

**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 2020**

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**THE INSTITUTE OF BREWING & DISTILLING**  
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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 24<sup>th</sup> June 2015.

There were no changes to the Articles in 2020. Byelaw 13 was amended at an EGM on 4<sup>th</sup> 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

**THE INSTITUTE OF BREWING & DISTILLING**  
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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 <sup>th</sup> September 2020)
	C J Walker
	T O'Rourke (resigned 20 <sup>th</sup> May 2020)
	S G Price
	D A Smith
	S N E Stelma (joined 9 <sup>th</sup> September 2020)
	G W Calvert (joined 9 <sup>th</sup> 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.

## **THE INSTITUTE OF BREWING & DISTILLING**

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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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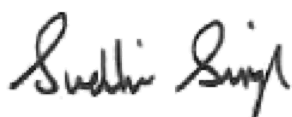
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 £
<b>INCOME FROM:</b>					
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
<b>TOTAL INCOME</b>		<b>1,817,662</b>	<b>5,128</b>	<b>1,822,790</b>	<b>2,429,265</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	69,588	-	69,588	263,976
Charitable activities	6	2,171,047	24,622	2,195,669	2,525,456
<b>TOTAL EXPENDITURE</b>		<b>2,240,635</b>	<b>24,622</b>	<b>2,265,257</b>	<b>2,789,432</b>
<b>NET (EXPENDITURE) BEFORE INVESTMENT GAINS</b>		<b>(422,973)</b>	<b>(19,494)</b>	<b>(442,467)</b>	<b>(360,167)</b>
Net gains on investments	14	42,899	8,791	51,690	198,095
<b>NET (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(380,074)</b>	<b>(10,703)</b>	<b>(390,777)</b>	<b>(162,072)</b>
Transfers between Funds	19				
<b>NET (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(380,074)</b>	<b>(10,703)</b>	<b>(390,777)</b>	<b>(162,072)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(380,074)</b>	<b>(10,703)</b>	<b>(390,777)</b>	<b>(162,072)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		4,962,533	288,439	5,250,972	5,413,044
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,582,458</b>	<b>277,736</b>	<b>4,860,195</b>	<b>5,250,972</b>

The notes on pages 30 to 50 form part of these financial statements.

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

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING INCOME AND EXPENDITURE ACCOUNT**

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2020 £	2020 £	2020 £	2019 £
<b>INCOME FROM:</b>					
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
<b>TOTAL INCOME</b>		<b>1,809,846</b>	<b>5,128</b>	<b>1,814,974</b>	<b>2,409,021</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	61,773	-	61,773	243,732
Charitable activities	6	2,171,047	24,622	2,195,669	2,525,456
<b>TOTAL EXPENDITURE</b>		<b>2,232,820</b>	<b>24,622</b>	<b>2,257,442</b>	<b>2,769,188</b>
<b>NET (EXPENDITURE) BEFORE INVESTMENT GAINS</b>		<b>(422,974)</b>	<b>(19,494)</b>	<b>(442,468)</b>	<b>(360,167)</b>
Net gains on investments	14	42,899	8,791	51,690	198,095
<b>NET (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(380,075)</b>	<b>(10,703)</b>	<b>(390,778)</b>	<b>(162,072)</b>
Transfers between Funds	19				-
<b>NET (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(380,075)</b>	<b>(10,703)</b>	<b>(390,778)</b>	<b>(162,072)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(380,075)</b>	<b>(10,703)</b>	<b>(390,778)</b>	<b>(162,072)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		4,956,640	288,439	5,245,079	5,407,151
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,576,565</b>	<b>277,736</b>	<b>4,854,301</b>	<b>5,245,079</b>

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**

		<b>Company Registration Number 01217770</b>	
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	13	<b>2,773,846</b>	2,833,188
Investments	14	<b>1,790,750</b>	1,726,725
Intangible assets	15	<b>390,137</b>	154,356
		<b>4,954,733</b>	4,714,269
<b>CURRENT ASSETS</b>			
Debtors	16	<b>488,554</b>	501,840
Cash at bank and in hand		<b>1,017,276</b>	1,368,157
		<b>1,505,830</b>	1,869,997
<b>CREDITORS: amounts falling due within one year</b>	17	<b>(1,600,368)</b>	(1,123,467)
<b>NET CURRENT ASSETS</b>		<b>(94,538)</b>	746,530
<b>CREDITORS: amounts falling due after one year</b>			(209,827)
<b>NET ASSETS</b>		<b>4,860,195</b>	5,250,972
<b>CHARITY FUNDS</b>			
Restricted funds	19	<b>277,736</b>	288,439
Unrestricted funds	19	<b>4,582,459</b>	4,962,533
<b>TOTAL FUNDS</b>		<b>4,860,195</b>	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**

		<b>Company Registration Number 01217770</b>	
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	13	<b>2,773,846</b>	2,833,188
Investments	14	<b>1,790,750</b>	1,726,725
Intangible assets	15	<b>390,137</b>	154,356
		<b>4,954,733</b>	4,714,269
<b>CURRENT ASSETS</b>			
Debtors	16	<b>410,031</b>	461,060
Cash at bank and in hand		<b>893,561</b>	1,347,990
		<b>1,303,592</b>	1,809,050
<b>CREDITORS: amounts falling due within one year</b>	17	<b>(1,404,024)</b>	(1,278,240)
<b>NET CURRENT ASSETS</b>		<b>(100,432)</b>	530,810
<b>NET ASSETS</b>		<b>4,854,301</b>	5,245,079
<b>CHARITY FUNDS</b>			
Restricted funds	19	<b>277,736</b>	288,439
Unrestricted funds	19	<b>4,576,565</b>	4,956,640
<b>TOTAL FUNDS</b>		<b>4,854,301</b>	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 £
<b>Cash flows from operating activities</b>			
Net cash provided/ (used in) by operating activities	21	<u>91,460</u>	<u>204,416</u>
<b>Cash flows from investing activities:</b>			
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>
<b>Net cash used in investing activities</b>		<b>(442,341)</b>	<b>(232,754)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(350,881)</b>	<b>(28,338)</b>
Cash and cash equivalents brought forward	22	1,368,157	1,396,495
<b>Cash and cash equivalents carried forward</b>	22	<u><b>1,017,276</b></u>	<u><b>1,368,157</b></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 Sections and Events	28,102	-	28,102	29,982
	23,547	-	23,547	127,532
Total 2020	<u>1,712,418</u>	<u>-</u>	<u>1,712,418</u>	<u>2,235,195</u>
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	<u>88,425</u>	<u>-</u>	<u>88,425</u>	<u>146,476</u>
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	<u>16,819</u>	<u>5,128</u>	<u>21,947</u>	
Total 2019	41,497	6,097	47,594	47,594

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**5. EXPENDITURE ON RAISING FUNDS – GROUP AND CHARITY**

	<b>2020</b>	2019
	<b>£</b>	£
IBD Trading Ltd	<b>7,815</b>	20,244
Direct costs	<b>43,210</b>	147,319
Support costs	<b>18,563</b>	96,413
Total	<b>69,588</b>	263,976

**6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES – CURRENT YEAR**

	<b>Activities undertaken directly</b>	<b>Grant funding of activities</b>	<b>Support Costs</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Membership	<b>269,738</b>	-	<b>244,255</b>	<b>513,993</b>
Education	<b>580,614</b>	-	<b>1,065,002</b>	<b>1,645,616</b>
Publications and Technical	-	-	<b>22,155</b>	<b>22,155</b>
Sections and Events	-	<b>13,905</b>	-	<b>13,905</b>
Total 2020	<b>850,352</b>	<b>13,905</b>	<b>1,331,412</b>	<b>2,195,669</b>
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**

	<b>Activities undertaken directly</b>	<b>Grant funding of activities</b>	<b>Support Costs</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Raising Funds</b>	<b>Charitable Activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Premises costs	<b>743</b>	<b>53,323</b>	<b>54,067</b>	103,625
General office costs	<b>3,563</b>	<b>255,529</b>	<b>259,092</b>	574,489
Project development	<b>801</b>	<b>57,418</b>	<b>58,219</b>	303,200
Staff meeting and training expenses	<b>14</b>	<b>1,018</b>	<b>1,033</b>	-
Governance costs (non-staff)	<b>589</b>	<b>42,269</b>	<b>42,858</b>	50,996
Other staff costs	<b>175</b>	<b>12,570</b>	<b>12,745</b>	91,459
Support staff costs	<b>11,862</b>	<b>850,759</b>	<b>862,620</b>	484,136
Depreciation	<b>816</b>	<b>58,526</b>	<b>59,342</b>	81,887
<b>Total</b>	<b>18,563</b>	<b>1,331,412</b>	<b>1,349,975</b>	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**

	<b>Raising Funds</b>	<b>Charitable Activities</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total</b>	<b>96,412</b>	<b>1,593,380</b>	<b>1,689,792</b>

**8. ANALYSIS OF GRANTS – CURRENT YEAR**

	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants	<b>13,905</b>	-	<b>13,905</b>	21,860
	<b>13,905</b>	-	<b>13,905</b>	

## **9. GOVERNANCE COSTS**

	<b>2020</b>	2019
	<b>£</b>	£
Auditors' remuneration	<b>18,000</b>	18,000
Under accrual for prior year's auditors remuneration	<b>3,900</b>	15,250
Training meeting and training expenses	<b>826</b>	7,468
Catering and Meeting costs	<b>123</b>	519
Legal and Professional fees	<b>17,663</b>	9,726
Other costs	<b>2,346</b>	33
Total	<b>42,858</b>	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:

	<b>2020</b>	2019
	<b>£</b>	£
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	<b>260,056</b>	82,448
Auditors' remuneration	<b>18,000</b>	18,000
Auditors' remuneration - under accrual of prior year	<b>3,900</b>	15,250
Support costs - auditors' remuneration - other services	<b>1,150</b>	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:

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>931,239</b>	808,996
Social security costs	<b>100,721</b>	83,683
Redundancies	<b>19,540</b>	-
Other pension costs	<b>58,285</b>	41,766
	<b>1,109,785</b>	934,445

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

	<b>2020</b>	2019
	<b>No.</b>	No.
Staff	<b>23</b>	22

The number of higher paid employees was:

	<b>2020</b>	2019
	<b>No.</b>	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
	£	£	£	£	£
<b>Group and Charity Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net Book Value</b>					
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	2,833,189

**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
<b>Reconciliation of investments held with fund managers</b>	2020 £	2019 £
<b>Market Value</b>		
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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January	<b>177,883</b>	-
Additions	<b>436,495</b>	177,884
Total	<b>614,378</b>	177,884
<b>Amortisation</b>		
At 1 January	<b>23,528</b>	23,528
Charge for the year	<b>200,713</b>	-
Total	<b>224,241</b>	<b>23,528</b>
<b>Net book value</b>		
At 31 December	<b>390,137</b>	<b>154,356</b>

Intangible assets primarily relate to costs incurred for the development of the Institutes learning resources.

**16. DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>257,824</b>	215,762	<b>257,824</b>	215,762
Amounts owed by group undertakings	-	-	<b>18,496</b>	115,179
Other debtors	<b>77,688</b>	117,119	<b>80,402</b>	89,918
Prepayments and accrued income	<b>153,043</b>	168,959	<b>53,309</b>	40,201
	<b>488,554</b>	501,840	<b>410,031</b>	461,060

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**17. CREDITORS: Amounts falling due within one year**

	<b>2020</b>	<b>Group</b>	<b>2020</b>	<b>Charity</b>
	<b>£</b>	<b>2019</b>	<b>£</b>	<b>2019</b>
Trade creditors	<b>101,152</b>	241,962	<b>99,952</b>	212,802
Amounts owed to group undertakings	-		<b>183,038</b>	212,347
Other taxation and social security	<b>44,498</b>	42,906	<b>44,498</b>	42,906
Other creditors	<b>88,723</b>	28,322	<b>88,437</b>	9,889
WDSC Conference	<b>343,805</b>		-	
Accruals	<b>84,992</b>		<b>50,900</b>	
Deferred income	<b>937,198</b>	810,277	<b>937,198</b>	800,206
	<b>1,600,368</b>	1,123,467	<b>1,404,024</b>	1,278,150

**CREDITORS: Amounts falling due within one year (continued)**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred Income</b>				
Deferred Income at 1 January 2020	<b>853,760</b>	614,032	<b>643,793</b>	614,032
Resources deferred during the year	<b>937,198</b>	853,760	<b>937,484</b>	643,793
Amounts released from previous years	<b>(853,760)</b>	(614,032)	<b>(643,793)</b>	<b>(614,032)</b>
Deferred Income at 31 December 2020	<b>937,198</b>	853,760	<b>937,484</b>	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
	£	£	£	£	£	£
<b>Designated funds</b>						
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
<b>General funds</b>						
General Fund	1,724,573	1,754,316	(2,127,851)	42,401	31,903	1,425,342
<b>Total Unrestricted Funds</b>	4,962,532	1,817,663	(2,240,635)	-	42,899	4,582,459
<b>Restricted Funds</b>						
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
<b>Total of Funds</b>	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 January 2019	Income	Expenditure	Transfers in/out	Gains/(Losses)	Balance at 31 December 2019
	£	£	£	£	£	£
<b>Designated funds</b>						
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
<b>General funds</b>						
General Fund	1,835,134	2,307,128	(2,633,236)	63,559	151,988	1,724,573
<b>Total Unrestricted Funds</b>	<b>5,124,852</b>	<b>2,423,168</b>	<b>(2,784,907)</b>	<b>21,500</b>	<b>177,920</b>	<b>4,962,533</b>
<b>Restricted Funds</b>						
John 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
<b>Total of funds</b>	<b>5,413,044</b>	<b>2,429,265</b>	<b>(2,789,432)</b>	<b>-</b>	<b>198,095</b>	<b>5,250,972</b>

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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	-	-	-
	<b>4,635,046</b>	<b>-</b>	<b>4,860,195</b>

**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)
	<b>4,962,533</b>	<b>288,439</b>	<b>5,250,972</b>

**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)	<b>(390,778)</b>	(162,072)
<b>Adjustment for:</b>		
Depreciation and amortisation charges	<b>275,513</b>	82,448
Loss / (gain) on investments	<b>(51,690)</b>	(198,095)
Investment income	<b>(21,947)</b>	(47,594)
Loss on the sale of fixed assets	-	-
Decrease in debtors	<b>13,288</b>	213,203
Increase in creditors	<b>267,074</b>	316,526
<b>Net cash (used in)/provided by operating activities</b>	<b>91,460</b>	204,416



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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group**

	2020	2019
	£	£
Cash in hand	<b>1,017,276</b>	1,368,157
Total	<b>1,017,276</b>	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.

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**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