



INDEPENDENT FAMILY BREWERS OF BRITAIN

BUILT ON TRADITION, INVESTING IN THE FUTURE



## THE INDEPENDENT FAMILY BREWERS OF BRITAIN

This generation of the Family Brewers of Britain are proud to be the present custodians of some of the oldest and most widely recognised family businesses in the UK.

Our breweries brew both traditional and modern beers, and we operate over 3,000 of the best local pubs in the country. They provide the glue that holds our local communities together and help to break down social barriers.

With collectively over 5,000 years of experience and heritage, ours are modern businesses and our members generate some of the most dynamic and innovative thinking in the industry.

Family values are central to everything we do. Our teams and people are all part of the family. Strong and consistent values are an integral part of the strength and longevity of our businesses. We employ, directly and indirectly, approximately 50,000 people across the UK, our businesses have a huge economic multiplier.

We can play an important role in helping the UK economy to grow, offering employment and inspiration to young people, training and skills to our talented teams and ongoing investment in our breweries and pubs.

Our enduring success is in part due to our ability to operate with far reaching horizons. We hold a long-term perspective and are programmed to invest in our people, our breweries and our pubs - always prioritising their success ahead of other short-term gains.

We are responsible business owners. Given the opportunity and legislative framework to invest, we can accelerate all that we currently do to play our part in a successful and thriving UK hospitality and tourism sector, make a meaningful financial contribution to help the country become stronger and continue to do so for decades to come.

**Richard Bailey**  
Chairman  
IFBB



## THE IFBB HAS 28 FAMILY BREWER MEMBERS SPREAD ACROSS ENGLAND AND WALES

WE HAVE OVER **5,000**  
**YEARS** OF BREWING  
HERITAGE BETWEEN US

WE RUN **3,165**  
**OF THE BEST**  
**PUBS** IN THE UK



### IFBB member companies

- Arkell's
- Batemans Brewery
- Bathams Brewery
- Brakspear
- Daniel Thwaites
- Donnington Brewery
- Everards Brewery
- Felinfoel Brewery
- Fuller's
- Hall & Woodhouse
- Harvey's Brewery
- Hogs Back
- Holden's
- Hook Norton
- Hydes
- Joseph Holt
- JW Lees
- McMullen's
- Palmers Brewery
- Robinsons
- Shepherd Neame
- St Austell
- Theakstons
- Timothy Taylor
- Titanic
- Wadworth
- Wells & Co
- Young's







## IN BUSINESS FOR THE LONG-TERM

FAMILY BREWERS RAISED OVER £3.2m FOR CHARITY IN THE LAST YEAR ALONE, AN AVERAGE OF ALMOST £134,000 PER BUSINESS



AN ESTIMATED £12.5m IS RAISED FOR CHARITY BY OUR PUBS EACH YEAR, FUNDING THOUSANDS OF LOCAL GOOD CAUSES

The UK's Independent Family Brewers have been steering a steady path through even the most turbulent economic waters for **over 325 years**, thanks to a consistent, long-term strategy of **investing our profits back into our businesses and people**.

**We invested £225m in our businesses** in the last year alone and we believe that continuing with this level of investment is the key to our long-term growth and success. With Government support, Family Brewers can continue to grow their contribution to both the Treasury and the local economies that rely on them.

Family Brewers are a great British manufacturing success story, producing **over 230 million pints** of beer every year in the traditional way it has been made for centuries, and now **export their beers to over 100 countries** worldwide.

We own and operate **over 3,000 of the best and most successful local pubs** in the UK, both directly through pub managers and indirectly through partnerships with our tenant licensees, who run the pubs as their own small businesses.

We are all UK-based and we pay our taxes in the UK, directly **contributing over £380m in tax to the British economy** every year, and, indirectly, many millions more through our tenanted partners' pub businesses and the thousands of local suppliers that rely on us.

The main outlet for the **230 million pints of handcrafted British beer** we produce every year is our own pubs. Pubs are unique to the UK, they are the home of sensible drinking, and draught beer is at their heart.



WE INVESTED £225m IN OUR BUSINESSES IN THE LAST YEAR ALONE



WE PRODUCE 230 MILLION PINTS OF HANDCRAFTED BRITISH BEER EVERY YEAR



## A FINANCIAL CLIMATE FOR GROWTH

As businesses that are always planning for the long term, **Family Brewers are keen to be part of the solution** in returning the UK economy to significant growth and as such we welcome the Government's focus on openness and clarity.

Family Brewers support the Government's plans for **a review of the UK business rates system** to end the unfair burden it places on bricks and mortar businesses like ours, as compared to giant multi-national operations and large online retailers. This would **level the playing field for British businesses**, and allow us to invest even more into training and upskilling our teams and growing our operations.

Family Brewers support the current **preferential duty rate for draught beer in pubs**, especially during the current economic downturn. It allows our managers and tenants to keep prices down at the bar in order to keep pub-goers in pubs, and not drinking at home. **We would support an increase in this draught duty differential rate** to help keep local pubs competitive against the supermarket giants.

Family Brewers support **a lower VAT rate for the hospitality sector**, to provide a level playing field with supermarkets and boost the UK's tourism offer. This would enable our pubs to **grow customer numbers by keeping prices down**, something that ultimately helps to keep community pubs open and businesses like ours healthy.







OVER 88% OF OUR TENANTS SAY THEY WOULD HAPPILY TAKE ANOTHER PUB WITH US



WE OPERATE 2,057 OF THE BEST COMMUNITY PUBS IN THE COUNTRY IN PARTNERSHIP WITH OUR TENANTS, WHO RUN THEM AS THEIR OWN SMALL BUSINESSES

## FAMILY-OWNED AND OPERATED

Stability and certainty around the system of inheritance tax and **Business Property Relief (BPR)** is extremely important to Family Brewers, and we believe this form of tax relief is what has allowed us to innovate, invest and create more jobs through the generations that our businesses have been in existence.

Without BPR it is likely that many of our historic breweries would have closed or been sold and our companies fragmented upon the death of a family member, in order to pay inheritance taxes.

The BPR system means that the business can be passed on to the stewardship of the next generation without the threat of sale, closure, reduced investment or job losses. Profits can instead continue to be reinvested to grow our operations and create more jobs.

Without BPR, the long term investment horizons, independent ownership and national cultural richness of the Family Brewers would be placed in jeopardy. In time they would become saddled with debt, forced to sell off a perfectly viable business.

Remaining family-run is important not only to the Brewers themselves, but to their workforce and to the national economy. If Family Brewers were forced to sell all or part of their businesses, a buyer is likely to be a much larger business, either in private equity or foreign ownership, often paying a large proportion of their tax outside the UK.

LAST YEAR WE MADE 654 DIFFERENT BEERS, WHICH WE SOLD IN THE UK AND EXPORTED TO OVER 100 COUNTRIES WORLDWIDE







## OUR UNIQUE BUSINESS MODEL

**WE EMPLOY  
c.30,000 PEOPLE  
DIRECTLY, AND  
ALMOST 50,000  
PEOPLE IF  
YOU INCLUDE  
OUR TENANT  
PARTNERS' PUBS**



Key to our success, and that of our tenants, is the traditional brewery tie pub tenancy agreement. In keeping with our family values, these **licensee partnership agreements** are specifically designed to be mutually beneficial, so that **each party benefits** when a pub flourishes, and the financial impact on the licensee is cushioned during tougher times.

Our tenants rent pubs from us at a **reduced commercial rent**, and in return we supply them with a range of products including **our own beers**. We therefore have a marketing outlet that guarantees the distribution of our own-brewed beers and the licensee has the opportunity to **run his or her own business at a much lower start-up cost and with a lower fixed cost base than were they on their own**.

As part of the tie agreement, Family Brewers **invest tens of millions of £s each year on buying, refurbishing, maintaining and insuring** our tenanted pubs meaning that our tenants have the opportunity to run their own successful and well invested pubs that they otherwise would not be able to fund.

We also provide a **full range of business services and advice free of charge** to our tenants to help them comply with legislation and tackle business challenges, ensuring they are able to maximise their own financial success. **The structure of the brewery tenancy agreement means that both parties share in success** and everyone is aligned in wanting the pub to do well.

**This model is tried and tested and continues to operate well in today's world.** This is proven by many of our tenants running very successful pubs and choosing to take a second, third or even fourth pub with us, creating **their own small pub estates within our estates**.

## COMMUNITY CHAMPIONS

Local communities are paramount to the Family Brewers, and the IFBB has **28 Family Brewers** within its membership, operating in their own local communities across England and Wales, where they are often the largest employer in that area.

We employ almost **30,000 people** directly within our businesses and are responsible for the **livelihoods of almost 50,000 people** when you include our tenanted pubs.

Most of the suppliers and services we use are local to us, so Family Brewers also **support a whole range of small local businesses**, many of whom rely on us for their own success. Our businesses therefore have a significant local economic multiplier effect.

Our businesses **raised over £3.2m for charity** in the last year alone, many of which went to charities and causes very local to our businesses and supported the local communities we care about.

Our pubs also raise an estimated **£12.5m every year** for the causes their customers care about, as well as **funding local sports teams, community events, and even providing free spaces for local services** like shops, libraries and health professionals.

During Covid, Family Brewers **waived more than 88% of all rent** for the tenants in our pubs to give the worst affected of these small, local businesses the best chance of survival, and to take away the added financial stress for our loyal licensees.

In many cases, our **community pubs are the last services left** in a small village or town and our continued investment and support for our tenants ensures they survive.

**WE OFFER A  
HUGE RANGE OF  
OPPORTUNITIES  
FOR YOUNG  
PEOPLE, WITH  
42% OF OUR  
WORKFORCE  
UNDER 25  
AND THOUSANDS  
OF APPRENTICES  
TRAINED WITHIN  
OUR BUSINESSES  
EVERY YEAR**







WE CARE ABOUT OUR TENANTS AND THEIR SUCCESS, AND WE **WAIVED MORE THAN 88% OF ALL RENT** DURING THE PANDEMIC TO ENSURE THEIR BUSINESSES SURVIVED



## MAINTAINING OUR FAMILY VALUES AND CULTURE

As long-term custodians of these historic family-owned businesses, Family Brewers place a high value on the **positive relationship we have built with the people we employ**. This strong and supportive bond is reflected in the excellent service we provide. Our businesses are small enough that we have personal relationships across all our pubs and we take pride in knowing our teams, tenants and licensees by name.

We focus on **supporting and growing our teams**, and many people stay within our businesses for their entire careers. We are proud to say we often have multiple generations of the same family working in our breweries and pubs.

As Family Breweries, many of which have been in the same family for **eight or nine generations**, we prioritise investing for the future over returning a quick profit to shareholders - that way we are able to maintain the high quality and service standards our customers have come to expect of us. This approach ensures that **our businesses are sustainable**, and we are able to reinvest with time horizons stretching decades into the future.



WE PAID **OVER £380m TO THE TREASURY** IN TAXES IN THE LAST YEAR, AND WE PAY ALL OUR TAXES IN THE UK







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