

THE INSTITUTE OF BREWING & DISTILLING

England & Wales · Charity number 269830

Details

Other names	INSTITUTE OF BREWING (THE), THE INSTITUTE AND GUILD OF BREWING, THE INSTITUTE OF BREWING, THE INSTITUTE OF BREWING LIMITED
Status	Registered
Legal form	Charitable company
Company number	01217770
Registered	1975-08-14
Register	View on the Charity Commission register

Contact

Address	44a Curlew Street Butler's Wharf London SE1 2ND
Phone	02074998144
Email	accounts@ibd.org.uk
Website	www.ibd.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION OF BENEFIT TO THE PUBLIC OR A SECTION OF THE PUBLIC, ESPECIALLY IN THE SCIENCES OF BREWING, FERMENTATION AND DISTILLATION.

Activities: The advancement of education and professional development in the science and technology of brewing, distilling and related industries through the provision of professional examinations and qualifications that are recognised globally and supported by appropriate training and seminars.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE NATIONALLY

- Australia
- Belgium
- Botswana
- Burma
- Canada
- China
- France
- Germany
- Ghana
- Greece
- Grenada
- Hong Kong
- India
- Ireland
- Israel
- Italy
- Japan
- Kenya
- Lebanon
- Malaysia
- Namibia
- New Zealand
- Nigeria
- Peru
- Romania
- Seychelles
- Singapore
- South Africa
- South Korea
- Spain
- Sri Lanka
- Switzerland
- Tanzania

- Turkey
- Uganda
- United States
- Vietnam
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£0	£0	-	-
2024-12-31	£2,824,161	£2,710,510	£6,466,384	22
2023-12-31	£3,607,011	£2,916,024	£6,279,190	21
2022-12-31	£2,974,881	£2,303,911	£5,459,332	21
2021-12-31	£2,476,764	£2,477,721	£5,014,580	17
2020-12-31	£1,822,790	£2,265,257	£4,860,195	23

Trustees

Name	Role	Appointed
Megan Sheehy	Chair	2022-03-01
Bhavya Mandanna		2021-09-14
David Cook		2022-09-20
George William Calvert		2020-09-09
Georgina Young		2024-09-10
Jaideep Chandrasekharan		2024-09-10
Raphael Grisoni		2022-09-20
Sandra Nadine Edbertine Stelma		2020-09-09
Vikram Damodaran		2024-09-10

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Accounts

Registered Number: 01217770
Charity Numbers: 269830 and SC039405

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TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2024

PRESIDENT'S INTRODUCTION

It is with both privilege and a sense of occasion that I present the 2024 Annual Report for the Institute of Brewing and Distilling. This report holds special significance as the Institute's final trustee report and financial statements in their present form.

The sealing of our Royal Charter in December 2023, and the subsequent transition to the Chartered Institute of Brewers and Distillers (CIBD) on January 1st, 2025, has solidified a defining moment in our history.

The granting of chartered status allows us to provide brewers, distillers, and allied industry professionals, with a globally recognised mark of quality, and to set standards of professionalism and performance.

Like other chartered professionals, in areas such as engineering and accountancy, these standards will be specific to the brewing and distilling industry and will assist members and course candidates to prosper in their careers. This in turn will contribute to a thriving industry of knowledgeable and connected professionals.

As an industry, whilst we stand with others in the broad challenges posed by the economic environment, rapidly evolving digital transformation and climate change related sustainability issues, we also have unique requirements. A fundamental one being the need to develop new future-facing, agile skill sets in our workforce. And this is where the CIBD plays a crucial role.

We have a key focus at the moment, to ensure the CIBD evolves to meet these demands. One example of this is the recent development of an integrated Five Year Plan for the Examination Board and Education and Professional Development Department. This plan enables a strategic and connected approach to facilitate delivery of exam syllabi and education that are not only fit for purpose, but at the forefront of education delivery for our sector.

We are also building a new, holistic strategy for delivery of Continuing Professional Development (CPD) programs and being part of the CIBD community will provide unparalleled access to a philosophy that is dedicated to continuous growth and excellence.

We as the board, along with the CIBD Executive, are excited and energised to be commencing the next strategic milestone for this esteemed organisation. Our history demonstrates that we continue to find opportunities to evolve and achieve the highest possible standards to realise our Vision. Becoming a Chartered organisation is the next significant chapter in the CIBD's continued pursuit of not only excellence, but growth in our organisation across all facets of the business, including geographic reach. Importantly, it also affords new opportunities to deliver on our Charitable focus which aims to provide access to education across multiple facets of our industry and broader community.

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As an industry we are collectively facing significant headwinds, but I'm pleased to be able to report that 2024 delivered an operating surplus, generated through the disciplined financial controls we have now come to expect. Our robust financial performance last year exemplifies the IBD's flexibility and unwavering drive for collective success. We deeply value our people, and the Board wishes to express its gratitude to our HQ Team and volunteer network for their passion and commitment, which fuel our continued prosperity.

On behalf of the Board, I would like to extend our sincere gratitude to our membership and patrons for their unwavering support and guidance during this period of significant change. I firmly believe that what will set the CIBD apart is its unique and passionate community of sections, volunteers, academics, and industry experts. We look forward to our first year as the CIBD, underpinned by our dedicated team and extensive network of support.

President

Dr Megan Sheehy

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CHIEF EXECUTIVE'S SUMMARY

This past year has been one of significant evolution as we positioned ourselves to fully embrace the opportunities presented by our recently awarded Royal Charter. In 2024 this involved navigating the complex legal processes required for the formal transition from the Institute of Brewing & Distilling (IBD) to the Chartered Institute of Brewers and Distillers (CIBD). The successful completion of this intricate undertaking on January 1st 2025 represents a significant milestone in the history of our organization.

This achievement represents the highest accolade for professionals within our industry, providing rightful recognition and respect for the science and art of brewing and distilling across the globe. We are confident that our chartered status will continue to build recognition within the global drinks industry for its vital importance to society and the economy, reinforcing the CIBD's credibility in delivering excellence in professional education and development. We extend our sincere gratitude to everyone involved for their unwavering support in achieving this crucial milestone.

Alongside this transition, our top priority has been to continue to offer engaging, connected, and transformative learning that leads to strong results for our community. During the year we further enhanced our education and development portfolio through the launch of new innovative online short courses.

Membership

In the face of a challenging year for the industry we saw a decrease in membership, our sections however continued to excel in fostering member engagement through a dynamic blend of online and in-person initiatives. These events effectively supported continuing professional development, facilitated global networking opportunities, and provided responsible avenues for members to experience and appreciate the industry's offerings.

We have also established a Membership Working Group, pooled from volunteers from across the sections, to gain valuable insights and establish new ways to develop the membership proposition in 2025.

Examinations, Education and Professional Development

Following a particularly strong year 2023, in 2024 there was a decline in the number of examination papers completed by candidates. We have recently developed an integrated Five Year Plan for the Examination Board and Education and Professional Development Department designed to ensure our members possess the capabilities required to thrive. This involves a significant review of the Masters and Diploma syllabi, working closely with key industry stakeholders and technical experts to ensure that our qualifications continue to reflect the evolving needs of the industry.

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Engagement

Across the year we built our reach and connection through our marketing and communications which resulted in notable growth in our online presence and social media following. We came together with the industry at key global events such as BeerX in Liverpool, the Craft Brewing Conference in Las Vegas, the World Brewing Congress in Minneapolis, Inn Brew in Barcelona and the BrauBeviale in Nuremburg.

What makes the IBD so special is the unique international fellowship of professionals engaged in the technical and scientific aspects of brewing and distilling. I would like to thank the Trustees for their continued support over the year, and express my sincere gratitude to our dedicated staff, volunteers and members and for their commitment to our future as the Chartered Institute of Brewers and Distillers.

Chief Executive Officer
Tom Shelston

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are pleased to present their Annual Directors' Report together with the consolidated financial statements of The Institute of Brewing & Distilling and its subsidiaries for the year ended 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity legislation and regulations applicable in England & Wales and Scotland, the Companies Act 2006, the Charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

The purpose of the charity is the advancement of education of benefit to the public, or a section of the public, especially in the sciences of brewing, fermentation, and distillation. The charity is a public benefit entity as defined by FRS 102.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the IBD strategy aims and objectives.

The education and qualifications provided by the IBD are non-selective and available to anyone who wishes to extend their knowledge of science and technology within the fermentation industries. The open-access part of the website, courses and Journal of The Institute of Brewing provide significant educational resources.

Strategic Framework and Activities

The Institute operates within a strategic framework which is kept under review by the Trustees.

THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD

- Our purpose is to champion the potential of our community.
- Our vision is to be the world's leading provider of professional development in brewing, distilling and related industries.
- Our mission is the delivery of professional education that engages, connects, and transforms to enable high performance outcomes both for the individual and their business.

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Our strategy to deliver the mission has five key elements:

- a) To provide tailored digital education for transformative professional development worldwide.
- b) To develop an innovative learning platform, co-creating quality content and leveraging expertise through partnerships.
- c) To develop engaged and connected communities for mutual knowledge transfer to fulfil the functional, social and emotional needs associated with life-long career development and high performance.
- d) To create a learning ecosystem open to all based on low barriers to entry, quality learning materials, premium courses, qualifications, and experiences supported by high levels of advocacy through our membership.
- e) To develop systems to support the extensive use of analytics to drive product development and add value to the IBD, individuals and companies.

Fundraising

The IBD does not directly fundraise from the public and has no fundraising staff. Its UK Sections are permitted to raise funds from ticket sales usually to Members and attendees of a supported event. The receipts from ticket sales are used to fund the events. The Head Office staff support the administration of these local events.

ACHIEVEMENTS & PERFORMANCE

Membership

On 31 December 2024 there were 2,940 (2023: 3,214) registered members from across the globe, with 50% of our members coming from the full member category. Reduced rate categories (student / introductory and retired) accounted for 36% of our members with life memberships (14%) taking up the remainder. The majority (65%) of members are in the age range of 30 to 50 years old.

Our largest section by number of members as of 31st December 2024 was International (671 members), followed by Asia Pacific (543 members) and UK Scottish (542 members). Our UK and Ireland sections accounted for 54% of our membership whilst our 'overseas' sections accounted for 46%.

In 2024 we elected new committee members to both the International and Africa sections, including a new International Section Chairperson and have appointed a Relationship Development Manager in Africa.

Examinations

In 2024 there were 2,782 (2023: 3,292) examination papers completed by candidates. While the number of candidates taking brewing exams in our current markets has reached a plateau, we are pleased to see continued growth in distilling qualifications. Specifically, the number of candidates taking the Diploma in Distilling was at an all-time high in 2024. The Examinations Board has been engaged in preparation works for a major review of syllabi across the Diploma and Master level qualifications.

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Education and Professional Development

In 2024, there were a total of 856 registrations across our Tutor Guided Learning and Set 4 Success courses (2023: 1,032) for students taking the taking the Diploma and General Certificate examinations. 877 short courses were purchased (2023 1,032) and we launched new courses for Dry Hopping and 8 operations management topics. 90% of customers who purchased a short course would recommend them to a friend or colleague.,

During 2024 we established the CPD processes and resources needed to transition to the Chartered Institute of Brewers and Distillers. The CIBD Bylaws require all members to “undertake continuing professional development”..

Events

In 2024 the IBD sections delivered 71 events (2023: 70 events) in both hybrid and face-to-face formats, these were promoted through our website, newsletters, and social media channels. Recognising the broader industry benefit, select events were also extended to non-members.

The IBD's global presence is further supported by our three overseas sections: Africa, Asia Pacific, and the International Section. While Africa and Asia Pacific operate with self-governance, independently driving promotion, training, and member engagement within their respective regions, their financial activities are distinct from the Institute's core accounts.

Publications

The IBD continued to publish its two publications throughout 2024, the peer-reviewed scientific quarterly Journal of the Institute of Brewing (JIB) along with our monthly news and technical membership magazine Brewer and Distiller International (BDI).

The JIB is managed and published in-house and is available online as an ‘open access’ publication without any fees or page charges for authors or readers.

BDI is also fully managed in-house using expert suppliers of design, print, distribution and advertising sales services. Commercial advertising in print and digital brought reduced revenue in 2024 (£86,291) and an expectation for improvement into 2025.

In addition to the Journal and BDI a fortnightly newsletter continues to disseminate information on IBD news and events, and as a method of engagement with both members and interested parties. The last newsletter of 2024 was sent to 16,875 subscribers (2023: 15,574)

Subsidiaries

IBD Trading is a wholly owned subsidiary of The Institute of Brewing & Distilling. It exists as a vehicle for managing the trading activities of the Charity such as advertising income and the triennial event of the WDSC which will next take place in May 2026. The company changed its name to CIBD Trading on 01st January 2025.

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PLANS FOR FUTURE PERIODS

2025 marks our inaugural year as the Chartered Institute of Brewers and Distillers (CIBD), following the successful transfer on January 1st, 2025. A key focus for the year will be the development of a clear strategy and plan that addresses how we can ensure that everyone can access high quality professional development products and services that meet the needs of professionals and their employers.

Furthermore, we will continue to develop our examinations offerings, involving a significant review of the Masters and Diploma syllabi, working closely with key industry stakeholders and technical experts to ensure that our qualifications continue to reflect the evolving needs of the industry.

We also recognise that different geographies will have particular needs and present particular opportunities. We will develop and deliver a more tailored approach to particular markets in order to strengthen member and student engagement and deliver our charitable purpose.

All activities from the 1st January 2025 will be conducted through the CIBD and activities conducted by the Institute of Brewing & Distilling therefore ceased on 31st December 2024.

FINANCIAL RESULTS

In 2024, as a result of below activities, the Charity achieved total income of £2,824,161 (2023: £3,607,011) and total expenditure amounted to £2,700,910 (2023: £2,916,024). As a result, a surplus in 2024 was achieved of £123,251 (2023: surplus of £690,987) before a gain of £73,543 (2023: gain £128,872) on investments. The activities contributing to this is detailed in the notes 2 to 6 for the financial statements.

Since 2015 the charity has been claiming VAT under the Capital Goods Scheme (CGS) in relation to the purchase of its current premises in Curlew Street. The CGS claim period is ten years and hence the final claims were applied for during the 2024 financial year. The final repayment which totalled £50,743 is included within the Income and Expenditure account in line with the treatment in previous years.

Charitable Activities

The IBD continued to deliver courses and exams online. The educational activities income achieved for the year is £2,180,141 (2023: £2,311,598), representing a reduction of some 6% .

The membership revenue fell to £241,329 (2023: £320,913) due to the decline in membership numbers.

Expenditure for charitable activities was £2,475,311 (2023: £2,338,048). The expenditure has increased by some 5.8% and is primarily due to inflation in pay and non-pay costs, but also for legal and professional fees incurred during the transition to the CIBD.

Trading activities

The Worldwide Distilled Spirits Conference 2023 took place in May 2023 and is scheduled to return in 2026, therefore there is no conference income recorded in the 2024 financial year (2023: £540,771). Advertising Income has reduced from the previous year to £86,291 (2023: £95,921), a reduction of some 10.0%.

After administration costs, the profit achieved was £46,064 (2023: £246,557). This was distributed as a donation to the IBD Charity as gift aid.

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POST BALANCE SHEET EVENTS

As noted on page 4 of the Report to these financial statements, the transition to Chartered status continued during 2024 and the activities and assets of the Institute transferred to a new Chartered entity (Chartered Institute of Brewers and Distillers) on 1st January 2025.

POLICIES AND OBJECTIVES

Reserves Policy

The Charity held total reserves at 31st December 2024 of £6,475,984 of which £226,951 are restricted reserves as shown in note 18. Furthermore, reserves totaling £2,547,329 relate to tangible fixed assets, so these reserves can only be released on the disposal of the corresponding assets. All reserves were transferred to the new Chartered entity (Chartered Institute of Brewers and Distillers) on the 01st January 2025.

The Charity's policy is to hold a minimum of £2.2million as free reserves which equates to 12 months of direct operational expenditure for direct staff, examiners, tutors, publications and general overheads.

In the final quarter of the financial year, in addition to setting the operational budget, the Trustees review any designations and commitments (not provided for as a liability in the accounts). The Charity continued to deliver another year in surplus for 2024 whilst delivering against its charitable objectives.

A three year plan updated during 2025 will focus on financial objectives and the reserves policy in line with the overall aims of the new Chartered entity.

Investments Overview

The Trustees of The Institute of Brewing & Distilling (IBD), based on the recommendations of their Finance sub-committee, have overall responsibility for the Investment and Reserves policy. The IBD policy is to primarily pursue long term capital growth in order for investments to appreciate at a rate ahead of inflation, which will protect the capital value of the portfolio in real terms.

As there isn't a requirement to withdraw a regular income from the portfolio, all accrued income is retained and reinvested in accordance with the investment objective.

The Trustees appoint Investment managers to manage the reserves. Sanlam Investments UK Ltd were appointed in February 2015 and changed their name to Atomos Investments UK Ltd in 2022.

Investment Performance

The 3 "reserve" portfolios in existence at the end of 2023 were consolidated into a single portfolio during 2024. The IBD Investment and Reserves powers, policies and background are noted later in this document. The Treasurer and CEO alongside the Head of Finance have read-only access to the investment portfolio portal which is updated daily, and ad-hoc meetings with Investment Managers taking place during the year if required. The Board has chosen active management of its investments.

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The table below (as at balance sheet date) shows that the performance across the IBD portfolio has overperformed the Benchmark.

Portfolio vs Benchmark	Main
Portfolio	+7.36%
Investment Association (Mixed Investments 20-60%)	+6.18%
CPI	+2.16%

Investment Policy

Investment rules have been agreed with Atomos as follows:

- To provide a spread of risk no one equity holding should exceed 5% of the total sum of the individual portfolio. Maximum fund holding is limited to 10%.
- To avoid a potential risk of conflict of interest no direct investment should be made in the alcoholic beverage sector. This does not preclude alcoholic beverages being part of a fund invested in. Any significant fund investment in alcoholic beverages must be flagged to the IBD Trustees via the Treasurer.

All portfolio income is to be reinvested in that portfolio unless the Trustees agree otherwise.

Investment Mandates risks as follows: (risk investment criteria, where 1 is low and 7 is high)

All portfolios are at risk level 4 of 7.

Investment objective: Primarily seeking income together with a reasonable degree of capital growth.

Risk objective: A balance between safety and investment growth potential.

Policy for Remuneration

Staff pay including for Key Management Personnel is reviewed annually by the Finance and Audit committee and is managed in line with earnings for the sector and price indexation. Assisted by the CEO, the Committee periodically benchmarks pay for all staff against pay levels in other similar organisations and consider factors such as benefits, indexation, and location prior to making recommendations for adoption by the Board of Trustees.

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Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

- A quarterly review of actions and mitigation considered at Board meetings of the principal risks and uncertainties faced by Institute and its subsidiary, IBD Trading Ltd.
- The board has delegated responsibility for risks and compliance to the Governance & Risk Sub-Committee which oversees the establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage potential impact on the Institute should those risks materialise.
- The key risks that were reviewed during 2024 were;
 - Governance, legal, statutory and operational risks relating to the transition to the Chartered Institute of Brewers and Distillers, mitigated by detailed planning and use of sector legal and other experts
 - Managing data across the organisation's various stakeholders including Sections, Staff, Suppliers, Examiners etc, mitigated by the development and implementation of a new suite of GDPR policies
 - Shortfalls in examination registrations and the subsequent impact on income mitigated by F & A Committee oversight over the development of comprehensive plans for budget.
 - Delivery of the budgeted operating surplus, mitigated by monthly budget holder meetings and timely management interventions
 - Ensuring that there are sufficient protections for IBD Intellectual Property.

The threats of these risks happening are managed by identifying the likelihood and impact of each risk and establishing mitigating actions.

Going Concern

The IBD Group has been resilient in the years following the pandemic and once again has delivered a surplus for the year in 2024. It has continued to successfully delivered online learning and examinations.

The Trustees continue to support its beneficiaries through bursaries and grants. The Trustees have continued to review its future plans against external factors. In May 2024, the Trustees reviewed the impact of inflation alongside the level and duration of key examinations and courses. As a result of the review, prices were maintaining or increased in advance of 2025. Membership fees were also increased for 2025 to £150 Full/£50 Student (and Concession) from £146/£48 respectively in 2024.

As noted on page 4 of the Report to these financial statements, the transition to Chartered status continued during 2024 and the activities and assets of the Institute transferred to a new Chartered entity (Chartered Institute of Brewers and Distillers) on 1st January 2025. On this basis, the Trustees of the Institute have determined that the financial statements of the Institute should be prepared on a basis other than going concern. The Institute's activities will continue within the new Chartered entity, and on the basis that the assets and liabilities have been transferred at fair value at the transfer date of 1st January 2025, they are not considered to be impaired at the date of signing these financial statements. The Trustees confirm that no adjustments have been required to the financial statements as result of not preparing them on a going concern basis.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Institute of Brewing & Distilling is a company limited by guarantee governed by its Articles of Association and Byelaws amended to streamline the structure, governance, and management of the IBD. The current Byelaws were approved at an extraordinary general meeting held on 14th June 2022. The Articles of Association were amended by Special Resolution on September 10th, 2024.

The IBD is registered as a charity with the Charity Commission and the office of the Scottish Charity Regulator (OSCR). Anyone over the age of 18 can become a member of the IBD.

Appointment of Trustees

The Governing Body of The Institute of Brewing & Distilling (IBD) is the Board of Trustees, which has the overall responsibility for setting policy framework and developing plans.

The Board of nine comprises four Honorary Officers: The President, Immediate Past President, Deputy President and Treasurer, and five other representatives of the membership.

Trustees must be members of the IBD and are elected in accordance with the Byelaws with nominations ratified at the AGM.

Honorary Officers are normally nominated by Council and confirmed at the AGM. The Council is the administrative body that represents the views of the membership and is formed from the Chairs of each of the eight Sections (organised groups of members) and the four honorary officers.

The Trustees of the Charity also have responsibilities as Directors of the Company Limited by Guarantee.

Trustee Induction and Training

There are established procedures for new Trustees and their induction, as well as reminding existing Trustees of responsibilities.

As part of this induction, all Trustees are furnished with a file containing many relevant topics, a copy of the IBD Memorandum & Articles of Association and its Byelaws and an up- to-date copy of the latest Charity Commission publications, particularly "CC3 - The Essential Trustee: What you need to know" and the Charity Governance Code. In addition, all are made aware/reminded of the Charity Commission website.

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Organisation and Trustees' Meetings

The Board has established quarterly meetings with an agenda that has several fixed items with additional matters as appropriate. During 2024, meetings were predominantly on Zoom and held over two days.

The CEO is appointed by the Trustees and is charged with managing and achieving the goals of the organisation. The CEO has day-to-day responsibility for implementing policy, overseen by the Trustees. Tom Shelston continued in this role throughout 2024.

IBD employees are organised into functional areas under the leadership of the CEO. Apart from highly confidential matters the CEO was present at all meetings in 2024.

At each intended quarterly meeting, prevailing items of relevance together with standing items of current relevance including Sub-Committee reports and actions undertaken as well as the Risk Register were considered. An operational management report is presented by the CEO and management accounts and annual budget/budget update forecasts are discussed together with any additional capital expenditure proposals.

Annual presentations and Audit findings were made by the Investment Adviser and External Auditor.

At the end of each year the external audit plan is agreed and a full debrief is held after the audit, any requirements put in hand before the accounts are signed in readiness for the AGM.

Attendance at Trustee Meetings for 2024 was:

Trustee/Director	Number Eligible to attend	Number attended
B M Mandanna	4	4
M Sheehy	4	4
D M Murray (to 10 Sep)	2	2
S G Price (to 10 Sep)	2	2
D A Smith (to 10 Sep)	2	1
S N E Stelma	4	4
G W Calvert	4	4
D Cook	4	4
R Grisoni	4	4
V Damodaran (from 10 Sep)	2	1
G Young (from 10 Sep)	2	2
J Chandrasekharan (from 10 Sep)	2	2

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Sub-Committees

Finance and Audit Sub-Committee

The Committee aims to meet on a quarterly basis, if required additional meetings may be scheduled.

The Committee reports to the Board on various topics based on the terms of reference and recommends actions.

These topics cover:

- Monthly Management Accounts with emphasis on the quarterly Accounts
- Final Annual Accounts
- Audit planning and reports, including auditor performance
- Budget performance and future Budget proposals
- Reserves policy
- Investment Portfolio and Manager's performance

Governance and Risk Compliance Sub-Committee (GRC)

The Governance and Risk Compliance Sub-Committee (GRC) convenes four times per year. This committee is responsible for reviewing governance and strategic risks impacting the IBD. Its activities include examining the strategic risk registers, supporting ongoing reviews of the byelaws, and reviewing updated or new policies prior to board approval.

Nominations Sub-Committee:

During the year, the Sub-Committee considered:

- Trustee Job Descriptions
- Succession Planning
- Independent Trustee Candidates, Rules and Election Procedures

Chartership Steering Group

The Chartership Steering Group was formed to support the IBD's application to the Privy Council to become a Chartered institute and oversee the project plan for the implementation of all activities needed to set up the new Chartered body and transfer operations across. The President, Honorary Treasurer, Vice President and Chair of the Governance Risk and Compliance Committee are all members of the group, together with the former President (Douglas Murray) and key staff including the CEO.

Activities of the Subsidiary Company Board

IBD Trading Ltd:

A Deed of Covenant was signed with IBD under which it was agreed to Gift Aid all distributable profits to IBD.

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Composition and Activity of the Council

The President, Deputy President, Immediate Past President and Treasurer are all members of Council together with Section Representatives that volunteer to support regional activity acting as Section chairs and secretaries who are appointed locally.

Related parties and co-operation with other industry related organisations

All Trustees who received fees for work undertaken or monetary amounts from the IBD are recorded in Note 24 of the Financial Results and Review Section. No other Trustees receive remuneration or other benefit from their work with the Institute.

Any connection between a Trustee or senior manager of the Institute with a company, allied trader, supplier, wholesaler, retailer or other institution or organisation in the brewing, distilling, malting or fermentation industry or its supply chain or any related activity such as the taking of the Institutes' own qualifications or carrying out paid training for the same must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

The following list sets out potential conflicts of interest due to industry involvement by Trustees and their connected parties:

There have been no further changes since each party has signed their Declaration forms.

Megan Sheehy is General Manager Classification, Grains Australia Limited. They are not a customer of the IBD.

Bhavya M Mandanna is the Science & Technology Director (global) for Diageo Plc who are a customer of the IBD.

Raphael Grisoni is Business Development Director for Indeluxe Brands & Domaines who are not a customer of IBD.

Will Calvert is a Director of WEBREW Taverns Ltd, Windsor and Eton Brewing Company Ltd and Swan Clewer Community Interest Company. He is a trustee of the Windsor Cycle Hub. There are no transactions between these entities and IBD.

David Cook is the Professor of Brewing Science and Head of the Division of Microbiology, Brewing & Biotechnology at the University of Nottingham.

Douglas M Murray is a director of StillDouglas a consultancy working the Food and Beverage sector. This is not a customer of the IBD. He is a Lecturer to the Alcohol School.

Stephen G Price works in innovation for the drinks industry and with an IBD customer. Stephen is an Honorary Associate Professor International Centre for Brewing Science at the University of Nottingham teaching management, innovation, and process parts for higher degrees in Brewing Science.

David A Smith together with his son Robert are Directors of Brewing Services & Consultancy Ltd which provides technical assistance and training and are a customer of IBD.

Sandra Stelma is Head of Science at Diageo who are a customer of IBD, Member of Brewers of Europe and Vice President of European Brewery Convention.

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Vikram Damodaran is the Chief Innovation Officer for Diageo in India, who are a customer of IBD.

Georgina M Young is Brewing Director at St Austell Brewery, who are a customer of IBD,

Jaideep Chandrasekharan is Global Supply Chain Lead – Innovation & Technology at Asahi Group Holdings, who are a customer of IBD.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Charity. The cost of this insurance in the year has been included within total insurance costs.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Institute's Trustees (who are also the Directors of The Institute of Brewing & Distilling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Institute's Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resource and application of resources, including the income and expenditure, of the group for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and 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 the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulation 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information of which the group and charitable company's auditor is unaware, and
- The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information

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Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006 and taking advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Auditors

This report has been approved by the Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G W Calvert', with a stylized flourish at the end.

G W Calvert (Honorary Treasurer)

Date: 11th June 2025

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ADMINISTRATIVE DETAILS

Trustees and Directors of The Institute of Brewing & Distilling:

President	Megan Sheehy
Deputy President	Raphael Grisoni
Immediate Past President	Bhavya M Mandanna
Honorary Treasurer	G W Calvert
Board Committees' Secretary	D A Smith (to 10 th September 2024)
Board Committees' Secretary	Bhavya M Mandanna (from 10 th September 2024)
Trustee	S N E Stelma
Trustee	S G Price (to 10 th September 2024)
Trustee	D Cook
Trustee	V Damodaran (from 10 th September 2024)
Trustee	G Young (from 10 th September 2024)
Trustee	J Chandrasekharan (from 10 th September 2024)

Directors of IBD Trading Limited – 05584522

Director	G W Calvert
Director	T O Shelston
Director	B M Mandanna (from 12 th September 2024)
Director	D M Murray (to 11 th July 2024)

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ADMINISTRATIVE DETAILS (continued)

Independent Auditor	HaysMac LLP Chartered Accountants and Statutory Auditors 10 Queen Street Place London EC4R 1AG
Bankers	Royal Bank of Scotland plc Curzon Street London W1Y 7RF
Solicitors	William Sturges Solicitors 14-16 Caxton Street London SW1H 0QY

THE INSTITUTE OF BREWING & DISTILLING

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Independent auditor's report to the members of Institute of Brewing and Distilling

Opinion

We have audited the financial statements of Institute of Brewing and Distilling for the year ended 31 December 2024, which comprise the Consolidated Statement of Financial Activities, The Group and Charity Balance Sheets, the Statement of Cash Flows 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 Financial Reporting Standard 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 group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter – Non Going Concern Basis

In forming our opinion on the financial statement, which is not modified, we have considered the adequacy of the disclosure made in note 1.7 to the financial statements, which explains that the financial statements have been prepared on a basis other than the going concern basis because the operations, assets and liabilities of the charitable company were transferred to the Chartered Institute of Brewers and Distillers on 1st January 2025.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) 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 included within the Trustees' Annual 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and Charity SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Kathryn Burton (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 25th June 2025

THE INSTITUTE OF BREWING & DISTILLING
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Legacies and Grants	2a	6,205	-	6,205	19,058
Charitable activities	2b	2,521,596	-	2,521,596	2,732,557
Other trading activities	3	164,730	-	164,730	773,531
Investments	4	123,472	8,158	131,630	81,866
TOTAL INCOME		2,816,003	8,158	2,824,161	3,607,011
EXPENDITURE ON:					
Raising funds	5	225,981		225,981	577,977
Charitable activities	6	2,482,313	2,217	2,484,530	2,338,048
TOTAL EXPENDITURE		2,708,293	2,217	2,710,510	2,916,024
NET INCOME BEFORE INVESTMENT GAINS		107,710	5,941	113,651	690,987
Net gain/(loss) on investments	14	73,543	-	73,543	128,872
NET MOVEMENT IN FUNDS		181,253	5,941	187,194	819,858
RECONCILIATION OF FUNDS:		181,253	5,941	187,194	819,858
Total funds brought forward		6,070,148	209,042	6,279,190	5,459,332
TOTAL FUNDS CARRIED FORWARD	18	6,251,401	214,983	6,466,384	6,279,190

The notes on pages 30 to 49 form part of these financial statements

Income and expenditure all relate to continuing activities and there are no other gains or losses in the period.

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Grants	2a	52,269	-	52,269	265,615
Charitable activities	2b	2,521,596	-	2,521,596	2,732,557
Other trading activities	3	78,439	-	78,439	136,839
Investments	4	123,472	8,158	131,630	81,866
TOTAL INCOME		2,775,776	8,158	2,783,934	3,216,877
EXPENDITURE ON:					
Raising funds	5	185,753	-	185,753	184,517
Charitable activities	6	2,482,313	2,217	2,484,530	2,338,048
TOTAL EXPENDITURE		2,668,066	2,217	2,670,283	2,522,565
NET INCOME BEFORE INVESTMENT GAINS		107,709	5,941	113,650	694,312
Net gain/(loss) on investments	14	73,543	-	73,543	128,872
NET MOVEMENT IN FUNDS		181,252	5,941	187,193	823,184
RECONCILIATION OF FUNDS:		181,252	5,941	187,193	823,184
Total funds brought forward		6,068,245	209,042	6,277,287	5,454,103
TOTAL FUNDS CARRIED FORWARD		6,249,497	214,983	6,464,480	6,277,287

The notes on pages 30 to 49 form part of these financial statements

Income and expenditure all relate to continuing activities and there are no other gains or losses in the period.

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

Company Registration Number 01217770

		2024	2023
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,547,329	2,604,157
Investments	14	2,104,785	1,962,925
Intangible assets	15	37,833	34,462
		<u>4,689,947</u>	<u>4,601,544</u>
CURRENT ASSETS			
Debtors	16	512,043	282,806
Cash at bank and in hand		2,379,220	2,491,862
		<u>2,891,263</u>	<u>2,774,668</u>
CREDITORS:			
amounts falling due within one year	17	(1,114,826)	(1,097,022)
NET CURRENT ASSETS		1,776,437	1,677,646
NET ASSETS		<u>6,466,384</u>	<u>6,279,190</u>
CHARITY FUNDS			
Restricted funds	18	226,951	209,042
Unrestricted funds	18	6,239,433	6,070,148
TOTAL FUNDS		<u>6,466,384</u>	<u>6,279,190</u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: 11th June 2025

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY BALANCE SHEET AS AT 31 DECEMBER 2024

Company Registration Number 01217770

		2024	2023
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,547,329	2,604,157
Investments	14	2,104,785	1,962,925
Intangible assets	15	37,833	34,462
		<u>4,689,947</u>	<u>4,601,544</u>
CURRENT ASSETS			
Debtors	16	572,263	396,058
Cash at bank and in hand		2,307,090	2,367,246
		<u>2,879,353</u>	<u>2,763,303</u>
CREDITORS:			
amounts falling due within one year	17	(1,104,819)	(1,087,161)
NET CURRENT ASSETS		1,774,534	1,675,742
NET ASSETS		<u>6,464,481</u>	<u>6,277,287</u>
CHARITY FUNDS			
Restricted funds	18	226,951	209,042
Unrestricted funds	18	6,237,530	6,068,245
TOTAL FUNDS		<u>6,464,481</u>	<u>6,277,287</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: 11th June 2025

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided/ (used in) by operating activities	20	<u>(90,049)</u>	<u>535,132</u>
Cash flows from investing activities:			
Dividends, interest, and rents from investments	4	76,627	48,675
Purchase of intangible fixed assets	15	(30,904)	(21,693)
Proceeds from sale of investments	14	882,575	1,701,845
Cash transferred (from) / to investments	14	(20,740)	(3,233)
Purchase of and gain on investments	14	(930,152)	(1,740,183)
Net cash used in investing activities		(22,593)	(14,590)
Change in cash and cash equivalents in the year		(112,642)	520,542
Cash and cash equivalents brought forward	21	2,491,862	1,971,320
Cash and cash equivalents carried forward	21	<u>2,379,220</u>	<u>2,491,862</u>

The notes on pages 31 to 49 form part of these financial statements

In line with the recommendations contained within Statement of Recommended Practice FRS102 for Charities, the charity can confirm that there is no net debt at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 updated October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Brewing & Distilling meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Institute and its subsidiary undertaking.

The results of the subsidiary IBD Trading are consolidated on a line by line basis.

1.2 Group Financial Statements

These financial statements consolidate the results of the Institute and its wholly-owned subsidiary, IBD Trading Limited, on a line by line basis.

IBD Trading Limited (Company registration number 05584522), a company registered in England & Wales, was active throughout the current and previous financial year.

1.3 Company Status

The Institute is a private company limited by guarantee (Company registration number 01217770). The Directors of the Institute are the Trustees named on page 21. In the event of the Institute being wound up, the liability in respect of the guarantee is limited to £1 per member of the Institute.

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Institute and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Institute for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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1.5 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Institute is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised in the year in which they are receivable.

Advertising income is recognised when the publication is printed.

Membership subscriptions are recognised in the calendar year to which they relate.

Publications income comprises subscriptions to and sales of the IBD's magazine and journal and is recognised on a receivable basis.

Education, training, and convention income comprises income from courses, events and sales of training material and is recognised in the year which the course or event takes place. Examination fees are recognised when the examinations take place.

Income received in advance is carried forward to the next accounting period as deferred income and included in creditors.

Grant and investment income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure recognition

All expenditure is accounted for on an accrual basis and has been classified under categories that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Support costs, which cannot be directly attributed to particular activities have been apportioned proportionately to the direct income generated from the Charity's activities. This is a change to accounting estimate and not policy. This change has been made to ensure the apportionment is done in a manner that is fair and reasonable and does not therefore require a prior year adjustment nor a restatement of comparatives of Support costs which are analysed in Note 7. Governance costs include the costs of servicing Trustees meetings, audit & strategic planning, and have been allocated back to support costs.

Specific expenditure incurred on events taking place after the year end is carried forward as a prepayment and included in debtors.

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1.7 Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue operating.

As noted on page 3 of the Report to these financial statements, the transition to Chartered status was completed in 2024 and resulted in the activities and assets of the Institute being transferred to a new Chartered entity (Chartered Institute of Brewers and Distillers) on 1st January 2025. On this basis, the Trustees of the Institute have determined that the financial statements of the Institute should be prepared on a basis other than going concern. The Institute’s activities have continued within the new Chartered entity, and on the basis that the assets and liabilities will be transferred at fair value at the transfer date, they are not considered to be impaired at the date of signing these financial statements. The Trustees confirm that no adjustments have been required to the financial statements as result of not preparing them on a going concern basis.

1.8 Basis of Consolidation

The financial statements consolidate the accounts of The Institute of Brewing & Distilling and all its subsidiary undertakings ('subsidiaries').

The Institute has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.9 Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on assets in the year of acquisition; a full year of depreciation is charged in the year of disposal.

Depreciation on all assets is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Long-term leasehold property	-	100 years straight line
Leasehold improvements	-	15 years straight line
Office furniture	-	10 years straight line
Equipment	-	3 years straight line
Land held under long lease	-	not depreciated

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1.10 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Intangible Assets

Learning and development activities in relation to courses and exams are assessed and capitalised as internally developed intangible assets against the criteria set out in FRS102.

To assess whether an internally generated intangible asset meets the criteria for recognition, the generation of the asset is classified into either: a research phase, or a development phase.

If the IBD cannot distinguish the research from the development phase, the expenditure will be treated as if it were incurred in the research phase only. Any revenues generated during the development phase will be deducted from the value of the asset prior to any live piloting phase.

The intangible assets are measured at cost. This comprises purchase price of any third party as well as internally generated materials, software, and any directly attributable costs of preparing the asset for its intended use.

All training costs, indirect employee costs and promotional costs will be expensed in the financial year.

The IBD considers the useful life of all internally developed courses as finite. The assets are amortised on a straight-line basis over three financial years. The first full year of amortisation is the year in which the completed asset is piloted in live environment.

The residual value of an intangible asset with a finite useful life will be zero unless:

There is a commitment by a third party to purchase either the courses or the educational delivery process at the end of its useful life to the IBD, or there is an active market for the asset, residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and carrying value will be reviewed at least at the end of each annual reporting period. If the asset is no longer in use, then any residual value will be fully amortised unless the asset is held for sale.

1.12 Debtors Receivable and Creditors Payable within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.13 Cash at Bank and in Hand

Cash at Bank and in Hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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1.14 Financial Instruments

The Institute only holds basic Financial Instruments. The financial assets and financial liabilities of the Institute are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Pensions

The Institute offers an approved auto enrolment defined contribution pension scheme which is open to all employees that meet the criteria for auto enrolment. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

1.16 Taxation

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Sections

The Institute is offered regionally through five Sections in the British Isles which act as Branches of the Institute.

Management receives annual returns from these Sections. The results of the British Isles Sections have been included in these financial statements.

The Institute also services members based overseas through two overseas Sections which are constituted as separate local legal entities and an international Section. The Institute has no financial or operational control over the assets of the 2 overseas Sections and therefore their transactions, assets and liabilities have not been included in these financial statements.

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

1.18 Critical Accounting Estimates and Areas of Judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Basis of recognition of internally generated intangible assets
- Expected useful economic lives of tangible and intangible assets.
- Judgement surrounding the treatment of the silver trophies

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2a. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

Grants of £6,205 were received in the year (2023 - £19,057).

All of this income received was unrestricted.

Gift Aid from IBD Trading Ltd the wholly owned subsidiary amounted to £46,064 (2023: £246,558)

2b. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Unrestricted funds	Total Funds	Total Funds
	2024	2024	2023
	£	£	£
Membership	241,329	241,329	320,913
Education	2,180,140	2,180,140	2,315,817
Sections and Events	100,127	100,127	95,827
Total 2024	2,521,596	2,521,596	2,732,557
Total 2023	2,732,557	2,732,557	-

**3. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS -
GROUP AND CHARITY**

	Unrestricted Funds	Total Funds	Total Funds
	2024	2024	2023
	£	£	£
Advertising Income	86,291	86,291	95,921
Conference Income	-	-	540,771
Lease income	5,548	5,548	116,285
Royalty income	22,148	22,148	20,553
Other income	50,743	50,743	-
Total 2024	164,730	164,730	773,531
Total 2023	773,531	773,531	-

Total funds in 2023 are all unrestricted.

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4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2024	2024	2024	2023
	£	£	£	£
Dividend on listed investments	68,469	8,158	76,627	48,675
Bank interest receivable	55,003	-	55,003	33,190
Total 2024	123,472	8,158	131,630	81,866
Total 2023	81,866	-	81,866	

5. EXPENDITURE ON RAISING FUNDS - GROUP AND CHARITY

	2024	2023
	£	£
Advertising Expenses	13,170	15,727
Conference and Subsidiary Expenses	40,228	393,459
Direct costs	94,338	107,848
Support Costs	78,245	60,942
	225,981	577,977

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6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2024	2024	2024	2024
	£	£	£	£
Membership	0	-	181,101	181,101
Education	380,894	-	1,636,050	2,016,945
Publications and Technical	173,751	-	0	173,751
Sections and Events	36,095	1,500	75,139	112,733
Total 2024	590,740	1,500	1,892,290	2,484,530

Of the total expenditure on Charitable Activities, £2,217 has been transferred to the JJM fund, being the courses provided for free for 15 courses (2023 : There were charges for 43 courses totalling £26,598 to the restricted funds in 2023)

Support costs (Note 7) have been allocated based on income generated from each of the activity.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2023	2023	2023	2023
	£	£	£	£
Membership	173	-	198,334	198,508
Education	386,612	-	1,431,247	1,817,859
Publications and Technical	200,181	-	-	200,181
Sections and Events	58,855	3,421	59,224	121,500
Total 2022	645,822	3,421	1,688,805	2,338,048

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7. SUPPORT COSTS - CURRENT YEAR

	Raising funds	Charitable activities	2024	2023
	£	£	£	£
Premises costs	3,012	72,832	75,844	60,899
General office costs	15,036	363,651	378,687	445,703
Project development	719	17,380	18,099	22,337
Staff meeting and training expenses	118	2,856	2,974	3,238
Governance costs	6,109	147,739	153,848	99,547
Support staff costs	49,901	1,206,821	1,256,722	1,043,713
Depreciation and amortisation	3,350	81,011	84,361	74,309
Total	78,245	1,892,290	1,970,535	1,749,747

Governance costs are analysed in Note 9

SUPPORT COSTS - PRIOR YEAR

	Raising funds	Charitable activities	2023
	£	£	£
Premises costs	2,136	58,764	60,899
General office costs	15,211	430,493	445,703
Project development	783	21,554	22,337
Staff meeting and training expenses	114	3,124	3,238
Governance costs	3,491	96,056	99,547
Support staff costs	36,602	1,007,111	1,043,713
Depreciation	2,606	71,703	74,309
Total	60,942	1,688,805	1,749,747

8. ANALYSIS OF GRANTS - CURRENT YEAR

	Grants to Institutions	Grants to Individuals	Total	Total
	2024	2024	2024	2023
	£	£	£	£
Grants	1,500	-	1,500	3,421

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9. GOVERNANCE COSTS

	2024	2023
	£	£
Auditors' remuneration	30,250	31,750
Under Accrual for prior year's Auditors Remuneration	4,750	2,200
Trustee and Meeting Expenses	12,440	21,219
Legal and Professional fees	118,078	22,600
Support Staff Costs	77,054	73,542
Total	242,572	151,312

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2024	2023
	£	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	84,360	74,309
Auditors' remuneration	30,250	31,750
Auditors' remuneration - under accrual of prior year	4,750	2,200
Support costs - Auditors' remuneration - Other services	3,686	13,532
	123,046	121,791

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £30,250 (2023: £31,750), with under accrual of £4,750 (2023: £2,200) from the prior year. Payments for other services were £3,686 (2023: £13,532) relating to corporation tax and VAT services.

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12. Staff Costs

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	1,079,011	945,568
Social security costs	114,893	82,398
Redundancies	-	-
Other pension costs	62,818	53,874
	1,256,722	1,081,839

The average number of persons employed by the Institute during the year was as follows:

Staff	2024	2023
	No.	No.
	22	21

The number of higher paid employees was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	-	2
In the band £80,001 - £90,000	4	-
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1
In the band £140,001 - £150,000	1	-

For 2024, the key personnel management consisted of the Chief Executive, Head of Publications, Head of Finance, Head of ITC, Head of E&PD, Head of Business Development & Engagement and Chair of Board of Examiners. The total amounts of employee benefits received by Key Management Personnel is £632,197 (2023: £464,955)

Payments for two individuals under settlement agreements totalled £20,653 in 2024 (2023 : £nil).

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £62,818 (2023: £53,874). There were contributions outstanding at the year-end of £nil (2023: £194)

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Group and Charity Cost					
At 1 January 2024	2,785,259	282,245	43,635	142,337	3,253,476
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2024	2,785,259	282,245	43,635	142,337	3,253,476
Depreciation					
At 1 January 2024	251,926	216,917	42,505	137,971	649,319
Charge in the year	27,853	27,332	188	1,455	56,828
At 31 December 2024	279,779	244,249	42,693	139,426	706,147
Net Book Value					
At 31 December 2024	2,505,480	37,996	942	2,911	2,547,329
At 31 December 2023	2,533,333	65,328	1,130	4,366	2,604,157

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK

	2024 £	2023 £
Quoted Investments	2,021,006	1,899,886
Quoted Liquid Funds	83,779	63,039
Total Investments held with Fund Managers	2,104,785	1,962,925

Reconciliation of investments held with fund

	2024 £	2023 £
Market Value		
At 1 January	1,962,925	1,792,482
Additions at cost	930,152	1,740,183
Disposals at carrying value	(882,575)	(1,701,845)
Net Unrealised (loss)/gain	73,543	128,872
Movement in Cash	20,740	3,233
Total	2,104,785	1,962,925

The charity has invested a total of £1 in subsidiary undertakings.
This is detailed in note 24.

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15. INTANGIBLE FIXED ASSETS

Group and Charity

	2024	2023
	£	£
Cost		
At 1 January	51,693	30,000
Additions	30,904	21,693
At 31 December	82,597	51,693
Amortisation		
At 1 January	17,231	0
Charge for the year	27,532	17,231
At 31 December	44,763	17,231
Net book value		
At 31 December	37,833	34,462

16. DEBTORS

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	399,038	249,668	385,933	243,130
Amounts owed by group undertakings	-	-	73,325	119,790
Other debtors	160	2,040	160	2,040
Prepayments and accrued income	112,845	31,097	112,845	31,097
	512,043	282,806	572,263	396,058

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17. CREDITORS: Amounts falling due within one year

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	40,653	55,672	40,653	55,672
Other taxation and social security	15,389	100,978	14,061	102,960
Other creditors	6,232	7,611	6,232	5,849
Accruals	64,585	70,421	55,906	60,341
Deferred income	987,967	862,340	987,967	862,340
	1,114,826	1,097,022	1,104,819	1,087,161

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Deferred Income				
Deferred income at 1 January 2024	862,340	1,369,816	862,340	1,209,574
Resources deferred during the year	987,967	862,340	987,967	862,340
Amounts released from previous years	(862,340)	(1,369,816)	(862,340)	(1,209,574)
Deferred income at 31 December 2024	987,967	862,340	987,967	862,340

Deferred income in 2024 for both the Charity and Group and in 2023 for the Charity relates to monies received for course sales and membership subscriptions which will be recognised in the subsequent year in line with the respective accounting policies.

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18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2024
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,604,156		(56,828)			2,547,328
British Funds Sections	31,375					31,375
Scholarships Bursaries and Grants	53,490					53,490
	2,689,021	-	(56,828)	-	-	2,632,193
General funds						
General Fund	3,381,127	2,816,003	(2,589,891)	-		3,607,239
Total Unrestricted Funds	6,070,148	2,816,003	(2,646,719)	-	-	6,239,432
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	156,455	8,158	(2,217)			162,396
IoB London Section Trust Fund	20,256		(750)			19,506
IBD Hop Industry	5,560					5,560
National Brewing Library	-			12,718		12,718
	209,042	8,158	(2,967)	12,718	-	226,951
Total of Funds	6,279,190	2,824,161	(2,649,686)	12,718	-	6,466,383

18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,656,868	4,366	(57,078)			2,604,156
British Funds Sections	31,375					31,375
Scholarships Bursaries and Grants	53,490					53,490
	2,741,733	4,366	(57,078)	-	-	2,689,021
General funds						
General Fund	2,481,959	3,613,713	(2,714,545)	-	-	3,381,127
Total Unrestricted Funds	5,223,692	3,618,079	(2,771,623)	-	-	6,070,148
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	183,053		(26,598)			156,455
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	235,640		(26,598)			209,042
Total of Funds	5,459,332	3,618,079	(2,798,221)			6,279,190

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

18. STATEMENT OF FUNDS (Continued)

Designated Funds

Fixed Assets Fund

This fund represents the net book value of the IBD's unrestricted tangible assets as at the end of the year.

British Isles Sections

This fund represents the carrying amount of funds held on behalf of the UK and Irish sections that are regional branches of the Charity.

Scholarships Bursaries and Grants

This fund has been designated to support the Awards Committee to award scholarships and bursaries.

Restricted Funds

John S Ford Memorial

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year. No award was made in 2023 and the awards will resume in 2024.

J J Morison Fund

The JJ Morison Fund was donated to support annual awards and to assist in further education in the science & technology of brewing and distilling.

In 2023, the fund was utilised to provide educational support to 23 candidates totalling £26,598.

IoB London Section Trust Fund

The IoB London Section Trust Fund was established from residual funds of the IoB London Section, obtained from their Oxford and Cambridge meetings, when the Institute of Brewing merged with the International Brewers Guild.

IBD Hop Industry Fund

The IBD Hop Industry Fund supports development of new hop varieties within the UK & also the annual IBD Hop Awards which celebrate agronomic excellence.

National Brewing Library

The collection aims to be the primary source of information in the UK on the scientific, technological, historical and social aspects relating to brewing and distilling and dependent trades. The fund contributes to purchases of books and the library now has in excess of 8,500 volumes.

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19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2024	2024	2024
	£	£	£
Tangible and Intangible assets	2,547,329		2,547,329
Fixed asset investments	2,104,785		2,104,785
Current assets	2,702,145	226,951	2,929,096
Creditors due within one year	(1,114,826)		(1,114,826)
	6,239,433	226,951	6,466,384
	-	99,403	

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2023	2023	2023
	£	£	£
Tangible and Intangible assets	2,604,156	-	2,604,156
Fixed asset investments	1,962,925	-	1,962,925
Current assets	2,600,089	209,042	2,809,131
Creditors due within one year	(1,097,022)	-	(1,097,022)
	6,070,148	209,042	6,279,190

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES - Group

	2024	2023
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	242,197	830,926
Adjustment for:		
Depreciation and amortisation charges	84,360	74,309
(Gain) / loss on investments	(73,543)	(128,872)
Investment income	(131,630)	(81,866)
(Increase)/ decrease in debtors	(229,237)	608,407
Increase / (decrease) in creditors	17,804	(767,772)
Net cash provided by operating activities	(90,049)	535,132

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2024	2023
	£	£
Cash in hand	2,379,220	2,491,862

22. PENSION COMMITMENTS

The Charity operates a defined contribution pension plan for its employees. The amount recognized as an expense in the period was £62,819 (2023: £53,874). Contributions totaling £nil (2023: £195) were payable to the fund at the balance sheet date and are included within creditors.

23. RELATED PARTY TRANSACTIONS

During the year, 9 Trustees were reimbursed £2,141 for travel and accommodation expenses and a further £10,343 was paid for travel and accommodation on their behalf. (In 2023, 7 Trustees were reimbursed £12,558).

Exam fees of £1,963 were paid to Douglas Murray in 2024 (2023: £2,432).

Douglas Murray was a director of the wholly owned subsidiary IBD Trading Limited until July 2024.

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or related entity.

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24. PRINCIPAL SUBSIDIARIES

IBD Trading Limited

The Institute owns 100% of the issued share capital of IBD Trading Limited, a company limited by shares and registered in England & Wales (company number 05584522), which was incorporated on 6 October 2005. It has 1 issued ordinary share at a par value of £1. The registered office of The IBD Trading Limited is 44A Curlew Street, London SE1 2ND.

In line with the transition of the charity to the Chartered Institute of Brewers and Distillers, IBD Trading Limited changed its name to CIBD Trading Limited on the 01st January 2025, with no other changes made.

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £46,064 (2023: £246,558).

The principal activities of IBD Trading Limited is the organisation and delivery of the Worldwide Distilled Spirits Convention and other commercial activities. The results of IBD Trading Limited are presented below.

IBD Trading Limited

Subsidiary name	IBD Trading Limited
Company registration number	05584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2024	£85,235
Total Liabilities as at 31 December 2024	£83,904
Total equity as at 31 December 2024	£1,331
Turnover for the year ended 31 December 2024	£86,291
Expenditure for the year ended 31 December 2024	£40,228
Gift Aid distribution to charity	£46,064
Profit for the year ended 31 December 2024	NIL

THE INSTITUTE OF BREWING & DISTILLING

England & Wales - Charity number 269830

Accounts

Registered Number: 01217770
Charity Numbers: 269830 and SC039405

THE INSTITUTE OF BREWING & DISTILLING
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TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2023

THE INSTITUTE OF BREWING & DISTILLING
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PRESIDENT'S INTRODUCTION

Welcome to the Annual Report for 2023, I'm Dr Megan Sheehy and I am honoured to be elected as the new President for the Institute of Brewing & Distilling (IBD) (AGM, September 2023). Having stepped into the role of President, I would like to thank Bhavya Mandanna and the Board of Trustees for the immense amount of work that has been completed over the last 2 years. Bhavya's commitment and passion has been an inspiration and I look forward to carrying forward the great work and progress made during her Presidency. Bhavya will remain on the Board of Trustees in the role of Immediate Past President of the IBD.

I would also like to welcome Raphaël Grisoni as he takes on the role of Deputy President of the IBD. Raphaël is an international drinks industry leader with a wealth of experience in the Scotch whisky, champagne, and rum industries.

It is our vision to be the global leader of sustainable professional education and development in the brewing, distilling and allied industries.

I'm pleased to be able to report that 2023 was a strong operating year, with growth across all areas alongside disciplined financial controls. Our robust overall performance was demonstrative of the IBD's flexibility, commitment and drive for collective success. Our people continue to be our greatest asset and on behalf of the Board, I would like to thank our team members and strong volunteer network for their passion and commitment that continues to drive our prosperity.

The impacts of this work are seen in an overall strong financial position indicative of an optimistic outlook on operations, a solid membership base, and strong performance in exams delivery. Additionally, significant progress has been achieved in our education and development portfolio, including the development and delivery of new online courses in spirit sensory analysis and no and low alcohol beer production.

Our Sections continue to outdo themselves on member engagement and recruitment through a combination of online and face-to-face events that support professional development, global networking, and opportunities to socialise and responsibly enjoy our industry's offerings. In 2023 we celebrated the success of two extremely important and valued IBD events, the IBD Asia Pacific Convention, led by the Asia Pacific Section and the Worldwide Distilled Spirits Conference, led by the Scottish Section. These events are recognised for their global excellence. We thank the organising committees for their passion and dedication, given the immense work behind the scenes to deliver such high-quality events. It was a welcomed milestone for both events to return to a face-to-face format after the challenges of COVID, where they were delivered in online formats in the interim.

It has been an exciting period as the IBD continues to build capabilities for the future. In February 2023 we welcomed our new CEO, Tom Shelston, bringing a wealth of experience from several sectors. We have also taken the important step of consolidating our commercial structure under a new Business Development & Engagement function. This will enable a clear strategy and delivery plan, consolidating marketing, sales, and communication, to improve customer and member experiences, and drive membership retention and sustainable growth in the long run.

THE INSTITUTE OF BREWING & DISTILLING
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The sealing of our Royal Charter in December 2023 was a defining moment in our history and represents the highest accolade for professionals working within our industry, providing rightful recognition and respect of the science and art of brewing and distilling across the globe. We believe that our chartered status will build recognition in the global drinks industry for its importance to society and the economy, reinforcing the credibility of the IBD in delivering excellence in professional education and development. We would like to thank everyone involved for their support in delivering this crucial milestone.

Whilst a great amount of work has been carried out to achieve this status to date, we are now focused on the next steps of this very important journey to secure the continued leadership of the IBD as the industry-leading standard and qualification of choice for professionals, globally. The formal transition from the IBD to the CIBD (Chartered Institute of Brewers and Distillers) is a detailed and complex legal process reliant on multiple official entities and will take a period of time to complete.

A big thank you to our membership, and patrons, who have supported and guided our efforts through a period of great change, and who continue to engage and inspire us to pursue excellence. I firmly believe that what sets the IBD apart is its unique and passionate community of Sections, volunteers, academics and industry experts. We look forward to another year of success backed by our great team and network of support.

President

Dr Megan Sheehy

Immediate Past President

Bhavya Mandanna

CHIEF EXECUTIVE'S SUMMARY

This year we have given focus to looking forward and making sure that we have the capabilities to embrace the opportunities presented by chartership whilst we continue to deliver sustainable professional education that engages, connects and transforms for high performance outcomes. We are committed to building an audience-centred organisation and this year we received over 1,000 responses to our customer survey from across the industry, from all levels of membership, and from all our eight geographical sections. By aligning these insights to our strategy, we have developed a new three-year business plan that will take us through from 2024 – 2027.

Membership

Over the course of 2023 we demonstrated a 1% growth in membership, and across the year our sections ran a range of 70 technical, learning and social events connecting our global network of professionals to share best practices and know-how. A particular highlight of the 2023 calendar was the IBD Southern Section study tour in the Czech Republic where IBD study tours made a triumphant return following the pandemic-induced hiatus. The tour brought together 34 IBD members from a variety of brewing and distilling backgrounds to a country of undeniable brewing significance. I'm delighted that nine members, many of whom were apprentices or in the early stages of their careers, were fortunate to be awarded bursaries enabling them to attend.

Education and Professional Development

In Examinations, continued development of our systems, which resulted in completing the transition to the online Test Reach system and improving our end-to-end communications to enhance the overall candidate experience, has resulted in a step-change in the reduction of the customer complaints received. In 2023 we saw an overall uplift of +13% completed exams, year on year.

Significant progress has been made in our Education and Professional Development portfolio. We have developed and delivered four new CPD and Essentials courses, including Beer Recipe Development, Spirit Sensory Analysis, and Essentials in Distilling, all in demand. For 2023 our exam-based course Set for Success saw a 32% increase, while Tutor Guided Learning performed at the same levels of the past year. We are happy to report that improvements to our training products have shown to improve customer exam performance by up to 25%.

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Member Engagement

We have also focused on increasing reach and connection through our marketing and communications, and over the course of the year, we saw a 27% increase in newsletter subscribers, almost 20% growth in social media, with LinkedIn demonstrating the strongest growth at +25%.

As I step into my second year as IBD CEO, I would like to thank Douglas Murray who acted as Interim Chief Executive Officer until my appointment at the start of February last year. Douglas's knowledge of and commitment to the IBD has been an inspiration and I look forward to carrying forward the great work of the IBD in the future.

Tom Shelston CEO

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are pleased to present their Annual Directors' Report together with the consolidated financial statements of The Institute of Brewing & Distilling and its subsidiaries for the year ended 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity legislation and regulations applicable in England & Wales and Scotland, the Companies Act 2006, the Charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

The purpose of the charity is the advancement of education of benefit to the public, or a section of the public, especially in the sciences of brewing, fermentation, and distillation. The charity is a public benefit entity as defined by FRS 102.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the IBD strategy aims and objectives. Following a written resolution by Council, and ratified by the Board, the IBD examinations below the level of Master are open to all members of the public without the need to become a member of the IBD.

The education and qualifications provided by the IBD are non-selective and available to anyone who wishes to extend their knowledge of science and technology within the fermentation industries. The open-access part of the website, courses and Journal of The Institute of Brewing provide significant educational resources.

Strategic Framework and Activities

The Institute operates within a strategic framework which is kept under review by the Trustees.

THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD

- Our purpose is to champion the potential of our community.
- Our vision is to be the world's leading provider of professional development in brewing, distilling and related industries.
- Our mission is the delivery of professional education that engages, connects, and transforms to enable high performance outcomes both for the individual and their business.

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Our strategy to deliver the mission has five key elements:

- a) To provide tailored digital education for transformative professional development worldwide.
- b) To develop an innovative learning platform, co-creating quality content and leveraging expertise through partnerships.
- c) To develop engaged and connected communities for mutual knowledge transfer to fulfil the functional, social and emotional needs associated with life-long career development and high performance.
- d) To create a learning ecosystem open to all based on low barriers to entry, quality learning materials, premium courses, qualifications, and experiences supported by high levels of advocacy through our membership.
- e) To develop systems to support the extensive use of analytics to drive product development and add value to the IBD, individuals and companies.

Fundraising

The IBD does not directly fundraise from the public and has no fundraising staff. Its UK Sections are permitted to raise funds from ticket sales usually to Members and attendees of a supported event. The receipts from ticket sales are used to fund the events. The Head Office staff support the administration of these local events.

ACHIEVEMENTS & PERFORMANCE

Membership

On 31 December 2023 there were 3,214 (2022: 3,222) registered members from across the globe, with most of our members coming from the introductory and standard categories and sitting within the 30-50 age bracket.

Education and Professional Development

Our first non-examined Continuing Professional Development courses were launched and have proven to be very popular. Five new courses were created and 89% of course customers said that they were likely or very likely to recommend it to a friend or colleague. More than 900 were sold in 2023 and many of these sales were to repeat purchasers.

We continue to develop partnership opportunities. The pilot partnership with the University of Tasmania and FermenTas, was a success with 21 learners completing the General Certificate in Brewing as part of their studies. We also partnered with Muntons Malt PLC to develop a bespoke course for staff at their malted ingredients plant.

Continual improvement of IBD online self-directed learning material was completed. Video content, along with clearer and more accurate technical information was added to a number of courses.

Sales of our online tutor-guided learning product (TGL) remains popular with customers, with sales rates sustained. Analysis of customer survey feedback shows a marked improvement in exam confidence. Those choosing TGL enjoyed an 18% (2022: 14%) higher passing rate than those who did not. The number of sessions was increased to provide the most convenient time for learners across the globe, and the learning experience has been enhanced by providing on-demand tutorial videos to complement live sessions. We partnered with AB InBev USA to provide a bespoke TGL product for their Brewmaster Educational Programme. Learners using this product enjoyed a 100% success rate in their Diploma in Brewing exams.

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Sales of Set for Success (S4S) exam preparation sessions grew by 32%, with customers enjoying sessions in English and Spanish. A similar improvement in exam performance as reported for TGL was seen with S4S and customer feedback remains very positive. Work on continually improving both TGL and S4S was completed throughout the year.

In 2023, 4,365 (2022: 3,733) learning products were purchased for those choosing the IBD for their brewing and distilling education.

Examinations

The implementation of the TestReach online assessment platform has been a significant success, especially for IBD examination candidates; this was confirmed in the 2023 customer survey feedback with 83% of candidates finding the TestReach system very easy or easy to use.

Development of the IBD Examination Board's range of expertise continued in 2023 with the recruitment of eight new examiners, which also increased the number of countries represented globally on the Examination Board to twelve. A number of long-serving examiners retired from the Examination Board, their service and contribution over the many years has been hugely significant and we wish them well in their retirement.

In 2023 there were 3,292 (2022: 2,866) examination papers completed by candidates.

Events

2023 was a big year for IBD events, with both the Worldwide Distilled Spirits Conference (WDSC) and IBD Asia Pacific (APAC) Convention taking place in the same year.

Almost 600 delegates, exhibitors, sponsors and presenters from 32 countries gathered in Edinburgh for three days at the WDSC. There was a focus on younger members of the industry with 87 posters presented by young scientists explaining the conclusions of their latest research, adding a huge value to the conference.

A total of 491 delegates, exhibitors, sponsors and presenters attended the APAC Convention in Adelaide. Following the convention a satisfaction survey of 122 delegates noted that 43% gave a five-star rating and 48% rated it four stars.

In 2023, we held 70 IBD section events, both in hybrid and face to face format. These events were promoted through our website, newsletters, and social media. Some events were open to non-members when the subject was determined to be beneficial to the whole business sector. These events generated 3,738 registrations (2022: 3,610) and included two Masterclasses (one in London, one in Australia) and the first-ever event in Valdivia in Chile, the latest in the series of "IBD Days" hosted in Spanish language by the International section. Seven webinars took place across the year, hosted by most of the sections. Due to the hybrid nature of several of our events, we continued to achieve a truly international audience, and this will continue into 2024.

The IBD has overseas representation in three Sections splits into Africa, Asia Pacific, and an International Section. Africa and Asia Pacific are self-governed and carry out promotion, training, and engagement for our overseas members. Their finances do not form part of the Institute's accounts.

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Publications

The IBD continues to publish two quality magazines, the peer-reviewed scientific quarterly *Journal of the Institute of Brewing* (Journal) along with our monthly news and technical membership magazine *Brewing and Distilling International* (BDI). From 1st January 2023 both publications switched to 'self-publication' following the end of an 11 year relationship with John Wiley and Sons.

The Journal is now managed and published in-house and is available online as an 'open access' publication without any fees or page charges for authors or readers.

BDI now is also fully managed in-house using expert suppliers of design, print and distribution services, and in addition commercial advertising has been contracted to a new agency which brought increased revenue in 2023 and an expectation for improvement into 2024.

In addition to the Journal and BDI a fortnightly newsletter is used to disseminate information on IBD news and events, and as a method of engagement with both members and interested parties.

Subsidiaries

IBD Trading is a wholly owned subsidiary of The Institute of Brewing & Distilling. It exists as a vehicle for managing the trading activities of the Charity such as the triennial event of the WDSC which took place in May 2023.

The Beer Academy and the Beer and Cider Academy Limited are dormant companies and were both dissolved on 15th August 2023.

PLANS FOR FUTURE PERIODS

In 2024 the IBD will have begun its transition to becoming the Chartered Institute of Brewers and Distillers and by the end of the year we will have in place a clear membership value proposition for all levels of membership for 2025 and beyond. We will also have set out a clear commercial and international strategy designed to not only deliver growth for the IBD in key commercial areas but to also remain true to our charitable objectives and key purpose.

We were delighted to see a slight increase in both our Africa and International section membership numbers for 2023 (International +8 members and Africa +21 members). To support these two areas further, in 2024 we will be electing new committee members to both sections, electing a new Chairperson for the International section, and have appointed a relationship development manager in Africa. These initiatives will drive membership retention and acquisition further and hopefully return both sections back to the strengths of the past and deliver an overall increase in membership numbers for 2024.

2024 sees the launch of a number of strategic Examination Board initiatives which will continue to enhance the qualification offering and examination experience for IBD examination candidates.

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FINANCIAL RESULTS

In 2023, as a result of below activities, the Charity achieved total income of £3,607,011 (2022: £2,974,881) and total expenditure amounted to £2,916,024 (2022: £2,303,911). As a result, a surplus in 2023 was achieved of £690,987 (2022: surplus of £670,970) before a gain of £128,872 (2022: loss £226,218) on investments. The activities contributing to this is detailed in the notes 2 to 6 for the financial statements.

A VAT provision of £282,000 was initially provided for during 2021 in relation to an ongoing review with HMRC in relation to the status of the IBD as an eligible body. This provision was released in the 2022 accounts on the basis of a significance judgement based on professional advice that the material liability was considered to be a remote possibility. During 2023 HMRC confirmed that the IBD was not an eligible body for the provision of education. This means that the 2022 treatment of the release of the provision is ratified.

During the year the IBD received lease income of £112,505 (2022: £NIL) relating to the sale of a portion of the virtual freehold (999 year lease) of 44A Curlew Street.

Charitable Activities

The IBD continued to deliver courses and exams online. The educational activities income achieved for the year is £2,311,598 (2021: £2,286,423), representing overall growth of some 1.1%.

The membership revenue grew to £320,913 (2022: £171,057) primarily due to a change in accounting policy in 2022. This meant that memberships renewed from October 2022 onwards fall into the 2023 financial year, as opposed to a January to December calendar year model under the previous policy.

Expenditure for charitable activities was £2,338,048 (2021: £2,087,038). The expenditure has increased by some 12% and is primarily due to inflation in costs for educational activities.

Trading activities

The Worldwide Distilled Spirits Conference 2023 took place in May 2023 and achieved record revenues of £540,771. After taking into account the associated costs, a surplus of £147,311 was recorded. Advertising Income has increased from the previous year to £111,208 (2022: £72,612).

After administration costs, the profit achieved was £246,557 (2022: £68,117). This was distributed as a donation to the IBD Charity as gift aid.

POLICIES AND OBJECTIVES

Reserves Policy

The Charity held total reserves at 31st December 2023 of £6,279,190 of which £209,042 are restricted reserves as shown in note 18. Furthermore, reserves totalling £2,604,156 relate to tangible fixed assets, so these reserves can only be released on the disposal of the corresponding assets.

The Charity's policy is to hold a minimum of £2.2million as free reserves which equates to 12 months of direct operational expenditure for direct staff, examiners, tutors, publications and general overheads.

In the final quarter of the financial year, in addition to setting the operational budget, the Trustees review any designations and commitments (not provided for as a liability in the accounts). The Charity continued to recover in 2023 with bookings for its courses and exams remaining encouraging.

A three year plan updated during 2024 will focus on financial objectives and the reserves policy in line with the overall aims of the Charity.

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Investments Overview

The Trustees of The Institute of Brewing & Distilling (IBD), based on the recommendations of their Finance sub-committee, have overall responsibility for the Investment and Reserves policy. The IBD policy is to primarily pursue long term capital growth in order for investments to appreciate at a rate ahead of inflation, which will protect the capital value of the portfolio in real terms.

As there isn't a requirement to withdraw a regular income from the portfolio, all accrued income is retained and reinvested in accordance with the investment objective.

The Trustees appoint Investment managers to manage the reserves. Sanlam Investments UK Ltd were appointed in February 2015 and changed their name to Atomos Investments UK Ltd in 2022.

Investment Performance

The 3 "reserve" portfolios showed a gain during 2023. The IBD Investment and Reserves powers, policies and background are noted later in this document. The Treasurer and CEO alongside the Head of Finance have read-only access to the investment portfolio portal which is updated daily, and ad-hoc meetings with Investment Managers taking place during the year if required. The Board has chosen active management of its investments.

The table below (as at balance sheet date) shows that the performance across IBD's portfolios has overperformed the Benchmark.

Portfolio vs Benchmark	Main	JJ Morrison	Scottish
Portfolio	+9.20%	+8.69%	+8.59%
Investment Association (Mixed Investments 20-60%)	+6.86%	+6.86%	+6.86%
ARC GBP Balanced ACI	+6.05%	+6.05%	+6.05%

Investment Policy

Investment rules have been agreed with Atomos as follows:

- To provide a spread of risk no one equity holding should exceed 5% of the total sum of the individual portfolio. Maximum fund holding is limited to 10%.
- To avoid a potential risk of conflict of interest no direct investment should be made in the alcoholic beverage sector. This does not preclude alcoholic beverages being part of a fund invested in. Any significant fund investment in alcoholic beverages must be flagged to the IBD Trustees via the Treasurer.

All portfolio income is to be reinvested in that portfolio unless the Trustees agree otherwise.

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Investment Mandates risks as follows: (risk investment criteria, where 1 is low and 7 is high)

All portfolios are at risk level 4 of 7.

Investment objective: Primarily seeking income together with a reasonable degree of capital growth.

Risk objective: A balance between safety and investment growth potential.

Policy for Remuneration

Staff pay including for Key Management Personnel is reviewed annually by the Finance and Audit committee and is managed in line with earnings for the sector and price indexation. Assisted by the CEO, the Committee periodically benchmarks pay for all staff against pay levels in other similar organisations and consider factors such as benefits, indexation, and location prior to making recommendations for adoption by the Board of Trustees.

Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

- An annual review at Board meetings of the principal risks and uncertainties faced by Institute and its subsidiaries, IBD Trading Ltd; Reviews, actions and mitigation considered at Quarterly Board Meetings.
- The board has extended the remit of the Governance Committee to include risks and compliance. The committee receives the management operational risk register and the strategic risk register from the Senior Management Team (SMT) and CEO for review and action.
- The establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage potential impact on the Institute should those risks materialise.

The Risk Register is managed by the Governance, Risk and Compliance Committee, Trustees' Finance and Audit Sub-Committee, with input from the other Sub-Committees and the CEO. The key risks that were reviewed during 2022 were :

- **Loss of income arising from various external and internal factors** - This is mitigated by regular reviews of income and cashflow as well as reviewing the delivery of operational activities via the CEO and the SMT.
- **Failure of Compliance due to misstatements** – this would be mitigated by an independent audit if it arose.
- **Financial loss and reputational damage through cyber attack**
Mitigated through tightening of IT policy, creation of additional policies to cover use of non-IBD equipment. Staff training on need for vigilance and how to detect and report incidents.
- **Poor compliance leading to loss of charitable status**
Mitigation includes strict financial controls and delegation. Updating of grants, expenses policy and development of a Sections Handbook. In addition education on section offices completed to align the requirements with compliance.
- **Severe business disruption due to global incidents** – Business Continuity Plan implemented, Major suppliers' own Business Continuity Plan reviewed, Cyber Security risk ensured and Security measures implemented working with our IT suppliers.

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From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

The threats of these risks happening are managed by identifying the likelihood and impact of each risk and establishing mitigating actions.

The risk assessments and actions have allowed IBD to swiftly implement digital changes to its work environment and has continued to provide courses, exams, and events services.

Going Concern

The IBD Group has proved to be resilient in the period following the pandemic and all activities have recovered back to and in some cases exceeded pre-pandemic levels. It has successfully delivered online learning and examinations.

The Trustees continue to support its beneficiaries through bursaries and grants. The Trustees have continued to review its future plans against external factors. In May 2023, the Trustees reviewed the impact of inflation, with key examination and learning prices increasing by 7% in advance of 2024. Membership fees however were frozen following the consideration of wider factors.

As noted on page 3 of the Report to these financial statements, the transition to Chartered status will begin in 2024 and will result in the activities and assets of the Institute being transferred to a new Chartered entity (Chartered Institute of Brewers and Distillers) within the next 12 months. On this basis, the Trustees of the Institute have determined that the financial statements of the Institute should be prepared on a basis other than going concern. The Institute's activities will continue within the new Chartered entity, and on the basis that the assets and liabilities will be transferred at fair value at the transfer date, they are not considered to be impaired at the date of signing these financial statements. The Trustees confirm that no adjustments have been required to the financial statements as result of not preparing them on a going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Institute of Brewing & Distilling is a company limited by guarantee governed by its Memorandum and Articles of Association and Byelaws amended to streamline the structure, governance, and management of the IBD and adopted at the AGM on 25th June 2014. The current Byelaws were approved at an extraordinary general meeting held on 14th June 2022.

The IBD is registered as a charity with the Charity Commission and the office of the Scottish Charity Regulator (OSCR). Anyone over the age of 18 can become a member of the IBD.

Appointment of Trustees

The Governing Body of The Institute of Brewing & Distilling (IBD) is the Board of Trustees, which has the overall responsibility for setting policy framework and developing plans.

The Board of nine comprises four Honorary Officers: The President, Immediate Past President, Deputy President and Treasurer, and five other representatives of the membership.

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Trustees must be statutory members of the IBD and are elected in accordance with the Byelaws with nominations ratified at the AGM.

Honorary Officers are normally nominated by Council and confirmed at the AGM. The Council is the administrative body that represents the views of the membership and is formed from the Chairs of each of the eight Sections (organised groups of members) and the four honorary officers.

The Trustees of the Charity also have responsibilities as Directors of the Company Limited by Guarantee.

Trustee Induction and Training

There is now an established procedure for new Trustees and their induction, as well as reminding existing Trustees of responsibilities.

As part of this induction, all Trustees are furnished with a file containing many relevant topics, a copy of the IBD Memorandum & Articles of Association and its Byelaws and an up- to-date copy of the latest Charity Commission publications, particularly "CC3 - The Essential Trustee: What you need to know" and the Charity Governance Code. In addition, all are made aware/reminded of the Charity Commission website.

Organisation and Trustees' Meetings

The Board has established quarterly meetings with an agenda that has several fixed items with additional matters as appropriate. During 2023, meetings were predominantly on Zoom and often held over more than 1 session/day.

A CEO is appointed by the Trustees and is charged with managing and achieving the goals of the organisation. They have day-to-day responsibility for implementing policy, overseen by the Trustees. Tom Shelston was appointed into this role on 1st February 2023.

IBD employees are organised into functional areas under the leadership of the CEO. Apart from highly confidential matters the CEO was present at all meetings in 2023.

At each intended quarterly meeting, prevailing items of relevance together with standing items of current relevance including Sub-Committee reports and actions undertaken as well as the Risk Register were considered. An operational management report is presented by the CEO and management accounts and annual budget/budget update forecasts are discussed together with any additional capital expenditure proposals.

Annual presentations and Audit findings were made by the Investment Adviser and External Auditor.

At the end of each year the external audit plan is agreed and a full debrief is held after the audit, any requirements put in hand before the accounts are signed in readiness for the AGM.

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Attendance at Trustee Meetings for 2023 was:

Trustee/Director	Number Eligible to attend	Number attended
B M Mandanna	4	4
M Sheehy	4	3
D M Murray	4	2
S G Price	4	4
D A Smith	4	4
S N E Stelma	4	3
G W Calvert	4	4
D Cook	4	4
R Grisoni	4	3

Sub-Committees

Finance and Audit Sub-Committee

The Committee aims to meet on a quarterly basis, if required additional meetings may be scheduled.

The Committee reports to the Board on various topics based on the terms of reference and recommends actions.

These topics cover:

- Monthly Management Accounts with emphasis on the quarterly Accounts
- Final Annual Accounts
- Audit planning and reports, including auditor performance
- Budget performance and future Budget proposals
- Reserves policy
- Investment Portfolio and Manager's performance

Governance and Risk Compliance Sub-Committee (GRC)

The Governance and Risk Compliance Sub-Committee (formally known as the Governance Committee) has been formed to review strategic risks for the IBD. The GRC plans to meet 4 times a year.

The Committee reviewed the strategic risk registers and is continuing to support the review of the byelaws. In addition the committee reviewed updated or new policies prior to board approval.

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Nominations Sub-Committee:

During the year, the Sub-Committee considered:

- Trustee Job Descriptions
- Succession Planning
- Independent Trustee Candidates, Rules and Election Procedures
- Consideration of Deputy President 2023-2025.

Chartership Steering Group

The Chartership Steering Group was formed to support the IBD's application to the Privy Council to become a Chartered institute, and oversee the project plan for the implementation of all activities needed to set up the new Chartered body and transfer operations across. The President, Honorary Treasurer, Vice President and Chair of the Governance Risk and Compliance Committee are all members of the group, together with the former President (Douglas Murray) and key staff including the CEO. The group met 8 times in 2023.

Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2023.

A Deed of Covenant was signed with IBD under which it was agreed to Gift Aid all distributable profits to IBD.

The Beer Academy and The Beer and Cider Academy are dormant companies and were dissolved on 15th August 2023.

Composition and Activity of the Council

The President, Deputy President, Immediate Past President and Treasurer are all members of Council together with Section Representatives that volunteer to support regional activity acting as Section chairs and secretaries who are appointed locally.

Related parties and co-operation with other industry related organisations

All Trustees who received fees for work undertaken or monetary amounts from the IBD are recorded in Note 24 of the Financial Results and Review Section. No other Trustees receive remuneration or other benefit from their work with the Institute.

Any connection between a Trustee or senior manager of the Institute with a company, allied trader, supplier, wholesaler, retailer or other institution or organisation in the brewing, distilling, malting or fermentation industry or its supply chain or any related activity such as the taking of the Institutes' own qualifications or carrying out paid training for the same must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

The following list sets out potential conflicts of interest due to industry involvement by Trustees and their connected parties:

There have been no further changes since each party has signed their Declaration forms.

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Megan Sheehy is General Manager Classification, Grains Australia Limited. They are not a customer of the IBD

Bhavya M Mandanna is the Science & Technology Director (global) for Diageo Plc who are a customer of the IBD.

Raphael Grisoni is the Managing Director AMEI for Remy Cointreau who are a customer of IBD.

Will Calvert is a Director of WEBREW Taverns Ltd, Windsor and Eton Brewing Company Ltd and Swan Clewer Community Interest Company. He is a trustee of the Windsor Cycle Hub. There are no transactions between these entities and IBD.

David Cook is the Professor of Brewing Science and Head of the Division of Microbiology, Brewing & Biotechnology at the University of Nottingham.

Douglas M Murray is a director of StillDouglas a consultancy working the Food and Beveridge sector. This is not a customer of the IBD. He is a Lecturer to the Alcohol School.

Stephen G Price works in innovation for the drinks industry and with an IBD customer. Stephen is an Honorary Associate Professor International Centre for Brewing Science at the University of Nottingham teaching management, innovation, and process parts for higher degrees in Brewing Science.

David A Smith together with his son Robert are Directors of Brewing Services & Consultancy Ltd which provides technical assistance and training and are a customer of IBD.

Sandra Stelma is Head of Science at Diageo who are a customer of IBD, Member of Brewers of Europe and Vice President of European Brewery Convention.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Charity. The cost of this insurance in the year has been included within total insurance costs.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Institute's Trustees (who are also the Directors of The Institute of Brewing & Distilling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Institute's Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resource and application of resources, including the income and expenditure, of the group for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and 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 the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulation 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information of which the group and charitable company's auditor is unaware, and
- The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information

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Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006 and taking advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Auditors

The auditors, Haysmacintyre LLP have indicated their willingness to continue in office.

A resolution to reappoint Haysmacintyre LLP as independent auditor will be proposed at the next Annual General Meeting.

This report has been approved by the Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G W Calvert', with a stylized flourish at the end.

G W Calvert (Honorary Treasurer)

Date: 12th June 2024

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ADMINISTRATIVE DETAILS

Trustees and Directors of The Institute of Brewing & Distilling:

President	Megan Sheehy
Deputy President	Raphael Grisoni
Immediate Past President	Bhavya M Mandanna
Honorary Treasurer	G W Calvert
Board Committees' Secretary	D A Smith
Trustee	S G Price
Trustee	S N E Stelma
Trustee	D Cook

Directors of IBD Trading Limited – 05584522

Director and Company Secretary	D M Murray
Director	G W Calvert

The Beer Academy – 06277078

Director	N Fitch
	D M Murray

The Beer Academy was a dormant Private Limited Company by shares and use of 'Limited' exemption and was dissolved on 15th August 2023.

The Beer and Cider Academy Limited – 10572136

Director	D M Murray
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The Beer and Cider Academy was a dormant Private Limited Company by guarantee without share capital and use of 'Limited' exemption and was dissolved on 15th August 2023.

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

ADMINISTRATIVE DETAILS (continued)

Independent Auditor	Haysmacintyre LLP Chartered Accountants and Statutory Auditors 10 Queen Street Place London EC4R 1AG
Bankers	Royal Bank of Scotland plc Curzon Street London W1Y 7RF
Solicitors	William Sturges Solicitors 14-16 Caxton Street London SW1H 0QY

THE INSTITUTE OF BREWING & DISTILLING

(A company limited by guarantee)

Independent auditor's report to the members of Institute of Brewing and Distilling

Opinion

We have audited the financial statements of Institute of Brewing and Distilling for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, The Group and Charity Balance Sheets, the Statement of Cash Flows 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 Financial Reporting Standard 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 group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter – Non Going Concern Basis

In forming our opinion on the financial statement, which is not modified, we have considered the adequacy of the disclosure made in note 1.7 to the financial statements, which explains that the financial statements have been prepared on a basis other than the going concern basis because the Trustees have agreed the transfer of the operations, assets and liabilities of the charitable company to the Chartered Institute of Brewers and Distillers.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) 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 included within the Trustees' Annual 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and Charity SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates]

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

A handwritten signature in black ink, appearing to read 'K E B T', with a small yellow mark at the start of the first letter.

Kathryn Burton (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 13th June 2024

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted Funds	Restricted Funds	Total funds	Total funds
	Note	2023 £	2023 £	2023 £	2022 £
INCOME FROM:					
Legacies and Grants	2a	19,058	-	19,058	229,741
Charitable activities	2b	2,732,557	-	2,732,557	2,620,336
Other trading activities	3	773,531	-	773,531	72,612
Investments	4	81,866	-	81,866	52,192
TOTAL INCOME		3,607,011	-	3,607,011	2,974,881
EXPENDITURE ON:					
Raising funds	5	577,977		577,977	216,874
Charitable activities	6	2,311,450	26,598	2,338,048	2,087,038
TOTAL EXPENDITURE		2,889,426	26,598	2,916,024	2,303,911
NET INCOME BEFORE INVESTMENT GAINS		717,585	(26,598)	690,987	670,970
Net gain/(loss) on investments	14	128,872	-	128,872	(226,218)
NET MOVEMENT IN FUNDS		846,456	(26,598)	819,858	444,752
RECONCILIATION OF FUNDS:		846,456	(26,598)	819,858	444,752
Total funds brought forward		5,223,692	235,640	5,459,332	5,014,580
TOTAL FUNDS CARRIED FORWARD	18	6,070,148	209,042	6,279,190	5,459,332

The notes on pages 31 to 49 form part of these financial statements

Income and expenditure all relate to continuing activities and there are no other gains or losses in the period.

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations	2a	-	-	-	294,640
Grants	2a	265,615	-	265,615	8,668
Charitable activities	2b	2,732,557	-	2,732,557	2,620,336
Other trading activities	3	136,839	-	136,839	-
Investments	4	81,866	-	81,866	52,192
TOTAL INCOME		3,216,877	-	3,216,877	2,975,836
EXPENDITURE ON:					
Raising funds	5	184,517		184,517	217,163
Charitable activities	6	2,311,450	26,598	2,338,048	2,087,038
TOTAL EXPENDITURE		2,495,967	26,598	2,522,565	2,304,200
NET INCOME BEFORE INVESTMENT GAINS		720,910	(26,598)	694,312	671,635
Net gain/(loss) on investments	14	128,872	-	128,872	(226,218)
NET MOVEMENT IN FUNDS		849,782	(26,598)	823,184	445,417
RECONCILIATION OF FUNDS:		849,782	(26,598)	823,184	445,417
Total funds brought forward		5,218,463	235,640	5,454,103	5,008,686
TOTAL FUNDS CARRIED FORWARD		6,068,245	209,042	6,277,287	5,454,103

The notes on pages 31 to 49 form part of these financial statements

Income and expenditure all relate to continuing activities and there are no other gains or losses in the period.

THE INSTITUTE OF BREWING & DISTILLING
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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

Company Registration Number 01217770

		2023	2022
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,604,157	2,656,869
Investments	14	1,962,925	1,792,482
Intangible assets	15	34,462	30,000
		<u>4,601,544</u>	<u>4,479,351</u>
CURRENT ASSETS			
Debtors	16	282,806	891,213
Cash at bank and in hand		2,491,862	1,971,320
		<u>2,774,668</u>	<u>2,862,533</u>
CREDITORS:			
amounts falling due within one year	17	(1,097,022)	(1,882,552)
NET CURRENT ASSETS		1,677,646	979,981
NET ASSETS		<u>6,279,190</u>	<u>5,459,332</u>
CHARITY FUNDS			
Restricted funds	18	209,042	235,640
Unrestricted funds	18	6,070,148	5,223,692
TOTAL FUNDS		<u>6,279,190</u>	<u>5,459,332</u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: 12th June 2024

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY BALANCE SHEET AS AT 31 DECEMBER 2023

Company Registration Number 01217770

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13	2,604,157		2,656,869	
Investments	14	1,962,925		1,792,482	
Intangible assets	15	34,462		30,000	
		4,601,544		4,479,351	
CURRENT ASSETS					
Debtors	16	396,058		750,082	
Cash at bank and in hand		2,367,246		1,940,110	
		2,763,303		2,690,192	
CREDITORS:					
amounts falling due within one year	17	(1,087,161)		(1,715,439)	
NET CURRENT ASSETS			1,676,142		974,753
NET ASSETS			6,277,687		5,454,103
CHARITY FUNDS					
Restricted funds	18	209,042		235,640	
Unrestricted funds	18	6,068,645		5,218,463	
TOTAL FUNDS			6,277,687		5,454,103

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: 12th June 2024

THE INSTITUTE OF BREWING & DISTILLING
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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided/ (used in) by operating activities	20	<u>535,132</u>	<u>413,350</u>
Cash flows from investing activities:			
Dividends, interest, and rents from investments	4	48,675	47,879
Purchase of intangible fixed assets	15	(21,693)	(30,000)
Proceeds from sale of investments	14	1,701,845	333,103
Cash transferred (from) / to investments	14	(3,233)	(37,225)
Purchase of and gain on investments	14	(1,740,183)	(336,174)
Net cash used in investing activities		<u>(14,590)</u>	<u>(22,417)</u>
Change in cash and cash equivalents in the year		520,542	390,933
Cash and cash equivalents brought forward	21	1,971,320	1,580,387
Cash and cash equivalents carried forward	21	<u>2,491,862</u>	<u>1,971,320</u>

The notes on pages 31 to 49 form part of these financial statements

In line with the recommendations contained within Statement of Recommended Practice FRS102 for Charities, the charity can confirm that there is no net debt at the balance sheet date.

THE INSTITUTE OF BREWING & DISTILLING
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 updated October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Brewing & Distilling meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Institute and its subsidiary undertaking.

The results of the subsidiary IBD Trading are consolidated on a line by line basis.

1.2 Group Financial Statements

These financial statements consolidate the results of the Institute and its wholly-owned subsidiary, IBD Trading Limited, on a line by line basis.

IBD Trading Limited (Company registration number 05584522), a company registered in England & Wales, was active throughout the current and previous financial year.

The Beer Academy Limited (Company registration number 06277078), a company registered in England & Wales, was dormant throughout the current financial year as all financial activities had been transferred to IBD in 2016.

The Beer and Cider Academy (Company registration number 10572136) and The Beer Education Trust (Company registration number 07952802) are companies registered in England and Wales and were dormant in the current and previous financial year so have not been consolidated. The Beer Education Trust was dissolved on the 22nd March 2022.

1.3 Company Status

The Institute is a private company limited by guarantee (Company registration number 01217770). The Directors of the Institute are the Trustees named on page 21. In the event of the Institute being wound up, the liability in respect of the guarantee is limited to £1 per member of the Institute.

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Institute and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

THE INSTITUTE OF BREWING & DISTILLING

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Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Institute for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Institute is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised in the year in which they are receivable.

Advertising income is recognised when the publication is printed.

Membership subscriptions are recognised in the calendar year to which they relate.

Publications income comprises subscriptions to and sales of the IBD's magazine and journal and is recognised on a receivable basis.

Education, training, and convention income comprises income from courses, events and sales of training material and is recognised in the year which the course or event takes place. Examination fees are recognised when the examinations take place.

Income received in advance is carried forward to the next accounting period as deferred income and included in creditors.

Grant and investment income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure recognition

All expenditure is accounted for on an accrual basis and has been classified under categories that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Support costs, which cannot be directly attributed to particular activities have been apportioned proportionately to the direct income generated from the Charity's activities. This is a change to accounting estimate and not policy. This change has been made to ensure the apportionment is done in a manner that is fair and reasonable and does not therefore require a prior year adjustment nor a restatement of comparatives of Support costs which are analysed in Note 7. Governance costs include the costs of servicing Trustees meetings, audit & strategic planning, and have been allocated back to support costs.

Specific expenditure incurred on events taking place after the year end is carried forward as a prepayment and included in debtors.

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1.7 Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue operating.

As noted on page 3 of the Report to these financial statements, the transition to Chartered status will begin in 2024 and will result in the activities and assets of the Institute being transferred to a new Chartered entity (Chartered Institute of Brewers and Distillers) within the next 12 months. On this basis, the Trustees of the Institute have determined that the financial statements of the Institute should be prepared on a basis other than going concern. The Institute's activities will continue within the new Chartered entity, and on the basis that the assets and liabilities will be transferred at fair value at the transfer date, they are not considered to be impaired at the date of signing these financial statements. The Trustees confirm that no adjustments have been required to the financial statements as result of not preparing them on a going concern basis.

1.8 Basis of Consolidation

The financial statements consolidate the accounts of The Institute of Brewing & Distilling and all its subsidiary undertakings ('subsidiaries').

The Institute has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.9 Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on assets in the year of acquisition; a full year of depreciation is charged in the year of disposal.

Depreciation on all assets is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Long-term leasehold property	-	100 years straight line
Leasehold improvements	-	15 years straight line
Office furniture	-	10 years straight line
Equipment	-	3 years straight line
Land held under long lease	-	not depreciated

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1.10 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Intangible Assets

Learning and development activities in relation to courses and exams are assessed and capitalised as internally developed intangible assets against the criteria set out in FRS102.

To assess whether an internally generated intangible asset meets the criteria for recognition, the generation of the asset is classified into either: a research phase, or a development phase.

If the IBD cannot distinguish the research from the development phase, the expenditure will be treated as if it were incurred in the research phase only. Any revenues generated during the development phase will be deducted from the value of the asset prior to any live piloting phase.

The intangible assets are measured at cost. This comprises purchase price of any third party as well as internally generated materials, software, and any directly attributable costs of preparing the asset for its intended use.

All training costs, indirect employee costs and promotional costs will be expensed in the financial year.

The IBD considers the useful life of all internally developed courses as finite. The assets are amortised on a straight-line basis over three financial years. The first full year of amortisation is the year in which the completed asset is piloted in live environment.

The residual value of an intangible asset with a finite useful life will be zero unless:

There is a commitment by a third party to purchase either the courses or the educational delivery process at the end of its useful life to the IBD, or there is an active market for the asset, residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and carrying value will be reviewed at least at the end of each annual reporting period. If the asset is no longer in use, then any residual value will be fully amortised unless the asset is held for sale.

1.12 Debtors Receivable and Creditors Payable within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.13 Cash at Bank and in Hand

Cash at Bank and in Hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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1.14 Financial Instruments

The Institute only holds basic Financial Instruments. The financial assets and financial liabilities of the Institute are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Pensions

The Institute offers an approved auto enrolment defined contribution pension scheme which is open to all employees that meet the criteria for auto enrolment. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

1.16 Taxation

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Sections

The Institute is offered regionally through five Sections in the British Isles which act as Branches of the Institute.

Management receives annual returns from these Sections. The results of the British Isles Sections have been included in these financial statements.

The Institute also services members based overseas through two overseas Sections which are constituted as separate local legal entities and an international Section. The Institute has no financial or operational control over the assets of the 2 overseas Sections and therefore their transactions, assets and liabilities have not been included in these financial statements.

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1.18 Critical Accounting Estimates and Areas of Judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Basis of recognition of internally generated intangible assets
- Expected useful economic lives of tangible and intangible assets.
- Judgement surrounding the treatment of the National Brewing Library collection and the silver trophies

THE INSTITUTE OF BREWING & DISTILLING
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2a. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

The Institute of Brewing & Distilling received Legacy income of £nil in 2023 (2022 - £226,523)

2022 legacy income was received from the estate of the late Dr D.R..J Laws.

In addition, grants of £19,057 were received in the year (2022 - £8,668).

All of this income received was unrestricted.

Gift Aid from IBD Trading Ltd the wholly owned subsidiary amounted to £246,558 (2022: £68,117)

2b. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Unrestricted funds	Total Funds	Total Funds
	2023	2023	2022
	£	£	£
Membership	320,913	320,913	171,057
Education	2,315,817	2,315,817	2,286,423
Publications and Technical	-	-	23,743
Sections and Events	95,827	95,827	139,113
Total 2022	<u>2,732,557</u>	<u>2,732,557</u>	2,620,336
Total 2022	2,620,336	2,620,336	-

The income shown above is unrestricted for both 2023 and 2022.

**3. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS -
GROUP AND CHARITY**

	Unrestricted Funds	Total Funds	Total Funds
	2023	2023	2022
	£	£	£
Advertising Income	95,921	95,921	72,612
Conference Income	540,771	540,771	-
Lease income	116,285	116,285	-
Royalty income	20,553	20,553	-
Total 2023	<u>773,531</u>	<u>773,531</u>	72,612
Total 2022	72,612	72,612	-

Total funds in 2022 are all unrestricted.

THE INSTITUTE OF BREWING & DISTILLING
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4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2023	2023	2023	2022
	£	£	£	£
Dividend on listed investments	48,675	-	48,675	47,879
Bank interest receivable	33,190	-	33,190	4,313
Total 2023	81,866	-	81,866	52,192
Total 2022	52,192		52,192	

5. EXPENDITURE ON RAISING FUNDS - GROUP AND CHARITY

	2023	2022
	£	£
Advertising Expenses	15,727	991
Conference Expenses	393,459	(1,280)
Direct costs	107,848	125,646
Support Costs	60,942	91,517
	577,977	216,874

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6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2023	2023	2023	2023
	£	£	£	£
Membership	173	-	198,334	198,508
Education	386,612	-	1,431,247	1,817,859
Publications and Technical	200,181	-	-	200,181
Sections and Events	58,855	3,421	59,224	121,500
Total 2023	645,822	3,421	1,688,805	2,338,048

Of the total expenditure on Charitable Activities, £26,598 has been transferred to the JJM fund, being the courses provided for free for 43 courses (2022 : There were charges for 46 courses totalling £30,925 to the restricted funds in 2022)

Support costs (Note 7) have been allocated based on income generated from each of the activity.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2022	2022	2022	2022
	£	£	£	£
Membership	2,366	-	112,533	114,899
Education	371,918	-	1,130,648	1,502,566
Publications and Technical	234,151	-	15,620	249,771
Sections and Events	121,775	6,510	91,518	219,802
Total 2022	730,209	6,510	1,350,319	2,087,038

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7. SUPPORT COSTS - CURRENT YEAR

	Raising funds	Charitable activities	2023	2022
	£	£	£	£
Premises costs	2,136	58,764	60,899	52,682
General office costs	15,211	430,493	445,703	323,993
Project development	783	21,554	22,337	245,473
Staff meeting and training expenses	114	3,124	3,238	5,141
Governance costs	3,491	96,056	99,547	133,125
Release of VAT Provision	-	-	-	(282,000)
Other staff costs	-	-	-	29,380
Support staff costs	36,602	1,007,111	1,043,713	678,248
Depreciation	2,606	71,703	74,309	255,793
Total	60,942	1,688,805	1,749,747	1,441,836

A provision of £282k was made in the 2021 accounts in relation to a potential VAT liability in respect of an ongoing review by HMRC into the eligible status of the IBD. The provision was released in the 2022 accounts in line with professional advice received.

Governance costs are analysed in Note 9

SUPPORT COSTS - PRIOR YEAR

	Raising funds	Charitable activities	2022
	£	£	£
Premises costs	2,797	49,886	52,682
General office costs	17,201	306,792	323,993
Project development	13,032	232,441	245,473
Staff meeting and training expenses	273	4,869	5,141
Governance costs	7,840	125,285	133,125
Release of VAT provision	-	(282,000)	(282,000)
Other staff costs	786	28,594	29,380
Support staff costs	36,008	642,241	678,248
Depreciation	13,580	242,213	255,793
Total	91,517	1,350,319	1,441,836

8. ANALYSIS OF GRANTS - CURRENT YEAR

	Grants to Institutions	Grants to Individuals	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Grants	3,421	-	3,421	6,510

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9. GOVERNANCE COSTS

	2023	2022
	£	£
Auditors' remuneration	31,750	28,800
Under Accrual for prior year's Auditors Remuneration	2,200	5,200
Trustee and Meeting Expenses	21,219	3,949
Legal and Professional fees	22,600	13,563
Support Staff Costs	73,542	81,614
Total	151,312	133,125

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2023	2022
	£	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	74,309	255,793
Auditors' remuneration	31,750	28,800
Auditors' remuneration - under accrual of prior year	2,200	5,200
Support costs - Auditors' remuneration - Other services	13,532	12,693
	121,791	302,486

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £31,750 (2022: £28,800), with under accrual of £2,200 (2022: £5,200) from the prior year. Payments for other services were £13,532 (2022: £12,693) relating to corporation tax and VAT services.

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12. Staff Costs

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	945,568	935,641
Social security costs	82,398	95,831
Redundancies	-	1,999
Other pension costs	53,874	52,862
	1,081,839	1,086,333

The average number of persons employed by the Institute during the year was as follows:

Staff	2023	2022
	No.	No.
	21	21

The number of higher paid employees was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	-	1
In the band £110,001 - £120,000	1	-

For 2023, the key personnel management consisted of the Chief Executive, Head of Publications, Head of Finance, Head of ITC, Head of E&PD, Head of Business Development & Engagement and Chair of Board of Examiners. The total amounts of employee benefits received by Key Management Personnel is £464,955 (2022: £468,526)

There were no redundancies in 2023 (2022: £1,999).

There were no non-contractual elements to the redundancy in 2022.

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £53,874 (2022: £52,862). There were contributions outstanding at the year-end of £194 (2022: £4,821)

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Group and Charity Cost					
At 1 January 2023	2,785,259	282,245	43,635	137,971	3,249,110
Additions	-	-	-	4,366	4,366
Disposals	-	-	-	-	-
At 31 December 2023	2,785,259	282,245	43,635	142,337	3,253,476
Depreciation					
At 1 January 2023	224,073	189,585	42,317	136,266	592,241
Charge in the year	27,853	27,332	188	1,705	57,078
At 31 December 2023	251,926	216,917	42,505	137,971	649,319
Net Book Value					
At 31 December 2023	2,533,333	65,328	1,130	4,366	2,604,157
At 31 December 2022	2,561,186	92,660	1,318	1,705	2,656,869

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK

	2023 £	2022 £
Quoted Investments	1,899,886	1,732,675
Quoted Liquid Funds	63,039	59,807
Total Investments held with Fund Managers	1,962,925	1,792,482

Reconciliation of investments held with fund

	2023 £	2022 £
Market Value		
At 1 January	1,792,482	1,978,404
Additions at cost	1,740,183	336,174
Disposals at carrying value	(1,701,845)	(333,103)
Net Unrealised (loss)/gain	128,872	(226,218)
Movement in Cash	3,233	37,225
Total	1,962,925	1,792,482

The charity has invested a total of £4 in subsidiary undertakings.
This is detailed in note 24.

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15. INTANGIBLE FIXED ASSETS

Group and Charity

	2023	2022
	£	£
Cost		
At 1 January	30,000	614,378
Additions	21,693	30,000
At 31 December	51,693	644,378
Amortisation		
At 1 January	-	417,927
Charge for the year	17,231	196,451
At 31 December	17,231	614,378
Net book value		
At 31 December	34,462	30,000

16. DEBTORS

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	249,668	435,637	243,130	387,235
Amounts owed by group undertakings	-	-	119,790	149,940
Other debtors	2,040	214,888	2,040	29,046
Prepayments and accrued income	31,097	240,689	31,097	183,861
	282,806	891,213	396,058	750,082

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17. CREDITORS: Amounts falling due within one year

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	55,672	366,836	55,672	366,836
Amounts owed to group undertakings	-	-	-	-
Other taxation and social security	100,978	76,496	102,960	76,496
Other creditors	7,611	21,035	5,849	19,483
Accruals	70,421	48,369	60,341	43,050
Deferred income	862,340	1,369,816	862,340	1,209,574
	1,097,022	1,882,552	1,087,161	1,715,439

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Deferred Income				
Deferred income at 1 January 2023	1,369,816	1,080,338	1,209,574	1,080,338
Resources deferred during the year	862,340	1,369,816	862,340	1,209,574
Amounts released from previous years	(1,369,816)	(1,080,338)	(1,209,574)	(1,080,338)
Deferred income at 31 December 2023	862,340	1,369,816	862,340	1,209,574

Deferred income in 2023 for both the Charity and Group and in 2022 for the Charity relates to monies received for course sales and membership subscriptions which will be recognised in the subsequent year in line with the respective accounting policies.

Deferred income in 2022 for the Group also relates to monies received for course sales and membership subscriptions but in addition for monies received for the WDSC 2023 convention that took place in May 2023.

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18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,656,868	4,366	(57,078)			2,604,156
British Funds Sections	31,375					31,375
Scholarships Bursaries and Grants	53,490					53,490
	2,741,733	4,366	(57,078)	-	-	2,689,021
General funds						
General Fund	2,481,959	3,613,713	(2,714,545)	-		3,381,127
Total Unrestricted Funds	5,223,692	3,618,079	(2,771,623)	-	-	6,070,148
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	183,053		(26,598)			156,455
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	235,640		(26,598)			209,042
Total of Funds	5,459,332	3,618,079	(2,798,221)	-		6,279,190

18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2022
	£	£	£	£		£
Designated funds						
Fixed Assets	2,714,503	1,707	(59,342)			2,656,868
British Funds Sections	31,375					31,375
Scholarships Bursaries and Grants	60,000		(6,510)			53,490
Asia Pacific Engagement	25,000		(22,000)	(3,000)		-
Learning Materials and Courses	225,000		(245,473)	20,473		-
Online Exam Development	150,000		(30,000)	(120,000)		-
Curlew Street Asset Review	20,000			(20,000)		-
Community Engagement	100,000			(100,000)		-
	3,325,878	1,707	(363,325)	(222,527)		2,741,733
General funds						
General Fund	1,422,137	2,973,174	(2,135,879)	222,527		2,481,959
Total Unrestricted Funds	4,748,015	2,974,881	(2,499,204)	-		5,223,692
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	213,978		(30,925)			183,053
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	266,565		(30,925)			235,640
Total of Funds	5,014,580	2,974,881	(2,530,129)			5,459,332

THE INSTITUTE OF BREWING & DISTILLING
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18. STATEMENT OF FUNDS (Continued)

Designated Funds

Fixed Assets Fund

This fund represents the net book value of the IBD's unrestricted tangible assets as at the end of the year.

British Isles Sections

This fund represents the carrying amount of funds held on behalf of the UK and Irish sections that are regional branches of the Charity.

Scholarships Bursaries and Grants

This fund has been designated to support the Awards Committee to award scholarships and bursaries.

Restricted Funds

John S Ford Memorial

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year. No award was made in 2023 and the awards will resume in 2024.

J J Morison Fund

The JJ Morison Fund was donated to support annual awards and to assist in further education in the science & technology of brewing and distilling.

In 2023, the fund was utilised to provide educational support to 23 candidates totalling £26,598.

IoB London Section Trust Fund

The IoB London Section Trust Fund was established from residual funds of the IoB London Section, obtained from their Oxford and Cambridge meetings, when the Institute of Brewing merged with the International Brewers Guild.

IBD Hop Industry Fund

The IBD Hop Industry Fund supports development of new hop varieties within the UK & also the annual IBD Hop Awards which celebrate agronomic excellence.

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19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2023	2023	2023
	£	£	£
Tangible and Intangible assets	2,604,156		2,604,156
Fixed asset investments	1,962,925		1,962,925
Current assets	2,600,089	209,042	2,809,131
Creditors due within one year	(1,097,022)		(1,097,022)
	6,070,148	209,042	6,279,190

69,882

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2022	2022	2022
	£	£	£
Tangible and Intangible assets	2,686,869	-	2,686,869
Fixed asset investments	1,792,482	-	1,792,482
Current assets	2,626,893	235,640	2,862,533
Creditors due within one year	(1,882,551)	-	(1,882,551)
	5,223,692	235,640	5,459,332

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES - Group**

	2023	2022
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	830,926	444,752
Adjustment for:		
Depreciation and amortisation charges	74,309	255,793
(Gain) / loss on investments	(128,872)	226,218
Investment income	(81,866)	(52,192)
Decrease/ (increase) in debtors	608,407	(238,786)
(Decrease) / increase in creditors	(767,772)	(222,434)
Net cash provided by operating activities	535,132	413,350

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2023	2022
	£	£
Cash in hand	<u>2,491,862</u>	<u>1,971,320</u>

22. PENSION COMMITMENTS

The Charity operates a defined contribution pension plan for its employees. The amount recognized as an expense in the period was £53,874 (2022: £52,862). Contributions totaling £195 (2022: £4,821) were payable to the fund at the balance sheet date and are included within creditors.

23. RELATED PARTY TRANSACTIONS

During the year, 7 Trustees were reimbursed £12,558 for travel and accommodation expenses (2022, 9 Trustees were reimbursed £7,299).

Exam fees of £2,432 were paid to Douglas Murray in 2023 (2022: £1,543).

Douglas Murray is the director and company secretary of the wholly owned subsidiary IBD Trading Limited.

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or related entity.

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24. PRINCIPAL SUBSIDIARIES

The Beer Academy Limited

The Beer Academy Limited was dissolved on 15th August 2023. The Institute previously owned 100% of the issued share capital of The Beer Academy Limited, a company limited by shares and registered in England & Wales (company number 06277078), which was incorporated on 12 June 2007 & started to trade on 31 July 2007. It had 2 issued ordinary shares at a par value of £1 each. It ceased to trade on 31 December 2016. The registered office of The Beer Academy Limited was 44A Curlew Street, London SE1 2ND. The Beer Academy had taken an exemption from audit by virtue of s374A of the Companies Act.

The Beer and Cider Academy

The Beer and Cider Academy Limited was dissolved on 15th August 2023. The Institute previously owned 100% of the issued share capital of The Beer and Cider Academy Limited, a company limited by shares and registered in England and Wales (company number 10572136), which was incorporated on 19 January 2018. It had 1 issued ordinary share at a par value of £1 each. The company was dormant throughout the current financial year. The registered office of The Beer and Cider Academy was 44A Curlew Street, London SE1 2ND. The Beer and Cider Academy had taken an exemption from audit by virtue of s374A of the Companies Act.

IBD Trading Limited

The Institute owns 100% of the issued share capital of IBD Trading Limited, a company limited by shares and registered in England & Wales (company number 05584522), which was incorporated on 6 October 2005. It has 1 issued ordinary share at a par value of £1. The registered office of The IBD Trading Limited is 44A Curlew Street, London SE1 2ND.

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £246,558 (2022: £68,117).

The principal activities of IBD Trading Limited is the organisation and delivery of the Worldwide Distilled Spirits Convention and other commercial activities. The results of IBD Trading Limited are presented below.

IBD Trading Limited

Subsidiary name	IBD Trading Limited
Company registration number	05584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2023	£133,135
Total Liabilities as at 31 December 2023	£131,802
Total equity as at 31 December 2023	£1,333
Turnover for the year ended 31 December 2023	£651,979
Expenditure for the year ended 31 December 2023	£405,421
Gift Aid distribution to charity	£246,558
Profit for the year ended 31 December 2023	NIL

THE INSTITUTE OF BREWING & DISTILLING

England & Wales - Charity number 269830

Accounts

Registered Number: 01217770
Charity Numbers: 269830 and SC039405

THE INSTITUTE OF BREWING & DISTILLING
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**TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

PRESIDENT'S INTRODUCTION

Despite a significant amount of change, I am proud that the resilience of the IBD has championed another strong year for us.

2022 has been centred on consolidating our management systems and structuring ourselves for success in the new normal of the post-pandemic era.

People are our greatest asset and at the outset, on behalf of the Board, I would like to thank our team members and strong volunteer network for their passion and commitment that continues to drive our collective success.

It is our vision to be the global leader of sustainable professional education and development in the brewing, distilling and allied industries. The IBD continues to be recognised amongst the top 2-3% of charities in the UK.

As an organisation, this year, our focus has been on improving our governance structures, performance management systems from both, strategy and execution perspectives, and professionalisation of our offerings through digitalisation of our exam and educational systems, improved customer service, and strong marketing and communications.

The impacts of this work are seen in an overall strong financial position indicative of an optimistic outlook on operations recovery post-pandemic, solid membership base, and strong performance in exams delivery accompanied by a step-change in the reduction of the customer complaints received from over 25% in 2021 to less than 1% in 2022, despite a 13% increase in candidates. Additionally, significant progress has been achieved in our education and development portfolio including the development and delivery of online courses across Diploma, Tutor Guided Learning and other new courses such as the Beer Recipe Development and Essentials in Distilling, and the digitalisation of the Journal of the Institute of Brewing. Our peer-reviewed Journal of the Institute of Brewing saw the publication of 14 research papers and two reviews increasing its impact factor from 2.2 to an impressive 2.6.

The development and submission of our Chartership application has been a defining moment in our history. The process drove a full review of all our systems of work, including our articles and byelaws, generating intelligence for a strong future pipeline of activities to secure the continued leadership of the IBD as the industry-leading standard and qualification of choice for professionals, globally. Chartership will formally recognise the IBD for the same in ours and our allied industries.

Our Sections continue to outdo themselves on member engagement and recruitment through a combination of online and face-to-face events that support professional development, global networking and opportunities to socialise and enjoy our industry's offerings.

The strong overall performance is demonstrative of the IBD's flexibility, commitment and passion for collective success despite significant changes in leadership. Dr Jerry Avis retired as CEO in June 2022 and was succeeded by Douglas Murray, the past President, in the interim, as the search for a new CEO took place. Douglas temporarily stepped down from the Board during this period.

I would like to express my gratitude to Jerry, who has led the IBD for over six years through a transformative phase with a vision to making us a modern, professional organisation. Despite the challenges of the pandemic, Jerry raised the bar at which we delivered our products and services and accelerated our digital journey to service our members and customers across the world. The vision and development of our Chartership application is Jerry's crowning legacy for the IBD.

I would also like to thank Douglas for his leadership of the IBD during a significant period of change, lending a steady hand to guide us through to success.

At Board-level, we bid farewell with gratitude to Ian Roberts, our past Deputy President, and Dr Caroline Walker, both valued members who contributed significantly to our success.

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I would also like to thank Nigel Fitch, a long-standing member of the Board and Treasurer, who has dedicated significant service to the IBD, for which we are all very grateful. We wish them all the very best ahead.

It is an exciting period as we steady the ship and build capabilities for the future. We welcome new leaders with relevant skills to support our strategic priorities. It gives me great pleasure to welcome new members to the Board – Dr Megan Sheehy (General Manager Classification, Grains Australia), our new Deputy President, Prof David Cook (University of Nottingham) and Raphael Grisoni (Managing Director of Remy-Cointreau Canada). Will Calvert, Managing Director and Co-founder of Windsor & Eton Brewery, and a Fellow of the Chartered Institute of Management Accountants was elected as our Honorary Treasurer. With a Board bringing in strong skills, industry-wide experience at a global scale and diversity of thought we are energised to achieve industry leadership and action on our strategic ambitions.

We also welcome our new CEO, Tom Shelston, in February 2023, who brings to the IBD a wealth of experience from several sectors, having led organisations with strong growth strategies based on member and audience engagement, and high value partnerships.

The year ahead will be challenging as we continue, steadfast, on our change journey. It will be aimed at refocusing our strategy to be the most professional provider of industry education and development. Effective financial, governance and organizational systems to systematically drive stability and then growth will underpin this strategy. Significant events such as the WDSC and APAC conference in Adelaide in 2023 will showcase industry-leading engagements for our professional communities.

A big thank you to our membership, and patrons who have supported and guided our efforts through a period of great change, and who continue to engage and inspire us to pursue excellence.

We will continue to do our best to uphold the industry-leading standards of the IBD and champion our members and patrons.

President
Bhavya Mandanna

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

CHIEF EXECUTIVE'S SUMMARY

The incumbent CEO announced his retirement and left the business in June. In the period between tendering his resignation and his finishing date he concentrated on deliver as a matter of urgency the completion of the work needed to allow chartership. This culminated in an EGM being held where the Articles, Bye-laws and other associated changes were voted through to allow chartership.

The immediate past president was asked to step in as Interim CEO, which he accepted. He stepped down from the board while in the CEO role. The finding of a suitable replacement took longer than anticipated but was finally offered and accepted in early December by Tom Shelston, who took over as CEO on 1st February 2023. A full onboarding plan is in place to ensure no impact on business activity.

In 2022 the main challenge was around consolidation of our activities after a significant period of change. This consolidation allowed us to deliver our portfolio of examinations, educational courses and membership experiences. In addition we caught up with the backlog in examination candidates caused by Covid 19 and introduced additional learning material. All examinations were conducted using our on-line partner, TestReach.

The TestReach platform provides candidates with a stable and easy to use online environment. This enables candidates to have a better examination experience and has resulted in a significant reduction in negative customer feedback.

In respect of governance, the IBD continues to modify and improve its governance and implementation of policies. External assistance was engaged to upgrade our ways of working and with the approval of the Governance and Risk board sub-committee a formal structure on reviewing policies and capturing and mitigating risk was embedded into our structure. This will ensure the IBD continues to operate as a going concern through robust governance and how true we are to delivering our primary charitable objective (the advancement of education). As part of this progress has been made towards becoming chartered. As stated the changes in our Articles and byelaws were approved at an EGM and the formal submission to the Privy Council was made and subsequently the Privy Council has sent the proposal out for review by external agencies. This is part of the process but marks a significant step forward. The board have created an additional sub-group tasked with overseeing this project.

Education and Professional Development

Preparatory work on modifying the Tutor Guided Learning courses associated with all our Diploma examinations was a major part of the work carried out in 2022 and when completed in 2023 will make it more accessible for customers.

The creation of the General Certificate in Brewing Spanish course has increased of the numbers taking this course in the Latin American countries (72). The next addition will be GC in Distilling and is due for launch in 2024.

Examinations

2022 saw the completion of the segregation of all Examination activity from the rest of the IBD day-to-day operations. This required a restructuring of the Examination Board group, additional resource and the Chair of the Board of Examiner's reporting line changing to directly into the IBD Board of Trustees. This enhances IBD reputation by ensuring independence and integrity of all the examination processes, protects the IP invested in the question banks and enhances the overall candidate experience.

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Member value

The need to increase perceived membership value is recognised but rather than have a single point of focus a whole team approach is being pursued. Our main strategic aims have not altered and value will be generated by greater membership involvement through the sections, on-line activity, improved educational packages and learning materials. In addition the creation of "focus group" sections will allow members to have a greater ability to tap into the membership knowledge pool.

Overall, value for members will continue to be developed alongside the development of support for the industry through a rigorous system of qualifications where examinations are challenging but achievable. This year 18 members have been given the opportunity to enhance their education with new scholarships and bursaries using the JJ Morrison fund and sponsorship from companies and organisations.

In 2022 the operational structure has been modified to allow focus on the key growth drivers, membership, education and professional qualification. This is fully supported by Finance, IT and Communications teams. During this time of change, support for all the staff has been provided and everyone was talked through any impact on their activity. The board confirmed that all employees would now be contracted to predominantly work from home with the requirement to attend meetings at other locations. Existing contracts had already been amended and all new contract have this as the working pattern.

Douglas Murray (Past President)
Interim Chief Executive Officer (Appointed 15th June 2022, resigned 31st January 2023)

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are pleased to present their Annual Directors' Report together with the consolidated financial statements of The Institute of Brewing & Distilling and its subsidiaries for the year ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity legislation and regulations applicable in England & Wales and Scotland, the Companies Act 2006, the Charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

The purpose of the charity is the advancement of education of benefit to the public, or a section of the public, especially in the sciences of brewing, fermentation, and distillation. The charity is a public benefit entity as defined by FRS 102.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the IBD strategy aims and objectives. Following a written resolution by Council, and ratified by the Board, the IBD examinations below the level of Master are open to all members of the public without the need to become a member of the IBD.

The education and qualifications provided by the IBD are non-selective and available to anyone who wishes to extend their knowledge of science and technology within the fermentation industries. The open-access part of the website, courses and Journal of The Institute of Brewing provide significant educational resources.

Strategic Framework and Activities

The Institute operates within a strategic framework which is kept under review by the Trustees.

THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD

- Our purpose is to champion the potential of our community.
- Our vision is to be the world's leading provider of professional development in brewing, distilling and related industries.
- Our mission is the delivery of professional education that engages, connects, and transforms to enable high performance outcomes both for the individual and their business.

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Our strategy to deliver the mission has five key elements:

- a) To provide tailored digital education for transformative professional development worldwide.
- b) To develop an innovative learning platform, co-creating quality content and leveraging expertise through partnerships.
- c) To develop engaged & connected communities for mutual knowledge transfer to fulfil the functional, social and emotional needs associated with life-long career development and high performance.
- d) To create a learning ecosystem open to all based on low barriers to entry, quality learning materials, premium courses, qualifications, and experiences supported by high levels of advocacy through our membership.
- e) To develop systems to support the extensive use of analytics to drive product development and add value to the IBD, individuals and companies.

Fundraising

The IBD does not directly fundraise from the public and has no fundraising staff. Its UK Sections are permitted to raise funds from ticket sales usually to Members and attendees of a supported event. The receipts from ticket sales are used to fund the events. The Head office staff support the administration of these local events.

ACHIEVEMENTS & PERFORMANCE

Membership

On 31 December 2022 there were 3,222 (2021: 3,536) registered members from across the globe.

Education

The IBD's qualifications continue to be well regarded throughout the world and continue to be regarded highly within the industry. The continuing trend mentioned in the 2021 report of a demand for lower-level qualifications for support staff of companies to have a greater appreciation of how their products are made has been facilitated with a new suite of non-examined knowledge courses. These "essentials courses" were launched in 2022 and further topics will be developed in 2023. The requirement from large companies to both benchmark their internal training against the IBD's recognised qualifications and to look for training support for companies' own competency frameworks continues to be a focus and several cooperative partnerships have been established.

In 2022: 3,733 (2021: 4,356) candidates undertook professional studies with the Institute.

The IBD has continued to develop the Examination Board's range of expertise with a number of new examiners joining. These are from a variety of backgrounds both senior industry professionals as well as academic, covering all aspects of Brewing and Distilling. In 2022, the Examination Board consisted of a total of 35 examiners from ten different countries globally.

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Training

Sales of our online tutor-guided learning product TGL continues to grow. Analysis of the feedback from candidates and examination results show a marked improvement in exam confidence and success. Additional tutors have been recruited from several time zones and trained in online learning delivery. This gives us the ability to provide tutorials at a time convenient to customers across the globe. Work also commenced on the next generation of TGL in. This will make TGL accessible to more customers and more convenient to consume while reducing the cost of providing the service.

Sales of Set for Success exam preparation sessions also grew, and this is now offered for brewing in Spanish. The same improvement in exam performance and customer feedback as reported for TGL was seen for Set for Success. Work on continually improving both TGL and Set for Success was ongoing throughout the year.

Events

Events center on education and training, and are largely organised by Individual Sections with central support. There was no major conference held in 2022 but work on delivery of both the Worldwide Distilled Spirits Conference (WDSC) and the Asia Pacific Section (Self Governing) was conducted. The organisational structure of the steering committees was altered to include Board and financial representation. Both have opted to return to a physical conference format. Post covid the sections adopted mix of physical and on-line sessions. These events provide an opportunity to learn and network in a supportive environment where the mix of younger and more experienced professionals enhances the educational dimension.

In 2022, we have promoted 53 events, both in webinars and face to face format, across the sections and geographies. These events were promoted through our website, newsletters and social media. Some events were open to non-members when the subject was determined to be beneficial to the whole business sector.

These events generated 3610 registrations and included 3 Masterclasses (2 in London and one in Hven Island, Sweden) and the first-ever event organised in Spanish by the IBD, which took place in Chile with more than 100 people registered.

Individual webinars achieved audiences between double and ten times that of most previous physical events. Notably, a number of events achieved a truly international audience and it is clear that a mix of the physical and webinar format should be kept as the effects of the pandemic (hopefully) diminish around the world.

The IBD has Overseas Representation in three Sections split into Africa, Asia Pacific and an International Section. Africa and Asia Pacific are self-governed and carry out promotion, training and engagement for our overseas members. Their finances do not form part of the Institute's Accounts.

Publications

The IBD continues to have an excellent record of publishing quality, peer-reviewed scientific Journal of The Institute of Brewing & Distilling (Journal) along with Brewing & Distilling International (BDI), the news and technical magazine that is published monthly in our industry. Both the Journal and the BDI are now available online. The end of 2022 saw the end of a fruitful partnership with Wiley publishers who have managed the Journal and BDI over the previous ten years. From 2023 the JIB will be managed and published in-house and available to members only on line. The delivery of the BDI has also been reviewed in 2022 and from 2023 the individual components will be managed through a group of expert partners. In addition commercial advertising has been contracted to a new agency with the expectation of increased revenue.

In addition to the Journal and BDI a fortnightly newsletter is used to disseminate information and as a method of engagement with both members and interested parties. Booking of Section events is

facilitated through this portal.

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Subsidiaries

IBD Trading is a wholly owned subsidiary of The Institute of Brewing & Distilling. It exists as a vehicle for managing the trading activities of the Charity such as the triennial event of the WDSC.

The Beer Academy and the Beer and Cider Academy Limited are dormant companies. The Beer Education Trust was dissolved on the 22nd March 2022.

PLANS FOR FUTURE PERIODS

Examinations will continue to be reviewed to seek improvements in delivery. The partnership with TestReach, who provides our on-line examination platform, has shown the potential for this method of service delivery. Upgrading our examination preparation to reduce the physical input required to prepare examination papers has commenced in 2022 and will be completed in 2023.

We continue to seek the right partners to assist in taking developed material into other languages and to develop markets more fully in our key regions such as the Americas and Asia Pacific. The focus in 2022 has been to build up our presence and customer base in Spanish speaking locations. This has been successful with an increase in examination candidates and tutored learning courses. This will be expanded into other qualifications. In addition, we continued to review our learning materials and training programmes.

Delivery of growth through partnerships is part of our strategic aim and in 2022 a new partnership was signed with the University of Tasmania and FermenTas, with the goal of building a network of skilled individuals to work in and grow the Australasian fermentation industry through place based applied learning, and globally recognized IBD qualifications.

Digital transformation of activities remains a high priority; further progress was made in 2022 which has included investment in technology, processes, and training to deliver agility and responsiveness to our customers. In the past five years concentration has been on improving systems, brand perception and online learning to reach a baseline in the business that is stable. In addition to this we have increased the level of cyber security and introduced ways of working and policies that will protect our systems , knowledge and finances against cyber crime.

As a charity with members, we will continue to explore ways to add value.

The Institute has completed the petition for Chartered status and feedback from the Privy Council is awaited. Whilst the result is uncertain the journey will be valuable in reinforcing our commitment to further enhance systems, processes and the knowledge to support the professionalism of brewers and distillers across the globe.

The IBD has designated funds to support beneficiaries through Scholarships, Bursaries and Grants and it will continue to seek partnerships with other grant makers to support its Members.

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FINANCIAL RESULTS

In 2022, as a result of below activities, the Charity achieved a surplus of £670,970 (2021: deficit of £957) before a loss of £226,218 (2021: gain £155,342) on investments. The activities contributing to this is detailed in the notes 2 to 6 for the financial statements.

A VAT provision of £282,000 was provided for during 2021 in relation to an ongoing review with HMRC in relation to the status of the IBD as an eligible body. This provision has been released in the 2022 accounts on the basis of a significance judgement based on professional advice that the material liability is now considered to be a remote possibility.

During the year the IBD received total donations and legacy income of £229,741 (2021: £NIL). This includes a generous legacy of £226k from the Estate of Late Dr D.R.J. Laws.

Charitable Activities

As planned, the IBD continued to deliver courses and exams online. There were some disruptions implementing these changes but this has not impacted the financial performance of the Charity. The educational activities income achieved for the year is £2,286,423 (2021: £1,708,302). The increased income is due to recognising deferred income bought forward for candidates that did not complete their exams in 2021.

The membership revenue fell to £171,057 (2021: £294,236) primarily due to the change in accounting policy that saw memberships renewed from October onwards fall into the following year.

Expenditure for charitable activities was £2,087,038 (2021: £2,194,722). The expenditure decreased with the movement broadly in line with the income.

Trading activities

Advertising Income fell from the previous year to £72,612 (2021: £81,791). Advertising expenditure for the year was £991 due to an over accrual in previous year. (2021: £14,299). After administration costs, the profit achieved was £68,117. This was distributed as a donation to the IBD Charity as gift aid.

POLICIES AND OBJECTIVES

Reserves Policy

The Charity held total reserves at 31st December 2022 of £5,459,332 of which £235,640 are restricted reserves as shown in note 18. Furthermore, reserves totalling £2,656,868 relate to tangible fixed assets, so these reserves can only be released on the disposal of the corresponding assets.

The Charity's policy is to hold a minimum of £1.3million as free reserves which equates to 12 months of direct operational expenditure for direct staff, examiners, tutors, publications and general overheads.

In the final quarter of the financial year, in addition to setting the operational budget, the Trustees review any designations and commitments (not provided for as a liability in the accounts). The Charity continued to recover in 2022 with bookings for its courses and exams remaining encouraging.

A three year plan updated during 2023 will focus on financial objectives and the reserves policy in line with the overall aims of the Charity.

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Investments Overview

The Trustees of The Institute of Brewing & Distilling (IBD), based on the recommendations of their Finance sub-committee, have overall responsibility for the Investment and Reserves policy. The IBD policy is to primarily pursue long term capital growth in order for investments to appreciate at a rate ahead of inflation, which will protect the capital value of the portfolio in real terms.

As there isn't a requirement to withdraw a regular income from the portfolio, all accrued income is retained and reinvested in accordance with the investment objective.

The Trustees appoint Investment managers to manage the reserves. Sanlam Investments UK Ltd were appointed in February 2015 and changed their name to Atomos Investments UK Ltd in 2022.

Investment Performance

The 3 "reserve" portfolios showed a loss during 2022. The IBD Investment and Reserves powers, policies and background are noted later in this document. Investment Managers present to the Board in November and the Finance Sub-Committee in May each year. The Board has chosen active management of its investments.

The table below (as at balance sheet date) shows that the performance across IBD's portfolios has underperformed the Benchmark.

Portfolio vs Benchmark	Main	JJ Morrison	Scottish
Portfolio:	-9.86%	-8.89%	-8.82%
Investment Association (Mixed Investments 20-60%)	-9.67%	-9.67%	-9.67%

Investment Rules

Investment rules have been agreed with Atomos as follows:

- To provide a spread of risk no one equity holding should exceed 5% of the total sum of the individual portfolio. Maximum fund holding is limited to 10%.
- To avoid a potential risk of conflict of interest no direct investment should be made in the alcoholic beverage sector. This does not preclude alcoholic beverages being part of a fund invested in. Any significant fund investment in alcoholic beverages must be flagged to the IBD Trustees via the Treasurer.

All portfolio income is to be reinvested in that portfolio unless the Trustees agree otherwise.

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Investment Mandates risks as follows: (risk investment criteria, where 1 is low and 7 is high)

All portfolios are at risk level 4 of 7.

Investment objective: Primarily seeking income together with a reasonable degree of capital growth.

Risk objective: A balance between safety and investment growth potential.

Policy for Remuneration

Staff pay including for Key Management Personnel is reviewed annually by the Finance and Audit committee and is managed in line with earnings for the sector and price indexation. Assisted by the CEO, the Committee periodically benchmarks pay for all staff against pay levels in other similar organisations and consider factors such as benefits, indexation, and location prior to making recommendations for adoption by the Board of Trustees.

Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

- An annual review at Board meetings of the principal risks and uncertainties faced by Institute and its subsidiaries, IBD Trading Ltd; Reviews, actions and mitigation considered at Quarterly Board Meetings.
- The board has extended the remit of the Governance Committee to include risks and compliance. The committee receives the management operational risk register and the strategic risk register from the Senior Management Team (SMT) and CEO for review and action.
- The establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage potential impact on the Institute should those risks materialise.

The Risk Register is managed by the Governance, Risk and Compliance Committee, Trustees' Finance and Audit Sub-Committee, with input from the other Sub-Committees and the CEO. The key risks that were reviewed during 2022 were :

- **Loss of income arising from various external and internal factors** - This is mitigated by regular reviews of income and cashflow as well as reviewing the delivery of operational activities via the CEO and the SMT.
- **Failure of Compliance due to misstatements** – this would be mitigated by an independent audit if it arose.
- **Financial loss and reputational damage through cyber attack**
Mitigated through tightening of IT policy, creation of additional policies to cover use of non-IBD equipment. Staff training on need for vigilance and how to detect and report incidents.
- **Poor compliance leading to loss of charitable status**
Mitigation includes strict financial controls and delegation. Updating of grants, expenses policy and development of a Sections Handbook. In addition education on section offices completed to align the requirements with compliance.
- **Severe business disruption due to global incidents** – Business Continuity Plan implemented, Major suppliers' own Business Continuity Plan reviewed, Cyber Security risk ensured and Security measures implemented working with our IT suppliers.

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From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

The threats of these risks happening are managed by identifying the likelihood and impact of each risk and establishing mitigating actions.

The risk assessments and actions have allowed IBD to swiftly implement digital changes to its work environment and has continued to provide courses, exams, and events services.

Going Concern

The IBD Group has proved to be resilient to the risks posed by the pandemic and all activities have recovered back to pre-pandemic levels. It has successfully delivered online learning and examinations.

In recognition of the continued changes required to operations, the Trustees agreed to continue to invest its reserves for further development of its learning materials, online provision of courses and exams. The Trustees further agreed to support its beneficiaries through bursaries, grants and scholarships. The Trustees have continued to review its future plans against external factors. In May 2022 and September 2022, the Trustees reviewed the impact of inflation and the membership, examination and learning prices were increased in 2023 by 4% to mitigate the level of inflation in 2023.

The review concluded that the Institute has adequate resources, and that there are no material uncertainties to the operations for the foreseeable future, therefore adopting the going concern basis in preparing these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Institute of Brewing & Distilling is a company limited by guarantee governed by its Memorandum and Articles of Association and Byelaws amended to streamline the structure, governance, and management of the IBD and adopted at the AGM on 25th June 2014 and rewritten for the AGM on 24th June 2015.

There were changes to the Articles and Byelaws in 2022. These were approved at an extraordinary general meeting held on 14th June 2022. The purpose of the change is to ensure that the Institute has a process in place to ensure continuity of a full complement of Directors (Trustees) having appropriate skills and competencies, encourage diversity and is one where all members have a voice in the process. The key changes were to allow the byelaws to reflect the requirements of the Chartership application and to allow the creation of non-geographical sections.

The IBD is registered as a charity with the Charity Commission and the office of the Scottish Charity Regulator (OSCR). Anyone over the age of 18 can become a member of the IBD.

Appointment of Trustees

The Governing Body of The Institute of Brewing & Distilling (IBD) is the Board of Trustees, which has the overall responsibility for setting policy framework and developing plans.

The Board of nine comprises four Honorary Officers: The President, Immediate Past President, Deputy President and Treasurer, and five other representatives of the membership.

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Trustees, deemed to be independent of Sections, must be statutory members of the IBD and are elected in accordance with the Byelaws with nominations, ratified at the AGM.

Honorary Officers are normally nominated by Council and confirmed at the AGM. The Council is the administrative body that represents the views of the membership and is formed from the Chairs of each of the eight Sections that comprise the Institute and the four honorary officers.

The Trustees of the Charity also have responsibilities as Directors of the Company Limited by Guarantee.

Trustee Induction and Training

There is now an established procedure for new Trustees and their induction, as well as reminding existing Trustees of responsibilities.

As part of this induction, all Trustees are furnished with a file containing many relevant topics, a copy of the IBD Memorandum & Articles of Association and its Byelaws and an up- to-date copy of the latest Charity Commission publications, particularly "CC3 - The Essential Trustee: What you need to know" and the Charity Governance Code. In addition, all are made aware/reminded of the Charity Commission website.

Terms of reference of the various Sub-Committees and IBD Trustee Board roles and Governance were included in the induction.

Organisation and Trustees' Meetings

The Board has established quarterly meetings with an Agenda that has several fixed items with additional matters as appropriate. During 2022, meetings were predominantly on Zoom and often held over more than 1 session/day.

A CEO is appointed by the Trustees and is charged with managing and achieving the goals of the organisation. They have day-to-day responsibility for implementing policy, overseen by the Trustees. Jerry Avis, resigned from post of CEO on 15th June 2022. Douglas Murray has been appointed as interim CEO and is expected to remain in post until the new CEO is appointed. He was replaced by Tom Shelston on 1st February 2023.

IBD employees are organised into functional areas under the leadership of the CEO. Apart from highly confidential matters the CEO was present at all meetings in 2022.

At each intended quarterly meeting, prevailing items of relevance together with standing items of current relevance including Sub-Committee reports and actions undertaken as well as the Risk Register were considered. An operational management report is presented by the CEO and management accounts and annual budget/budget update forecasts are discussed together with any additional capital expenditure proposals.

Annual Presentations and audit findings were made by the Investment Adviser and External Auditor.

At the end of each year the external audit plan is agreed and a full debrief is held after the audit, any requirements put in hand before the accounts are signed in readiness for the AGM.

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Attendance at Trustee Meetings for 2022 was:

Trustee/Director	Number Eligible to attend	Number attended
B M Mandanna	5	5
M Sheehy	5	4
D M Murray	2	2*
N S Fitch	3	3 Retired September 22
S G Price	5	4
D A Smith	5	5
I G Roberts	1	1 Resigned February 22
C J Walker	2	2 Resigned May 22
S N E Stelma	5	5
G W Calvert	5	5
D Cook	2	2
R Grisoni	2	2

*D Murray attended as CEO from June 22

Sub-CommitteesFinance and Audit Sub-Committee

The Committee aims to meet every month.

The Committee reports to the Board on various topics based on the terms of reference and recommends actions.

These topics cover:

- Monthly Management Accounts with emphasis on the quarterly Accounts
- Final Annual Accounts
- Audit planning and reports, including auditor performance
- Budget performance and future Budget proposals
- Reserves policy
- Investment Portfolio and Manager's performance

Governance and Risk Compliance Sub-Committee (GRC)

The Governance and Risk Compliance Sub-Committee (formally known as the Governance Committee) has been formed to review strategic risks for the IBD. The GRC plans to meet 4 times a year.

The Committee reviewed the Strategic risk registers and is continuing to support the review of the by-laws. In addition the committee reviewed updated or new policies prior to board approval.

Operational Management Committee (OMC)

The OMC, formally known as Personnel interest group was discontinued at the September Board meeting. Its duties and responsibilities were absorbed into the other sub-committees and the delegation of responsibility register amended to reflect this.

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Nominations Sub-Committee:

During the year, the Sub-Committee considered:

- Trustee Job Descriptions
- Succession Planning
- Independent Trustee Candidates, Rules and Election Procedures
- Consideration of Deputy President 2021-2023 and identification temporary Deputy on resignation of sitting Deputy. The temporary states was made permanent at the AGM in September 2022.
- Election process for two independent trustees, including reviewing and proposing names from the sections
- Selection of CEO

Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2022.

A Deed of Covenant was signed with IBD under which it was agreed to Gift Aid all distributable profits to IBD.

The Beer Academy and The Beer and Cider Academy are dormant companies. The Beer Education Trust was dissolved on the 22nd March 2022.

Composition and Activity of the Council

The President, Deputy President, Immediate Past President and Treasurer are all members of Council together with Section Representatives that volunteer to support regional activity acting as Section chairs and secretaries who are appointed locally.

Related parties and co-operation with other industry related organisations

All Trustees who received fees for work undertaken or monetary amounts from the IBD are recorded in Note 24 of the Financial Results and Review Section. No other Trustees receive remuneration or other benefit from their work with the Institute.

Any connection between a Trustee or senior manager of the Institute with a company, allied trader, supplier, wholesaler, retailer or other institution or organisation in the brewing, distilling, malting or fermentation industry or its supply chain or any related activity such as the taking of the Institutes' own qualifications or carrying out paid training for the same must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

The following list sets out potential conflicts of interest due to industry involvement by Trustees and their connected parties:

There have been no further changes since each party has signed their Declaration forms.

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Douglas M Murray is a director of StillDouglas a consultancy working the Food and Beverage sector. This is not a customer of the IBD. He is a Lecturer to the Alcohol School.

Megan Sheehy is General Manager Classification, Grains Australia Limited. They are not a customer of the IBD

Stephen G Price together with his wife, Nicola, is a Director of Steve Price Innovation limited which provides training for the IBD. He also works in innovation for the drinks industry and with an IBD customer. Stephen is an Honorary Associate Professor International Centre for Brewing Science at the University of Nottingham teaching management, innovation, and process parts for higher degrees in Brewing Science.

David A Smith together with his son Robert are Directors of Brewing Services & Consultancy Ltd which provides technical assistance and training and are a customer of IBD.

David Cook is the Professor of Brewing Science and Head of the Division of Microbiology, Brewing & Biotechnology at the University of Nottingham.

Will Calvert is a Director of WEBREW Taverns Ltd, Windsor and Eton Brewing Company Ltd and Swan Clewer Community Interest Company. He is a trustee of the Windsor Cycle Hub. There are no transactions between these entities and IBD.

Raphael Grisoni is the General Manager of Remy Cointreau Canada who is a customer of IBD

Sandra Stelma is Head of Science at Diageo who is a customer of IBD, Member of Brewers of Europe and Vice President of European Brewery Convention.

Bhavya M Mandanna was the Head of Focused Improvement and Innovation at Molson Coors Beverage Company, January 2022 – July 2022 and joined Diageo plc as Science & Technology Director (global) both are a customer of the IBD.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Charity. The cost of this insurance in the year has been included within total insurance costs.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Institute's Trustees (who are also the Directors of The Institute of Brewing & Distilling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Institute's Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resource and application of resources, including the income and expenditure, of the group for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and 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 the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulation 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information of which the group and charitable company's auditor is unaware, and
- The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information

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Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006 and taking advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Auditors

The auditors, MHA (formerly MHA MacIntyre Hudson) (UK Member of Baker Tilly International) have indicated their willingness to continue in office.

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report has been approved by the Board of Trustees and signed on its behalf by:



G W Calvert (Honorary Treasurer)

Date:

19th July 2023

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

ADMINISTRATIVE DETAILS

Trustees and Directors of The Institute of Brewing & Distilling:

President	B M Mandanna
Deputy President	I G Roberts (Resigned 28 th February 2022) M Sheehy (Appointed 1 st March 2022)
Immediate Past President	D M Murray
Honorary Treasurer	N S Fitch (Resigned 20 th September 2022) G W Calvert (Appointed 20 th September 2022)
Board Committees' Secretary	D A Smith
Trustee	C J Walker (Resigned 20 th September 2022)
Trustee	S G Price
Trustee	S N E Stelma
Trustee	R Grisoni (Appointed 20 th September 2022)
Trustee	D Cook (Appointed 20 th September 2022)
Company Secretary	J W Avis (Resigned 15 th June 2022) D M Murray (Appointed 15 th June 2022)

Directors of IBD Trading Limited – 05584522

Director and Company Secretary	J W Avis (Resigned 15 th June 2022) D M Murray (Appointed 15 th June 2022)
Director	N S Fitch (resigned 20 th September 2022) G W Calvert (appointed 20 th September 2022)

The Beer Academy – 06277078

Director	J W Avis (Resigned 15 th June 2022) D M Murray (Appointed 15 th June 2022)
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The Beer Academy is a dormant Private Limited Company by shares and use of 'Limited' exemption.

The Beer and Cider Academy Limited – 10572136

Director	J W Avis (Resigned 15 th June 2022) D M Murray (Appointed 15 th June 2022)
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The Beer and Cider Academy is a dormant Private Limited Company by guarantee without share capital and use of 'Limited' exemption.

The Beer Education Trust was dissolved on the 22nd March 2022.

THE INSTITUTE OF BREWING & DISTILLING
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ADMINISTRATIVE DETAILS (continued)

Independent Auditor	MHA (formerly MHA MacIntyre Hudson) Chartered Accountants and Statutory Auditor 6 TH Floor 2 London Wall Place London EC2Y 5AU
Bankers	Royal Bank of Scotland plc Curzon Street London W1Y 7RF
Solicitors	William Sturges Solicitors 14-16 Caxton Street London SW1H 0QY

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

AUDITORS' REPORT

TO THE MEMBERS OF THE INSTITUTE OF BREWING & DISTILLING FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Institute of Brewing & Distilling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statement of Cash Flows 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 Financial Reporting Standard 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 group's and parent charitable company's affairs as at 31 December 2022, and of their incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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 Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the group's and parent charitable 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 Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance concerning any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance concerning actual and potential litigation and claims;
- Enquiry of management and those charged with governance concerning any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

For and behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 10 August 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Restricted Funds	Total funds	Total funds
	Note	2022 £	2022 £	2022 £	2021 £
INCOME FROM:					
Legacies and Grants	2a	229,741	-	229,741	-
Charitable activities	2b	2,620,336	-	2,620,336	2,110,386
Other trading activities	3	72,612	-	72,612	325,363
Investments	4	52,192	-	52,192	41,015
TOTAL INCOME		2,974,881	-	2,974,881	2,476,764
EXPENDITURE ON:					
Raising funds	5	216,874	-	216,874	282,999
Charitable activities	6	2,056,113	30,925	2,087,038	2,194,722
TOTAL EXPENDITURE		2,272,986	30,925	2,303,911	2,477,721
NET INCOME BEFORE INVESTMENT GAINS		701,895	(30,925)	670,970	(957)
Net (loss)/gain on investments	14	(226,218)	-	(226,218)	155,342
NET MOVEMENT IN FUNDS		475,677	(30,925)	444,752	154,385
RECONCILIATION OF FUNDS:		475,677	(30,925)	444,752	154,385
Total funds brought forward		4,748,015	266,565	5,014,580	4,860,195
TOTAL FUNDS CARRIED FORWARD	18	5,223,692	235,640	5,459,332	5,014,580

The notes on pages 31 to 49 form part of these financial statements

THE INSTITUTE OF BREWING & DISTILLING
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**CHARITY STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022**

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2022 £	2022 £	2022 £	2021 £
INCOME FROM:					
Donations	2a	294,640	-	294,640	179,295
Grants	2a	8,668	-	8,668	-
Charitable activities	2b	2,620,336	-	2,620,336	2,110,386
Other trading activities	3	0	-	0	2,552
Investments	4	52,192	-	52,192	41,015
TOTAL INCOME		2,975,836	-	2,975,836	2,333,248
EXPENDITURE ON:					
Raising funds	5	217,163	-	217,163	139,483
Charitable activities	6	2,056,113	30,925	2,087,038	2,194,722
TOTAL EXPENDITURE		2,273,275	30,925	2,304,200	2,334,205
NET INCOME BEFORE INVESTMENT GAINS		702,560	(30,925)	671,635	(957)
Net (loss)/gain on investments	14	(226,218)	-	(226,218)	155,342
NET MOVEMENT IN FUNDS		476,342	(30,925)	445,417	154,385
RECONCILIATION OF FUNDS:		476,342	(30,925)	445,417	154,385
Total funds brought forward		4,742,121	266,565	5,008,686	4,854,301
TOTAL FUNDS CARRIED FORWARD		5,218,463	235,640	5,454,103	5,008,686

The notes on pages 31 to 49 form part of these financial statements

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022
Company Registration Number 01217770

		2022	2021
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,656,869	2,714,504
Investments	14	1,792,482	1,978,404
Intangible assets	15	30,000	196,451
		<u>4,479,351</u>	<u>4,889,359</u>
CURRENT ASSETS			
Debtors	16	891,213	649,821
Cash at bank and in hand		<u>1,971,320</u>	<u>1,580,387</u>
		<u>2,862,533</u>	<u>2,230,208</u>
CREDITORS:			
amounts falling due within one year	17	<u>(1,882,552)</u>	<u>(2,104,987)</u>
NET CURRENT ASSETS		979,981	125,221
NET ASSETS		<u>5,459,332</u>	<u>5,014,580</u>
CHARITY FUNDS			
Restricted funds	18	235,640	266,565
Unrestricted funds	18	<u>5,223,692</u>	<u>4,748,015</u>
TOTAL FUNDS		<u>5,459,332</u>	<u>5,014,580</u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: **19th July 2023**

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022

Company Registration Number 01217770

		2022	2021
	Note	£	£
FIXED ASSETS			
Tangible Assets	13	2,656,869	2,714,504
Investments	14	1,792,482	1,978,404
Intangible assets	15	30,000	196,451
		<u>4,479,351</u>	<u>4,889,359</u>
CURRENT ASSETS			
Debtors	16	750,082	725,053
Cash at bank and in hand		<u>1,940,110</u>	<u>1,402,006</u>
		<u>2,690,192</u>	<u>2,127,059</u>
CREDITORS:			
amounts falling due within one year	17	(1,715,439)	(2,007,732)
NET CURRENT ASSETS		<u>974,753</u>	<u>119,327</u>
NET ASSETS		<u>5,454,103</u>	<u>5,008,686</u>
CHARITY FUNDS			
Restricted funds	18	235,640	266,565
Unrestricted funds	18	<u>5,218,463</u>	<u>4,742,121</u>
TOTAL FUNDS		<u>5,454,103</u>	<u>5,008,686</u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
G W Calvert (Treasurer)

Date: 19th July 2023

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided/ (used in) by operating activities	21	<u>413,350</u>	<u>554,796</u>
Cash flows from investing activities:			
Dividends, interest, and rents from investments	4	47,879	40,627
Purchase of intangible fixed assets	15	(30,000)	-
Proceeds from sale of investments	14	333,103	162,779
Cash transferred (from) / to investments	14	(37,225)	3,786
Purchase of and (loss)/gain on investments	14	(336,174)	(198,877)
Net cash used in investing activities		(22,417)	8,315
Change in cash and cash equivalents in the year		390,933	563,111
Cash and cash equivalents brought forward	22	1,580,387	1,017,276
Cash and cash equivalents carried forward	22	<u>1,971,320</u>	<u>1,580,387</u>

The notes on pages 31 to 49 form part of these financial statements

In line with the recommendations contained within Statement of Recommended Practice FRS102 for Charities, the charity can confirm that there is no net debt at the balance sheet date.

THE INSTITUTE OF BREWING & DISTILLING
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 updated October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Brewing & Distilling meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Institute and its subsidiary undertaking.

The results of the subsidiary are consolidated on a line by line basis.

1.2 Group Financial Statements

These financial statements consolidate the results of the Institute and its wholly-owned subsidiary, IBD Trading Limited, on a line by line basis.

IBD Trading Limited (Company registration number 05584522), a company registered in England & Wales, was active throughout the current and previous financial year.

The Beer Academy Limited (Company registration number 06277078), a company registered in England & Wales, was dormant throughout the current financial year as all financial activities had been transferred to IBD in 2016.

The Beer and Cider Academy (Company registration number 10572136) and The Beer Education Trust (Company registration number 07952802) are companies registered in England and Wales and were dormant in the current and previous financial year so have not been consolidated. The Beer Education Trust was dissolved on the 22nd March 2022.

1.3 Company Status

The Institute is a private company limited by guarantee (Company registration number 01217770). The Directors of the Institute are the Trustees named on page 21. In the event of the Institute being wound up, the liability in respect of the guarantee is limited to £1 per member of the Institute.

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Institute and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

THE INSTITUTE OF BREWING & DISTILLING

(A company limited by guarantee)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Institute for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Institute is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised in the year in which they are receivable.

Advertising income is recognised when the publication is printed.

Membership subscriptions are recognised in the calendar year to which they relate.

Publications income comprises subscriptions to and sales of the IBD's magazine and journal and is recognised on a receivable basis.

Education, training, and convention income comprises income from courses, events and sales of training material and is recognised in the year which the course or event takes place. Examination fees are recognised when the examinations take place.

Income received in advance is carried forward to the next accounting period as deferred income and included in creditors.

Grant and investment income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure recognition

All expenditure is accounted for on an accrual basis & has been classified under categories that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Support costs, which cannot be directly attributed to particular activities have been apportioned proportionately to the direct income generated from the Charity's activities. This is a change to accounting estimate and not policy. This change has been made to ensure the apportionment is done in a manner that is fair and reasonable and does not therefore require a prior year adjustment nor a restatement of comparatives of Support costs which are analysed in Note 7. Governance costs include the costs of servicing Trustees meetings, audit & strategic planning, and have been allocated back to support costs.

Specific expenditure incurred on events taking place after the year end is carried forward as a prepayment and included in debtors.

THE INSTITUTE OF BREWING & DISTILLING

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1.7 Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue operating.

The Trustees have made this assessment for a period to the end of December 2023 being more than one year from the date of the approval of these financial statements. When assessing, the trustees reviewed its overall reserves, cost and revenue implications and any specific additional costs. It concluded that for the period assessed, its cost base will reduce in line with any reduction in revenue. Its dialogue with learning and development managers of key breweries has helped the Trustees to gain more certainty as the majority of the larger Breweries have remained resilient to the pandemic and are committed to continue to invest in training their technical staff through the IBD. For the period assessed and based on the continued level of courses and exams bookings as well its level of reserves, the Trustees concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

1.8 Basis of Consolidation

The financial statements consolidate the accounts of The Institute of Brewing & Distilling and all its subsidiary undertakings ('subsidiaries').

The Institute has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.9 Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on assets in the year of acquisition; a full year of depreciation is charged in the year of disposal.

Depreciation on all assets is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Long-term leasehold property	-	100 years straight line
Leasehold improvements	-	15 years straight line
Office furniture	-	10 years straight line
Equipment	-	3 years straight line
Land held under long lease	-	not depreciated

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1.10 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Intangible Assets

Learning and development activities in relation to courses and exams are assessed and capitalised as internally developed intangible assets against the criteria set out in FRS102.

To assess whether an internally generated intangible asset meets the criteria for recognition, the generation of the asset is classified into either: a research phase, or a development phase.

If the IBD cannot distinguish the research from the development phase, the expenditure will be treated as if it were incurred in the research phase only. Any revenues generated during the development phase will be deducted from the value of the asset prior to any live piloting phase.

The intangible assets are measured at cost. This comprises purchase price of any third party as well as internally generated materials, software, and any directly attributable costs of preparing the asset for its intended use.

All training costs, indirect employee costs and promotional costs will be expensed in the financial year.

The IBD considers the useful life of all internally developed courses as finite. The assets are amortised on a straight-line basis over three financial years. The first full year of amortisation is the year in which the completed asset is piloted in live environment.

The residual value of an intangible asset with a finite useful life will be zero unless:

There is a commitment by a third party to purchase either the courses or the educational delivery process at the end of its useful life to the IBD, or there is an active market for the asset, residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and carrying value will be reviewed at least at the end of each annual reporting period. If the asset is no longer in use, then any residual value will be fully amortised unless the asset is held for sale.

1.12 Debtors Receivable and Creditors Payable within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE INSTITUTE OF BREWING & DISTILLING
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1.14 Financial Instruments

The Institute only holds basic Financial Instruments. The financial assets and financial liabilities of the Institute are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Pensions

The Institute offers an approved auto enrolment defined contribution pension scheme which is open to all employees that meet the criteria for auto enrolment. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

1.16 Taxation

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Sections

The Institute is offered regionally through five Sections in the British Isles which act as Branches of the Institute.

Management receives annual returns from these Sections. The results of the British Isles Sections have been included in these financial statements.

The Institute also services members based overseas through two overseas Sections which are constituted as separate local legal entities and an international Section. The Institute has no financial or operational control over the assets of the 2 overseas Sections and therefore their transactions, assets and liabilities have not been included in these financial statements.

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

1.18 Critical Accounting Estimates and Areas of Judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Basis of valuation of financial investments
- The VAT provision not required is on the basis of a significance judgement based on professional advice that the material liability is now considered to be a remote possibility
- Allocation of support costs
- Basis of recognition of internally generated intangible assets
- Expected useful economic lives of tangible and intangible assets.
- Judgement surrounding the treatment of the National Brewing Library collection and the silver trophies

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2a. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

The Institute of Brewing & Distilling received Legacy income of £226,523 in 2022 (2021 - £nil) from the estate of late Dr D.R..J Laws. In addition grants of £8,668 were received during the year (2021 - £nil). All of this income received was unrestricted.

2b. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Unrestricted funds	Total Funds	Total Funds
	2022	2022	2021
	£	£	£
Membership	171,057	171,057	294,236
Education	2,286,423	2,286,423	1,708,302
Publications and Technical	23,743	23,743	51,249
Sections and Events	139,113	139,113	56,599
Total 2022	<u>2,620,336</u>	<u>2,620,336</u>	2,110,386
Total 2021	2,110,386	2,110,386	-

The income shown above is unrestricted for both 2022 and 2021.

3. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS - GROUP AND CHARITY

	Unrestricted Funds	Total Funds	Total Funds
	2022	2022	2021
	£	£	£
Advertising Income	72,612	72,612	81,791
Conference Income	-	-	241,020
Rent income	-	-	2,552
Total 2022	<u>72,612</u>	<u>72,612</u>	325,363
Total 2021	325,363	325,363	-

4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Dividend on listed investments	47,879	-	47,879	40,627
Bank interest receivable	4,313	-	4,313	388
Total 2022	<u>52,192</u>	-	<u>52,192</u>	41,015
Total 2021	41,015	-	41,015	-

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5. EXPENDITURE ON RAISING FUNDS - GROUP AND CHARITY

	2022	2021
	£	£
Advertising Expenses	991	14,299
Conference Expenses	(1,280)	129,217
Direct costs	125,646	99,828
Support Costs	91,517	39,654
	216,874	282,999

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2022	2022	2022	2022
	£	£	£	£
Membership	2,366	-	112,533	114,899
Education	371,918	-	1,130,648	1,502,566
Publications and Technical	234,151	-	15,620	249,771
Sections and Events	121,775	6,510	91,518	219,802
Total 2022	730,209	6,510	1,350,319	2,087,038

Of the total expenditure on Charitable Activities, £30,925 has been transferred to the JJM fund, being the courses provided for free for 46 courses (2021 : There were charges for 16 courses totalling £11,171 to the restricted funds in 2021)

Support costs (Note 7) have been allocated based on income generated from each of the activity.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2021	2021	2021	2021
	£	£	£	£
Membership	211,652	-	206,147	417,799
Education	543,948	-	1,197,068	1,741,016
Publications and Technical	-	-	35,906	35,906
Sections and Events	-	-	-	-
Total 2021	755,600	-	1,439,121	2,194,722

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7. SUPPORT COSTS - CURRENT YEAR

	Raising funds £	Charitable activities £	2022 £	2021 £
Premises costs	2,797	49,886	52,682	21,134
General office costs	17,201	306,792	323,993	226,048
Project development	13,032	232,441	245,473	269,577
Staff meeting and training expenses	273	4,869	5,141	32,810
Governance costs	7,840	125,285	133,125	123,834
Release of VAT Provision	0	(282,000)	(282,000)	0
Other staff costs	786	28,594	29,380	28,251
Support staff costs	36,008	642,241	678,248	717,779
Depreciation	13,580	242,213	255,793	59,342
Total	91,517	1,350,319	1,441,836	1,478,775

A provision of £282k was made in the 2021 accounts in relation to a potential VAT liability in respect of an ongoing review by HMRC into the eligible status of the IBD. This provision has now been released in line with professional advice received.

Governance costs are analysed in Note 9.

SUPPORT COSTS - PRIOR YEAR

	Raising funds £	Charitable activities £	2021 £
Premises costs	567	20,567	21,134
General office costs	6,062	219,986	226,048
Project development	7,229	262,348	269,577
Staff meeting and training expenses	880	31,930	32,810
Governance costs	3,321	120,513	123,834
Other staff costs	757	27,494	28,251
Support staff costs	19,247	698,532	717,779
Depreciation	1,591	57,751	59,342
Total	39,654	1,439,121	1,478,775

8. ANALYSIS OF GRANTS - CURRENT YEAR

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total 2022 £	Total 2021 £
Grants	6,510	-	6,510	-

THE INSTITUTE OF BREWING & DISTILLING
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9. GOVERNANCE COSTS

	2022	2021
	£	£
Auditors' remuneration	28,800	25,000
Under Accrual for prior year's Auditors Remuneration	5,200	7,250
Trustee and Meeting Expenses	3,949	414
Legal and Professional fees	13,563	7,533
Support Staff Costs	81,614	83,207
Other costs	-	430
Total	133,125	123,834

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2022	2021
	£	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	255,793	253,028
Auditors' remuneration	28,800	25,000
Auditors' remuneration - under accrual of prior year	5,200	7,250
Support costs - Auditors' remuneration - Other services	12,693	1,150
	302,486	286,428

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £28,800 (2021: £25,000), with under accrual of £5,200 (2021: £7,250) from the prior year. Payments for other services were £12,693 (2021: £1,150) relating to corporation tax and VAT services.

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12. Staff Costs

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	935,641	821,172
Social security costs	95,831	82,290
Redundancies	1,999	-
Other pension costs	52,862	51,140
	1,086,333	954,602

The average number of persons employed by the Institute during the year was as follows:

Staff	2022	2021
	No.	No.
	21	17

The number of higher paid employees was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	-	1

For 2022, the key personnel management consisted of the Chief Executive, Head of Publications, Head of Finance and Business Support, Head of ITC, Head of EPD, Head of Community Engagement and Chair of Board of Examiners. The total amounts of employee benefits received by Key Management Personnel is £468,526 (2021: £307,291)

There was one redundancy in 2022: £1,999 (2021: £NIL).

There are no non-contractual elements to this redundancy.

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £52,863 (2021: £51,140). There were contributions outstanding at the year-end of £4,821 (2021: £11,686)

THE INSTITUTE OF BREWING & DISTILLING
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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Group and Charity Cost					
At 1 January 2022	2,785,259	282,245	43,635	136,265	3,247,403
Additions	-	-	-	1,707	1,707
Disposals	-	-	-	-	-
At 31 December 2022	<u>2,785,259</u>	<u>282,245</u>	<u>43,635</u>	<u>137,971</u>	<u>3,249,110</u>
Depreciation					
At 1 January 2022	196,220	162,253	42,129	132,297	532,899
Charge in the year	27,853	27,332	188	3,969	59,342
At 31 December 2022	<u>224,073</u>	<u>189,585</u>	<u>42,317</u>	<u>136,266</u>	<u>592,241</u>
Net Book Value					
At 31 December 2022	<u>2,561,186</u>	<u>92,660</u>	<u>1,318</u>	<u>1,705</u>	<u>2,656,869</u>
At 31 December 2021	2,589,038	119,993	1,506	3,967	2,714,504

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK

	2022 £	2021 £
Quoted Investments	1,732,675	1,955,822
Quoted Liquid Funds	59,807	22,582
Total Investments held with Fund Managers	<u>1,792,482</u>	<u>1,978,404</u>

Reconciliation of investments held with fund managers

	2022 £	2021 £
Market Value		
At 1 January	1,978,404	1,790,750
Additions at cost	336,174	198,877
Disposals at carrying value	(333,103)	(162,779)
Net Unrealised (loss)/gain	(226,218)	155,342
Movement in Cash	37,225	(3,786)
Total	<u>1,792,482</u>	<u>1,978,404</u>

The charity has invested a total of £4 in subsidiary undertakings.
This is detailed in note 24.

THE INSTITUTE OF BREWING & DISTILLING
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15. INTANGIBLE FIXED ASSETS

Group and Charity

	2022	2021
	£	£
Cost		
At 1 January	614,378	614,378
Additions	30,000	-
At 31 December	644,378	614,378
Amortisation		
At 1 January	417,927	224,241
Charge for the year	196,451	193,686
At 31 December	614,378	417,927
Net book value		
At 31 December	30,000	196,451

16. DEBTORS

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	435,637	323,795	387,235	286,301
Amounts owed by group undertakings	-	-	149,940	216,495
Other debtors	214,888	42,244	29,046	5,475
Prepayments and accrued income	240,689	283,782	183,861	216,782
	891,213	649,821	750,082	725,053

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17. CREDITORS: Amounts falling due within one year

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	366,836	425,899	366,836	359,574
Amounts owed to group undertakings	-	-	-	1,280
Other taxation and social security	76,496	450,981	76,496	443,634
Other creditors	21,035	49,415	19,483	37,608
Accruals	48,369	98,354	43,050	85,298
Deferred income	1,369,816	1,080,338	1,209,574	1,080,338
	1,882,552	2,104,987	1,715,439	2,007,732

Deferred Income	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Deferred income at 1 January 2022	1,080,338	937,198	1,080,338	937,198
Resources deferred during the year	1,369,816	683,422	1,209,574	683,422
Amounts released from previous years	(1,080,338)	(540,282)	(1,080,338)	(540,282)
Deferred income at 31 December 2022	1,369,816	1,080,338	1,209,574	1,080,338

THE INSTITUTE OF BREWING & DISTILLING**(A company limited by guarantee)****18. STATEMENT OF FUNDS****GROUP STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2022	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2022
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,714,503	1,707	(59,342)			2,656,868
British Funds Sections	31,375					31,375
Scholarships Bursaries and Grants	60,000		(6,510)			53,490
Asia Pacific Engagement	25,000		(22,000)	(3,000)		-
Learning Materials and Courses	225,000		(245,473)	20,473		-
Online Exam Development	150,000		(30,000)	(120,000)		-
Curlew Street Asset Review	20,000			(20,000)		-
Community Engagement	100,000			(100,000)		-
	3,325,878	1,707	(363,325)	(222,527)		2,741,733
General funds						
General Fund	1,422,137	2,973,174	(2,135,879)	222,527		2,481,959
Total Unrestricted Funds	4,748,015	2,974,881	(2,499,204)	-		5,223,692
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	213,978		(30,925)			183,053
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	266,565		(30,925)			235,640
Total of Funds	5,014,580	2,974,881	(2,530,129)	-		5,459,332

18. STATEMENT OF FUNDS**GROUP STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2021	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2021
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,773,846		(59,342)			2,714,503
British Funds Sections	369,737	56,599	(99,828)	(295,133)		31,375
Scholarships Bursaries and Grants	-			60,000		60,000
Asia Pacific Engagement	-			25,000		25,000
Learning Materials and Courses	-			225,000		225,000
Online Exam Development	-			150,000		150,000
Curlew Street Asset Review	-			20,000		20,000
Community Engagement	-			100,000		100,000
Young Scientist Symposium	13,533			(13,533)		-
	3,157,116	56,599	(159,170)	271,333		3,325,878
General funds						
General Fund	1,425,342	2,478,244	(2,210,115)	(271,334)		1,422,137
Total Unrestricted Funds	4,582,458	2,534,843	(2,369,285)	-		4,748,015
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	225,149		(11,171)			213,978
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	277,736		(11,171)			266,565
Total of Funds	4,860,194	2,534,843	(2,380,456)			5,014,580

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

18. STATEMENT OF FUNDS (Continued)

Designated Funds

Fixed Assets Fund

This fund represents the net book value of the IBD's unrestricted tangible assets as at the end of the year.

British Isles Sections

This fund represents the carrying amount of funds held on behalf of the UK and Irish sections that are regional branches of the Charity.

Scholarships Bursaries and Grants

This fund has been designated to support the Awards Committee to award scholarships and bursaries. Furthermore the fund will be used for Educational Grants. In 2022 a total of £6,510 was paid as a grant to the Brewing Scottish Heritage Trust to develop their website for educational information

Asia Pacific Company Limited Engagement

A memorandum of Understanding has been agreed with the Asia Pacific Section, to support the IBD Members based in the Asia Pacific Region who are also Members of the Asia Pacific Section. In addition the MOU sets out access to central services such as IT and Marketing. The IBD has further agreed to designate funds from the General reserves to cover administration costs for local events and services for the IBD. During the year £22,000 was paid to the Asia Pacific Section. The Asia Pacific Section operates as a separate entity and is independent of any direct control of the UK entity. It is registered in Australia as Institute of Brewing & Distilling - Asia Pacific Company Limited.

Learning Materials and Courses

This designation has been established to fund the continuous need to develop learning materials and courses. In 2022 a total of £245,473 was spent on developing courses in Essentials and Foundation plus further research for Tutor Guided Learning.

Online Exams Development

This fund has been designated to support the development of online invigilation and marking platform for all IBD's exams. A total of £30,000 was spent towards this.

Curlew Street

This fund has been designated to carry out building surveys and consultation for the use of the Curlew Street Building. This fund was not used in 2022 however, the designation is kept as expenditure is expected in 2023.

Community Engagement

This fund has been designated to develop community engagement across the global membership. This fund was not utilized in 2022 and the programme is now cancelled so the designation is no longer required.

Restricted Funds

John S Ford Memorial

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year. Due to the pandemic no awards have been made in the year 2022. The awards will resume in 2023

J J Morison Fund

The JJ Morison Fund was donated to support annual awards and to assist in further education in the science & technology of brewing and distilling.

In 2022, the fund was utilised to provide educational support to 23 candidates totalling £30,925.

IoB London Section Trust Fund

The IoB London Section Trust Fund was established from residual funds of the IoB London Section, obtained from their Oxford and Cambridge meetings, when the Institute of Brewing merged with the International Brewers Guild.

IBD Hop Industry Fund

The IBD Hop Industry Fund supports development of new hop varieties within the UK & also the annual IBD Hop Awards which celebrate agronomic excellence.

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19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2022	2022	2022
	£	£	£
Tangible and Intangible assets	2,686,869	-	2,686,869
Fixed asset investments	1,792,482	-	1,792,482
Current assets	2,626,893	235,640	2,862,533
Creditors due within one year	(1,882,551)	-	(1,882,551)
	<u>5,223,692</u>	<u>235,640</u>	<u>5,459,332</u>

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2021	2021	2021
	£	£	£
Tangible and Intangible assets	2,910,955	-	2,910,955
Fixed asset investments	1,978,404	-	1,978,404
Current assets	1,963,643	266,565	2,230,208
Creditors due within one year	(2,104,987)	-	(2,104,987)
Creditors due after one year	-	-	-
	<u>4,748,015</u>	<u>266,565</u>	<u>5,014,580</u>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH
FLOW FROM OPERATING ACTIVITIES - Group**

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	444,752	154,385
Adjustment for:		
Depreciation and amortisation charges	255,793	253,028
Loss / (gain) on investments	226,218	(155,342)
Investment income	(52,192)	(40,627)
(Increase)/decrease in debtors	(238,786)	(161,267)
Increase / (decrease) in creditors	(222,434)	504,619
Net cash provided by operating activities	413,350	554,796

THE INSTITUTE OF BREWING & DISTILLING
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2022	2021
	£	£
Cash in hand	<u>1,971,320</u>	<u>1,580,387</u>

22. PENSION COMMITMENTS

The Charity operates a defined contribution pension plan for its employees. The amount recognized as an expense in the period was £51,142 (2021: £51,140). Contributions totaling £4,821 (2021: £11,686) were payable to the fund at the balance sheet date and are included within creditors.

23. RELATED PARTY TRANSACTIONS

During the year, 9 Trustees were reimbursed £7,299 for travel and accommodation expenses (2021, 1 Trustee was reimbursed £420).

Exam fees of £741 were paid to David Cook (2021: £nil)

Exam fees of £1,543 were paid to Douglas Murray in 2022 (2021: £415).

Author fees of £1,200 were paid to Dr Caroline J Walker Ltd, where C Walker is a director (2021: £2,550)

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or related entity.

THE INSTITUTE OF BREWING & DISTILLING
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24. PRINCIPAL SUBSIDIARIES

The Beer Academy Limited

The Institute owns 100% of the issued share capital of The Beer Academy Limited, a company limited by shares and registered in England & Wales (company number 06277078), which was incorporated on 12 June 2007 & started to trade on 31 July 2007. It has 2 issued ordinary shares at a par value of £1 each. It ceased to trade on 31 December 2016. The registered office of The Beer Academy Limited is 44A Curlew Street, London SE1 2ND. The Beer Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

The Beer and Cider Academy

The Institute owns 100% of the issued share capital of The Beer and Cider Academy, a company limited by shares and registered in England and Wales (company number 10572136), which was incorporated on 19 January 2018. It has 1 issued ordinary shares at a par value of £1 each. The company was dormant throughout the current and prior financial year. The registered office of The Beer and Cider Academy is 44A Curlew Street, London SE1 2ND. The Beer and Cider Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

IBD Trading Limited

The Institute owns 100% of the issued share capital of IBD Trading Limited, a company limited by shares and registered in England & Wales (company number 05584522), which was incorporated on 6 October 2005. It has 1 issued ordinary share at a par value of £1. The registered office of The IBD Trading Limited is 44A Curlew Street, London SE1 2ND.

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £68,117 (2021: £179,295).

The principal activities of IBD Trading Limited is the organisation and delivery of the Worldwide Distilled Spirits Convention and other commercial activities. The results of IBD Trading Limited are presented below.

IBD Trading Limited

Subsidiary name	IBD Trading Limited
Company registration number	5584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2022	£322,281
Total Liabilities as at 31 December 2022	£320,950
Total equity as at 31 December 2022	£1,331
Turnover for the year ended 31 December 2022	£72,612
Expenditure for the year ended 31 December 2022	£72,612
Profit for the year ended 31 December 2022	NIL

The Beer Education Trust

The Beer Education Trust was dissolved on the 22nd March 2022.

THE INSTITUTE OF BREWING & DISTILLING

England & Wales - Charity number 269830

Accounts

Registered Number: 01217770
Charity Numbers: 269830 and SC039405

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021

THE INSTITUTE OF BREWING & DISTILLING
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THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

PRESIDENT'S INTRODUCTION

The Institute of Brewing & Distilling has continued to develop its role of providing opportunities to increase learning and technical capability within the brewing, distilling and associated industries. The Board, was chaired by Douglas Murray up until the current President, Bhavya Mandanna was appointed after Douglas's two year term at the September 2021 Annual General Meeting. Ian Roberts, the then Deputy President, was unable to take on the role of President due to personal circumstances. The Board would like to thank Ian for extending his tenure as Deputy President into February 2022, and Douglas Murray, for their support during the handover period. Currently, Megan Sheehy is performing the role of Deputy President in an interim capacity until the next AGM. The Immediate Past President, Dr Tim Cooper, retired through rotation and we would like to take this opportunity to thank Tim for his service to the IBD and the Board of Trustees.

The key area of activity of the Board has been to review our governance and strategy so that we remain fit for purpose and true to our charitable mission in the future.

The Institute of Brewing & Distilling's activities remained heavily impacted by the Coronavirus pandemic. Our key focus remained on the operation of our key functions linked to qualifications and member services, within a safe working environment for our employees. The demonstration of digitalised operations in the transition to and provision of online education and qualifications, whilst maintaining our high standards of delivery over an extended period of time, is a testament to the flexibility and dedication of our staff. These transformational changes had some significant impacts wherein the number of candidates sitting our exams underwent further reduction from deferrals until the following year. In some cases, this was for the second period.

We have endured, both, financial and business effects impacting our core operations. Nonetheless, continued vigilance and rigorous financial management enabled the negation of the majority of these effects. Our membership through the sections, assisted by Head office, has been active in ensuring that educational opportunities as well as social interactions continued throughout the year, and in some cases, with record attendance for webinars. We thank all concerned for the effort put into delivering these sessions and positively engaging our membership. Again, this demonstrates our resilience and flexibility as an organization, building confidence for the future. The opportunity was also taken to complete the on-line capability to set, sit and examine for the Diploma and Master program. We would like to take this opportunity to thank Angus Steven who has retired as Chair of the Board of Examination for his work during his tenure and welcome Deb Kennedy who has taken over the role.

The board has kept in touch with the membership through the Council meetings but also by participating in the section-driven technical events held on line. This medium has been one of the main tools used to keep members and people learning their trade engaged. The Head Office team has been pivotal in ensuring this continued success, and the Board appreciates this significant contribution during the prevalent pandemic.

The two global conferences scheduled to take place in 2020 in Perth Australia and Edinburgh UK) were delivered as online, virtual conventions for the first time, on 16th March – 20th March 2020 and 6th - 8th September 2021 respectively. These were an outstanding success, both from a financial and engagement perspective. This is a consequence of the tireless efforts of the organising committees, and continued support from our sponsors as well as all our partners in the industry. I thank all for their continued support of these events and for their support of the Institute.

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Clearly a significant amount of work has taken place to progress the IBD through the pandemic. We would like to thank the staff for their steadfast commitment across the year, and who continue to operate in non-standard circumstances to deliver a highly professional service, and balance their personal lives.

Since the end of this financial year, Jerry Avis retired and as an interim measure the board has appointed Douglas Murray (Immediate Past President) as interim Chief Executive Officer (CEO) until the recruitment of a CEO process is complete. To prevent a conflict of interest Douglas has temporarily stepped back from his Trustee and Examination board roles.

On behalf of the Board, we would like to thank Jerry for his leadership of the IBD through a transformative phase. Jerry has led the IBD for over six years, with a steady hand, through tumultuous times, including the pandemic, and at each step has only raised the bar at which we deliver our products and services.

We would also like to thank the Council and the Board of Trustees for time committed to advancing the IBD's charitable mission and strategic priorities. We look forward to working together towards greater successes in the coming year(s).

Bhavya Mandanna
President

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CHIEF EXECUTIVE'S SUMMARY

If anything, 2021 held more challenges than 2020 as we coped with continued remote working, digital examinations, and an increased workload because of the exam deferrals arising from 2020. Against this background we continued and, in some cases, completed necessary changes in response to greater demands on our structure and governance along with projects required to deliver member value, improve learning materials, and run almost all examinations in a typed format with remote invigilation.

Certainly, the new circumstances brought by the pandemic have hastened some changes. For example, the further digitisation of exams was deployed faster than we might have wished for, and some challenges arose from increased attention to our overall governance.

In respect of governance, it is salutary to note that the income of the IBD continues to put the Institute into the top 2-3% of UK charities and defined as a “large” charity by the Charity Commission. With this status comes increasing scrutiny and a need to ensure that our governance is in order. Older members will recognise that we have been a charity since 1974. Nevertheless, it was only in 2014 that governance was re-defined as a Council being the body representing members’ interests and the Board of Trustees standing for the wider interests of the charity and having fiduciary responsibility for the Institute’s affairs. Over the past few years, the Commission has “upped its game” and year three (2021-2022) of its strategic plan shows a strengthening of their approach to regulation.

This strengthening of the Commission’s approach focuses our attention, not just on whether the Institute continues to operate as a going concern but also on our governance and how true we are to delivering our primary charitable objective (the advancement of education). For these reasons, our policies, processes, procedures, byelaws and articles have undergone a review and are in some cases being re-written to ensure that we are both compliant now and have the latitude to develop so that the IBD remains relevant and fit for purpose in the future. As we go through this process, we will further assess the potential to become a chartered institute which is a lengthy and uncertain road but, if successful, would further emphasise that our members work in a professional realm and carry added kudos for those reaching the status of Chartered Brewer or Distiller.

Education and Professional Development

Whilst governance reviews formed part of the work in 2021, there were other workstreams occurring in the business to prepare for the year ahead. Amongst these were the completion of all of the new online learning materials for the Diploma in Packaging Modules one and two, alongside all of the new Tutor Guided Learning programme material that form the basis of the 18-week course for all the Diploma modules. This was a milestone in the year as all the Diploma materials have been re-written as self-directed online courses and all have Tutor Guided Learning programme sessions to run alongside. This represents the culmination of five years of work and investment into our Certificate and Diploma materials.

The translation of the General Certificate in Brewing to an online course in Spanish provided some valuable lessons in managing an end-to-end process and with the engagement of a partner in Chile is seeing a significant uplift in the number of brewers in Spanish speaking markets and candidates interested in a professional qualification.

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Examinations

The conversion of most exams to a digital format was not without issues but was entirely necessary to manage continuing constraints and risks brought about by the pandemic which continued to cause uncertainty across the globe. These challenges were addressed as well as they could have been with support from all staff, candidates and companies involved and the IBD is better prepared to deploy examinations in the future.

Guidance on candidate progress has been a key part of recent work and “learner dashboards” have been piloted in several companies. These allow learning managers to have oversight of the progress of the learners and to provide appropriate support where needed. Of equal importance are the data available to the IBD to gain an insight into the learner’s approach to the material and to find points of improvement.

Member value

Other work on IT systems has so far been less visible but will begin to have an impact in the forthcoming year. Communications will be more secure and hopefully easier for Section committees to better understand and communicate with members. This has not been a trivial exercise as the IBD has rationalised the need for better communications with the increasing challenges of privacy and data security, together with the investment in infrastructure needing to be implemented. Amongst this prioritised work there have been more advancements in website development to provide a better customer journey and increased member value, not least of which has been the revised Library with improved functionality.

Overall, value for members will continue to be developed alongside the development of support for the industry through a rigorous system of qualifications where examinations are challenging but achievable. Crucially further effort will be made to widen the IBD community of professionals and to advance education with new scholarships and bursaries for more beneficiaries than before.

The continuous hard work of all “HQ” staff, Trustees, Committee members and volunteers should be recognised as providing the bedrock for development of the Institute. Their efforts have been tireless in keeping the IBD going through difficult circumstances and the stellar work of all the volunteers in Sections and beyond have continued to deliver successful events all year through.

Dr Jerry Avis

Chief Executive Officer (Retired 15th June 2022)

Due to the retirement of Dr Jerry Avis, prior to this report’s publication, it is signed by

Douglas Murray (Past President)
Interim Chief Executive Officer (Appointed 15th June 2022)

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their Annual Directors' Report together with the consolidated financial statements of The Institute of Brewing & Distilling and its subsidiaries for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity legislation and regulations applicable in England & Wales and Scotland, the Companies Act 2006, the Charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

The purpose of the charity is the advancement of education of benefit to the public, or a section of the public, especially in the sciences of brewing, fermentation, and distillation. The charity is a public benefit entity as defined by FRS 102.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the IBD strategy aims and objectives. Following a written resolution by Council, and ratified by the Board, the IBD examinations below the level of Master are open to all members of the public without the need to become a member of the IBD.

The education and qualifications provided by the IBD are non-selective and available to anyone who wishes to extend their knowledge of science and technology within the fermentation industries. The open-access part of the website, courses and Journal of The Institute of Brewing provide significant educational resources.

Strategic Framework and Activities

The Institute operates within a strategic framework which is kept under review by the Trustees.

THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD

- Our purpose is to champion the potential of our community.
- Our vision is to be the world's leading provider of professional development in brewing, distilling and related industries.
- Our mission is the delivery of professional education that engages, connects, and transforms to enable high performance outcomes both for the individual and their business.

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Our strategy to deliver the mission has five key elements:

- a) To provide tailored digital education for transformative professional development worldwide.
- b) To develop an innovative learning platform, co-creating quality content and leveraging expertise through partnerships.
- c) To develop engaged & connected communities for mutual knowledge transfer to fulfil the functional, social and emotional needs associated with life-long career development and high performance.
- d) To create a learning ecosystem open to all based on low barriers to entry, quality learning materials, premium courses, qualifications, and experiences supported by high levels of advocacy through our membership.
- e) To develop systems to support the extensive use of analytics to drive product development and add value to the IBD, individuals and companies.

Fundraising

The Institute does not directly fundraise from the public and has no fundraising staff. Its UK Sections are permitted to raise funds from ticket sales usually to Members and attendees of the event. The receipts from ticket sales are used to fund the events. The Head office staff support the administration of these local events.

ACHIEVEMENTS & PERFORMANCE

Membership

On 31 December 2021 there were 2,986 (2020: 2,855) registered members from across the globe.

Education

The Institute's qualifications continue to be well regarded throughout the world and serve to mark the attainment of a high degree of knowledge to underpin the candidates' passion for making their products. The industry demands professionalism from its recruits and a facility for life-long learning for its staff which are both fulfilled by the current selection of qualifications, access to technical information and opportunities to network. A continuing trend is that of a demand for lower-level qualifications for support staff of companies to have a greater appreciation of how their products are made. There is continued interest from large companies to both benchmark their internal training against the IBD's recognised qualifications and to look for training support for companies' own competency frameworks.

In 2021 4,356 (2020: 2,798) candidates undertook professional studies with the Institute. Of these, 3,566 went on to complete their examinations within 2021. The remaining candidates are expected to complete their exams in 2022.

The Charity has continued to develop the Exam Board's range of expertise with new examiners joining from both craft brewers and distillers to make a total of 38 examiners from 11 countries. Qualifications are continually reviewed with respect to their structure, their syllabi and the nature of the examinations to ensure that the IBD has implemented current thinking in line with industry needs and expectations. This year, the continued impact of the pandemic accelerated plans to deliver examinations remotely with both Masters and Diploma exams joining the delivery process for Foundation and Certificate exams.

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Work was completed on the Essentials in Brewing course, a rich, interactive course aimed at professionals working in support functions in the industry or for those marketing to the industry who wish to know more about beer and brewing processes. The launch of this course will take place in Spring of 2022.

Training

The concept of online “tutor guided learning” continues to demonstrate good value for companies and proved its worth as an excellent online support for candidates whilst face-to-face training was unavailable and numbers held up well. Additional tutors have been recruited from several time zones, giving us the ability to service international clients at times most convenient to employees pursuing their qualifications. It remains our assertion that, in a post-pandemic world, the combination of self-directed, online learning alongside tutor support for small cohorts of candidates will continue to provide both the flexibility and cost effectiveness sought by business.

Training support materials have been extended to cover 100% of Diploma courses up to and including Diploma level. This means that brewers, distillers and packaging specialists are able to complete the entirety of the three modules for each diploma which has been an important step in the development of our online journey.

Events

Events center on education and training, are largely organised by Individual Sections. In 2021 the Scottish Section organised the Worldwide Distilled Spirits Conference (WDSC). The finances for this are consolidated in the IBD Financial Statements. The Asia Pacific Section (Self Governing) also ran a conference. Both operated on a digital platform with marked success. In the normal course of events, visits, seminars, technical presentations, and conventions all provide an opportunity to learn and network in a supportive environment where the mix of younger and more experienced professionals enhances the educational dimension. In 2021 much activity still took place online and the dedication and tireless work of the Volunteer Section Committees supported by numerous companies, individuals and associated organisations again provided excellent opportunities for learning and networking albeit in a virtual environment.

Throughout 2021, Sections committees delivered 26 webinars between them with over 3,000 registrations for attendance. Individual webinars achieved audiences between double and ten times that of most previous physical events. Notably, a number of events achieved a truly international audience and it is clear that a mix of the physical and webinar format should be kept as the effects of the pandemic (hopefully) diminish around the world.

The Institute has Overseas Representation in three Sections split into Africa, Asia Pacific and an International Section. Africa and Asia Pacific are self-governed and carry out promotion, training and engagement for our overseas members. Their finances do not form part of the Institute’s Accounts.

Publications

The Institute continues to have an excellent record of publishing quality, peer-reviewed scientific Journal of The Institute of Brewing & Distilling (“The Journal”) along with Brewing & Distilling International (BDI), the news and technical magazine that is published monthly in our industry. Both the Journal and the BDI are now available online. 2021 saw the completion of a fruitful partnership with Wiley publishers who have managed the Journal and BDI over the previous ten years. A one year contract extension will aid the transition to a new publisher over the course of 2022.

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Subsidiaries

IBD Trading is a wholly owned subsidiary of The Institute of Brewing & Distilling. It exists as a vehicle for managing the trading activities of the Charity such as the triennial event of the WDSC. In light of continued physical restrictions of the pandemic, the Organising Committee is to be congratulated and the speakers and sponsors thanked for bringing a virtual convention to a wide audience and with a financial surplus. Again this demonstrates a high degree of flexibility and an international demand for excellent educational presentations.

The Beer Academy and the Beer and Cider Academy Limited are dormant companies. The Beer Education Trust was dissolved on the 22nd March 2022.

PLANS FOR FUTURE PERIODS

Examinations will continue to be reviewed to seek improvements in delivery. As part of this, we are looking to consolidate the online provision to a single platform in 2022.

The Foundation in Brewing syllabus will be reviewed in 2022 with a view to a renewed offering in November 2022 and the Foundations of Distilling and General Certificate in Spirits Packaging will be reviewed for implementation in 2023.

We continue to seek the right partners to assist in taking developed material into other languages and to develop markets more fully in our key regions such as the Americas and Asia Pacific. In addition, we continued to review our learning materials and training programmes. The newly developed GCB learning materials were translated to Spanish. We also translated the exam invigilation and question papers and candidates can now expect an “end to end” experience. Delivery is through a partnership in Chile and the number of candidates has approximately trebled over the past year.

Digital transformation of activities remains a high priority; further progress was made in 2021 which will be further developed in 2022 – this will include more investment in technology, processes, and training to deliver agility and responsiveness to our customers. In the past five years concentration has been on improving systems, brand perception and online learning to reach a baseline in the business that is stable.

As a charity with members, we will continue to explore ways to add value. In 2022 we will extend our community based on supporting the individual brewer and distiller as career professionals and to support businesses through the provision of quality education. Key to this will be the introduction of more short courses to support the continuous professional development of brewers, distillers and those working in allied industries.

The Institute has permission to petition for Chartered status and this will be a focus for governance development and communication with the membership. Whilst the result is uncertain the journey will be valuable in reinforcing our commitment to further enhance systems, processes and the knowledge to support the professionalism of brewers and distillers across the globe.

The IBD has designated funds to support beneficiaries through Scholarships, Bursaries and Grants and it will continue to seek partnerships with other grant makers to support its Members. In addition, the IBD continues to support the work of the Sections which are operated by Members of the Section.

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FINANCIAL RESULTS

In 2021, as a result of below activities, the Charity achieved a break-even position, deficit of £957 (2020: deficit of £442,467) before net gains on investments. This demonstrates an overall recovery of operations post pandemic. The activities contributing to this is detailed in the notes 2 to 6 for the financial statements.

Charitable Activities

As planned, the IBD continued to deliver courses and exams online. There were some disruptions implementing these changes but this has not impacted the financial performance of the Charity. The number of candidates completing the exams compared to the previous year increased (page 8). The educational activities income achieved for the year is £1,708,302 (2020: £1,350,936).

The membership revenue fell slightly to £294,236 (2020: £309,833). However, the membership count has increased (page 8). Therefore, the reduction in revenue reflects the increased uptake of introductory membership which is at a lower rate.

Expenditure for charitable activities was £2,194,722 (2020: £2,195,669). The expenditure was kept in line with the previous year in spite of an increase in activity. This was mainly due to staff vacancies which were filled by the end of the year and expected to increase in line with increased activity in 2022.

Trading activities

Advertising Income increased to £81,791 (2020: £75,761). Advertising expenditure increased to £14,299 (2020: £7,816) due to higher percentage of management fees so the overall profit margin from this activity has remained the same.

The WDSC conference took place as a virtual conference generating an income of £241,020 (2020: £nil). The conference incurred costs of £129,217 (2020: £nil) generating a profit of £111,803.

POLICIES AND OBJECTIVES

Reserves Policy

The Charity's policy is to hold a minimum of £1.3million as free reserves which equates to 12 months of direct operational expenditure for direct staff, examiners, tutors, publications and general overheads.

In the final quarter of the financial year, in addition to setting the operational budget, the Trustees review any designations and commitments (not provided for as a liability in the accounts). The Charity made a full recovery in 2021 with bookings for its courses and exams returning to pre-pandemic level.

As part of the annual review, the Trustees agreed to designate funds of £611,375 for continued development of learning materials, online examinations and community engagement. The amount designated is expected to be spent in 2022. Any unspent designated funds will be reviewed in the final quarter of 2022. The review concluded that the amount designated (as set out in Note 18 page 45 of the Financial statements) will allow the Charity to hold £1.4 million in General Funds which is in excess of the minimum requirement as per the policy. This is considered prudent in the current economic climate. From 2023 onwards, the approved three year plan aims to replenish the reserves spent and any further review of designations of reserves will take into account any emerging risks and opportunities that impact the pace at which this is achievable.

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Investments Overview

The Trustees of The Institute of Brewing & Distilling (IBD), based on the recommendations of their Finance sub-committee, have overall responsibility for the Investment and Reserves policy. The IBD policy is to primarily pursue long term capital growth in order for investments to appreciate at a rate ahead of inflation, which will protect the capital value of the portfolio in real terms.

As there isn't a requirement to withdraw a regular income from the portfolio, all accrued income is retained and reinvested in accordance with the investment objective.

The Trustees appoint Investment managers to manage the reserves. Sanlam Investments UK Ltd (Formally Thesis Asset Management (Thesis) were appointed in February 2015).

Investment Performance

The 3 "reserve" portfolios showed a gain during 2021. The IBD Investment and Reserves powers, policies and background are noted later in this document. Investment Managers present to the Board in November and the Finance Sub-Committee in May each year. The Board has chosen active management of its investments.

The table below (as at balance sheet date) shows that the performance across IBD's portfolios has outperformed the Benchmark.

Portfolio vs Benchmark	Main	JJ Morrison	Scottish
Portfolio:	+11.29%	+10.75%	+10.51%
Investment Association (Mixed Investments 20-60%)	+6.28%	+6.28%	+6.28%
ARC Balanced	+7.64%	+7.64%	+7.64%

Investment Rules

Investment rules have been agreed with Sanlam as follows:

- To provide a spread of risk no one equity holding should exceed 5% of the total sum of the individual portfolio. Maximum fund holding is limited to 10%.
- To avoid a potential risk of conflict of interest no direct investment should be made in the alcoholic beverage sector. This does not preclude alcoholic beverages being part of a fund invested in. Any significant fund investment in alcoholic beverages must be flagged to the IBD Trustees via the Treasurer.

All portfolio income is to be reinvested in that portfolio unless the Trustees agree otherwise.

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Investment Mandates risks as follows: (risk investment criteria, where 1 is low and 7 is high)

All portfolios are at risk level 4 of 7.

Investment objective: Primarily seeking income together with a reasonable degree of capital growth.

Risk objective: A balance between safety and investment growth potential.

Policy for Remuneration

Staff pay is reviewed annually by the Operational Management Committee (formerly known as Personnel Interest Group) and is managed in line with earnings for the sector and price indexation. Assisted by the CEO, the Group periodically benchmarks pay for all staff against pay levels in other similar organisations and consider factors such as benefits, indexation, and location prior to making recommendations for adoption by the Board of Trustees.

Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

- An annual review at Board meetings of the principal risks and uncertainties faced by Institute and its subsidiaries, IBD Trading Ltd; Reviews considered at quarterly Board Meetings.
- The board has extended the remit of the Governance Committee to include risks and compliance. The committee receives the management operational risk register and the strategic risk register from the Senior Management Team (SMT) and CEO for review and action.
- The establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage potential impact on the Institute should those risks materialise.

The Risk Register is managed by the Governance, Risk and Compliance Committee, Trustees' Finance and Audit Sub-Committee, with input from the other Sub-Committees and the CEO. The key risks that were reviewed during 2021 were :

- **COVID-19 Pandemic** – the financial risk from this was mitigated by moving the operations online. However, the changes resulted in new operational risks. These were reviewed monthly by the CEO and SMT. The board were kept informed of how these were mitigated.
- **Loss of income arising from various external and internal factors** - This is mitigated by regular reviews of income and cashflow as well as reviewing the delivery of operational activities via the CEO and the SMT.
- **Failure of Compliance due to misstatements** – this would be mitigated by an independent audit if it arose.
- **Lack of Board skills** – such as developed skills matrix and succession of planning reviewed.
- **Severe business disruption due to global incidents** – Business Continuity Plan implemented, Major suppliers' own Business Continuity Plan reviewed, Cyber Security risk ensured and Security measures implemented working with our IT suppliers.

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From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

The threats of these risks happening are managed by identifying the likelihood and impact of each risk and establishing mitigating actions.

The risk assessments and actions have allowed IBD to swiftly implement digital changes to its work environment and has continued to provide courses, exams, and events services.

Going Concern

The IBD Group has proved to be resilient to the risks posed by the pandemic. It has successfully delivered online learning and examinations. In addition, IBD delivered the WDSC conference online with a higher surplus than budgeted. The improved performance in 2021 has led to an increase in cash and reserves back to the levels before the pandemic.

In recognition of the continued changes required to operations, the Trustees agreed to continue to invest its reserves for further development of its learning materials, online provision of courses and exams. The Trustees further agreed to support its beneficiaries through bursaries, grants and scholarships. The Trustees have continued to review its future plans against external factors. In May 2022, The Trustees reviewed the impact of inflation and concluded that given the significant price increases set in 2019, there is sufficient margin within this to bear any impact of any inflationary increases for 2022 and its plan to increase the price in 2023 by 4% will be reviewed in 2022.

The review concluded that the Institute has adequate resources, and that there are no material uncertainties to the operations for the foreseeable future, therefore adopting the going concern basis in preparing these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Institute of Brewing & Distilling is a company limited by guarantee governed by its Memorandum and Articles of Association and Byelaws amended to streamline the structure, governance, and management of the IBD and adopted at the AGM on 25th June 2014 and rewritten for the AGM on 24th June 2015.

There were no changes to the Articles and Byelaws in 2021. The purpose of the change is to ensure that the Institute has a process in place to ensure continuity of a full complement of Directors (Trustees) having appropriate skills and competencies, encourage diversity and is one where all members have a voice in the process.

The IBD is registered as a charity with the Charity Commission and the office of the Scottish Charity Regulator (OSCR). Anyone over the age of 18 can become a member of the IBD.

Appointment of Trustees

The Governing Body of The Institute of Brewing & Distilling (IBD) is the Board of Trustees, which has the overall responsibility for setting policy framework and developing plans.

The Board of nine comprises four Honorary Officers: The President, Immediate Past President, Deputy President and Treasurer, and five other representatives of the membership.

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Trustees, deemed to be independent of Sections, must be statutory members of the IBD and are elected in accordance with the Byelaws with nominations, ratified at the AGM.

Honorary Officers are normally nominated by Council and confirmed at the AGM. The Council is the administrative body that represents the views of the membership and is formed from the Chairs of each of the eight Sections that comprise the Institute.

The Trustees of the Charity also have responsibilities as Directors of the Company Limited by Guarantee.

Trustee Induction and Training

There is now an established procedure for new Trustees and their induction, as well as reminding existing Trustees of responsibilities.

As part of this induction, all Trustees were furnished with a file containing many relevant topics, a copy of the IBD Memorandum & Articles of Association and its Byelaws and an up-to-date copy of the latest Charity Commission publications, particularly "CC3 - The Essential Trustee: What you need to know" and the Charity Governance Code. In addition, all are made aware/reminded of the Charity Commission website.

Terms of reference of the various Sub-Committees and IBD Trustee Board roles and Governance were included in the induction.

Any ongoing articles of interest with regards to Governance updates are circulated periodically by the CEO and Secretary of the Trustees and discussed at subsequent Trustees' Meetings.

Organisation and Trustees' Meetings

The Board has established quarterly meetings with an Agenda that has several fixed items with additional matters as appropriate. During 2021, meetings were predominantly on Zoom and often held over more than 1 session/day.

A CEO is appointed by the Trustees and is charged with managing and achieving the goals of the organisation. They have day-to-day responsibility for implementing policy, overseen by the Trustees. Jerry Avis, resigned from post of CEO on 15th June 2022. Douglas Murray has been appointed as interim CEO and is expected to remain in post until the new CEO is appointed.

IBD employees are organised into functional areas under the leadership of the CEO.

Apart from highly confidential matters the CEO was present at all meetings in 2021.

At each intended quarterly meeting, prevailing items of relevance together with standing items of current relevance including Sub-Committee reports and actions undertaken as well as the Risk Register were considered. An operational management report in conjunction with the five-year strategic framework business plan is presented by the CEO and management accounts and annual budget/budget update forecasts are discussed together with any additional capital expenditure proposals.

Annual Presentations and audit findings were made by the Investment Adviser and External Auditor.

At the end of each year the external audit plan is agreed and a full debrief is held after the audit, any requirements put in hand before the accounts are signed in readiness for the AGM.

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Attendance at Trustee Meetings for 2021 was:

Trustee/Director	Number Eligible to attend	Number attended
B M Mandanna	2	2
T J Cooper	3	3
D M Murray	5	4
N S Fitch	5	5
S G Price	5	5
D A Smith	5	5
I G Roberts	5	4
C J Walker	5	5
S N E Stelma	5	5
G W Calvert	5	5

Sub-Committees

Finance and Audit Sub-Committee

The Committee aims to meet every month.

The Committee reports to the Board on various topics based on the terms of reference and recommends actions.

These topics cover:

- Monthly Management Accounts with emphasis on the quarterly Accounts
- Final Annual Accounts
- Audit planning and reports, including auditor performance
- Budget performance and future Budget proposals
- Reserves policy
- Investment Portfolio and Manager's performance
- Risk Schedule Review. It was agreed in 2020 that this was transferred to the Governance and Risk Sub-Committee (GRC) in 2021.

Governance and Risk Compliance Sub-Committee (GRC)

The Governance and Risk Compliance Sub-Committee (formally known as the Governance Committee) has been formed to review strategic risks for the IBD. The Governance Committee plans to meet 4 times a year.

In 2021, the Committee reviewed the Strategic risk registers and is continuing to support the review of the by-laws.

Operational Management Committee (OMC)

The OMC, formally known as Personnel interest group is responsible for enacting the remuneration policy as outlined on page 13.

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

Nominations Sub-Committee:

During the year, the Sub-Committee considered:

- Trustee Job Descriptions
- Succession Planning
- Independent Trustee Candidates, Rules and Election Procedures
- Consideration of Deputy President 2021-2023
- Election process for two independent trustees, including reviewing and proposing names from the sections

Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2021.

A Deed of Covenant was signed with IBD under which it was agreed to Gift Aid all distributable profits to IBD.

The Beer Academy and The Beer and Cider Academy are dormant companies. The Beer Education Trust was dissolved on the 22nd March 2022.

Composition and Activity of the Council

The President, Deputy President, Immediate Past President and Treasurer are all members of Council together with Section Representatives that volunteer to support regional activity acting as Section chairs and secretaries who are appointed locally.

Related parties and co-operation with other industry related organisations

All Trustees who received fees for work undertaken or monetary amounts from the IBD are recorded in Note 24 of the Financial Results and Review Section. No other Trustees receive remuneration or other benefit from their work with the Institute.

Any connection between a Trustee or senior manager of the Institute with a company, allied trader, supplier, wholesaler, retailer or other institution or organisation in the brewing, distilling, malting or fermentation industry or its supply chain or any related activity such as the taking of the Institutes' own qualifications or carrying out paid training for the same must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

The following list sets out potential conflicts of interest due to industry involvement by Trustees and their connected parties:

There have been no further changes since each party has signed their Declaration forms.

Dr Timothy J Cooper is Managing Director of Coopers Brewery Adelaide who are a customer of IBD.

Ian G Roberts is Supply Chain Director of Lion who are a customer of IBD.

Nigel S Fitch is Chairman of the Incorporated Brewers' Benevolent Society (IBBS), which may sponsor candidates to study with IBD, and receive donations from Sections or members.

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Douglas M Murray is Process and Liquid Technology Leader, also a Master Distiller and Master Blender for Diageo which is a customer of the IBD. He is a member of the IBD Board of Examiners and a Lecturer to the Alcohol School.

Stephen G Price together with his wife, Nicola, is a Director of Steve Price Innovation limited which provides training for the IBD. He also works in innovation for the drinks industry and with an IBD customer. Stephen is an Honorary Associate Professor International Centre for Brewing Science at the University of Nottingham teaching management, innovation, and process parts for higher degrees in Brewing Science.

David A Smith together with his son Robert are Directors of Brewing Services & Consultancy Ltd which provides technical assistance and training and are a customer of IBD.

Caroline J Walker writes articles for the BDI and in 2019 made a joint application with the 180 to BREF for a grant.

Will Calvert is a Director of WEBREW Taverns Ltd, Windsor and Eton Brewing Company Ltd and Swan Clewer Community Interest Company. There are no transactions between these entities and IBD.

Sandra Stelma is Head of Science at Diageo who is a customer of IBD, Member of Brewers of Europe and Vice President of European Brewery Convention.

Bhavya M Mandanna is the head of focused improvement and innovation at Molson Coors Beverage Company, who are a customer of IBD.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Institute's Trustees (who are also the Directors of The Institute of Brewing & Distilling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Institute's Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resource and application of resources, including the income and expenditure, of the group for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and 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 the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulation 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information of which the group and charitable company's auditor is unaware, and
- The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information

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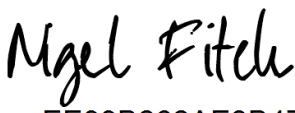
Preparation of the report

- This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

- MHA MacIntyre Hudson has indicated its willingness to continue, subject to reappointment at the AGM.

This report has been approved by the Board of Trustees and signed on its behalf by:

DocuSigned by:

EE99B262AE3B47E...
N S Fitch (Honorary Treasurer)

Date: **22nd August 2022**

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

ADMINISTRATIVE DETAILS

Trustees and Directors of The Institute of Brewing & Distilling:

President	B M Mandanna (Appointed 14 th September 2021)
Deputy President	I G Roberts (Resigned 28 th February 2022)
	M Sheehy (Appointed 1 st March 2022)
Immediate Past President	D M Murray
	T J Cooper (Resigned 14 th September 2021)
Honorary Treasurer	N S Fitch
Board Committees' Secretary	D A Smith
Trustee	C J Walker
Trustee	S G Price
Trustee	S N E Stelma
Trustee	G W Calvert
Company Secretary	J W Avis (Resigned 15 th June 2022)
	D M Murray (Appointed 15 th June 2022)

Directors of IBD Trading Limited – 05584522

Director and Company Secretary	J W Avis (Resigned 15 th June 2022)
	D M Murray (Appointed 15 th June 2022)
Director	N S Fitch

The Beer Academy – 06277078

Director	J W Avis (Resigned 15 th June 2022)
	D M Murray (Appointed 15 th June 2022)

The Beer Academy is a dormant Private Limited Company by shares and use of 'Limited' exemption.

The Beer and Cider Academy Limited – 10572136

Director	J W Avis (Resigned 15 th June 2022)
	D M Murray (Appointed 15 th June 2022)

The Beer and Cider Academy is a dormant Private Limited Company by guarantee without share capital and use of 'Limited' exemption.

The Beer Education Trust was dissolved on the 22nd March 2022.

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ADMINISTRATIVE DETAILS (continued)

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
6TH Floor
2 London Wall Place
London
EC2Y 5AU

Bankers

Royal Bank of Scotland plc
Curzon Street
London
W1Y 7RF

Solicitors

William Sturges Solicitors
14-16 Caxton Street
London
SW1H 0QY

THE INSTITUTE OF BREWING & DISTILLING
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AUDITORS' REPORT

TO THE MEMBERS OF THE INSTITUTE OF BREWING & DISTILLING FOR THE YEAR ENDED 31 DECEMBER 2020 – TO INSERT 2021

Opinion

We have audited the financial statements of The Institute of Brewing & Distilling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statement of Cash Flows 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 Financial Reporting Standard 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 group's and parent charitable company's affairs as at 31 December 2021, and of their incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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 Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

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- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the group's and parent charitable 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 Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance concerning any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance concerning actual and potential litigation and claims;
- Enquiry of management and those charged with governance concerning any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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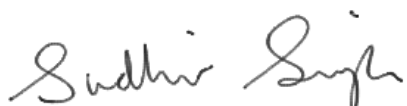
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware

of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)
For and behalf of
MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date:

25 August 2022

THE INSTITUTE OF BREWING & DISTILLING
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	Restricted Funds	Total funds	Total funds
	Note	2021 £	2021 £	2021 £	2020 £
INCOME FROM:					
Charitable activities	2	2,110,386	-	2,110,386	1,712,418
Other trading activities	3	325,363	-	325,363	88,425
Investments	4	41,015	-	41,015	21,947
TOTAL INCOME		2,476,764	-	2,476,764	1,822,790
EXPENDITURE ON:					
Raising funds	5	282,999	-	282,999	69,588
Charitable activities	6	2,183,551	11,171	2,194,722	2,195,669
TOTAL EXPENDITURE		2,466,550	11,171	2,477,721	2,265,257
NET INCOME BEFORE INVESTMENT GAINS		10,214	(11,171)	(957)	(442,467)
Net gains on investments	14	155,342	-	155,342	51,690
NET MOVEMENT IN FUNDS		165,556	(11,171)	154,385	(390,777)
RECONCILIATION OF FUNDS:		165,556	(11,171)	154,385	(390,777)
Total funds brought forward		4,582,459	277,736	4,860,195	5,250,972
TOTAL FUNDS CARRIED FORWARD	18	4,748,015	266,565	5,014,580	4,860,195

The notes on pages 32 to 49 form part of these financial statements

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**CHARITY STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2021 £	2021 £	2021 £	2020 £
INCOME FROM:					
Donations	25	179,295	-	179,295	67,946
Charitable activities	2	2,110,386	-	2,110,386	1,712,418
Other trading activities	3	2,552	-	2,552	12,664
Investments	4	41,015	-	41,015	21,947
TOTAL INCOME		2,333,248	-	2,333,248	1,814,975
EXPENDITURE ON:					
Raising funds	5	139,483	-	139,483	61,773
Charitable activities	6	2,183,551	11,171	2,194,722	2,195,669
TOTAL EXPENDITURE		2,323,034	11,171	2,334,205	2,257,442
NET INCOME BEFORE INVESTMENT GAINS		10,214	(11,171)	(957)	(442,467)
Net gains on investments	14	155,342	-	155,342	51,690
NET MOVEMENT IN FUNDS		165,556	(11,171)	154,385	(390,777)
RECONCILIATION OF FUNDS:		165,556	(11,171)	154,385	(390,777)
Total funds brought forward		4,576,565	277,736	4,854,301	5,245,078
TOTAL FUNDS CARRIED FORWARD		4,742,121	266,565	5,008,686	4,854,301

The notes on pages 32 to 49 form part of these financial statements

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

Company Registration Number 01217770

		2021	2020
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,714,504	2,773,846
Investments	14	1,978,404	1,790,750
Intangible assets	15	196,451	390,137
		<u>4,889,359</u>	<u>4,954,733</u>
CURRENT ASSETS			
Debtors	16	649,821	488,554
Cash at bank and in hand		<u>1,580,387</u>	<u>1,017,276</u>
		<u>2,230,208</u>	<u>1,505,830</u>
CREDITORS:			
amounts falling due within one year	17	<u>(2,104,987)</u>	<u>(1,600,368)</u>
NET CURRENT ASSETS		125,221	(94,538)
NET ASSETS		<u>5,014,580</u>	<u>4,860,195</u>
CHARITY FUNDS			
Restricted funds	18	266,565	277,736
Unrestricted funds	18	<u>4,748,015</u>	<u>4,582,459</u>
TOTAL FUNDS		<u>5,014,580</u>	<u>4,860,195</u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:

DocuSigned by:

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.....
N S Fitch (Honorary Treasurer)

Date: 22nd August 2022

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY BALANCE SHEET AS AT 31 DECEMBER 2021

Company Registration Number 01217770

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	13	2,714,504		2,773,846	
Investments	14	1,978,404		1,790,750	
Intangible assets	15	196,451		390,137	
		4,889,359		4,954,733	
CURRENT ASSETS					
Debtors	16	725,053		410,031	
Cash at bank and in hand		1,402,006		893,561	
		2,127,059		1,303,592	
CREDITORS:					
amounts falling due within one year	17	(2,007,732)		(1,404,024)	
NET CURRENT ASSETS			119,327		(100,432)
NET ASSETS			5,008,686		4,854,301
CHARITY FUNDS					
Restricted funds	18	266,565		277,736	
Unrestricted funds	18	4,742,121		4,576,565	
TOTAL FUNDS			5,008,686		4,854,301

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:

DocuSigned by:

EE99B262AE3B47E...
N S Fitch (Honorary Treasurer)

Date: **22nd August 2022**

THE INSTITUTE OF BREWING & DISTILLING
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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided/ (used in) by operating activities	21	<u>554,796</u>	<u>76,001</u>
Cash flows from investing activities:			
Dividends, interest, and rents from investments	4	40,627	21,947
Purchase of intangible fixed assets	15	-	(436,494)
Proceeds from sale of investments	14	162,779	608,521
Cash transferred to investments	14	3,786	(22,432)
Purchase of and gain on investments	14	<u>(198,877)</u>	<u>(598,424)</u>
Net cash used in investing activities		8,315	(350,881)
Change in cash and cash equivalents in the year		563,111	(350,881)
Cash and cash equivalents brought forward	22	1,017,276	1,368,157
Cash and cash equivalents carried forward	22	<u>1,580,387</u>	<u>1,017,276</u>

The notes on pages 32 to 49 form part of these financial statements

THE INSTITUTE OF BREWING & DISTILLING
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 updated October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Brewing & Distilling meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Institute and its subsidiary undertaking.

The results of the subsidiary are consolidated on a line by line basis.

1.2 Group Financial Statements

These financial statements consolidate the results of the Institute and its wholly-owned subsidiary, IBD Trading Limited, on a line by line basis.

IBD Trading Limited (Company registration number 05584522), a company registered in England & Wales, was active throughout the current and previous financial year.

The Beer Academy Limited (Company registration number 06277078), a company registered in England & Wales, was dormant throughout the current financial year as all financial activities had been transferred to IBD in 2016.

The Beer and Cider Academy (Company registration number 10572136) and The Beer Education Trust (Company registration number 07952802) are companies registered in England and Wales and were dormant in the current and previous financial year so have not been consolidated. The Beer Education Trust was dissolved on the 22nd March 2022.

1.3 Company Status

The Institute is a private company limited by guarantee (Company registration number 01217770). The Directors of the Institute are the Trustees named on page 21. In the event of the Institute being wound up, the liability in respect of the guarantee is limited to £1 per member of the Institute.

THE INSTITUTE OF BREWING & DISTILLING **(A company limited by guarantee)**

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Institute and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Institute for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Institute is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised in the year in which they are receivable.

Advertising income is recognised when the publication is printed.

Membership subscriptions are recognised in the calendar year to which they relate.

Publications income comprises subscriptions to and sales of the IBD's magazine and journal and is recognised on a receivable basis.

Education, training, and convention income comprises income from courses, events and sales of training material and is recognised in the year which the course or event takes place. Examination fees are recognised when the examinations take place.

Income received in advance is carried forward to the next accounting period as deferred income and included in creditors.

Grant and investment income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

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1.6 Expenditure recognition

All expenditure is accounted for on an accrual basis & has been classified under categories that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Support costs, which cannot be directly attributed to particular activities have been apportioned proportionately to the direct income generated from the Charity's activities. This is a change to accounting estimate and not policy. This change has been made to ensure the apportionment is done in a manner that is fair and reasonable and does not therefore require a prior year adjustment nor a restatement of comparatives of Support costs which are analysed in Note 7. Governance costs include the costs of servicing Trustees meetings, audit & strategic planning, and have been allocated back to support costs.

Specific expenditure incurred on events taking place after the year end is carried forward as a prepayment and included in debtors.

1.7 Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue operating.

The Trustees have made this assessment for a period to the end of December 2023 being more than one year from the date of the approval of these financial statements. When assessing, the trustees reviewed its overall reserves, cost and revenue implications and any specific additional costs. It concluded that for the period assessed, its cost base will reduce in line with any reduction in revenue. Its dialogue with learning and development managers of key breweries has helped the Trustees to gain more certainty as the majority of the larger Breweries have remained resilient to the pandemic and are committed to continue to invest in training their technical staff through the IBD. For the period assessed and based on the continued level of courses and exams bookings as well its level of reserves, the Trustees concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

1.8 Basis of Consolidation

The financial statements consolidate the accounts of The Institute of Brewing & Distilling and all its subsidiary undertakings ('subsidiaries').

The Institute has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

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1.9 Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on assets in the year of acquisition; a full year of depreciation is charged in the year of disposal.

Depreciation on all assets is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Long-term leasehold property	-	100 years straight line
Leasehold improvements	-	15 years straight line
Office furniture	-	10 years straight line
Equipment	-	3 years straight line
Land held under long lease	-	not depreciated

1.10 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Intangible Assets

Learning and development activities in relation to courses and exams are assessed and capitalised as internally developed intangible assets against the criteria set out in FRS102.

To assess whether an internally generated intangible asset meets the criteria for recognition, the generation of the asset is classified into either: a research phase, or a development phase.

If the IBD cannot distinguish the research from the development phase, the expenditure will be treated as if it were incurred in the research phase only. Any revenues generated during the development phase will be deducted from the value of the asset prior to any live piloting phase.

The intangible assets are measured at cost. This comprises purchase price of any third party as well as internally generated materials, software, and any directly attributable costs of preparing the asset for its intended use.

All training costs, indirect employee costs and promotional costs will be expensed in the financial year.

The IBD considers the useful life of all internally developed courses as finite. The assets are amortised on a straight-line basis over three financial years. The first full year of amortisation is the year in which the completed asset is piloted in live environment.

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The residual value of an intangible asset with a finite useful life will be zero unless:

There is a commitment by a third party to purchase either the courses or the educational delivery process at the end of its useful life to the IBD, or there is an active market for the asset, residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and carrying value will be reviewed at least at the end of each annual reporting period. If the asset is no longer in use, then any residual value will be fully amortised unless the asset is held for sale.

1.12 Debtors Receivable and Creditors Payable within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Financial Instruments

The Institute only holds basic Financial Instruments. The financial assets and financial liabilities of the Institute are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Pensions

The Institute offers an approved auto enrolment defined contribution pension scheme which is open to all employees that meet the criteria for auto enrolment. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

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1.16 Taxation

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Sections

The Institute is offered regionally through five Sections in the British Isles which act as Branches of the Institute.

Management receives annual returns from these Sections. The results of the British Isles Sections have been included in these financial statements.

The Institute also services members based overseas through two overseas Sections which are constituted as separate local legal entities and an international Section. The Institute has no financial or operational control over the assets of the 2 overseas Sections and therefore their transactions, assets and liabilities have not been included in these financial statements.

1.18 Critical Accounting Estimates and Areas of Judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Basis of valuation of financial investments
- Allocation of support costs
- Basis of recognition of internally generated intangible assets
- Expected useful economic lives of tangible and intangible assets.
- Judgement surrounding the treatment of the National Brewing Library collection and the silver trophies

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2. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Unrestricted funds	Total Funds	Total Funds
	2021	2021	2020
	£	£	£
Membership	294,236	294,236	309,833
Education	1,708,302	1,708,302	1,350,936
Publications and Technical	51,249	51,249	28,102
Sections and Events	56,599	56,599	23,547
Total 2021	<u>2,110,386</u>	<u>2,110,386</u>	<u>1,712,418</u>
Total 2020	1,712,418	1,712,418	-

3. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS - GROUP AND CHARITY

	Unrestricted Funds	Total Funds	Total Funds
	2021	2021	2020
	£	£	£
IBD Trading Ltd Advertising Income	81,791	81,791	75,761
IBD Trading Ltd Conference Income	241,020	241,020	-
Rent income	2,552	2,552	12,664
Total 2021	<u>325,363</u>	<u>325,363</u>	<u>88,425</u>
Total 2020	88,425	88,425	-

4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Total Funds	Total Funds
	2021	2021	2020
	£	£	£
Dividend on listed investments	40,627	40,627	18,728
Bank interest receivable	388	388	3,219
Total 2021	<u>41,015</u>	<u>41,015</u>	<u>21,947</u>
Total 2020	21,947	21,947	-

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5. EXPENDITURE ON RAISING FUNDS - GROUP AND CHARITY

	2021	2020
	£	£
Advertising Expenses	14,299	7,816
WDSC Conference	129,217	-
Direct Costs	99,828	43,210
Support Costs	39,654	18,563
	282,999	69,589

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support Costs 2021 £	Total 2021 £
Membership	211,652	-	206,147	417,799
Education	543,948	-	1,197,068	1,741,016
Publications and Technical	-	-	35,906	35,906
Total 2021	755,600	-	1,439,121	2,194,722
Total 2020	850,352	13,905	1,331,412	2,195,669

Support costs (Note 7) have been allocated based on income generated from each of the activity.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support Costs 2020 £	Total 2020 £
Membership	269,738	-	244,255	513,993
Education	580,614	-	1,065,002	1,645,616
Publications and Technical	-	-	22,155	22,155
Sections and Events	-	13,905	-	13,905
Total	850,352	13,905	1,331,412	2,195,669

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7. SUPPORT COSTS - CURRENT YEAR

	Raising Funds	Charitable Activities	2021	2020
	£	£	£	£
Premises costs	567	20,567	21,134	54,066
General office costs	6,062	219,986	226,048	259,092
Project development	7,229	262,348	269,577	58,219
Staff meeting and training expenses	880	31,930	32,810	1,032
Governance costs	3,321	120,513	123,834	126,065
Other staff costs	757	27,494	28,251	12,745
Support staff costs	19,247	698,532	717,779	862,621
Depreciation	1,591	57,751	59,342	59,342
Total	39,654	1,439,121	1,478,775	1,433,182

Governance costs are analysed in Note 9.

SUPPORT COSTS - PRIOR YEAR

	Raising Funds	Charitable Activities	2020
	£	£	£
Premises costs	743	53,323	54,066
General office costs	3,563	255,529	259,092
Project development	801	57,418	58,219
Staff meeting and training expenses	14	1,018	1,032
Governance costs	589	125,476	126,065
Other staff costs	175	12,570	12,745
Support staff costs	11,862	850,759	862,621
Depreciation	816	58,526	59,342
Total	18,563	1,414,619	1,433,182

8. ANALYSIS OF GRANTS - CURRENT YEAR

	Grants to Institutions	Grants to Individuals	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Grants	-	-	-	13,905

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9. GOVERNANCE COSTS

Governance costs below include support staff costs. 2020 Figures have been restated to include the same.

	2021	2020 (restated)
	£	£
Auditors' remuneration	25,000	18,000
Under Accrual for prior year's Auditors Remuneration	7,250	3,900
Trustee and Meeting Expenses	414	826
Catering and Meeting costs	-	123
Legal and Professional fees	7,533	17,663
Support Staff Costs	83,207	83,207
Other costs	429	2,346
Total	123,833	126,065

10. NET EXPENDITURE

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	253,028	260,056
Auditors' remuneration	25,000	18,000
Auditors' remuneration - under accrual of prior year	7,250	3,900
Support costs - auditors' remuneration - other services	1,150	1,150

11. AUDITORS' REMUNERATION

The Auditor's remuneration for the year is expected to amount to £25,000 (2020: £18,000). Additional remuneration include an under accrual of £7,250 (2020: £3,900) from the prior year. Payments for other services were £1,150 (2020: £1,150) relating to corporation tax services.

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12. STAFF COSTS

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	821,172	931,239
Social security costs	82,290	100,721
Redundancies	-	19,540
Other pension costs	51,140	58,285
	954,602	1,109,785

The average number of persons employed by the Institute during the year was as follows:

Staff	2021	2020
	No.	No.
The number of higher paid employees was:	17	23

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £110,001 - £120,000	1	1

Last year, the key personnel management consisted of the Chief Executive, Head of Publications, Head of Finance and Business Support and Head of Project Management. The total amounts of employee benefits received by Key Management Personnel is £307,291 (2020: £331,611).

There were no redundancies in 2021.(2020: £19,540).

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £51,140 (2020: £52,475). There were contributions outstanding at the year-end of £11,686 (2020: £4,468).

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Group and Charity Cost					
At 1 January 2021	2,785,259	282,245	43,635	136,264	3,247,403
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2021	<u>2,785,259</u>	<u>282,245</u>	<u>43,635</u>	<u>136,264</u>	<u>3,247,403</u>
Depreciation					
At 1 January 2021	168,368	134,920	41,941	128,328	473,557
Charge in the year	27,853	27,332	188	3,969	59,342
At 31 December 2021	<u>196,221</u>	<u>162,252</u>	<u>42,129</u>	<u>132,297</u>	<u>532,899</u>
Net Book Value					
At 31 December 2021	<u>2,589,038</u>	<u>119,993</u>	<u>1,506</u>	<u>3,967</u>	<u>2,714,504</u>
At 1 January 2021	2,616,891	147,324	1,694	7,937	2,773,846

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK

	2021 £	2020 £
Quoted Investments	1,955,822	1,764,381
Quoted Liquid Funds	22,582	26,369
Total Investments held with Fund Managers	<u>1,978,404</u>	<u>1,790,750</u>

Reconciliation of investments held with fund managers

	2021 £	2020 £
Market Value		
At 1 January	1,790,750	1,726,725
Additions at cost	198,877	598,424
Disposals at carrying value	(162,779)	(608,521)
Net Unrealised gains	155,342	51,690
Movement in Cash	(3,786)	22,432
Total	<u>1,978,404</u>	<u>1,790,750</u>

The charity has invested a total of £4 in subsidiary undertakings.
This is detailed in note 25.

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15. INTANGIBLE FIXED ASSETS

Group and Charity

	2021	2020
	£	£
Cost		
At 1 January	614,378	177,883
Additions		436,495
At 31 December	614,378	614,378
Amortisation		
At 1 January	224,241	23,528
Charge for the year	193,686	200,713
At 31 December	417,927	224,241
Net book value		
At 31 December	196,451	390,137

Intangible assets primarily relate to costs incurred for the development of the Institutes learning resources.

16. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	323,795	257,824	286,301	257,824
Amounts owed by group undertakings	-	-	216,495	18,496
Other debtors	42,244	77,688	5,475	80,402
Prepayments and accrued income	283,782	153,041	216,782	53,309
	649,821	488,553	725,053	410,031

17. CREDITORS: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	425,899	101,152	359,574	99,952
Amounts owed to group undertakings	-	-	1,280	183,038
Other taxation and social security	450,981	44,498	443,634	44,498
WDSC Conference	-	343,805	-	-
Other creditors	49,415	88,723	37,608	88,438
Accruals	98,354	84,992	85,298	50,900
Deferred income	1,080,338	937,198	1,080,338	937,198
	2,104,987	1,600,368	2,007,732	1,404,024

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred Income				
Deferred income at 1 January 2021	937,198	853,760	937,198	643,973
Resources deferred during the year	683,422	937,198	683,422	937,198
Amounts released from previous years	(540,282)	(853,760)	(540,282)	(643,973)
Deferred income at 31 December 2021	1,080,338	937,198	1,080,338	937,198

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18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2021
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,773,846		(59,342)			2,714,503
British Funds Sections	369,737	56,599	(99,828)	(295,133)		31,375
Scholarships Bursaries and Grants	-			60,000		60,000
Asia Pacific Engagement	-			25,000		25,000
Learning Materials and Courses	-			225,000		225,000
Online Exam Development	-			150,000		150,000
Curlew Street Asset Review	-			20,000		20,000
Community Engagement	-			100,000		100,000
Young Scientist Symposium	13,533			(13,533)		-
	3,157,116	56,599	(159,170)	271,334	-	3,325,878
General funds						
General Fund	1,425,342	2,478,244	(2,210,115)	(271,334)	-	1,422,137
Total Unrestricted Funds	4,582,458	2,534,843	(2,369,285)	-	-	4,748,015
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	225,149		(11,171)			213,978
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	277,736	-	(11,171)	-	-	266,565
Total of Funds	4,860,194	2,534,843	(2,380,456)	-	-	5,014,580

18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2020
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,833,188		(59,342)			2,773,846
Sections	69,120	30,984	(25,500)			74,604
Scottish Section	279,717	32,363	(27,942)		10,996	295,134
Library Fund	20,276			(20,276)		-
Young Scientist Symposium	13,533					13,533
Curlew Fund	22,125			(22,125)		-
	3,237,959	63,347	(112,784)	(42,401)	10,996	3,157,117
General funds						
General Fund	1,724,573	1,754,316	(2,127,851)	42,401	31,903	1,425,342
Total Unrestricted Funds	4,962,532	1,817,663	(2,240,635)	-	42,899	4,582,459
Restricted Funds						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	230,188	5,128	(18,958)		8,791	225,149
IoB London Section Trust Fund	25,920		(5,664)			20,256
IBD Hop Industry	5,560					5,560
	288,439	5,128	(24,622)	-	8,791	277,736
Total of Funds	5,250,971	1,822,791	(2,265,257)	-	51,690	4,860,195

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18. STATEMENT OF FUNDS (Continued)

Designated Funds

Fixed Assets Fund

This fund represents the net book value of the IBD's unrestricted tangible assets as at the end of the year.

British Isles Sections

This fund represents the carrying amount of funds held on behalf of the UK and Irish sections that are regional branches of the charity.

Scottish Section

This fund represented the carrying amount of funds held by the Scottish Section. This is now amalgamated with the British Isles Sections. Any excess funds brought forward have been transferred to General Funds.

The designated funds listed below are expected to be utilised over the next two financial years during which time the Trustees will review the application of the funds for the stated purpose and amend as appropriate.

Scholarships Bursaries and Grants

This fund has been designated to support the Awards Committee to award scholarships and bursaries. Furthermore the fund will be used for educational grants.

Asia Pacific Engagement

A memorandum of understanding has been agreed with the Asia Pacific Section to expand the IBD's reach. The IBD has agreed to provide some back office support as well as contribute to the local administration costs for the Section.

Learning Materials and Courses

This designation has been established to fund the continuous need to develop learning materials and courses.

Online Exams Development

This fund has been designated to support the development of online invigilation and marking platform for all IBD's exams.

Curlew Street

This fund has been designated to carry out building surveys and consultation for the use of the Curlew Street building.

Community Engagement

This fund has been designated to develop community engagement across the global membership.

Young Scientist Symposium Fund

The Young Scientists Symposium (YSS) research fund remained unutilized due to the pandemic and the fund is not required in the near future and therefore, is now transferred to general reserves.

Restricted Funds

John S Ford Memorial

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year.

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J J Morison Fund

The JJ Morison Fund was donated to support annual awards to assist in further education in the science & technology of brewing and distilling.

IoB London Section Trust Fund

The IoB London Section Trust Fund was established from residual funds of the IoB London Section, obtained from their Oxford and Cambridge meetings, when the Institute of Brewing merged with the International Brewers Guild.

IBD Hop Industry Fund

The IBD Hop Industry Fund supports development of new hop varieties within the UK & also the annual IBD Hop Awards which celebrate agronomic excellence.

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2021	2021	2021
	£	£	£
Tangible and Intangible assets	2,910,955		2,910,955
Fixed asset investments	1,978,404		1,978,404
Current assets	1,963,643	266,565	2,230,208
Creditors due within one year	(2,104,987)		(2,104,987)
	4,748,015	266,565	5,014,580

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2020	2020	2020
	£	£	£
Tangible and Intangible assets	3,163,983		3,163,983
Fixed asset investments	1,565,601	225,149	1,790,750
Current assets	1,505,830		1,505,830
Creditors due within one year	(1,600,368)		(1,600,368)
Creditors due after one year	-	-	-
	4,635,046	225,149	4,860,195

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**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH
FLOW FROM OPERATING ACTIVITIES - Group**

	2021	2020
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	154,385	(390,777)
Adjustment for:		
Depreciation and amortisation charges	253,028	260,055
(gain) on investments	(155,342)	(51,690)
Investment income	(40,627)	(21,947)
Increase/ (decrease) in debtors	(161,267)	13,286
Increase/ (decrease) in creditors	504,619	267,074
Net cash (used in)/provided by operating activities	554,796	76,001

21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2021	2020
	£	£
Cash in hand	1,580,387	1,017,276

22. PENSION COMMITMENTS

The Charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £51,140 (2020 £52,475). Contributions totalling £11,686 (2020: £4,468) were payable to the fund at the balance sheet date and are included within creditors.

23. RELATED PARTY TRANSACTIONS

None of the trustees have been paid any remuneration or received any other employee benefits from the IBD or related entity.

During the year, 1 Trustee was reimbursed £420 for travel & accommodation expenses (2020, 3 Trustees were reimbursed £766).

Exam Fees of £415 were paid to Douglas Murray (2020: Nil).

Author fees of £2,550 were paid to Dr Caroline J Walker Ltd, where Caroline Walker is a Director. (2020: £1,650).

In 2020, IBD made a donation to the Incorporated Brewers' Benevolent Society, where N S Fitch is chairman of £1,087 and fees in relation to training of £1,650 were received. There were no transactions in 2021.

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24. PRINCIPLE SUBSIDIARIES

The Beer Academy Limited

The Institute owns 100% of the issued share capital of The Beer Academy Limited, a company limited by shares and registered in England & Wales (company number 06277078), which was incorporated on 12 June 2007 & started to trade on 31 July 2007. It has 2 issued ordinary shares at a par value of £1 each. It ceased to trade on 31 December 2016. The registered office of The Beer Academy Limited is 44A Curlew Street, London SE1 2ND. The Beer Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

The Beer and Cider Academy

The Institute owns 100% of the issued share capital of The Beer and Cider Academy, a company limited by shares and registered in England and Wales (company number 10572136), which was incorporated on 19 January 2018. It has 1 issued ordinary shares at a par value of £1 each. The company was dormant throughout the current financial year. The registered office of The Beer and Cider Academy is 44A Curlew Street, London SE1 2ND. The Beer and Cider Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

IBD Trading Limited

The Institute owns 100% of the issued share capital of IBD Trading Limited, a company limited by shares and registered in England & Wales (company number 05584522), which was incorporated on 6 October 2005. It has 1 issued ordinary share at a par value of £1. The registered office of The IBD Trading Limited is 44A Curlew Street, London SE1 2ND.

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £179,295 (2020: £67,946).

The principal activities of IBD Trading Limited is the organisation and delivery of the Worldwide Distilled Spirits Convention and other commercial activities. The results of IBD Trading Limited are presented below.

IBD Trading Limited

Subsidiary name	IBD Trading Limited
Company registration number	5584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2021	£316,077
Total Liabilities as at 31 December 2021	£314,746
Total equity as at 31 December 2021	£1,331
Turnover for the year ended 31 December 2021	£179,295
Expenditure for the year ended 31 December 2021	£179,295
Profit for the year ended 31 December 2021	NIL

The Beer Education Trust

The Beer Education Trust was dissolved on the 22nd March 2022.

THE INSTITUTE OF BREWING & DISTILLING

England & Wales - Charity number 269830

Accounts

Registered Number: 01217770

Charity Numbers: 269830 and SC039405

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(A company limited by guarantee)

TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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PRESIDENT'S INTRODUCTION

The Institute of Brewing & Distilling has continued to develop its role of providing opportunities to increase learning and technical capability within the brewing, distilling and related activities. The Board, at the September Annual General Meeting, was augmented by the appointment of two new independent Trustees. Dr Sandra Stelma and Dr Will Calvert replaced Timothy O'Rourke, who resigned in 2019, and Ken Fairbrother who retired through rotation. I would like to take this opportunity to thank Tim and Ken for the service they have given to the IBD and the Board of Trustees. It also gave me great pleasure to confirm that Ken Fairbrother has been given the IBD Exceptional Service Award for services to the IBD over many years. I welcome Sandra and Will to the Board; both bring additional skills and were elected using our new selection process and enhance our aspirations for increased diversity. The key area of activity of the Board has been to review our strategy so that, going forward, we remain fit for purpose.

The Institute of Brewing & Distilling activities have been heavily impacted by the coronavirus (COVID-19) pandemic. The key focus has been to ensure the continued operation of our key functions in relation to qualifications and services to our members whilst providing a safe environment for our employees. The ability for our operations to switch to on-line and being able to work from home reflects both the forward thinking and dedication of our staff and organization. There have been both financial and business effects which have impacted on our ability to deliver our core activity, but through prompt action and rigorous financial management these effects have, in part, been nullified. The number of candidates sitting our exams was curtailed and a number have deferred sitting the final exam until next year. The lack of face-to-face tuition has impacted on this revenue stream. On a positive note, this has allowed us to review our education platform and to present more courses on-line.

Our membership through the sections, assisted by Head office, has been active in ensuring that educational opportunities as well as social interaction continued throughout the year, and I thank all concerned for the effort put into delivering these sessions. This again shows our flexibility and gives us opportunities to build for the future. 2020 was also a year when two of our global conferences were scheduled to take place in Perth Australia and Edinburgh UK. Both have been postponed to 2021. I thank the organizing committees and sponsors as well as all our partners in the brewing and distilling industry for their continued support of these events and for their support of the Institute.

Finally, I wish to thank all the staff for their commitment over the year and who continue to operate from home to deliver a highly professional service whilst balancing the need to ensure the correct work life balance throughout the year.

Mr D M Murray, President

CHIEF EXECUTIVE'S SUMMARY

2020 was a year in which so much changed with the emergence of COVID-19, a year that led many companies and organisations to find new ways of reaching out to their clients to provide services. Foremost for the IBD has been the acceleration of our ability to work remotely and to streamline operations through digital transformation, whilst advancing and enhancing customers' experiences in different ways. In recognition of the Pandemic's global impact on the alcoholic beverages and hospitality businesses the IBD quickly responded by adopting technological solutions to remotely support the learning and education needs of the industry as well as the health and wellbeing of its staff.

With 50% of staff already home-based, trials were started in November 2019 with the intent that more staff could work remotely, principally to achieve better life work balance for all but also to free up office space. Once the Pandemic struck, this preparation allowed us to act swiftly and, once most of the UK became locked down in March 2020, all staff were able to work effectively from home. Homeworking continued throughout the remainder of 2020 and allowed the Institute to continue to receive a positive and significant uptake of online courses based on upgraded learning material. Tutor guided learning products and other online courses were interwoven with self-directed learning and have proved to be particularly successful.

The addition of online assessments by remote proctoring was planned to be trialled in 2021 but the closure of many exam centres worldwide gave impetus to bring the remote proctoring of Certificate and Foundation exams forward by a year. This was met with significant success and allowed candidates to qualify in 2020 when they otherwise might not have done so.

Whilst the Pandemic had a significant effect on conventions, seminars, section meetings and travel the Institute continued to progress its implementation plan with focus on the following three areas:

Digital transformation remained a key pillar of our activities in 2020 and was expressed in several initiatives. Amongst these have been additions to our systems for debt management, leave and absence recording. The website was refreshed with attention paid to ease customer journeys and improve functionality; further iterations of the online marking system have made marking and assessment of results easier tasks.

Learning development has been at the forefront of activity over the past five years with a focused investment of funds. Despite the Pandemic this programme continued unabated, and an extraordinary volume of work was undertaken to further update our core learning materials into on-line learning products to help candidates prepare for exams through engaging, collaborative learning experiences.

With respect to the transition towards online, self-directed learning materials the following were completed:

- General Certificate in Packaging Beer
- General Certificate in Malting
- Diploma in Brewing Module 3
- Diploma in Distilling Modules 2 & 3
- Diploma in Packaging Module 3

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This planned investment has shown clear benefits to learners who engage well with the online courses; the new structure, richness of material and completion of self-assessment quizzes during the course have been shown to have a demonstrably positive effect on the outcome of their final examination. Further benefits have accrued from the ability, unlike with printed matter, to continually add variety to learning materials such as animations and videos and finally to ensure that the material keeps pace with technical developments in the industry.

To complement the self-directed course material the IBD introduced “Tutor Guided Learning” (TGL) in 2019. The benefits of small cohort learning are well recognised as combining attributes of tutor guidance with collaborative learning in small groups. The IBD TGL programmes at Diploma level take a group of students through the key points of the entire syllabus over an 18-week period giving the benefits of interaction with both tutor and fellow candidates. Recordings enable candidates who miss a session through work or family commitments to catch up and all candidates have the benefit of being able to view a session multiple times to increase their understanding.

In 2020 the groundwork was completed to introduce the remaining TGL courses for Brewing, Distilling and Module 3 of the packaging diploma.

In summary, this work has completed every aspect of updating learning material and online tutoring for Diplomas in Brewing and Distilling and with the completion of the Diploma in Packaging now in sight for 2021; this is an enormous credit to the Learning and Development team and the global diaspora of malting, brewing and distilling colleagues who have contributed to course development and delivery.

With respect to General Certificate training, the difficulties of delivering face to face courses prompted the rapid conversion to a short series of online, interactive webinars, dubbed “Set for Success”, all based on the face-to-face approach. The attendance, high engagement and subsequent performance of candidates attending these sessions demonstrated the success of these sessions. They will be repeated in 2021 and extended to cover the General Certificate of Distilling.

Finally, we have been able to demonstrate the benefits of learning analytics to those company stakeholders responsible for multiple candidates. The richness of data generated by the learner during our courses allows progress to be seen via a learner dashboard and a prediction of final performance to be estimated. This approach will be developed to provide valuable insights for the improvement of course material, timely interventions by stakeholders in the learners’ journey and, ultimately, increased learner success.

Member value

The postponement of key conventions was an unwelcome effect of the Pandemic and was particularly disappointing for volunteers engaged in the delivery of the Asia Pacific Convention, the Worldwide Distilled Spirits Conference, the Young Scientists Symposium, and several Masterclasses as well as the numerous Section events that were planned for the year. The Institute was not alone in having to cancel or postpone events, but we have been fortunate that the strength of the membership and generosity of sponsors have allowed many events to be held in 2021, either in a virtual format or to be delayed to the end of the year in anticipation of freer movement.

The Sections were particularly successful in pivoting the format of their meetings to online webinars both serving local members and engaging a wider, global audience.

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It is encouraging to note that attendance more than doubled based on the average numbers for physical events over the past few years and in some cases, attendance was increased by a factor of ten.

The subjects of webinars have been diverse, all educational and mainly technical in nature with subjects ranging from COVID: experiences in brewing and distilling, through sector reviews, technical aspects of yeast handling and processing aids to historical aspects of the industry. A key feature of webinars has been that they are recorded and curated for members to view later or to catch up with those they have missed.

These results point to digital events continuing to be part of the future mix although physical events were sorely missed and will no doubt continue with renewed enthusiasm once allowed.

The Brewer and Distiller International continues to be a source of news and education for members. The possible threat of being unable to print or distribute hard copies was overcome by producing a digital version of the magazine. The Journal of the Institute of Brewing has continued to publish interesting and informative scientific advances in the fields of malting, raw materials, brewing, and distilling and, once more, saw an increase in Impact Factor firmly establishing it as the number one journal for the science of brewing and distilling. The Institute also responded to peoples' need to fill free time more productively by publishing key educational articles from the BDI as a free-to-all "coffee break" feature on our web site.

The Institute demonstrated in 2020 that our overall strategic direction continues to show both solid returns in areas where we have innovated and resilience to the enforced constraints of the COVID-19 Pandemic. We are confident that further success will come from agile thinking, mutually beneficial partnerships, and our total commitment to fulfilling our educational and charitable objectives.

Dr Jerry Avis (Chief Executive)

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are pleased to present their Annual Directors' Report together with the consolidated financial statements of the Institute of Brewing & Distilling and its subsidiaries for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity legislation and regulations applicable in England & Wales and Scotland, the Companies Act 2006, the Charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

The purpose of the charity is the advancement of education of benefit to the public, or a section of the public, especially in the sciences of brewing, fermentation, and distillation. The charity is a public benefit entity as defined by FRS 102.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the IBD strategy aims and objectives. Following a written resolution by Council, and ratified by the Board, the IBD examinations below the level of Master are open to all members of the public without the need to become a member of the IBD.

The education and qualifications provided by the IBD are non-selective and available to anyone who wishes to extend their knowledge of science and technology within the fermentation industries. The open-access part of the website, courses and Journal of The Institute of Brewing provide significant educational resources.

Strategic Framework and Activities

The Institute operates within a strategic framework which is kept under review by the Trustees.

THE PURPOSE, VISION & MISSION OF THE IBD

- Our purpose is to champion the potential of our community.
- Our vision is to be the world's leading provider of professional development in brewing, distilling and related industries.
- Our mission is to deliver excellent life-long learning, supported by our world-class community of experts mentoring the next generation of professionals to serve the needs of our industries.

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

Membership

On 31 December 2020 there were 2,855 (2019: 3,710) registered members from across the globe.

Education

The Institute's qualifications continue to be well regarded throughout the world and serve to mark out the attainment of a high degree of knowledge to underpin the candidates' passion for making their products. The industry demands professionalism from its recruits and a facility for life-long learning for its staff which are both fulfilled by the current selection of qualifications, access to technical information and opportunities to network. A continuing trend is that of a demand for lower-level qualifications for non-technical staff of companies to have a greater appreciation of how their products are made. There is continued interest from large companies to both benchmark their internal training against IBD recognised qualifications and to look for training support from companies' own competency frameworks.

The Institute is considered both a resource for trusted knowledge and the arbiter of professionalism with respect to its examination system. In 2020 2,798 (2019: 3,942) candidates undertook professional course studies and exams with the Institute. The reduction from prior year was due to a larger number of candidates needing to postpone their exams to 2021 due to the Pandemic restrictions.

The Charity has continued to develop the Exam Board's range of expertise with new examiners joining from both craft brewers and distillers to make a total of 38 examiners from 11 countries. There is continual review of the way in which qualifications are structured, their syllabi and the nature of the examinations to ensure that the IBD has implemented current thinking in line with industry needs and expectations.

During the year, the Trustees continued to invest in self-directed learning products. Over the past 5 years we have completely revised, updated, and created all but two Diploma qualifications and all but one of the General Certificate qualifications.

Events

Events, centred on education and training, are largely organised by individual Sections with a major convention and conference being organised by both the Asia Pacific Section and the Scottish Section both of which were postponed until 2021. In the normal course of events, visits, seminars, technical presentations, and conventions all provide an opportunity to learn and network in a supportive environment where the mix of younger and more experienced professionals enhances the educational dimension. In 2020 much activity still took place online and the dedication and tireless work of the volunteer Section Committees, supported by numerous companies, individuals and associated organisations have again provided excellent opportunities for learning and networking albeit in a virtual environment.

The Institute has Overseas' Representation in three Sections split into Africa, Asia Pacific, and an International Section. Africa and Asia Pacific are self-governed and carry out promotion, training, and engagement for our overseas members. Their finances do not form part of the Institute's Accounts.

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Fundraising

The Institute does not directly fundraise from the public and has no fundraising staff. Its UK Sections are permitted to raise funds from ticket sales usually to Members and attendees of the event. The receipts from ticket sales are used to fund the events. The Head office staff support the administration of these local events.

Publications

The Institute continues to have an excellent record of publishing the quality, peer-reviewed scientific Journal of the Institute of Brewing (“The Journal”) along with Brewing & Distilling International (BDI), the news and technical magazine that is published monthly in our industry. Both the Journal and the BDI are now available online.

Subsidiaries

IBD Trading is a wholly owned subsidiary of the Institute of Brewing & Distilling. It exists as a vehicle for managing the trading activities of the Charity.

The Beer Academy, the Beer Education Trust, and the Beer and Cider Academy Limited are dormant companies.

PLANS FOR FUTURE PERIODS

Examinations will continue to be reviewed to seek improvements in delivery. In 2020 remote invigilation for Foundation and General Certificate examinations was implemented to offer candidates more flexibility over when and where they can take exams. In 2021 this initiative will be extended where possible for Diploma and master’s level qualifications.

Training methodologies developed in 2018 and piloted in 2019 will continue to be rolled out. The concept of online “tutor guided learning” continues to demonstrate good value for companies and proved its worth as an excellent online support for candidates whilst face-to-face training was unavailable. Additional tutors have been recruited from several time zones, delivering the ability to service international clients at times most convenient to employees pursuing their qualifications. In a post-COVID world it is anticipated that the combination of self-directed, online learning alongside tutor support for small cohorts of candidates will provide both the flexibility and cost effectiveness sought by business.

Training support materials will be extended to cover 100% of courses up to and including Diploma level. This will mean that brewers, distillers, and packaging specialists will be able to complete the entirety of the three modules for each diploma by the start of 2022 and is an important step in the progress of digital transformation.

A new approach to Foundation level exams is under development and will be implemented, initially for brewing, in mid-2021. This will provide a level of education specifically targeted at non-technical staff in brewing and, later, in distilling companies and will enable more adventurous learning technologies to be applied.

The right partners will continue to be sought to assist in taking developed material into other languages and to develop markets more fully in our key regions such as the Americas and Asia Pacific.

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The digital transformation of our activities remains a high priority and further progress was made in 2020 which will be further developed in 2021 – this will include more investment in technology, processes, and training to deliver agility and responsiveness to customers. In the past five years the focus has been on improving systems, brand perception and online learning to reach a baseline in the business that is stable. During 2021 the strategy will be built upon to deliver further growth over the next three years.

As a charity with members, the IBD will continue to explore ways to add value. In 2021, our community will be extended based on engaging with the individual brewer and distiller as career professionals and businesses supported by the provision of quality education and information. The development of the IBD as the “go to” partner for professional career support will demand attention to every aspect of our current offerings and how they are to be integrated.

The ethos of the IBD has always been centred on facilitating the exchange of knowledge and life-long learning. This will continue to be the case as Members and candidates are better engaged, connected, and offered products and services that will help them towards transformational outcomes for themselves and for their businesses.

FINANCIAL RESULTS

Total income in the year for the Group was £1,822,790 (2019: £2,429,265). The income has reduced by £606,475. Income is broken down in Note 2. The reduction in income is largely down to the pandemic, resulting in the deferral of exams, courses, and membership.

Total expenditure also reduced due to the pandemic. The expenditure reduced by £524,175 to £2,265,257 (2019: £2,789,432). Expenditure of £436,495 (2019: £177,884) (note 15) for developing course materials was capitalised as an intangible asset. Section income also reduced to £23,547 (2019: £127,532) for the same reason.

Staff costs increased by £155,800. This was as expected and largely due to the funding of learning and development programmes. We expect the salary costs to reduce in 2021 as fixed term contracts come to an end. The Institute restructured its administration of Exams and Training and three staff opted for redundancy which took effect in the final quarter. Costs for these are disclosed in Note 12.

The net loss before investment gain of £51,690 (2019: gain £198,095) in the Group is £442,467 (2019: £360,167).

Total unrestricted funds at the year-end were £4,582,458, compared to £4,962,533 in 2019. Total restricted funds at the year-end were £277,736 compared to £288,439 in 2019.

POLICIES AND OBJECTIVES

Reserves Policy

In 2020 the reserves were reviewed with the main objective of ensuring that sufficient reserves were allocated to continue to operate during the Pandemic but also to ensure that the Institute was able to adapt to providing its services online. In anticipation of potential reduction in revenue and cash, the Trustees reviewed the ratio of cash held as working capital. It concluded that the Charity could operate with general reserves of £1.3 million. The Charity has set a breakeven budget for 2021. The Charity has continued to receive cash in advance of the exam and course cycle. The Charity does not have any long-term liabilities or commitments beyond the normal operational fixed expenditure.

Investments

Overview

The Trustees of the Institute of Brewing & Distilling (IBD), based on the recommendations of their Finance sub-committee, have overall responsibility for the Investment and Reserves policy.

The Trustees appoint Investment managers to manage the reserves. Sanlam Investments UK Ltd (Formally Thesis Asset Management (Thesis) were appointed in February 2015).

Investment Performance

The 3 “reserve” portfolios showed a gain during 2020. The IBD Investment and Reserves powers, policies and background are noted later in this document. Investment Managers present to the Board in November and the Finance Sub-Committee in May each year. The Board has chosen active management of its investments.

Investment Rules

Investment rules have been agreed with Sanlam as follows:

- To provide a spread of risk no one equity holding should exceed 5% of the total sum of the individual portfolio. Maximum fund holding is limited to 10%.
- To avoid a potential risk of conflict of interest no direct investment should be made in the alcoholic beverage sector. This does not preclude alcoholic beverages being part of a fund invested in. Any significant fund investment in alcoholic beverages must be flagged to the IBD Trustees via the Treasurer.

All portfolio income is to be reinvested in that portfolio unless the Trustees agree otherwise.

Investment Mandates risks as follows (risk investment criteria, where 1 is low and 7 is high)

All portfolios are at risk level 4 of 7.

Investment objective: Primarily seeking income together with reasonable degree of capital growth.

Risk objective: A balance between safety and investment growth potential.

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Policy for Remuneration

Staff pay is reviewed annually by the Operational Management Committee (formerly known as Personnel Interest Group) and is managed in line with earnings for the sector and price indexation. Assisted by the CEO, the Group periodically benchmark pay for all staff against pay levels in other similar organisations and consider factors such as benefits, indexation, and location prior to making recommendations for adoption by the Board of Trustees.

Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

- An annual review at Board meetings of the principal risks and uncertainties faced by Institute and its subsidiaries, IBD Trading Ltd; Reviews considered at quarterly Board Meetings.
- The establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage potential impact on the Institute should those risks materialise.

The Trustees further mitigate the risks to the organisation by maintaining a Register of Risks which is reviewed by the Trustees at each of their meetings. The Register is managed by the Trustees' Finance and Audit Sub-Committee, with input from the other Sub-Committees and the CEO. The key risks as identified include the post balance sheet risk assessment for COVID-19 as below:

- Reduced revenue due to COVID-19
- Reduced cash value of accumulated reserves due to global recession
- Severe disruption to IBD operations because of lockdowns
- Debt repayment
- Cyber security and GDPR

From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

The threats of these risks happening are managed by identifying the likelihood and impact of each risk and establishing mitigating actions.

The risk assessments and actions have allowed IBD to swiftly implement digital changes to its work environment and has continued to provide courses, exams, and events services.

Going Concern

The Trustees believe that the IBD Group will remain resilient to the risks posed by the pandemic by offering alternative online learning products. The exam timetable was flexed to enable candidates to take the exams later in the year which meant that the majority still sat their exams. Those that were not able to, opted to defer rather than cancel. Furthermore, students and members have continued to book courses, exams and renew membership. This indicates that IBD can make a full recovery beyond the disruptions from the Pandemic.

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The Trustees have continuously reviewed the Group's reserves and working capital throughout the year and produced a three-year forecast plan and cash flows. This has helped the Board to consider its working capital and resources to manage any continued impact of COVID-19. The process concluded that the Institute has adequate resources, and that there are no material uncertainties to the operations for the foreseeable future, therefore adopting the going concern basis in preparing these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Institute of Brewing & Distilling is a company limited by guarantee governed by its Memorandum and Articles of Association and Byelaws amended to streamline the structure, governance, and management of the IBD and adopted at the AGM on 25th June 2014 and rewritten for the AGM on 24th June 2015.

There were no changes to the Articles in 2020. Byelaw 13 was amended at an EGM on 4th March 2020 concerning "The Composition and Election of the Board of Directors". The purpose of the change is to ensure that the Institute has a process in place to ensure continuity of a full complement of Directors (Trustees) having appropriate skills and competencies, encourage diversity and is one where all members have a voice in the process.

The IBD is registered as a charity with the Charity Commission and the office of the Scottish Charity Regulator (OSCR). Anyone over the age of 18 can become a member of the IBD.

Appointment of Trustees

The Governing Body of The Institute of Brewing & Distilling (IBD) is the Board of Trustees, which has the overall responsibility for setting policy framework and developing plans.

The Board of nine comprises four Honorary Officers: The President, Immediate Past President, Deputy President and Treasurer, and five other representatives of the membership.

Trustees, deemed to be independent of Sections, must be statutory members of the IBD and are elected in accordance with the Byelaws with nominations, ratified at the AGM.

Honorary Officers are normally nominated by Council and confirmed at the AGM. The Council is the administrative body that represents the views of the membership and is formed from the Chairs of each of the eight Sections that comprise the Institute.

The Trustees of the Charity also have responsibilities as Directors of the Company Limited by Guarantee.

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Trustee Induction and Training

There is now an established procedure for new Trustees and their induction, as well as reminding existing Trustees of responsibilities.

As part of this induction, all Trustees were furnished with a file containing amongst many relevant topics, a copy of the IBD Memorandum & Articles of Association and its Byelaws and an up-to date copy of the latest Charity Commission publications, particularly "CC3 - The Essential Trustee: What you need to know" and the new Charity Governance Code. In addition, all are made aware/reminded of the Charity Commission website.

Terms of reference of the various Sub-Committees and IBD Trustee Board roles and Governance were included in the induction.

Any ongoing articles of interest with regards to Governance updates are circulated periodically by the Chief Executive Officer and Secretary of the Trustees and discussed at subsequent Trustees' Meetings.

Organisation and Trustees' Meetings

The Board has established quarterly meetings with an Agenda that has several fixed items with additional matters as appropriate. During 2020, meetings were predominantly on Zoom and often held over more than 1 session/day.

A Chief Executive Officer is appointed by the Trustees and is charged with managing and achieving the goals of the organisation. He has day-to-day responsibility for implementing policy, overseen by the Trustees.

IBD employees are organised into functional areas under the leadership of the Chief Executive Officer.

Apart from highly confidential matters the Chief Executive Officer was present at all meetings in 2020.

At each intended quarterly meeting, prevailing items of relevance together with standing items of current relevance including Sub-Committee reports and actions undertaken as well as the Risk Register were considered. An operational management report in conjunction with the five-year strategic framework business plan is presented by the CEO and management accounts and annual budget/budget update forecasts are discussed together with any additional capital expenditure proposals.

Annual Presentations were made by the Investment Adviser and Lead Auditor.

At the end of each year the external audit plan is agreed and a full debrief held after the audit, any requirements put in hand before the accounts are signed in readiness for the AGM.

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Attendance at Trustee Meetings for 2020 was:

Trustee/Director	Number Eligible to attend	Number attended
T J Cooper	5	5
D M Murray	5	5
N S Fitch	5	4
K J Fairbrother	3	3
T O'Rourke	1	0
S G Price	5	5
D A Smith	5	5
I G Roberts	5	4
C J Walker	5	4
S N E Stelma	2	2
G W Calvert	2	2

Sub-Committees

Governance Sub-Committee

The Governance Committee plans to meet 4 times a year. It has reviewed and agreed our Terms of Reference. This year the main thrust of our work has been to re-write the Job Descriptions of the Officers and Trustees with the intention of expanding the diversity of skills, experience, and geographical locations that the roles encompass to influence future recruitment. We have also put in place formal Confidential Disclosure Agreements for Trustees to protect the Charity's sensitive information and modified our operating procedures to use a secure SharePoint site for sharing information. Another focus has been to monitor the impact the new Strategy may have on the Articles and Byelaws of the IBD so they can be updated if necessary.

Finance and Audit Sub-Committee

The Committee aims to meet every month. (9 times in 2020)

The Committee reports to the Board on various topics based on the terms of reference and recommends actions.

These topics cover:

- Monthly Management Accounts throughout 2020, with emphasis on the quarterly Accounts
- Final 2019 Annual Accounts
- Audit planning and reports, including auditor performance
- 2020 Budget performance and 2021 Budget proposal
- Reserves policy
- Investment Portfolio and Manager's performance
- Risk Schedule Review. Agreement has been made to transfer this area to a revamped Governance Sub-Committee.

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Operational Management Committee (OMC) formally known as Personnel Interest Group

The OMC, formally known as Personnel interest group was created with revised terms of reference.

Topics covered by the committee include personnel policies, evaluation of remuneration, pensions, and any annual increments. In addition, the committee will also evaluate any changes to HQ facilities and health and safety practices.

Nominations Sub-Committee:

During the year, the Sub-Committee considered:

- Trustee Job Descriptions
- Succession Planning
- Independent Trustee Candidates, Rules and Election Procedures
- Consideration of Deputy President 2021-2023
- Election process for two independent trustees, including reviewing and proposing names from the sections

Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2020.

A Deed of Covenant was signed with IBD under which it was agreed to Gift Aid all distributable profits to IBD.

The Beer Education Trust; The Beer Academy; The Beer and Cider Academy

These companies are dormant.

Composition and Activity of the Council

The President, Deputy President, Immediate Past President and Treasurer are all members of Council together with Section Representatives that volunteer to support regional activity acting as Section chairs and secretaries who are appointed locally.

Related parties and co-operation with other industry related organisations

All Trustees who received fees for work undertaken or monetary amounts from the IBD are recorded in Note 24 of the Financial Results and Review Section. No other Trustees receive remuneration or other benefit from their work with the Institute.

Any connection between a Trustee or senior manager of the Institute with a company, allied trader, supplier, wholesaler, retailer or other institution or organisation in the brewing, distilling, malting or fermentation industry or its supply chain or any related activity such as the taking of the Institutes' own qualifications or carrying out paid training for the same must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

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The following list sets out potential conflicts of interest due to industry involvement by Trustees and their connected parties:

There have been no further changes since each party has signed their Declaration forms.

Dr Timothy J Cooper is Managing Director of Coopers Brewery Adelaide who are a customer of IBD.

Ian G Roberts is Supply Chain Director of Lion who are a customer of IBD.

Nigel S Fitch is Chairman of the Incorporated Brewers' Benevolent Society (IBBS), which may sponsor candidates to study with IBD, and receive donations from Sections or members.

Douglas M Murray is Process and Liquid Technology Leader, also a Master Distiller and Master Blender for Diageo which is a customer of the IBD. He is a member of the IBD Board of Examiners and a Lecturer to the Alcohol School.

Timothy O'Rourke is founder and Director of the Brilliant Beer Company Ltd with his wife Joan and son Sean. They provide education and training support to students studying for IBD examinations. He also gives lectures and several other support services for IBD activities at Section and Company level as well as undertaking quality and audit assignments for Cask Marque. He provides technical and commercial consultancy for Brewing Companies. Tim is a member of the British Guild of Beer Writers publishing technical articles some of which have been published in the Brewer and Distiller International and appear in the Learning Zone. He conducts Brewing practical and literature research for books on brewing. Tim is a Certified Cicerone and has undertaken the Advance Cicerone Examinations.

Stephen G Price together with his wife, Nicola, is a Director of Steve Price Innovation limited which provides training for the IBD. He also works in innovation for the drinks industry and with an IBD customer. Stephen is an Honorary Associate Professor International Centre for Brewing Science at the University of Nottingham teaching management, innovation, and process parts for higher degrees in Brewing Science.

David A Smith together with his son Robert are Directors of Brewing Services & Consultancy Ltd which provides technical assistance and training and are a customer of IBD.

Caroline J Walker writes articles for the BDI and in 2019 made a joint application with the 180 to BREF for a grant.

Will Calvert is a Director of WEBREW Taverns Ltd, Windsor and Eton Brewing Company Ltd and Swan Clewer Community Interest Company. There are no transactions between these entities and IBD.

Sandra Stelma is Head of Science at Diageo who is a customer of IBD, Member of Brewers of Europe and Vice President of European Brewery Convention.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Institute's Trustees (who are also the Directors of the Institute of Brewing & Distilling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Institute's Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resource and application of resources, including the income and expenditure, of the group for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principle in the Charities SORP (Statement of Recommended Practice)
- make judgements and 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 the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulation 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information include on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information of which the group and charitable company's auditor is unaware, and
- The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information

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Preparation of the report

- This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006

Auditors

- MHA MacIntyre Hudson has indicated its willingness to continue, subject to re-appointment at the AGM.

This report has been approved by the Board of Trustees and signed on its behalf by:



N S Fitch (Honorary Treasurer)

Date: 20th August 2021

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ADMINISTRATIVE DETAILS

Trustees and Directors of the Institute of Brewing & Distilling:

President	D M Murray
Deputy President	I G Roberts
Immediate Past President	T J Cooper
Treasurer	N S Fitch
Board Committees' Secretary	K J Fairbrother (resigned 9 th September 2020)
	C J Walker
	T O'Rourke (resigned 20 th May 2020)
	S G Price
	D A Smith
	S N E Stelma (joined 9 th September 2020)
	G W Calvert (joined 9 th September 2020)
Company Secretary	J W Avis

Directors of IBD Trading Limited – 05584522

Director and Company Secretary	J W Avis
Director	N S Fitch

The Beer Education Trust – 07952802

Director	J W Avis
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The Beer Educational Trust is a dormant Private Limited Company by guarantee without share capital and use of 'Limited' exemption.

The Beer Academy – 06277078

Director	J W Avis
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The Beer Academy is a dormant Private Limited Company by shares and use of 'Limited' exemption.

The Beer and Cider Academy Limited – 10572136

Director	J W Avis
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The Beer and Cider Academy is a dormant Private Limited Company by guarantee without share capital and use of 'Limited' exemption.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE INSTITUTE OF BREWING & DISTILLING FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Institute of Brewing & Distilling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 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 groups and parent charitable company's affairs as of 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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 Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

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Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the groups and parent charitable 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 Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management about any instances of non-compliance with laws and regulations.
- Reviewing the design and implementation of control systems in place.
- Testing the operational effectiveness of the controls.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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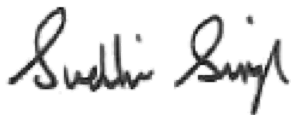
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

For and behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 7 September 2021

THE INSTITUTE OF BREWING & DISTILLING
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: INCORPORATING INCOME
AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted Funds	Restricted Funds	Total funds	Total funds
	Note	2020 £	2020 £	2020 £	2019 £
INCOME FROM:					
Charitable activities	2	1,712,418		1,712,418	2,235,195
Other trading activities	3	88,425		88,425	146,476
Investments	4	16,819	5,128	21,947	47,594
TOTAL INCOME		1,817,662	5,128	1,822,790	2,429,265
EXPENDITURE ON:					
Raising funds	5	69,588	-	69,588	263,976
Charitable activities	6	2,171,047	24,622	2,195,669	2,525,456
TOTAL EXPENDITURE		2,240,635	24,622	2,265,257	2,789,432
NET (EXPENDITURE) BEFORE INVESTMENT GAINS		(422,973)	(19,494)	(442,467)	(360,167)
Net gains on investments	14	42,899	8,791	51,690	198,095
NET (EXPENDITURE) BEFORE TRANSFERS		(380,074)	(10,703)	(390,777)	(162,072)
Transfers between Funds	19				
NET (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(380,074)	(10,703)	(390,777)	(162,072)
NET MOVEMENT IN FUNDS		(380,074)	(10,703)	(390,777)	(162,072)
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,962,533	288,439	5,250,972	5,413,044
TOTAL FUNDS CARRIED FORWARD		4,582,458	277,736	4,860,195	5,250,972

The notes on pages 30 to 50 form part of these financial statements.

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2020 £	2020 £	2020 £	2019 £
INCOME FROM:					
Donations	25	67,946	-	67,946	69,529
Charitable activities	2	1,712,418	-	1,712,418	2,235,195
Other trading activities	3	12,664	-	12,664	56,703
Investments	4	16,819	5,128	21,947	47,594
TOTAL INCOME		1,809,846	5,128	1,814,974	2,409,021
EXPENDITURE ON:					
Raising funds	5	61,773	-	61,773	243,732
Charitable activities	6	2,171,047	24,622	2,195,669	2,525,456
TOTAL EXPENDITURE		2,232,820	24,622	2,257,442	2,769,188
NET (EXPENDITURE) BEFORE INVESTMENT GAINS		(422,974)	(19,494)	(442,468)	(360,167)
Net gains on investments	14	42,899	8,791	51,690	198,095
NET (EXPENDITURE) BEFORE TRANSFERS		(380,075)	(10,703)	(390,778)	(162,072)
Transfers between Funds	19				-
NET (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(380,075)	(10,703)	(390,778)	(162,072)
NET MOVEMENT IN FUNDS		(380,075)	(10,703)	(390,778)	(162,072)
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,956,640	288,439	5,245,079	5,407,151
TOTAL FUNDS CARRIED FORWARD		4,576,565	277,736	4,854,301	5,245,079

The notes on pages 30 to 50 form part of these financial statements.

THE INSTITUTE OF BREWING & DISTILLING
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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

		Company Registration Number 01217770	
		2020	2019
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,773,846	2,833,188
Investments	14	1,790,750	1,726,725
Intangible assets	15	390,137	154,356
		4,954,733	4,714,269
CURRENT ASSETS			
Debtors	16	488,554	501,840
Cash at bank and in hand		1,017,276	1,368,157
		1,505,830	1,869,997
CREDITORS: amounts falling due within one year	17	(1,600,368)	(1,123,467)
NET CURRENT ASSETS		(94,538)	746,530
CREDITORS: amounts falling due after one year			(209,827)
NET ASSETS		4,860,195	5,250,972
CHARITY FUNDS			
Restricted funds	19	277,736	288,439
Unrestricted funds	19	4,582,459	4,962,533
TOTAL FUNDS		4,860,195	5,250,972

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
N S Fitch (Honorary Treasurer)

Date: 20th August 2021

THE INSTITUTE OF BREWING & DISTILLING
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CHARITY BALANCE SHEET AS AT 31 DECEMBER 2020

		Company Registration Number 01217770	
		2020	2019
	Note	£	£
FIXED ASSETS			
Tangible assets	13	2,773,846	2,833,188
Investments	14	1,790,750	1,726,725
Intangible assets	15	390,137	154,356
		4,954,733	4,714,269
CURRENT ASSETS			
Debtors	16	410,031	461,060
Cash at bank and in hand		893,561	1,347,990
		1,303,592	1,809,050
CREDITORS: amounts falling due within one year	17	(1,404,024)	(1,278,240)
NET CURRENT ASSETS		(100,432)	530,810
NET ASSETS		4,854,301	5,245,079
CHARITY FUNDS			
Restricted funds	19	277,736	288,439
Unrestricted funds	19	4,576,565	4,956,640
TOTAL FUNDS		4,854,301	5,245,079

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf, by:



.....
N S Fitch (Honorary Treasurer)

Date: 20th August 2021

THE INSTITUTE OF BREWING & DISTILLING
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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided/ (used in) by operating activities	21	<u>91,460</u>	<u>204,416</u>
Cash flows from investing activities:			
Dividends, interest, and rents from investments	4	21,947	47,594
Purchase of tangible fixed assets	13	-	(25,072)
Purchase of intangible fixed assets	15	(436,495)	(177,884)
Proceeds from sale of investments	14	598,424	433,789
Cash transferred to investments	14	(17,696)	(20,291)
Purchase of and gain on investments	14	<u>(608,521)</u>	<u>(490,890)</u>
Net cash used in investing activities		(442,341)	(232,754)
Change in cash and cash equivalents in the year		(350,881)	(28,338)
Cash and cash equivalents brought forward	22	1,368,157	1,396,495
Cash and cash equivalents carried forward	22	<u>1,017,276</u>	<u>1,368,157</u>

The notes on pages 30 to 50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 updated October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Brewing & Distilling meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Institute and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

1.2 Group Financial Statements

These financial statements consolidate the results of the Institute and its wholly owned subsidiary, IBD Trading Limited, on a line-by-line basis.

IBD Trading Limited (Company registration number 05584522), a company registered in England & Wales, was active throughout the current and previous financial year.

The Beer Academy Limited (Company registration number 06277078), a company registered in England & Wales, was dormant throughout the current financial year as all financial activities had been transferred to IBD in 2016.

The Beer and Cider Academy (Company registration number 10572136) and The Beer Education Trust (Company registration number 07952802) are companies registered in England and Wales and were dormant in the current and previous financial year so have not been consolidated.

1.3 Company Status

The Institute is a private company limited by guarantee (Company registration number 01217770). The Directors of the Institute are the Trustees named on page 20. In the event of the Institute being wound up, the liability in respect of the guarantee is limited to £1 per member of the Institute.

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Institute and which have not been designated for other purposes.

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Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Institute for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Institute is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations are recognised in the year in which they are receivable.

Advertising income is recognised when the publication is printed.

Membership subscriptions are recognised in the calendar year to which they relate.

Publications income comprises subscriptions to and sales of the IBD's magazine and journal and is recognised on a receivable basis.

Education, training, and convention income comprises income from courses, events and sales of training material and is recognised in the year which the course or event takes place. Examination fees are recognised when the examinations take place.

Income received in advance is carried forward to the next accounting period as deferred income and included in creditors.

Grant and investment income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure recognition

All expenditure is accounted for on an accrual basis & has been classified under categories that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Support costs, which cannot be directly attributed to particular activities have been apportioned proportionately to the direct income generated from the Charity's activities. This is a change to accounting estimate and not policy. This change has been made to ensure the apportionment is done in a manner that is fair and reasonable and does not therefore require a prior year adjustment nor a restatement of comparatives of Support costs which are analysed in Note 7. Governance costs include the costs of servicing Trustee's meetings, audit & strategic planning, and have been allocated back to support costs.

Specific expenditure incurred on events taking place after the year end is carried forward as a prepayment and included in debtors.

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1.7 Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue including the impact of COVID-19.

The Trustees have made this assessment for a period to the end of August 2022 being more than one year from the date of the approval of these financial statements. When assessing, the trustees reviewed its overall reserves, cost and revenue implications and any specific additional costs. It concluded that for the period assessed, its cost base will reduce in line with any reduction in revenue caused by COVID-19. Its dialogue with learning and development managers of key breweries has helped the Trustees to gain more certainty as the majority of the larger Breweries have remained resilient to the pandemic and are committed to continue their staff training programmes with IBD. The Trustees have therefore concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

1.8 Basis of Consolidation

The financial statements consolidate the accounts of The Institute of Brewing & Distilling and all its subsidiary undertakings ('subsidiaries'). The Institute has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.9 Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on assets in the year of acquisition; a full year of depreciation is charged in the year of disposal.

Depreciation on all assets is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Long-term leasehold property - 100 years straight line

Leasehold improvements - 15 years straight line

Office furniture - 10 years straight line

Equipment - 3 years straight line

Land held under long lease - not depreciated

1.10 Investments

Fixed asset investments are a form of basic financial instrument, initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise. Investments in subsidiaries are valued at cost less provision for impairment.

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1.11 Intangible Assets

Learning and development activities in relation to courses and exams are assessed and capitalised as internally developed intangible assets against the criteria set out in FRS102.

To assess whether an internally generated intangible asset meets the criteria for recognition, the generation of the asset is classified into either: a research phase, or a development phase.

If the IBD cannot distinguish the research from the development phase, the expenditure will be treated as if it were incurred in the research phase only. Any revenues generated during the development phase will be deducted from the value of the asset prior to any live piloting phase.

The intangible assets are measured at cost. This comprises purchase price of any third party as well as internally generated materials, software, and any directly attributable costs of preparing the asset for its intended use.

All training costs, indirect employee costs and promotional costs will be expensed in the financial year.

The IBD considers the useful life of all internally developed courses as finite. The assets are amortised on a straight-line basis over three financial years. The first full year of amortisation is the year in which the completed asset is piloted in live environment.

The residual value of an intangible asset with a finite useful life will be zero unless:

There is a commitment by a third party to purchase either the courses or the educational delivery process at the end of its useful life to the IBD, or there is an active market for the asset, residual value can be determined by reference to that market, and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and carrying value will be reviewed at least at the end of each annual reporting period. If the asset is no longer in use, then any residual value will be fully amortised unless the asset is held for sale.

1.12 Debtors Receivable and Creditors Payable within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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1.14 Financial Instruments

The Institute only holds basic Financial Instruments. The financial assets and financial liabilities of the Institute are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Short Term Employee Benefits

When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.16 Termination Benefits

Termination benefits, including redundancy costs, are recognised when the Charity has the obligation to pay the benefits and they can be reliably measured

1.17 Pensions

The Institute offers an approved auto enrolment defined contribution pension scheme which is open to all employees that meet the criteria for auto enrolment. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

1.18 Taxation

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.19 Sections

The Institute is offered regionally through five Sections in the British Isles which act as Branches of the Institute.

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Management receives annual returns from these Sections. The results of the British Isles Sections have been included in these financial statements.

The Institute also services members based overseas through two overseas Sections which are constituted as separate local legal entities and an international Section. The Institute has no financial or operational control over the assets of the 2 overseas Sections and therefore their transactions, assets and liabilities have not been included in these financial statements.

1.20 Critical Accounting Estimates and Areas of Judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Basis of valuation of financial investments

Allocation of support costs

Basis of recognition of internally generated intangible assets

Expected useful economic lives of tangible and intangible assets

Judgement surrounding the treatment of the National Brewing Library collection and the silver trophies

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2. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Membership	309,833	-	309,833	395,955
Education	1,350,936	-	1,350,936	1,681,726
Publications and Technical	28,102	-	28,102	29,982
Sections and Events	23,547	-	23,547	127,532
Total 2020	1,712,418	-	1,712,418	2,235,195
Total 2019	2,235,195	-	2,235,195	-

3. INCOME FROM TRADING ACTIVITIES – RAISING FUNDS - GROUP AND CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
IBD Trading Ltd Advertising	75,761	-	75,761	89,773
Rent income plus VAT net repayment under capital goods scheme	12,664	-	12,664	56,703
Total 2020	88,425	-	88,425	146,476
Total 2019	89,773	-	89,773	-

4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Dividend on listed investments	13,601	5,128	18,728	42,465
Bank interest receivable	3,218	-	3,218	5,129
Total 2020	16,819	5,128	21,947	
Total 2019	41,497	6,097	47,594	47,594

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5. EXPENDITURE ON RAISING FUNDS – GROUP AND CHARITY

	2020	2019
	£	£
IBD Trading Ltd	7,815	20,244
Direct costs	43,210	147,319
Support costs	18,563	96,413
Total	69,588	263,976

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES – CURRENT YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2020	2020	2020	2020
	£	£	£	£
Membership	269,738	-	244,255	513,993
Education	580,614	-	1,065,002	1,645,616
Publications and Technical	-	-	22,155	22,155
Sections and Events	-	13,905	-	13,905
Total 2020	850,352	13,905	1,331,412	2,195,669
Total 2019	910,218	21,860	1,593,378	2,525,456

Support costs (Note 7) have been allocated based on income generated from each of the activity. The change in allocation basis to better reflect the use of support resources has meant that more support expenditure is allocated to membership and education activities, these being the core activities for which support resources are deployed.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES – PRIOR YEAR

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	2019	2019	2019	2019
	£	£	£	£
Membership	263,501	-	299,339	562,840
Education	626,504	-	1,271,373	1,897,877
Publications and Technical	-	-	22,666	22,666
Sections and Events	20,213	21,860	-	42,073
Total	910,218	21,860	1,593,378	2,525,456

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7. SUPPORT COSTS – CURRENT YEAR

	Raising Funds	Charitable Activities	2020	2019
	£	£	£	£
Premises costs	743	53,323	54,067	103,625
General office costs	3,563	255,529	259,092	574,489
Project development	801	57,418	58,219	303,200
Staff meeting and training expenses	14	1,018	1,033	-
Governance costs (non-staff)	589	42,269	42,858	50,996
Other staff costs	175	12,570	12,745	91,459
Support staff costs	11,862	850,759	862,620	484,136
Depreciation	816	58,526	59,342	81,887
Total	18,563	1,331,412	1,349,975	1,689,792

Included within support staff costs are £83,207 of governance staff costs (2019: £26,148).

Governance costs are analysed in Note 9.

SUPPORT COSTS – PRIOR YEAR

	Raising Funds	Charitable Activities	2019
	£	£	£
Premises costs	5,912	97,713	103,625
General office costs	32,778	541,711	574,489
Project development	17,299	285,901	303,200
Staff meeting and training expenses	-	-	-
Governance costs (non-staff)	2,910	48,086	50,996
Other staff costs	5,218	86,241	91,459
Support staff costs	27,623	456,513	484,136
Depreciation	4,672	77,215	81,887
Total	96,412	1,593,380	1,689,792

8. ANALYSIS OF GRANTS – CURRENT YEAR

	Grants to Institutions	Grants to Individuals	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Grants	13,905	-	13,905	21,860
	13,905	-	13,905	

9. GOVERNANCE COSTS

	2020	2019
	£	£
Auditors' remuneration	18,000	18,000
Under accrual for prior year's auditors remuneration	3,900	15,250
Training meeting and training expenses	826	7,468
Catering and Meeting costs	123	519
Legal and Professional fees	17,663	9,726
Other costs	2,346	33
Total	42,858	50,996

The total for governance costs above excludes governance staff costs of £83,207 (2019: £26,148) as these have been reported within support staff costs in Note 7.

The total governance costs for the year, including these staff costs, is £126,065 (2019: £77,144).

10. NET EXPENDITURE

This is stated after charging:

	2020	2019
	£	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	260,056	82,448
Auditors' remuneration	18,000	18,000
Auditors' remuneration - under accrual of prior year	3,900	15,250
Support costs - auditors' remuneration - other services	1,150	60,911

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £18,000 (2019: £18,000), with under accrual of £3,900 (2019: £15,250) from the prior year. Payments for other services were £1,150 (2019: £60,911) relating to accounts preparation services, corporation tax services and financial management.

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12. STAFF COSTS

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	931,239	808,996
Social security costs	100,721	83,683
Redundancies	19,540	-
Other pension costs	58,285	41,766
	1,109,785	934,445

The average number of persons employed by the Institute during the year was as follows:

	2020	2019
	No.	No.
Staff	23	22

The number of higher paid employees was:

	2020	2019
	No.	No.
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

Last year, the key personnel management consisted of the Chief Executive, Head of Learning & Development, and the Head of Publications. Financial and Project management previously outsourced to consultants were brought inhouse and led to new appointments of Head of Finance and Business Support and Head of Project Management. These two posts have increased the Key Management Personnel costs to £331,611 (2019: £229,149).

Due to restructuring of head office and fixed term contracts ending, a total of £19,540 (2019: £nil) redundancy costs were paid in the year.

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £52,475 (2019: £41,766). There were contributions outstanding at the year-end of £4,468 (2019: £5,601).

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property	Leasehold improvement	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Group and Charity Cost					
At 1 January 2020	2,785,259	282,244	43,635	136,265	3,247,403
Additions					-
Disposals	-	-	-	-	-
At 31 December 2020	2,785,259	282,244	43,635	136,265	3,247,403
Depreciation					
At 1 January 2020	140,515	107,588	41,753	124,359	414,215
Charge in the year	27,853	27,332	188	3,969	59,342
At 31 December 2020	168,368	134,920	41,941	128,328	473,557
Net Book Value					
At 31 December 2020	2,616,891	147,324	1,694	7,937	2,773,846
At 31 December 2019	2,644,744	174,657	1,882	11,906	2,833,188

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK	2020 £	2019 £
Quoted Investments	1,764,381	1,706,434
Quoted Liquid Funds	26,369	20,291
Total Investments held with Fund Managers	1,790,750	1,726,725
Reconciliation of investments held with fund managers	2020 £	2019 £
Market Value		
At 1 January 2020	1,726,725	1,493,128
Additions at cost	598,424	490,890
Disposals at carrying value	(608,521)	(433,789)
Net Unrealised gains	68,044	198,095
Movement in Cash	6,078	(21,599)

The charity has invested a total of £4 in subsidiary undertakings.

This is detailed in note 25.

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15. INTANGIBLE FIXED ASSETS

Group and Charity

	2020	2019
	£	£
Cost		
At 1 January	177,883	-
Additions	436,495	177,884
Total	614,378	177,884
Amortisation		
At 1 January	23,528	23,528
Charge for the year	200,713	-
Total	224,241	23,528
Net book value		
At 31 December	390,137	154,356

Intangible assets primarily relate to costs incurred for the development of the Institutes learning resources.

16. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	257,824	215,762	257,824	215,762
Amounts owed by group undertakings	-	-	18,496	115,179
Other debtors	77,688	117,119	80,402	89,918
Prepayments and accrued income	153,043	168,959	53,309	40,201
	488,554	501,840	410,031	461,060

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17. CREDITORS: Amounts falling due within one year

	2020	Group	2020	Charity
	£	2019	£	2019
Trade creditors	101,152	241,962	99,952	212,802
Amounts owed to group undertakings	-		183,038	212,347
Other taxation and social security	44,498	42,906	44,498	42,906
Other creditors	88,723	28,322	88,437	9,889
WDSC Conference	343,805		-	
Accruals	84,992		50,900	
Deferred income	937,198	810,277	937,198	800,206
	1,600,368	1,123,467	1,404,024	1,278,150

CREDITORS: Amounts falling due within one year (continued)

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Deferred Income				
Deferred Income at 1 January 2020	853,760	614,032	643,793	614,032
Resources deferred during the year	937,198	853,760	937,484	643,793
Amounts released from previous years	(853,760)	(614,032)	(643,793)	(614,032)
Deferred Income at 31 December 2020	937,198	853,760	937,484	643,793

Income deferred in the year relates to 2021 membership fees, education fees and the postponement of the Scottish Section dinner event.

18. CREDITORS: Amounts falling due after one year

There are no creditors falling due after one year (2019: £209,827)

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19. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2020	Income	Expenditure	Transfers in/out	Gains/(Losses)	Balance at 31 December 2020
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,833,188		(59,342)	-	-	2,773,846
Sections	69,120	30,984	(25,500)	-	-	74,604
Scottish Section	279,717	32,363	(27,942)	-	10,996	295,133
Library Fund	20,276	-	-	(20,276)	-	-
Young Scientist Symposium						13,533
	13,533	-	-	0	-	
Curlew Fund	22,125	-	-	(22,125)	-	-
	3,237,959	63,347	(112,784)	(42,401)	10,996	3,157,116
General funds						
General Fund	1,724,573	1,754,316	(2,127,851)	42,401	31,903	1,425,342
Total Unrestricted Funds	4,962,532	1,817,663	(2,240,635)	-	42,899	4,582,459
Restricted Funds						
John S Ford Memorial	26,771	-	-	-	-	26,771
J. J. Morison Fund	230,188	5,128	(18,958)	-	8,791	225,149
IoB London Section Trust Fund	25,920	-	(5,664)	-	-	20,256
IBD Hop Industry	5,560	-	-	-	-	5,560
	288,439	5,128	(24,622)	-	8,791	277,736
Total of Funds	5,250,971	1,822,791	(2,265,257)	-	51,690	4,860,195

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STATEMENT OF FUNDS (continued)

Fixed Assets Fund

This fund represents the net book value of the IBD's unrestricted tangible assets as at the end of the year.

British Isles Sections

This fund represents the carrying amount of funds held on behalf of the UK and Irish sections that are regional branches of the Charity.

Scottish Section

This fund represents the carrying amount of funds transferred from previously restricted funds held for the Scottish Section, a regional branch of the Charity.

Library Fund

The Library of the IBD is held within the National Brewing Library at Oxford Brookes University. The Library has been on permanent loan since 2000 & it is maintained & insured by the University. No value of the Library has been included in these accounts. An allocation of £25,000 from the net sale of books in previous years, together with sales in 2014 was designated for future use however since there has been no movement in the last three years, the Board has now cancelled this designation and transferred funds to General Reserves.

Young Scientist Symposium Fund

The Young Scientists Symposium (YSS) in Malting, Brewing & Distilling is open to both junior and senior scientists and delegates from industry in order to encourage cooperation between experienced and young researchers, as well as between industry, universities and research institutes worldwide. We have not been able to carry out the planned activities for the YSS in 2020 due to the Pandemic and so this fund has remained unutilised but remains designated for this purpose as we expect the activities to resume once the restrictions have ended.

John S Ford Memorial

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year.

Curlew Fund

The Curlew Fund had been created to pool transferred amounts from previously restricted funds. This fund has now transferred to General Reserves.

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J J Morison Fund

The JJ Morison Fund was donated to support annual awards to assist in further education in the science & technology of brewing and distilling.

IoB London Section Trust Fund

The IoB London Section Trust Fund was established from residual funds of the IoB London Section, obtained from their Oxford and Cambridge meetings, when the Institute of Brewing merged with the International Brewers Guild.

IBD Hop Industry Fund

The IBD Hop Industry Fund supports development of new hop varieties within the UK & also the annual IBD Hop Awards which celebrate agronomic excellence.

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GROUP STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 J anuary 2019	Income	Expenditure	Transfers in/out	Gains/(Losse s)	Balance at 31 December 2019
	£	£	£	£	£	£
Designated funds						
Fixed Assets	2,866,475	-	-	(33,287)	-	2,833,188
British Isles Sections	70,463	65,852	(49,964)	(17,231)	-	69,120
Scottish Section	299,794	50,188	(83,155)	(13,041)	25,932	279,717
Library Fund	20,276	-	-	-	-	20,276
Young Scientist Symposium	32,085	-	(18,552)	-	-	13,533
Curlew Fund	625	-	-	21,500	-	22,125
	3,289,718	116,040	(151,671)	(42,059)	25,932	3,237,960
General funds						
General Fund	1,835,134	2,307,128	(2,633,236)	63,559	151,988	1,724,573
Total Unrestricted Funds	5,124,852	2,423,168	(2,784,907)	21,500	177,920	4,962,533
Restricted Funds						
J ohn S Ford Memorial	26,771	-	-	-	-	26,771
Sir William Walter Butler Beques	124	-	(124)	-	-	-
J . J . Morison Fund	208,317	6,097	(4,401)	-	20,175	230,188
IoB London Section Trust Fund	25,920	-	-	-	-	25,920
Henry Mitchell Memorial	5,583	-	-	(5,583)	-	-
Laurence Bishop Silver Medal	89	-	-	(89)	-	-
Aviemore	514	-	-	(514)	-	-
IBD Hop Industry	5,560	-	-	-	-	5,560
Centenary Scholarship	15,314	-	-	(15,314)	-	-
	288,192	6,097	(4,525)	(21,500)	20,175	288,439
Total of funds	5,413,044	2,429,265	(2,789,432)	-	198,095	5,250,972

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20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2020	2020	2020
	£	£	£
Tangible and intangible assets	3,163,983		3,163,983
Fixed asset investments	1,565,601	225,149	1,790,750
Current assets	1,505,830		1,505,830
Creditors due within one year	(1,600,368)		(1,600,368)
Creditors due after one year	-	-	-
	4,635,046	-	4,860,195

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total Funds
	2019	2019	2019
	£	£	£
Tangible and intangible assets	2,987,544	-	2,987,544
Fixed asset investments	1,496,537	230,188	1,726,725
Current assets	1,811,746	58,251	1,869,997
Creditors due within one year	(1,123,467)	-	(1,123,467)
Creditors due after one year	(209,827)	-	(209,827)
	4,962,533	288,439	5,250,972

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM
OPERATING ACTIVITIES - Group**

	2020	2019
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(390,778)	(162,072)
Adjustment for:		
Depreciation and amortisation charges	275,513	82,448
Loss / (gain) on investments	(51,690)	(198,095)
Investment income	(21,947)	(47,594)
Loss on the sale of fixed assets	-	-
Decrease in debtors	13,288	213,203
Increase in creditors	267,074	316,526
Net cash (used in)/provided by operating activities	91,460	204,416

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2020	2019
	£	£
Cash in hand	1,017,276	1,368,157
Total	1,017,276	1,368,157

23. PENSION COMMITMENTS

The Charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £52,475 (2019: £41,766). Contributions totalling £4,468 (2019: £5,601) were payable to the fund at the balance sheet date and are included within creditors.

24. RELATED PARTY TRANSACTIONS

During the year, 3 Trustees were reimbursed £766 for travel & accommodation expenses (2019, 6 Trustees were reimbursed £5,446). No trustees have been paid any remuneration or received any other benefits.

No Trustees have been paid any remuneration or received any other benefits.

Training fees of £1,875 were paid to Steve Price Innovation Ltd, where S Price is a director. (2019: £1,950)

Author fees of £1,650 were paid to Dr Caroline J Walker Ltd, where C Walker is a director. (2019: £1,440).

In 2020, IBD made a donation to the Incorporated Brewers' Benevolent Society, where N S Fitch is chairman, of £1,087, and fees in relation to training of £1,650 were received. There were no transactions in 2019.

25. PRINCIPAL SUBSIDIARIES

The Beer Academy Limited

The Institute owns 100% of the issued share capital of The Beer Academy Limited, a company limited by shares and registered in England & Wales (company number 06277078), which was incorporated on 12 June 2007 & started to trade on 31 July 2007. It has 2 issued ordinary shares at a par value of £1 each. It ceased to trade on 31 December 2016. The registered office of The Beer Academy Limited is 44A Curlew Street, London SE1 2ND. The Beer Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

THE INSTITUTE OF BREWING & DISTILLING
(A company limited by guarantee)

The Beer and Cider Academy

The Institute owns 100% of the issued share capital of The Beer and Cider Academy, a company limited by shares and registered in England and Wales (company number 10572136), which was incorporated on 19 January 2018. It has 1 issued ordinary shares at a par value of £1 each. The company was dormant throughout the current financial year. The registered office of The Beer and Cider Academy is 44A Curlew Street, London SE1 2ND. The Beer and Cider Academy have taken an exemption from audit by virtue of s374A of the Companies Act.

The Beer Education Trust

The Institute owns 100% of the issued share capital of The Beer Education Trust, a company limited by shares and registered in England and Wales (company number 07952802), which was incorporated on 16 February 2012. The company was dormant throughout the current financial year. The registered office of The Beer Education Trust is 44A Curlew Street, London SE1 2ND. The Beer Education Trust have taken an exemption from audit by virtue of s374A of the Companies Act.

IBD Trading Limited

The Institute owns 100% of the issued share capital of IBD Trading Limited, a company limited by shares and registered in England & Wales (company number 05584522), which was incorporated on 6 October 2005. It has 1 issued ordinary share at a par value of £1. The registered office of The IBD Trading Limited is 44A Curlew Street, London SE1 2ND.

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £67,946 (2019: £69,529).

The principal activities of IBD Trading Limited are the organisation and delivery of the Worldwide Distilled Spirits Convention and other commercial activities. The results of IBD Trading Limited are presented below.

IBD Trading Limited

Subsidiary name	IBD Trading Limited
Company registration number	5584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2020	£406,486
Total Liabilities as at 31 December 2020	£405,155
Total equity as at 31 December 2020	£1,331
Turnover for the year ended 31 December 2020	£75,761
Expenditure for the year ended 31 December 2020	£75,761
Profit for the year ended 31 December 2020	nil