 months 2018: £2.89m) was 5.9% up on previous year. This increase is attributable to two main factors; membership contribution resulting from the benefit of not printing publications and a significant increase in festival contributions, reflecting a better period of trading.

Administrative expenses of £2.93m (12 months 2018: £3.21m) were 8.7% below previous year. This was partly due to one less month in the period, but also due to the fact that for the second year running there have been real savings in costs. Campaign costs of £1.18m (12 months 2018: £1.25m) were marginally below previous year, but on a like-for-like comparison were up. Administration costs of £1.75m (12 months 2018: £1.96m) were 10.6% below previous year and significantly below budget. Other Operating Income and Investment Gains in total amount to £0.04m (12 months 2018: £0.04m). This resulted in a surplus before tax of £0.17m, which compared very favourably to the deficit in the previous year of £0.28m. There is a provision for corporation tax payable of £0.09m due to provisioning for potential tax liabilities at a marginally higher rate than the previous year when a recovery of £0.06m was made. Taxation provision shown as recoverable on the deficit in the previous year was £0.06m. The surplus after tax is £0.08m for the eleven-month period, comparing very favourably to the previous year (12 months 2018: deficit £0.22m).

As a result, at the end of the financial period the Campaign held reserves of £3.29m (31 December 2018: £3.21m). Fixed assets including tangible and intangible assets are £0.73m (31 December 2018: £0.79m), fixed asset investments are £2.00m (31 December 2018: £1.70m). Net current assets are £0.96m (31 December 2018: £1.02m) which includes cash and cash equivalents of £2.57m (31 December 2018: £2.54m). During the period, due to better returns and strong liquidity the decision was taken to move £0.30m from cash equivalent investments into listed investments. The Campaign incurred £0.18m capital expenditure (31 December 2018: £0.16m). The cash position remains strong at year-end and the accounts have been prepared on a Going Concern basis.

Non-Financial Performance

A range of non-financial key performance indicators are measured and reviewed on a regular basis by the Directors, to provide visibility of the organisation's performance from a non-financial perspective. The most important of these are:

CAMPAIGN FOR REAL ALE LIMITED

STRATEGIC REPORT (continued) FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

1. Introduce a preferential rate of duty for draught beer:

One of the identified opportunities of Britain leaving the European Union was potentially more flexibility in setting duty rates for different types of alcoholic drinks – previously impossible under EU rules. CAMRA has been seeking to raise awareness and support for a differential rate of duty for draught products sold in pubs, compared to supermarkets, with the intention to narrow the price gap between on and off-trade drinks and encourage more customers for pubs.

2. Seek annual £5,000 business rate relief for pubs, along with review of business rate system:

High and increasing business rates are increasingly becoming a key factor in the viability of pub businesses and, importantly for CAMRA, creating consumer detriment as pubs are forced to put up prices purely to survive. A national campaign continues to raise awareness of this issue, has been instrumental in winning some temporary concessions from government and is hoped to drive a root and branch review of the system.

3. Retention and improvement of small brewers' relief:

SBR continues to be a controversial issue in the industry, with large and small brewers disagreeing on the level of relief and the shape of the relief 'curve'. CAMRA has been positioning its campaigning efforts to ensure that SBR is not abandoned by government, nor altered in such a way that the diversity of the brewer sector is adversely affected.

4. Encouraging more people to try and drink more real ale, cider and perry:

55% of drinkers surveyed reported that they have tried real ale, compared to 57% in 2017. Cask ales sales in pubs continue to be squeezed. CAMRA will continue work to raise awareness of different beer styles and to encourage knowledge of real ale through its festivals, awards, publications and digital media.

5. Securing strong local planning policies to protect pubs:

CAMRA continues to work at a national and local level to ensure greater planning protection for pubs. During 2020, CAMRA will continue to focus on securing planning protection for pubs in the devolved nations of the UK equivalent to that which is now available in England.

6. Further developing and enhancing WhatPub:

WhatPub continues to be a useful resource for the campaign. CAMRA continues to explore ways it can be better used for campaigning and supporting pubs. A recent partnership with AccessAble will mean that accessibility information for a significant number of pubs will be updated and more in depth.

7. Ensuring effective operation of the Pubs Code:

After a decade of campaigning, CAMRA played a part in the introduction of legislation to create the Pubs Code and office of the Pubs Code Adjudicator. Now operational for several years, it's essential that we continue to monitor and influence the development and refinement of the Code, to ensure no consumer detriment is created and the pub sector remains vibrant and diverse. It was particularly important that CAMRA ensured a full, independent review of the operation of the Code was conducted and that our submission was detailed and addressed the weaknesses that had been identified.

8. Ensure the continuation of effective competition in the beer and pub markets:

Through CAMRA's campaigning on beer duty, business rates and the Pubs Code as well as local and consumer faced campaigning, CAMRA tries to ensure that both the fiscal and legislative environment is beneficial to pubs and beer. This helps to ensure effective competition in the pub market.

PRINCIPAL RISKS AND UNCERTAINTIES

A comprehensive risk register is maintained and reviewed by the senior staff team and the National Executive. Risks are managed actively and mitigation strategies implemented to restrict our levels of risk. Key strategic risk areas are shown below. Further information regarding the management of financial risk is given in note 20 to the accounts.

1. Reputational

CAMRA's reputation as an independent campaigning body is essential to the Campaign's continued success. Strict guidelines are in place for branches and to govern national campaigns. Strong financial controls are maintained and reviewed annually and systems are in place to ensure compliance with Health and Safety, Data Protection and other legal requirements. High standards of governance are aimed for and governance processes are subject to continuous review. A fundamental review of CAMRA's governance and organisational structure has been started in 2019 and it is anticipated that this will be completed in 2020.

2. Organisational

In order to support the growing campaign it is essential to attract, retain and develop key staff and volunteers. Staff surveys are conducted regularly and their findings acted upon. The salary and benefits structure is reviewed on a periodic basis. We have developed clearer communication of volunteering opportunities and this work will continue in 2020, alongside the continued enhancement of resources available to volunteers to help them in their work for the Campaign.

The changes to CAMRA's Articles of Association and redefined objectives from 2018 are built into the Strategic Plan. It is anticipated that the organisation has now laid the foundations for a period of stability following several years of change. It is hoped that the organisation can continue to increase recruitment of new members, engage their interest via a developing education and information strategy and convert them into active and well-informed campaigners.

3. Financial

Measures have been taken to reduce expenditure for the second year in a row to maintain a stable central function, that have proved to be effective. Recognition of the underlying causes of the Campaign's failure to achieve significant growth in levels of income has added impetus to focus on cost control across all areas of commercial activity. It is hoped that in addition to increasing revenue from beer festivals, changes that have started to be implemented in 2019 will continue to be successful in 2020 and see increases in income from both memberships and trading activity.

4. Festivals

The success of local, regional and national beer festivals is crucial to raise the awareness of real ale, recruit members and to help fund the Campaign. Key risks are recruiting committed, knowledgeable volunteers, obtaining suitable premises, meeting compliance issues and ensuring future festivals remain relevant to potential customers. There is continued central support for the planning and marketing of festivals. We continue to develop proposals to build on CAMRA's national festivals offering through a progressive redevelopment of the Great British Beer Festival and a relocated, relaunched Great British Beer festival - Winter in February 2020. Also, we welcome the introduction of a new national festival with the Great Welsh Beer Festival being launched in Cardiff at the end of April 2020.

We have confidence that in 2020 and beyond, we can further enhance the Campaign and be a proactive voice for the championing of real ale and ciders and the promotion and protection of the nation's pubs.

Approved and signed by order of the National Executive.



N Antona
Chairman
8 February 2020

**INDEPENDENT AUDITORS REPORT TO MEMBERS OF CAMPAIGN FOR REAL ALE LIMITED
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

Opinion

We have audited the financial statements of Campaign for Real Ale Limited (the 'company') for the period ended 30 November 2019 which comprise Statement of Income and Expenditure, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 company'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company'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 company'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 company and the company's members as a body, for our audit work, for this report, or

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

RSM UK Audit LLP
11 March 2020

CAMPAIGN FOR REAL ALE LIMITED

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

			11 months to 30 November		Year to 31 December
	Notes	£	2019 £	£	2018 £
INCOME	2		11,907,130		12,633,931
Cost of Sales			(8,841,484)		(9,740,112)
CONTRIBUTION			<u>3,065,646</u>		<u>2,893,819</u>
Administrative expenses			(2,932,335)		(3,213,111)
			<u>133,311</u>		<u>(319,292)</u>
Other operating income			3,000		19,531
OPERATING SURPLUS / (DEFICIT)	3		<u>136,311</u>		<u>(299,761)</u>
Income from fixed asset investments		225		98	
Interest receivable and similar income		<u>37,228</u>		<u>10,427</u>	
			37,453		10,525
Fair value (loses) / gains on Investments	7		(6,228)		10,179
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>167,536</u>		<u>(279,057)</u>
Tax (liability)/recovery on ordinary activities	5		(90,851)		60,446
SURPLUS / (DEFICIT) FOR THE FINANCIAL PERIOD / YEAR			<u><u>76,685</u></u>		<u><u>(218,611)</u></u>

The notes on pages 12 to 19 form part of the financial statements.

CAMPAIGN FOR REAL ALE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

	11 months to 30 November 2019			Year to 31 December 2018		
	Retained Earnings Reserve £	Fair Value Reserve £	2019 Totals £	Retained Earnings Reserve £	Fair Value Reserve £	2018 Totals £
At 1 January	2,948,283	264,075	3,212,358	3,177,073	253,896	3,430,969
Surplus/(Deficit) for the period year and total comprehensive income	76,685	-	76,685	(218,611)	-	(218,611)
Transfer to Fair Value Reserve	6,228	(6,228)	-	(10,179)	10,179	-
At 30 November /31 December	<u>3,031,196</u>	<u>257,847</u>	<u>3,289,043</u>	<u>2,948,283</u>	<u>264,075</u>	<u>3,212,358</u>

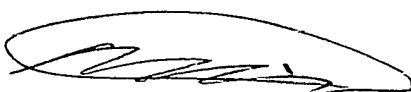
CAMPAIGN FOR REAL ALE LIMITED

Company registration no. 01270286

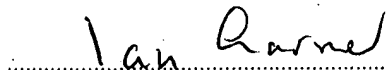
STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019

			As at 30 November 2019	As at 31 December 2018
	Notes	£	£	£
FIXED ASSETS				
Tangible assets	6		461,765	443,424
Intangible assets	6		267,334	348,461
Investments	7		<u>1,997,849</u>	<u>1,704,077</u>
			2,726,948	2,495,962
CURRENT ASSETS				
Stocks	8	87,136		93,464
Debtors	9	348,143		523,572
Cash and cash equivalents	10	<u>2,569,560</u>	<u>2,544,888</u>	
		3,004,839	3,161,924	
CREDITORS: Amounts falling due within one year:	11	<u>(2,046,542)</u>	<u>(2,145,395)</u>	
NET CURRENT ASSETS			958,297	1,016,528
TOTAL ASSETS LESS CURRENT LIABILITIES			3,685,245	3,512,491
CREDITORS: Amounts falling due in more than one year:	12		(270,312)	(271,374)
PROVISIONS FOR LIABILITIES	13		(125,890)	(28,758)
NET ASSETS			<u>3,289,043</u>	<u>3,212,358</u>
RESERVES				
Fair Value Reserve	15		257,847	264,075
Retained Earnings Reserve	15		<u>3,031,196</u>	<u>2,948,283</u>
			3,289,043	3,212,358

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors on 8 February 2020 and were signed on its behalf by:



N Antona - Director



I Garner - Director

CAMPAIGN FOR REAL ALE LIMITED

**CASH FLOW STATEMENT
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

		11 months to 30 November 2019 £	Year to 31 December 2018 £
	Notes		
OPERATING ACTIVITIES			
Cash generated from/(used in) operations	16	459,163	(84,116)
Corporation Tax received/(paid)		6,281	(6,281)
NET CASH USED IN / (FROM) OPERATING ACTIVITIES		<u>465,444</u>	<u>(90,397)</u>
INVESTING ACTIVITIES			
Dividends received from investments		225	98
Interest received		37,228	10,427
Purchase of fixed assets		(181,654)	(155,350)
Proceeds from (Profit)/Loss on disposal of fixed assets		3,429	3,980
Acquisition of fixed asset investments		(300,000)	-
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(440,772)</u>	<u>(140,844)</u>
Net increase/(decrease) in cash in the period		<u>24,672</u>	<u>(231,240)</u>
Increase/(decrease) in cash in the period		24,672	(231,240)
Cash at 1 January		2,544,888	2,776,127
Cash at 30 November / 31 December		<u>2,569,560</u>	<u>2,544,888</u>

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

1 ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as modified by the recognition of certain financial assets measured at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £1

Going Concern

The financial statements have been prepared under the assumption that the Company will continue as a going concern. The company will be able to meet its obligations in full for the next 12 months and beyond. The Board has reviewed and approved a 12 month budget and five year forecast covering 12 months from the date of approval of the financial statements.

Entities covered by these accounts

The accounts presented are for a single entity, Campaign for Real Ale Ltd, as permitted by sections 402 and 405 of the Act, on the grounds that the one dormant subsidiary is immaterial. The accounts include the full income, expenditure and net assets of CAMRA branches.

Income

Income, which is stated net of value added tax, represents subscriptions, festival income, other trading income and advertising:

Subscription Income

Annual subscriptions - income is recognised by reference to the level of membership services provided and the proportion appropriate to the current year is credited to the income and expense account. The balance is carried forward as subscriptions paid in advance and included in current liabilities.

Life membership subscriptions

Amounts received are credited to deferred income with a transfer to the income and expense account each year, calculated on an actuarial basis.

Festival Income

Festival income consists of income from branch festivals held in the period plus that from the two national festivals, the Great British Beer Festival and the Great British Beer Festival Winter.

Other Trading Income

Other trading income consists of books and product sales and income from events. Revenue from the sale of books and products is recognised on despatch and revenue from events is recognised in the period in which the event took place.

Advertising Income

Advertising income consists of amounts due from adverts placed by third parties in What's Brewing newspaper and Beer magazine during the period. Revenue is recognised in the month of publication.

Expenditure

Costs are stated net of VAT and are recognised as incurred.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

1 ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Tangible Fixed Assets include land and building, physical property, plant and equipment and motor vehicles. Fixed assets are stated at cost net of depreciation. Depreciation of tangible assets is charged at rates sufficient to write assets off over the periods that are judged to be their useful lives as follows:

Land	0% not depreciated
Buildings	2% per annum on cost
Office refurbishment	10% per annum on cost
Equipment	33.33% per annum on cost
Computer hardware	33.33% per annum on cost
Motor vehicles	25% per annum on cost

An assessment is made at each reporting date as to whether there are indicators that a fixed asset may be impaired.

Intangible Fixed Assets

Intangible Fixed Assets are recognised for software development if the software can be demonstrated to have a future economic benefit, is intended to be used, can be shown to be technically feasible and the development cost can be clearly measured. Amortisation is charged on a straight line basis over 3 years as this is judged to be the useful economic life of software assets. An assessment is made at each reporting date as to whether there are indicators that an asset may be impaired.

Fixed Asset Investments and Fair Value Reserve

Trade Investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the income and expenditure account, as set out on page 14. Any fair value gains or losses are transferred to a fair value reserve, net of deferred taxation.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Leased Assets and Obligations

Operating leases and annual rentals are charged to income and expenditure on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value, on a First-In First-Out basis, after making due allowance for obsolete and slow moving items.

Financial Instruments

The company has elected to apply the provisions of Section 11 (Basic Financial Instruments) of FRS 102 in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has the legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade Debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the income and expenditure account for the excess of carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

1 ACCOUNTING POLICIES (continued)

Trade Investments

Trade investments are equity over which the Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through income and expense, when transaction costs are expensed to income and expenditure as incurred. The fair value of trade investments is measured using a published unit price in an active market.

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Taxation

Corporation tax liability is calculated using the prevailing tax rate covering the accounting period. Tax is payable on interest received, chargeable gains and on those parts of the surplus which arise from trading with non-members, less any deficits arising.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which 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 are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company contributes to a group personal pension plan available to all employees whose pension assets are administered by an independent insurance company. This is a defined contribution plan. Contributions payable for the period are charged to the income and expense account as they fall due.

Significant judgements made in applying accounting policies

There are no areas of significant judgement in preparing the 2019 financial statements.

For operational reasons the accounting year end has this year been moved. The comparative figures quoted relate to the previous 12-month accounting year to 31 December 2018. It is difficult to draw exact comparisons of performance due to the timing of festivals and the impact of the shorter 11-month period. Regardless of that it is noticeable that there has been a considerable improvement in the financial performance of CAMRA.

	11 months to 30 November 2019 £	Year to 31 December 2018 £
2 INCOME		
Sales of Goods (festivals, branches, books, merchandise)	9,052,880	9,384,811
Services (membership)	2,832,140	3,166,510
Other	22,110	82,610
	<u>11,907,130</u>	<u>12,633,931</u>
All income is derived from activities undertaken in the UK.		
3 OPERATING SURPLUS / (DEFICIT)		
The operating (deficit) / surplus is stated after charging:		
Depreciation and Amortisation - owned assets	(241,010)	248,187
Profit / (Loss) on disposal of fixed assets	-	(348)
Auditors' remuneration - audit (net of VAT)	(24,700)	23,750
Auditors' remuneration - other services	(6,950)	9,150
Lease expenses	(47,626)	58,417
Bad debts expensed / (Recorded)	(9,061)	(13,263)
Campaigning costs	<u>(1,179,837)</u>	<u>1,252,452</u>

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

	11 months to 30 November 2019 £	Year to 31 December 2018 £
4 DIRECTORS AND EMPLOYEES		
Employment costs:		
Wages and salaries	1,330,358	1,482,759
Social security costs	123,719	140,261
Other pension costs	55,016	60,993
	<u>1,509,093</u>	<u>1,684,013</u>
Key management personnel remuneration	223,308	294,202
Employer's NI Contributions relating to key management personnel	<u>26,201</u>	<u>30,154</u>
The Board of Directors is comprised of volunteers elected by the membership and as such do not receive any remuneration.		
	No.	No.
Average number of employees during the period:-		
Commercial activities and membership services	20.1	24.0
Campaigning Activities	4.7	4.7
Administration and Support	<u>21.9</u>	<u>18.8</u>
Average number of employees during the period	<u>46.7</u>	<u>47.4</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the deficit on ordinary activities for the period was as follows:

	11 months to 30 November 2019 £	Year to 31 December 2018 £
Current tax:		
UK corporation tax on surplus / (deficit) of the period	-	-
Over/(Under) provision relating to prior years	6,281	(6,281)
Total current tax	6,281	(6,281)
Deferred taxation (provided)/rec. (note 13)	(97,132)	66,727
Tax (liability)/recovery on ordinary activities	<u>(90,851)</u>	<u>60,446</u>

The current tax charge arising in respect of the year is different from the standard small profits rate of UK corporation tax of 19%. The differences are explained below.

	2019 £	2018 £
Surplus / (Deficit) on ordinary activities before tax	<u>167,536</u>	<u>(279,057)</u>
Surplus / (Deficit) multiplied by the standard rate of 19% (19.0%)	(31,832)	53,709
Effects of:		
(Deficit) / Surplus attributable to members	-	-
Adjustments in respect of prior years	6,281	(6,281)
Other timing differences	(65,300)	13,018
Tax (debit)/credit for the period	<u>(90,851)</u>	<u>60,446</u>

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

6 TANGIBLE AND INTANGIBLE FIXED ASSETS

	TANGIBLE					INTANGIBLE
	Freehold property £	Fixtures, Fittings & Equipment £	Motor vehicles £	Computer Hardware £	Totals £	Computer Software £
COST						
At 1 January 2019	475,575	676,760	13,912	141,533	1,307,780	816,060
Additions	-	60,555	-	15,629	76,184	105,470
Disposals	-	(14,979)	-	(33,111)	(48,090)	-
At 30 November 2019	475,575	722,336	13,912	124,051	1,335,874	921,530
DEPRECIATION						
At 1 January 2019	(156,029)	(570,928)	(13,912)	(123,487)	(864,356)	(467,599)
Charge for period	(7,036)	(34,247)	-	(13,130)	(54,413)	(186,597)
Eliminated on disposal	-	11,549	-	33,111	44,660	-
At 30 November 2019	(163,065)	(593,626)	(13,912)	(103,506)	(874,109)	(654,196)
NET BOOK VALUE						
At 30 November 2019	312,510	128,710	-	20,545	461,765	267,334
At 31 December 2018	319,546	105,832	-	18,046	443,424	348,461

Included in freehold property is freehold land of £178,500 (2018: £178,500) which is not depreciated.
Computer Software represents purchased software at cost and its amortisation included in administrative expenses.

7 FIXED ASSETS INVESTMENTS

	Shares in group undertakings £	Listed trade investments £	Unlisted trade investments £	Totals £
COST OR VALUATION				
At 1 January 2019	100	473,067	1,230,910	1,704,077
Additions in period	-	300,000	-	300,000
Fair Value Adjustment	-	26,668	(32,896)	(6,228)
At 30 November 2019	100	799,735	1,198,014	1,997,849

For the period end valuation, the following investment managers were used to obtain the fair value of the investments as the period end:

- Aviva
- Aegon
- Canada Life
- Prudential
- Transact
- Ascentric
- Royal London Unit Trust

If listed and unlisted trade investments had not been measured at fair value they would have been included at the following cost:

	As at 30 November 2019 £	As at 31 December 2018 £
Cost	1,390,174	1,390,174

Listed and unlisted investments are valued using the published unit price in an active market at each reporting date.

The following was a subsidiary undertaking throughout the year, registered in England & Wales.
The trading address of CAMRA Ltd is the same as the parent company.

	As at 30 November 2019 £	As at 31 December 2018 £
Aggregate capital and reserves	100	100
Name	Proportion of shares and voting rights held	Nature of business
CAMRA Limited	100%	Dormant

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

8 STOCKS

	As at 30 November 2019 £	As at 31 December 2018 £
Book stock	63,074	70,991
Branch stock	24,062	22,473
	<u>87,136</u>	<u>93,464</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 November 2019 £	As at 31 December 2018 £
Trade debtors - branches	155,442	146,646
Trade debtors - others	54,699	159,710
Prepayments and accrued income	138,002	217,216
	<u>348,143</u>	<u>523,572</u>

10 CASH AND CASH EQUIVALENTS

	As at 30 November 2019 £	As at 31 December 2018 £
Cash at bank and in hand	2,121,075	1,800,631
Cash equivalents	448,485	744,257
	<u>2,569,560</u>	<u>2,544,888</u>

The cash equivalents noted represent a managed fund holding predominantly cash, deposits, treasury bills, money market instruments, floating rate notes, covered bonds, short dated debt securities and other debt securities issued by governments, government agencies and supra-nationals. Cash can be moved in and out of this fund at short notice at any time.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 November 2019 £	As at 31 December 2018 £
Trade creditors	385,439	446,911
VAT Creditor	50,038	17,408
Social security and other taxes	41,786	62,417
Subscriptions in advance	1,427,938	1,538,245
Accruals and deferred income	141,341	80,414
	<u>2,046,542</u>	<u>2,145,395</u>

12 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	As at 30 November 2019 £	As at 31 December 2018 £
Life members deferred income brought forward	271,374	270,203
Cash received in the period	9,750	12,026
Transfer to income	(10,812)	(10,855)
Life members deferred income carried forward	<u>270,312</u>	<u>271,374</u>
Falling due within one year	10,812	10,855
Falling due within 2 - 5 years	43,248	43,420
Falling due after more than 5 years	<u>216,252</u>	<u>217,099</u>
	<u>270,312</u>	<u>271,374</u>

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019**

13 PROVISIONS FOR LIABILITIES

	As at 30 November 2019 £	As at 31 December 2018 £
Deferred tax:		
Brought Forward	28,758	95,485
(Reductions) / Additions	97,132	(66,727)
Amount Carried Forward	<u>125,890</u>	<u>28,758</u>
Balance analysed as:		
Accelerated Capital Allowances	104,782	79,878
Revaluation of Investments	58,460	51,237
Tax losses carried forward	<u>(37,352)</u>	<u>(102,357)</u>
	<u>125,890</u>	<u>28,758</u>

The forward tax rate applied to deferred tax liabilities in 2019 is 19% (2018: 17%). The balance shown above is net of £196,589 of tax losses carried forward as a deferred tax asset.

14 FINANCIAL INSTRUMENTS

	As at 30 November 2019 £	As at 31 December 2018 £
Financial assets		
Debt instruments measured at amortised cost:		
Debtors - central	54,699	159,710
Debtors - branches	155,442	146,646
	<u>210,141</u>	<u>306,356</u>
Financial Assets at Fair Value through Income and Expenditure	<u>1,997,849</u>	<u>1,704,077</u>
Financial liabilities		
Debt instruments measured at amortised cost:		
Trade Creditors	385,439	446,911
Accruals	141,341	80,414
	<u>526,780</u>	<u>527,325</u>

15 RESERVES

Reserves of the Company represent the following:

Fair Value Reserve

Fair value movements on investments measured at fair value have been shown in a separate fair value reserve.

Retained Earnings Reserve:

This reserve shows CAMRA's cumulative surplus.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE 11 MONTH PERIOD ENDED 30 NOVEMBER 2019

16 RECONCILIATION OF SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES TO CASH FLOWS FROM OPERATING ACTIVITIES

	11 months to 30 November 2019 £	Year to 31 December 2018 £
Surplus/(Deficit) after tax	76,685	(218,611)
Adjustments for:		
Depreciation / amortisation of fixed assets	241,010	248,187
Loss on disposal of tangible fixed assets	-	(348)
Fair value gain on investments	6,228	(10,179)
Interest and investment income	(37,453)	(10,525)
Taxation	90,851	(60,446)
Operating cashflows before movement in working capital	377,321	(51,923)
Decrease / (Increase) in stock	6,328	11,583
Decrease / (Increase) in debtors	175,429	(4,669)
Increase / (Decrease) in creditors	(99,915)	(39,107)
Net cash inflow from operating activities	<u>459,163</u>	<u>(84,116)</u>

17 OPERATING LEASE COMMITMENTS

As at 30 November 2019, the company had one non cancellable operating lease payment commitment. The total future minimum lease payments were as follows:

	As at 30 November 2019 £	As at 31 December 2018 £
Payable within one year	(89,750)	(30,421)
Payable within 2 - 5 years	(329,082)	-
Total	<u>(418,832)</u>	<u>(30,421)</u>

Operating leases relate to rented property used for warehousing.

18 RELATED PARTY DISCLOSURES

The Directors of Campaign for Real Ale Limited are members who pay annual subscriptions and make use of the company's services to a limited extent - all at market (members') rates.

19 LIMITED BY GUARANTEE

Campaign for Real Ale Limited is a company limited by guarantee and does not have a share capital divided into share. The Company is incorporated in England & Wales and its registered office address is set out on page 1.

20 RISK MANAGEMENT

The company has exposures to two main areas of financial risk - liquidity risk and customer credit exposure.

Liquidity risk - The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Company has significant reserves held as tradeable investments and cash equivalents which can be realised to meet obligations.

Customer credit exposure - The Company has a relatively low exposure to customers who are allowed to pay a debt after delivery of the goods or services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by regular monitoring of debtors and strong on-going customer relationships.

Price risk - The Company is exposed to price risk because of trade investments held at fair value. This risk is mitigated by holding investments in diversified funds, after taking advice from an independent advisor, with an agreed level of price protection and a process to review and monitor fund valuations.

CAMPAIGN FOR REAL ALE LIMITED
AMENDING FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

Company Registration Number: 01270286

CAMPAIGN FOR REAL ALE LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2020

DIRECTORS	N Antona L Atack N Boley A Corbett-Collins S Crawford I Garner H Gieschen G Hough J Kemp A S Newton G Timmins C Tonry B T Wilkinson	(Chair) (Resigned 4 April 2020) (Appointed 4 April 2020)
SECRETARY	Andrew Kenneth Owst	
REGISTERED OFFICE	230 Hatfield Road St Albans Hertfordshire AL1 4LW	
REGISTERED NO.	01270286	
LEGAL STATUS	The company is limited by guarantee and incorporated in England & Wales	
INDEPENDENT AUDITORS	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB	

CAMPAIGN FOR REAL ALE LIMITED

CHAIRMAN'S REVIEW FOR THE YEAR ENDED 30 NOVEMBER 2020

To say that 2020 has been an unusual year would be an understatement, though once again the Campaign has seen many changes and responded strongly where possible to champion the members' interests. Notably as the impact of Covid-19 affected the world, CAMRA lost one of its income streams; the ability of our members to physically meet and enjoy the social benefits of good company with real ale, cider and perry. However, during the year significant work has been undertaken throughout the organisation mostly by remote video-conferencing and I thank the many contributors to this important work. The five strategic committees worked hard to take forward their objectives of Campaigns, Commercial & Communications, Events, Finance & General Purposes and People. The policies of the organisation continue to be reviewed and refined and much work has been undertaken by working groups to take forward targeted initiatives. Thank you to all who have been and continue to be committed to improving the effectiveness of the Campaign.

With the country ravaged by Covid-19, the need for CAMRA to fight to maintain our pubs, clubs and brewing heritage has never been more relevant. Regrettably campaigning through the period has had to be primarily undertaken by electronic means. We have committed to the major initiative of saving our pubs and clubs and supporting the industry with enthusiasm, assisted by research commissioned from Oxford University. We have encouraged members to lobby their MPs a number of times in past months to ensure that there is a strong voice trying to protect our community assets for future generations. In this we have partnered with other key stakeholders in the brewing and hospitality industries. CAMRA must stay strong to secure a vibrant pub and brewery sector for us all to enjoy when we emerge from the disastrous impact of Covid-19.

The pandemic curtailed our meetings and festivals and as a result had a major adverse impact on our income as shown within these Report & Accounts. Festival income being more than £6.0m below the previous year. Our national festivals were also affected, with only GBBF Winter being able to be held in February at the new venue in the West Midlands. GBBF became our first major virtual festival generating a small surplus but only being able to accommodate limited numbers. To all those members who work to host festivals and have been enthusiastic to do so, I share your frustrations and look forward to a time when we can once again meet safely to enjoy and host CAMRA beer festivals. Despite the lack of festivals, our members responded very positively by conserving resources and returning funds to help maintain the cash resources of the organisation.

It is not surprising that in a year in which there has been little social interaction and no CAMRA beer festivals held for nearly 9 months that the membership has declined. From a high of in excess of 193,000, our membership numbers decreased during the period to a five year low of 177,407 as at year-end 30 November 2020. Regrettably the lack of festivals and the prohibition of meetings in pubs has seen our engagement with the public limited to electronic and written communications. As a result, we have been unable to recruit/renew memberships in the way we have done in previous years. Despite this we are grateful to a strong loyal membership that continues to support CAMRA.

Members will be aware that for operational reasons the accounting year-end was moved to 30 November in 2019 and is now set at that date. Consequently, these accounts for the year ending 30 November 2020 have been prepared for the new twelve-month period, but the comparative accounting period shown in these accounts is for the shorter statutory accounting period of only 11 months of 2019.

During the year, the National Executive and staff team undertook a detailed review of resources and many difficult decisions had to be made. One of these decisions resulted in a staffing restructure with limited redundancies. CAMRA maximised the opportunity to benefit from the government's Job Retention Scheme during the year with £189,323 being recovered from furloughing staff. These cost saving initiatives proved very beneficial and despite the considerable reduction in income the financial outcome of the year is a deficit of £218,689 as a result of considerable commitment by both volunteers and staff to conserve resource. It is difficult to draw a direct comparison of accounting performance due to the extraordinary impact of Covid-19 and the difference in the accounting periods, but we have made a significant step forward in reviewing costs and ensuring long-term financial sustainability. 2021 will again prove to be a difficult year as we are unlikely to see significant festival income.

Further detail on the financial performance of CAMRA is contained within the following Report and Accounts. Also, more information on the aims of CAMRA can be found in the Strategic Report on subsequent pages.

It should be noted that during 2020 the Campaign committed significant resources into IT projects to support and improve the future of the organisation. At very short notice whilst the world was learning how to use Zoom the Campaign provided an in-house virtual meeting place of The Red (On)Lion. Another initiative saw the launch of Brew2You to help support the off-sales of the industry. This continues to be used and during 2020 operated for 35 weeks generating sales of in excess of £142,000 for users of the platform, helping to support the industry. Notably during the year, the major IT development project of an in-house membership system was produced, tested and commissioned. This bespoke software will benefit the organisation for many years to come.

The pressure on the staff team through the year has been significant and the restructure and furloughing have been major issues. Yet they have all coped well and we have again had a relatively settled team supporting the volunteers. With the decisions taken we have every confidence that we will be able to emerge from this epidemic as a stronger organisation. I would like to thank them all for their hard work and commitment to CAMRA.

I was honoured to be re-elected as your Chairman in the National Executive election in April. Regrettably we were unable to meet in person for the AGM and Conference in York despite considerable planning for the event and I do thank the York organising committee for all their valiant efforts to stage the Members' Weekend. The "Deemed AGM" held on the 4th April accepted a strong endorsement from the membership to approve a number of special resolutions that will enhance the governance of CAMRA for years to come. I thank the membership for that. I would also like to thank my fellow Directors for all their hard work in serving CAMRA, particularly noting the contributions of Ash Corbett-Collins, Hubert Gieschen and Gillian Hough who come to the end of their term on the National Executive in April 2021. I know that they will opt to stand for re-election. Looking back on 2020 and what we have achieved, it is with optimism in the future as CAMRA celebrates its 50th year in 2021. I have really enjoyed and appreciated working with so many enthusiastic people. There is much still to do, and I thank all members for their continued support for the Campaign.

N Antona
National Chairman
13 February 2021

CAMPAIGN FOR REAL ALE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 NOVEMBER 2020

The Directors present their annual report and the audited financial statements for the 12-month accounting period to 30 November 2020. For operational reasons, the accounting year end was moved in 2019. The comparative figures quoted relate to the previous 11-month accounting period from 1 January to 30 November 2019. It is difficult to draw exact comparisons of performance particularly due to the impact of Covid-19 with the lack of festivals and the comparison to the shorter 11-month accounting period. However, despite a significant fall in income it is noticeable that there has been careful cost management, which has limited the adverse impact on the financial performance of CAMRA.

PRINCIPAL ACTIVITIES

The Campaign for Real Ale (CAMRA) is an independent, voluntary, not-for-profit company limited by guarantee. The organisation is a Public Benefit Entity that campaigns for consumer rights promoting real ales and ciders and for the benefits of community pubs in our society.

DIRECTORS

The Directors who served during the year and to the date of this report are listed on Page 1. In accordance with the Articles of Association, Ash Corbett-Collins, Hubert Gieschen and Gillian Hough will retire at the forthcoming Annual General Meeting (AGM) on 17 April 2021 with three directors to be appointed; all three of them will offer themselves for re-election.

Directors' and Officers' insurance was purchased by the Campaign during the period. No Director receives any remuneration for their work for the company.

On election, directors join the National Executive (NE), which is the board of directors of Campaign for Real Ale Limited. The NE conducts its business through a number of committees. Each committee has a remit which has been approved by the NE. These include the key strategic committees for Campaigns, Commercial & Communications, Events, Finance & General Purposes and People.

RESULTS

The deficit before taxation for the 12-month period is (£286,920) which is an adverse variance of more than (£450,000) on the previous year (2019, 11 months: surplus £167,536), though considered to be a creditable result in the circumstances. Due to the impact of tax provision write-back the deficit after taxation for the 12-month period is (£218,689) (2019, 11 months: surplus £76,685). Total reserves at year-end 30 November 2020 are £3,070,354 (30 November 2019: £3,289,043) which is in line with the Reserves Policy objectives to maintain reserves for emergency campaigns, potential future property acquisition and to withstand adverse economic and operational conditions. A review of the results for the period and CAMRA's financial position is included in the Strategic Report.

MEMBERSHIP

At the 30 November 2020 CAMRA had 177,407 members (30 November 2019: 192,289), a decrease of (7.7%) on the previous period-end. This shows a loyal membership, in a year when social interaction was not possible for 9 months.

VOLUNTEERS

The Directors would like to offer their appreciation to all those individuals who have given their time and expertise freely for the benefit of the Campaign. The invaluable efforts of members involved in planning for and running beer festivals, local campaigning, lobbying government, branch, regional and national committees and other administrative roles are of inestimable worth. We give our thanks to each of our volunteers for their valued contribution.

The company has chosen, in accordance with Section 414 C(11) of The Companies Act 2006, to disclose information about its branches and its future developments in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, Directors are required to:

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

CAMPAIGN FOR REAL ALE LIMITED

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2020**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time CAMRA's financial position, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTMENT POLICY

Reserves not immediately required for operating expenses are held in mixed equity and property fund investments. The overall investment policy is to invest in funds that offer capital growth but at low risk of loss. Investments are made after taking advice from an independent advisor, and the policy and level of investments are reviewed at least annually by an Investment Committee. Further information is disclosed in notes 7, 15 and 20 of the financial statements.


AUDIT INFORMATION

The Directors who were in office on the date of approval of these financial statements have confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which CAMRA's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any information needed by the auditors in connection with preparing their report, and to establish that it has been communicated to the auditor.

RSM UK Audit LLP has indicated its willingness to continue in office and the Directors will seek authority to appoint the auditors at the AGM in accordance with Section 485 of the Companies Act 2006.

Approved and signed by order of the National Executive.



N Antona
Chairman
13 February 2021

CAMPAIGN FOR REAL ALE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

STRATEGIC OBJECTIVES

CAMRA is the independent campaigning voice of pub and club goers as well as real ale, cider and perry drinkers. CAMRA works to promote real ale, cider and perry and thriving pubs and clubs in every community. The Campaign organises its activities into strategic objectives as follows:

1. Secure the long-term future of real ale, real cider and real perry by increasing their quality, availability and popularity.
2. Promote and protect pubs and clubs as social centres and part of the UK's cultural heritage.
3. Increase recognition of the benefits of moderate social drinking.
4. Play a leading role in the provision of information, education and training to all those with an interest in beer, cider and perry of any type.
5. Develop products and services which promote the Campaign as widely as possible, grow and diversify the membership and activist base, and generate campaigning funds.
6. Develop and maintain the necessary ethos, governance, structure, capabilities and financial resources to deliver CAMRA's objectives.
7. Develop CAMRA's organisational systems, membership, infrastructure and staff to ensure financial and corporate sustainability.

FUTURE DEVELOPMENTS

In April 2020 CAMRA's membership voted by large majority to adopt all of the five changes to the organisation's Articles of Association that were recommended as the outcome of a strategic review to improve the governance of the organisation.

The changes to the Articles reflect significant work by the organisation and followed consultation with membership. They are congruent with actions embedded into the Strategic Plan (2018-22) that has been approved by the National Executive. Detailed business plans to implement this strategy have been and continue to be acted upon, reviewed and revised. Following several years of consultation on change, the organisation is now consolidating and building a stable platform to further develop its campaigning and commercial activities when the dangers caused by Covid-19 are eased.

In order to ease the pressure on production of accounts prior to members' weekends a decision was made in 2018, to change the accounting year end of the company to 30 November with effect from 2019. As a result, the accounts detailed in this statutory report and accounts are for a 12-month period for 2020 and are shown against a comparison for the previous 11-month accounting period from 1 January to 30 November 2019. It is difficult to draw a direct comparison of accounting performance due to the extraordinary impact of Covid-19 and the difference in the accounting periods. However, a full review of costs during the year has made a significant step forward to ensuring long-term financial sustainability. It is anticipated that 2021 will again prove to be a difficult year as we are unlikely to see significant festival income during the year.

MEMBERS AND BRANCH NETWORK

The Campaign has continued to try to grow its membership, though in a year in which there has been little social interaction and no CAMRA beer festivals held for nearly 9 months, sadly the membership has declined. Membership numbers decreased to a five year low at year-end of 177,407, which is a 7.7% decline from 192,289 members on 30 November 2019. CAMRA has more than 220 branches throughout the UK, the Channel Islands and the Isle of Man. Branch campaigning, including the organisation of local and regional beer festivals, is at the core of CAMRA's operational activity and remains crucial in the long-term to the organisation's continued success.

BUSINESS REVIEW

There have been many campaigning achievements in the period to 30 November 2020. The most notable of these were:

- In response to first COVID lockdown, launched the PullingTogether campaign to highlight pubs and breweries offering delivery and takeaway.
- Built on this service with the launch and promotion of the Brew2You ordering app to further support pubs and breweries through
- Worked with the One Voice informal industry grouping to maintain a constant lobbying pressure on Government during COVID restrictions. This group successfully helped shape guidance for hospitality on reopening, influenced levels of support packages for hospitality and kept the sector high profile with decision makers and in the media.
- Mobilised members to lobby MPs to overturn the takeaway beer ban during the second period of "tier" lockdowns.
- Shifted several key players from neutrality on differential rate of duty for draught beer, to support the measure.
- Led a consumer campaign on behalf of One Voice to stress the community and social importance of pubs (Pubs Matter).
- Secured a Phase 1 Investigation into the Carlsberg/Marstons Joint Venture, and campaigned to raise awareness of competition issues in the beer market.
- Secured Government support for the Tied Pubs (Code and Adjudicator) Bill in the Scottish Parliament
- Campaigned for the re-introduction of legislation reforming licensing rules for brewers and cider makers in Northern Ireland

KEY PERFORMANCE INDICATORS

Appropriate key performance indicators are measured and reviewed on a regular basis to enable the organisation to set its performance targets and monitor its performance against those targets.

CAMPAIGN FOR REAL ALE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

Financial Returns

Total income for the year to 30 November 2020 was £5.61m, 52.9% down from £11.91m in the previous 11-month period. Predominantly this significant decrease results from the inability to hold festivals for much of the year. Festival income was £1.92m (*11 months 2019: £8.15m*). Membership income was £3.05m for the year increased by 7.5% due to the extra month in the accounting period (*11 months 2019: £2.83m*). Publishing, advertising and other trading income was £0.64m (*11 months 2019: £0.93m*). Total contribution in the year was £2.22m (*11 months 2019: £3.07m*), 27.6% down on the previous period. The fall in contribution is predominantly down to the lack of festival contributions, which are unlikely to return in 2021 to pre-Covid levels.

Administrative expenses for the 12 months of £2.64m (*11 months 2019: £2.93m*) were 10.1% below the previous 11-month period. This saving primarily resulted from lower operating costs as a result of not being able to have physical meetings and is particularly pleasing as it included an extra month's operating cost. It does not reflect the benefit of the government funding furlough scheme of £0.19m, which is shown as a large increase in Other Income. Campaign costs of £0.86m (*11 months 2019: £1.18m*) were 27.1% below previous year, reflecting the inability to conduct physical campaigning. Administration costs of £1.78m (*11 months 2019: £1.75m*) were 2.0% up on previous year though not shown on a like-for-like comparison. The extra month's administrative costs have been absorbed in cost saving and total costs are significantly below budget. Other Operating Income and Interest Received of £0.20m are significantly up on the previous period (*11 months 2019: £0.04m*), including the government's Job Retention Scheme furlough funding.

Fair Value Losses of £0.07m (*11 months 2019: £0.01m loss*) reflect a fall in investment values of approximately 3.7% in the year, which compares favourably with the 14.3% decline in the FTSE100 over the equivalent period. Overall, this results in a deficit before tax of £0.29m, compared to a surplus in the previous 11-month period of £0.17m. There is a write-back of provision for corporation tax of £0.07m, compared to a sum payable of £0.09m in the previous period. The deficit after tax is (£0.22m) for the year (*11 months 2019: surplus £0.17m*). Taking into account the decline in festivals contribution in excess of £0.80m this can be seen as a very respectable accounting outcome.

As a result, at the end of the financial period the Campaign held reserves of £3.07m (*30 November 2019: £3.29m*). Fixed assets including tangible and intangible assets are £0.6m (*30 November 2019: £0.73m*); fixed asset investments are £1.92m (*30 November 2019: £2.00m*). Net current assets are £0.87m (*30 November 2019: £0.96m*) which includes Cash and Cash Equivalents of £2.21m (*30 November 2019: £2.57m*). In order to conserve resources, the Campaign incurred only £0.09m of capital expenditure (*30 November 2019: £0.18m*) and developed IT platforms in-house. The cash position remains strong at year-end and CAMRA has significant investment resources.

The Directors have reviewed the latest available financial position. They have projected forward for more than 12 months beyond the end of this reported financial year, considering the potential liabilities and income. They have considered what actions they would take should the financial projections not be as forecast. They also note that there are considerable financial reserves that could be liquidated if necessary. Noting the strength of the balance sheet, the likely trading scenarios and the controls in place these accounts have been prepared on a Going Concern Basis. In preparing the financial projections into 2022 the directors have the experience of quantifying the financial impact of COVID-19 on the company since the start of the pandemic in March 2020. As such, this provides the directors with a realistic expectation of the financial performance of the company through a period of at least the next twelve months.

A range of non-financial key performance indicators are measured and reviewed on a regular basis by the Directors, to provide visibility of the organisation's performance from a non-financial perspective. The most important of these are:

CAMPAIGN FOR REAL ALE LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2020

1. Introduce a preferential rate of duty for draught beer:

One of the identified opportunities of Britain leaving the European Union was potentially more flexibility in setting duty rates for different types of alcoholic drinks – previously impossible under EU rules. CAMRA has been seeking to raise awareness and support for a differential rate of duty for draught products sold in pubs, compared to supermarkets, with the intention to narrow the price gap between on and off-trade drinks and encourage more customers for pubs.

2. Seek an annual £5,000 business rate relief for pubs, along with a review of the business rate system:

High and increasing business rates are increasingly becoming a key factor in the viability of pub businesses and, importantly for CAMRA, creating consumer detriment as pubs are forced to put up prices purely to survive. A national campaign continues to raise awareness of this issue, has been instrumental in winning some temporary concessions from government and is hoped to drive a root and branch review of the system.

3. Retention and improvement of Small Brewer's Relief (SBR):

SBR continues to be a controversial issue in the industry, with large and small brewers disagreeing on the level of relief and the shape of the relief "curve". CAMRA has been positioning its campaigning efforts to ensure that SBR is not abandoned by government, nor altered in such a way that the diversity of the brewer sector is adversely affected. During 2020 CAMRA reinforced its position that no small brewer should be adversely impacted by proposed changes to SBR and campaigned against the Government's intention to lower the lower limit at which breweries begin to lose the benefit of duty reduction. The Campaign also will be making a submission to the SBR Technical Consultation.

4. Encouraging more people to try and drink more real ale, cider and perry:

55% of drinkers surveyed reported that they have tried real ale, compared to 57% in 2017. Cask ales sales in pubs continue to be squeezed. CAMRA will continue work to raise awareness of different beer styles and to encourage knowledge of real ale through its festivals, awards, publications and digital media.

5. Securing strong local planning policies to protect pubs:

CAMRA continues to work at a national and local level to ensure greater planning protection for pubs. During 2021, CAMRA will continue to focus on reducing the tax burden on pubs, increase the scrutiny of the application of the Pubs Code and the work of the Pubs Adjudicator in ensuring fair treatment of pub tenants, and work to extend a similar level of planning protection for pubs in the devolved nations of the UK to that which is now available in England.

6. Further developing and enhancing WhatPub:

WhatPub has become an essential resource for the campaign. CAMRA continues to explore ways it can be better used for campaigning and supporting pubs. The effects of Covid-19 and the inaccessibility of pubs has severely curtailed our members' ability to monitor and score pubs and beers. We will look at improving functionality and ensuring information is updated in 2021 as and when we can revisit pubs.

7. Ensuring effective operation of the Pubs Code:

After a decade of campaigning, CAMRA played a part in the introduction of legislation to create the Pubs Code and office of the Pubs Code Adjudicator. Now operational for several years, it is essential that we continue to monitor and influence the development and refinement of the Code, to ensure no consumer detriment is created and the pub sector remains vibrant and diverse. It was particularly important that CAMRA ensured a full, independent review of the operation of the Code was conducted and that our submission was detailed and addressed the weaknesses that had been identified.

8. Ensure the continuation of effective competition in the beer and pub markets:

Through CAMRA's campaigning on beer duty, business rates and the Pubs Code as well as local and consumer faced campaigning; CAMRA tries to ensure that both the fiscal and legislative environment is beneficial to pubs and beer. This helps to ensure effective competition in the pub market.

PRINCIPAL RISKS AND UNCERTAINTIES

A comprehensive risk register is maintained and reviewed by the senior staff team, the Finance and General Purposes Committee and the National Executive. Risks are managed actively and mitigation strategies implemented to restrict our levels of risk. Key strategic risk areas are shown below. Further information regarding the management of financial risk is given in note 20 to the accounts.

1. Reputational

CAMRA's reputation as an independent campaigning body is essential to the Campaign's continued success. Strict guidelines are in place for branches and to govern national campaigns. Strong financial controls are maintained and reviewed annually and systems are in place to ensure compliance with Health and Safety, Data Protection and other legal requirements. High standards of governance are aimed for and governance processes are subject to continuous review. A fundamental review of CAMRA's governance and organisational structure was started in 2019 and it is largely complete. The governance and performance of the organisation are subject to continuous review.

2. Organisational

In order to support the growing campaign it is essential to attract, retain and develop key staff and volunteers. Staff surveys are conducted regularly and their findings acted upon. The salary and benefits structure is reviewed on a periodic basis. We have developed clearer communication of volunteering opportunities and this work will continue in 2021, alongside the continued enhancement of resources available to volunteers to help them in their work for the Campaign.

The changes to CAMRA's Articles of Association and redefined objectives are encompassed within the Strategic Plan. It is believed that the organisation has now laid the foundations for a period of structural stability following several years of change. It is hoped that the organisation can return to increasing new member recruitment post Covid-19, engage their interest via a developing education and information strategy and convert them into active and well-informed campaigners.

3. Financial

Measures have been taken to reduce expenditure for the second year in a row to maintain a stable central function, this has proved to be effective. Recognition of the underlying causes of the Campaign's failure to achieve significant growth in levels of income has added impetus to focus on cost control across all areas of commercial activity. It is hoped that in 2021 festivals may restart and in future years there will be increasing revenue from beer festivals. It is anticipated that changes that have started to be implemented in 2020 will continue to be successful in 2021 and see CAMRA have a stable future without drawing significantly on the available reserves.

4. Festivals

The success of local, regional and national beer festivals is crucial to raise the awareness of real ale, cider and perry, to recruit members and to help fund the Campaign. The world-wide impact of Covid-19 has had a disastrous effect on our national way of life, and curtailed all of our beer festival activities. As life returns to a new normal CAMRA will trial test events to ensure the safety of members and the public. Key risks to CAMRA being able to run such events are recruiting committed, knowledgeable volunteers, obtaining suitable venues, meeting compliance issues and ensuring future festivals remain relevant to potential customers.

Once our festivals restart, there will be continued central support for the planning and marketing of festivals. The hope in the future is to continue to develop proposals to build on CAMRA's national festivals offering, through a progressive redevelopment of the national festivals which have provided so much enjoyment over the years. In the interim we plan to provide accessibility to real ale, cider and perry through a series of virtual events and tastings.

We have confidence that, in 2021 and beyond we can further enhance the Campaign and be a proactive voice for the championing of real ale, ciders and perries and the promotion and protection of the nation's pubs and clubs.

Approved and signed by order of the National Executive.



N Antona
Chairman

13 February 2021

**INDEPENDENT AUDITORS REPORT TO MEMBERS OF CAMPAIGN FOR REAL ALE LIMITED
FOR THE YEAR ENDED 30 NOVEMBER 2020**

Opinion

We have audited the financial statements of Campaign for Real Ale Limited (the 'company') for the year ended 30 November 2020 which comprise Statement of Income and Expenditure, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its deficit for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 company'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other 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.

Options 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company'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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Stadden (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

3 March 2021

CAMPAIGN FOR REAL ALE LIMITED

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 NOVEMBER 2020**

			Year to 30 November		11 months to 30 November
	Notes	£	2020 £	£	2019 £
INCOME	2		5,612,797		11,907,130
Cost of Sales			(3,391,293)		(8,841,484)
CONTRIBUTION			<u>2,221,504</u>		<u>3,065,646</u>
Administrative expenses			(2,635,919)		(2,932,335)
			<u>(414,415)</u>		<u>133,311</u>
Other operating income			196,339		3,000
OPERATING (DEFICIT) / SURPLUS	3		<u>(218,076)</u>		<u>136,311</u>
Income from fixed asset investments		65		225	
Interest receivable and similar income		<u>5,976</u>		<u>37,228</u>	
			6,041		37,453
Fair value losses on Investments	7		(74,885)		(6,228)
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(286,920)</u>		<u>167,536</u>
Tax (liability) on ordinary activities	5		68,231		(90,851)
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR / PERIOD			<u><u>(218,689)</u></u>		<u><u>76,685</u></u>

The notes on pages 14 to 21 form part of the financial statements.

CAMPAIGN FOR REAL ALE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Year to 30 November 2020			11 months to 30 November 2019		
	Retained Earnings Reserve £	Fair Value Reserve £	2020 Totals £	Retained Earnings Reserve £	Fair Value Reserve £	2019 Totals £
At 1 December	3,031,196	257,847	3,289,043	2,948,283	264,075	3,212,358
(Deficit)/Surplus for the period year and total comprehensive income	(218,689)	-	(218,689)	76,685	-	76,685
Transfer to Fair Value Reserve	74,885	(74,885)	-	6,228	(6,228)	-
At 30 November	<u>2,887,392</u>	<u>182,962</u>	<u>3,070,354</u>	<u>3,031,196</u>	<u>257,847</u>	<u>3,289,043</u>

CAMPAIGN FOR REAL ALE LIMITED

Company registration no. 01270286

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020

	Notes	£	As at 30 November 2020 £	As at 30 November 2019 £
FIXED ASSETS				
Tangible assets	6		410,978	461,765
Intangible assets	6		187,388	267,334
Investments	7		1,922,964	1,997,849
			<u>2,521,330</u>	<u>2,726,948</u>
CURRENT ASSETS				
Stocks	8	119,080		87,136
Debtors	9	426,575		348,143
Cash and cash equivalents	10	<u>2,213,011</u>	<u>2,569,560</u>	<u>3,004,839</u>
		2,758,666	3,004,839	
CREDITORS: Amounts falling due within one year:	11	<u>(1,885,404)</u>	<u>(2,046,542)</u>	
NET CURRENT ASSETS			<u>873,262</u>	<u>958,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,394,592	3,685,245
CREDITORS: Amounts falling due in more than one year:	12		(266,579)	(270,312)
PROVISIONS FOR LIABILITIES	13		(57,659)	(125,890)
NET ASSETS			<u>3,070,354</u>	<u>3,289,043</u>
RESERVES				
Fair Value Reserve	15		182,962	257,847
Retained Earnings Reserve	15		<u>2,887,392</u>	<u>3,031,196</u>
			<u>3,070,354</u>	<u>3,289,043</u>

The financial statements on pages 10 to 21 were approved and authorised for issue by the Board of Directors on 13 February 2021 and were signed on its behalf by:



N Antona - Director



B Wilkinson - Director

CAMPAIGN FOR REAL ALE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020**

		Year to 30 November	11 months to 30 November
		2020	2019
	Notes	£	£
OPERATING ACTIVITIES			
Cash generated (used in) / from operations	16	(284,288)	459,163
Corporation Tax received / (paid)			6,281
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		<u>(284,288)</u>	<u>465,444</u>
INVESTING ACTIVITIES			
Dividends received from investments		65	225
Interest received		5,976	37,228
Purchase of fixed assets		(93,538)	(181,654)
Prior Year Adjustment		23	
Proceeds from (Profit) / Loss on disposal of fixed assets		15,213	3,429
Acquisition of fixed asset investments		-	(300,000)
NET CASH (DECREASE) / INCREASE INVESTING ACTIVITIES		<u>(72,261)</u>	<u>(440,772)</u>
Net (decrease) / increase in cash in the year		<u>(356,549)</u>	<u>24,672</u>
(Decrease) / Increase in cash in the year		(356,549)	24,672
Cash at 1 December		2,569,560	2,544,888
Cash at 30 November		<u>2,213,011</u>	<u>2,569,560</u>

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

1 ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as modified by the recognition of certain financial assets measured at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £1

Going Concern

The financial statements have been prepared under the assumption that the Company will continue as a going concern. The company will be able to meet its obligations in full for the next 12 months and beyond. The Board has reviewed and approved a 12 month budget and five year forecast covering 12 months from the date of approval of the financial statements. The Directors have reviewed the latest available financial position. They have projected forward for more than 12 months beyond the end of this reported financial year, considering the potential liabilities and income. They have considered what actions they would take should the financial projections not be as forecast. They also note that there are considerable financial reserves that could be liquidated if necessary. Noting the strength of the balance sheet, the likely trading scenarios and the controls in place these accounts have been prepared on a Going Concern Basis. In preparing the financial projections into 2022 the directors have the experience of quantifying the financial impact of COVID-19 on the company since the start of the pandemic in March 2020. As such, this provides the directors with a realistic expectation of the financial performance of the company through a period of at least the next twelve months.

Entities covered by these accounts

The accounts presented are for a single entity, Campaign for Real Ale Ltd, as permitted by sections 402 and 405 of the Act, on the grounds that the one dormant subsidiary is immaterial. The accounts include the full income, expenditure and net assets of CAMRA branches. The Campaign for Real Ale (CAMRA) is an independent, voluntary, not-for-profit company limited by guarantee. The organisation is a Public Benefit Entity that campaigns for consumer rights promoting real ales and ciders and for the benefits of community pubs in our society.

Income

Income, which is stated net of value added tax, represents subscriptions, festival income, other trading income and advertising:

Subscription Income

Annual subscriptions - income is recognised by reference to the level of membership services provided and the proportion appropriate to the current year is credited to the income and expense account. The balance is carried forward as subscriptions paid in advance and included in current liabilities.

Life membership subscriptions

Amounts received are credited to deferred income with a transfer to the income and expense account each year, calculated on an actuarial basis.

Festival Income

Festival income consists of income from branch festivals held in the period plus that from the two national festivals, the Great British Beer Festival and the Great British Beer Festival Winter.

Other Trading Income

Other trading income consists of books and product sales and income from events. Revenue from the sale of books and products is recognised on despatch and revenue from events is recognised in the period in which the event took place.

Advertising Income

Advertising income consists of amounts due from adverts placed by third parties in What's Brewing newspaper and Beer magazine during the period. Revenue is recognised in the month of publication.

Other Operating Income

Other operating income includes £189,323 received from the government Job Retention Scheme 2020 to support furlough staff. We can confirm that there were no unfulfilled conditions or other contingencies relating to the grant and no other forms of assistance have been received by CAMRA from the UK Government in the year ended 30 November 2020.

Expenditure

Costs are stated net of VAT and are recognised as incurred.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 30 NOVEMBER 2020

1 ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Tangible Fixed Assets include land and building, physical property, plant and equipment and motor vehicles. Fixed assets are stated at cost net of depreciation. Depreciation of tangible assets is charged at rates sufficient to write assets off over the periods that are judged to be their useful lives as follows:

Land	0% not depreciated
Buildings	2% per annum on cost
Office refurbishment	10% per annum on cost
Equipment	33.33% per annum on cost
Computer hardware	33.33% per annum on cost
Motor vehicles	25% per annum on cost

An assessment is made at each reporting date as to whether there are indicators that a fixed asset may be impaired.

Intangible Fixed Assets

Intangible Fixed Assets are recognised for software development if the software can be demonstrated to have a future economic benefit, is intended to be used, can be shown to be technically feasible and the development cost can be clearly measured. Amortisation is charged on a straight line basis over 3 years as this is judged to be the useful economic life of software assets. An assessment is made at each reporting date as to whether there are indicators that an asset may be impaired.

Fixed Asset Investments and Fair Value Reserve

Trade Investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the income and expenditure account, as set out on page 14. Any fair value gains or losses are transferred to a fair value reserve, net of deferred taxation.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Leased Assets and Obligations

Operating leases and annual rentals are charged to income and expenditure on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value, on a First-In First-Out basis, after making due allowance for obsolete and slow moving items.

Financial Instruments

The company has elected to apply the provisions of Section 11 (Basic Financial Instruments) of FRS 102 in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has the legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade Debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the income and expenditure account for the excess of carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 30 NOVEMBER 2020

1 ACCOUNTING POLICIES (continued)

Trade Investments

Trade investments are equity over which the Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through income and expense, when transaction costs are expensed to income and expenditure as incurred. The fair value of trade investments is measured using a published unit price in an active market.

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Taxation

Corporation tax liability is calculated using the prevailing tax rate covering the accounting period. Tax is payable on interest received, chargeable gains and on those parts of the surplus which arise from trading with non-members, less any deficits arising.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which 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 are expected to reverse; based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company contributes to a group personal pension plan available to all employees whose pension assets are administered by an independent insurance company. This is a defined contribution plan. Contributions payable for the period are charged to the income and expense account as they fall due.

Judgements and key sources of estimation uncertainty

There are no areas of significant judgement in preparing the 2020 financial statements.

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects both current and future periods.

	Year to 30 November 2020 £	11 months to 30 November 2019 £
2 INCOME		
Sales of Goods (festivals, branches, books, merchandise)	2,549,150	9,052,880
Services (membership)	3,045,360	2,832,140
Other	18,287	22,110
	<u>5,612,797</u>	<u>11,907,130</u>
All income is derived from activities undertaken in the UK.		
	Year to 30 November 2020	11 months to 30 November 2019
3 OPERATING SURPLUS / (DEFICIT)		
The operating (deficit) / surplus is stated after charging:		
Depreciation and Amortisation - owned assets	(208,943)	(241,010)
(Loss) / Profit on disposal of fixed assets	(93)	-
Auditors' remuneration - audit (net of VAT)	(24,700)	(24,700)
Auditors' remuneration - other services	(6,950)	(6,950)
Lease expenses	(94,116)	(47,626)
Bad debts (Recorded) / expensed	(15,018)	(9,061)
Campaigning costs	<u>(860,124)</u>	<u>(1,179,837)</u>

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Year to 30 November	11 months to 30 November
	2020	2019
	£	£
4 DIRECTORS AND EMPLOYEES		
Employment costs:		
Wages and salaries	1,484,837	1,330,358
Social security costs	135,580	123,719
Other pension costs	64,007	55,016
	<u>1,684,424</u>	<u>1,509,093</u>
Key management personnel remuneration	245,928	223,308
Employer's NI Contributions relating to key management personnel	<u>28,706</u>	<u>26,201</u>

The Board of Directors is comprised of volunteers elected by the membership and as such do not receive any remuneration.

Included in the wages and salaries are redundancy costs of £15,244 (2019: NIL) made to four employees during the year.

	No.	No.
Average number of employees during the period:-		
Commercial activities and membership services	20.0	20.1
Campaigning Activities	4.3	4.7
Administration and Support	22.6	21.9
Average number of employees during the period	<u>46.9</u>	<u>46.7</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the deficit on ordinary activities for the period was as follows:

	Year to 30 November	11 months to 30 November
	2020	2019
	£	£
Current tax:		
UK corporation tax on (deficit) / surplus of the period	-	-
Over/(Under) provision relating to prior years	-	6,281
Total current tax	-	6,281
Deferred taxation (provided)/rec. (note 13)	68,231	(97,132)
Tax recovery / (liability) on ordinary activities	<u>68,231</u>	<u>(90,851)</u>

The current tax charge arising in respect of the year is different from the standard small profits rate of UK corporation tax of 19%. The differences are explained below.

	2020	2019
	£	£
(Deficit) / Surplus on ordinary activities before tax	<u>(286,920)</u>	<u>167,536</u>
Surplus / (Deficit) multiplied by the standard rate of 19% (19.0%)	54,515	(31,832)
Effects of:		
(Deficit) / Surplus attributable to members	-	-
Adjustments in respect of prior years	-	6,281
Other timing differences	13,716	(65,300)
Tax credit /(debit) for the period	<u>68,231</u>	<u>(90,851)</u>

CAMPAIGN FOR REAL ALE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 NOVEMBER 2020**

6 TANGIBLE AND INTANGIBLE FIXED ASSETS

	TANGIBLE					INTANGIBLE
	Freehold property £	Fixtures, Fittings & Equipment £	Motor vehicles £	Computer Hardware £	Totals £	Computer Software £
COST						
At 1 December 2019	475,575	722,313	13,912	124,171	1,335,971	921,449
Additions	-	9,152	-	8,395	17,547	75,991
Disposals	-	(20,123)	-	(3,522)	(23,645)	(15,513)
At 30 November 2020	475,575	711,342	13,912	129,044	1,329,873	981,927
DEPRECIATION						
At 1 December 2019	(163,065)	(593,626)	(13,912)	(103,625)	(874,227)	(654,116)
Charge for period	(5,786)	(33,925)	-	(13,296)	(53,007)	(155,936)
Eliminated on disposal	-	5,260	-	3,079	8,339	15,513
At 30 November 2020	(168,851)	(622,291)	(13,912)	(113,842)	(918,895)	(794,539)
NET BOOK VALUE						
At 30 November 2020	306,725	89,051	-	15,202	410,978	187,388
At 30 November 2019	312,510	128,688	-	20,546	461,744	267,333

Included in freehold property is freehold land of £178,500 (2019: £178,500) which is not depreciated.

Computer Software represents purchased software at cost and its amortisation included in administrative expenses.

7 FIXED ASSETS INVESTMENTS

	Shares in group undertakings £	Listed trade investments £	Unlisted trade investments £	Totals £
COST OR VALUATION				
At 1 December 2019	100	799,735	1,198,014	1,997,849
Additions in period	-	-	-	-
Disposals in year	-	-	-	-
Fair Value Adjustment	-	(286)	(74,599)	(74,885)
At 30 November 2020	100	799,449	1,123,415	1,922,964

For the year end valuation, the following investment managers were used to obtain the fair value of the investments as the year end :

- Aviva
- Aegon
- Canada Life
- Prudential
- Transact
- Ascentric
- Royal London Unit Trust

If listed and unlisted trade investments had not been measured at fair value they would have been included at the following cost:

	As at 30 November 2020 £	As at 30 November 2019 £
Cost	1,390,174	1,390,174

Listed and unlisted investments are valued using the published unit price in an active market at each reporting date.

The following was a subsidiary undertaking throughout the year, registered in England & Wales.

The trading address of CAMRA Ltd is the same as the parent company.

	As at 30 November 2020 £	As at 30 November 2019 £
Aggregate capital and reserves	100	100
Name	Proportion of shares and voting rights held	Nature of business
CAMRA Limited	100%	Dormant

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 30 NOVEMBER 2020

8 STOCKS

	As at 30 November 2020 £	As at 30 November 2019 £
Book stock	101,606	63,074
Branch stock	17,474	24,062
	<u>119,080</u>	<u>87,136</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 November 2020 £	As at 30 November 2019 £
Trade debtors - branches	83,154	155,442
Trade debtors - others	173,104	54,699
Prepayments and accrued income	170,317	138,002
	<u>426,575</u>	<u>348,143</u>

10 CASH AND CASH EQUIVALENTS

	As at 30 November 2020 £	As at 30 November 2019 £
Cash at bank and in hand	1,763,812	2,121,075
Cash equivalents	449,199	448,485
	<u>2,213,011</u>	<u>2,569,560</u>

The cash equivalents noted represent a managed fund holding predominantly cash, deposits, treasury bills, money market instruments, floating rate notes, covered bonds, short dated debt securities and other debt securities issued by governments, government agencies and supra-nationals. Cash can be moved in and out of this fund at short notice at any time.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 November 2020 £	As at 30 November 2019 £
Trade creditors	336,916	385,439
VAT Creditor	8,649	50,038
Social security and other taxes	38,399	41,786
Subscriptions in advance	1,370,503	1,427,938
Accruals and deferred income	130,937	141,341
	<u>1,885,404</u>	<u>2,046,542</u>

12 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	As at 30 November 2020 £	As at 30 November 2019 £
Life members deferred income brought forward	270,312	271,374
Cash received in the period	7,148	9,750
Transfer to income	(10,881)	(10,812)
Life members deferred income carried forward	<u>266,579</u>	<u>270,312</u>
Falling due within one year	10,881	10,812
Falling due within 2 - 5 years	43,526	43,248
Falling due after more than 5 years	212,172	216,252
	<u>266,579</u>	<u>270,312</u>

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 30 NOVEMBER 2020

13 PROVISIONS FOR LIABILITIES

	As at 30 November 2020 £	As at 30 November 2019 £
Deferred tax:		
Brought Forward	125,890	28,758
(Reductions) / Additions	<u>(68,231)</u>	<u>97,132</u>
Amount Carried Forward	<u>57,659</u>	<u>125,890</u>
Balance analysed as:		
Accelerated Capital Allowances	94,155	104,782
Revaluation of Investments	44,231	58,460
Tax losses carried forward	<u>(80,727)</u>	<u>(37,352)</u>
	<u>57,659</u>	<u>125,890</u>

The forward tax rate applied to deferred tax liabilities in 2020 is 19% (2019:19%). The balance shown above is net of £196,589 of tax losses carried forward as a deferred tax asset.

14 FINANCIAL INSTRUMENTS

Financial Assets at Fair Value through Income and Expenditure	<u>1,922,964</u>	<u>1,997,849</u>
---	------------------	------------------

15 RESERVES

Reserves of the Company represent the following:

Fair Value Reserve

Fair value movements on investments measured at fair value have been shown in a separate fair value reserve.

Retained Earnings Reserve:

This reserve shows CAMRA's cumulative surplus.

CAMPAIGN FOR REAL ALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 30 NOVEMBER 2020

16 RECONCILIATION OF SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES TO CASH FLOWS FROM OPERATING ACTIVITIES

	Year to 30 November 2020 £	11 months to 30 November 2019 £
(Deficit) / Surplus after tax	(218,689)	76,685
Adjustments for:		
Depreciation / amortisation of fixed assets	208,943	241,010
Loss on disposal of tangible fixed assets	93	-
Fair value loss/ (gain) on investments	74,885	6,228
Interest and investment income	(6,041)	(37,453)
Taxation	(68,231)	90,851
Operating cashflows before movement in working capital	(9,040)	377,321
(Increase) / Decrease in stock	(31,944)	6,328
Decrease / (Increase) in debtors	(78,432)	175,429
(Decrease) / Increase in creditors	(164,872)	(99,915)
Net cash inflow from operating activities	<u>(284,288)</u>	<u>459,163</u>

17 OPERATING LEASE COMMITMENTS

As at 30 November 2020, the company had one non cancellable operating lease payment commitment. The total future minimum lease payments were as follows:

	As at 30 November 2020 £	As at 30 November 2019 £
Payable within one year	(89,750)	(89,750)
Payable within 2 - 5 years	(239,332)	(329,082)
Total	<u>(329,082)</u>	<u>(418,832)</u>

Operating leases relate to rented property used for warehousing.

18 RELATED PARTY DISCLOSURES

The Directors of Campaign for Real Ale Limited are members who pay annual subscriptions and make use of the company's services to a limited extent - all at market (members') rates.

19 LIMITED BY GUARANTEE

Campaign for Real Ale Limited is a company limited by guarantee and does not have a share capital divided into shares. The Company is incorporated in England & Wales and its registered office address is set out on page 1.

20 RISK MANAGEMENT

The company has exposures to two main areas of financial risk - liquidity risk and customer credit exposure.

Liquidity risk - The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Company has significant reserves held as tradeable investments and cash equivalents which can be realised to meet obligations.

Customer credit exposure - The Company has a relatively low exposure to customers who are allowed to pay a debt after delivery of the goods or services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by regular monitoring of debtors and strong on-going customer relationships.

Price risk - The Company is exposed to price risk because of trade investments held at fair value. This risk is mitigated by holding investments in diversified funds, after taking advice from an independent advisor, with an agreed level of price protection and a process to review and monitor fund valuations.