

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 2022**

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

### **PRESIDENT'S INTRODUCTION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**President**  
Bhavya Mandanna

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### **CHIEF EXECUTIVE'S SUMMARY**

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

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

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

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

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

### **Education and Professional Development**

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

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

### **Examinations**

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

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**Member value**

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

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

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

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

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

**OBJECTIVES & ACTIVITIES**

Purpose and Public Benefit

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

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

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

Strategic Framework and Activities

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

**THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD**

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

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Our strategy to deliver the mission has five key elements:

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

### Fundraising

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

## **ACHIEVEMENTS & PERFORMANCE**

### Membership

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

### Education

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

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

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

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### Training

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

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

### Events

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

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

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

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

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

### Publications

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

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



facilitated through this portal.

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### Subsidiaries

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

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

### **PLANS FOR FUTURE PERIODS**

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

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

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

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

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

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

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

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### **FINANCIAL RESULTS**

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

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

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

#### Charitable Activities

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

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

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

#### Trading activities

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

### **POLICIES AND OBJECTIVES**

#### Reserves Policy

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

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

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

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

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### Investments Overview

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

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

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

### Investment Performance

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

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

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

### Investment Rules

Investment rules have been agreed with Atomos as follows:

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

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

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

All portfolios are at risk level 4 of 7.

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

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

### Policy for Remuneration

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

### Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

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

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

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

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From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

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

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

### Going Concern

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

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

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### Governing Document

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

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

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

### Appointment of Trustees

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

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

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

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

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

### Trustee Induction and Training

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

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

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

### Organisation and Trustees' Meetings

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

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

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

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

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

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

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Attendance at Trustee Meetings for 2022 was:

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

\*D Murray attended as CEO from June 22

Sub-CommitteesFinance and Audit Sub-Committee

The Committee aims to meet every month.

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

These topics cover:

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

Governance and Risk Compliance Sub-Committee (GRC)

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

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

Operational Management Committee (OMC)

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

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

### Nominations Sub-Committee:

During the year, the Sub-Committee considered:

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

### Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2022.

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

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

### Composition and Activity of the Council

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

### Related parties and co-operation with other industry related organisations

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

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

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

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



**THE INSTITUTE OF BREWING & DISTILLING**  
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**Douglas M Murray** is a director of StillDouglas a consultancy working the Food and Beveridge sector. This is not a customer of the IBD. He is a Lecturer to the Alcohol School.

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

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

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

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

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

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

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

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

**Trustees' Indemnities**

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

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

### **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

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

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

### **Statement as to disclosure to our auditors**

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

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

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

**Preparation of the report**

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

**Auditors**

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

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

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



G W Calvert (Honorary Treasurer)

Date:

19th July 2023

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

**ADMINISTRATIVE DETAILS**

**Trustees and Directors of The Institute of Brewing & Distilling:**

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

**Directors of IBD Trading Limited – 05584522**

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

**The Beer Academy – 06277078**

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

**The Beer and Cider Academy Limited – 10572136**

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

The Beer Education Trust was dissolved on the 22<sup>nd</sup> March 2022.

**THE INSTITUTE OF BREWING & DISTILLING**  
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**ADMINISTRATIVE DETAILS (continued)**

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

**THE INSTITUTE OF BREWING & DISTILLING**  
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**AUDITORS' REPORT**

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

**Opinion**

We have audited the financial statements of The Institute of Brewing & Distilling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022, and of their incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

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

We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

## **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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



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

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

### Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA** (Senior Statutory Auditor)

For and behalf of

**MHA**

Statutory Auditor

London, United Kingdom

Date: 10 August 2023

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

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

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

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

The notes on pages 31 to 49 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 FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

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

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

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



.....  
**G W Calvert (Treasurer)**

Date: **19th July 2023**

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

**CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022**

**Company Registration Number 01217770**

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

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

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



.....  
**G W Calvert (Treasurer)**

Date: 19th July 2023

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

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

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

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

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

**1.2 Group Financial Statements**

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

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

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

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

**1.3 Company Status**

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

**1.4 Funds**

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

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

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

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

#### **1.5 Income Recognition**

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

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

Advertising income is recognised when the publication is printed.

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

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

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

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

Grant and investment income is recognised on an accruals basis.

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

#### **1.6 Expenditure recognition**

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

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



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#### **1.7 Going Concern**

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

The Trustees have made this assessment for a period to the end of December 2023 being more than one year from the date of the approval of these financial statements. When assessing, the trustees reviewed its overall reserves, cost and revenue implications and any specific additional costs. It concluded that for the period assessed, its cost base will reduce in line with any reduction in revenue. Its dialogue with learning and development managers of key breweries has helped the Trustees to gain more certainty as the majority of the larger Breweries have remained resilient to the pandemic and are committed to continue to invest in training their technical staff through the IBD. For the period assessed and based on the continued level of courses and exams bookings as well its level of reserves, the Trustees concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

#### **1.8 Basis of Consolidation**

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

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

#### **1.9 Tangible Fixed Assets and Depreciation**

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

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

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

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**1.10 Investments**

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

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

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

**1.11 Intangible Assets**

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

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

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

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

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

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

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

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

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

**1.12 Debtors Receivable and Creditors Payable within One Year**

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

**1.13 Cash at Bank and in hand**

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

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**1.14 Financial Instruments**

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

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

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

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

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

**1.15 Pensions**

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

**1.16 Taxation**

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

**1.17 Sections**

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

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

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

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**1.18 Critical Accounting Estimates and Areas of Judgement**

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

- Basis of valuation of financial investments
- The VAT provision not required is on the basis of a significance judgement based on professional advice that the material liability is now considered to be a remote possibility
- Allocation of support costs
- Basis of recognition of internally generated intangible assets
- Expected useful economic lives of tangible and intangible assets.
- Judgement surrounding the treatment of the National Brewing Library collection and the silver trophies

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

The Institute of Brewing & Distilling received Legacy income of £226,523 in 2022 (2021 - £nil) from the estate of late Dr D.R..J Laws. In addition grants of £8,668 were received during the year (2021 - £nil). All of this income received was unrestricted.

**2b. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY**

	Unrestricted funds	Total Funds	Total Funds
	2022	2022	2021
	£	£	£
Membership	171,057	171,057	294,236
Education	2,286,423	2,286,423	1,708,302
Publications and Technical	23,743	23,743	51,249
Sections and Events	139,113	139,113	56,599
Total 2022	<u>2,620,336</u>	<u>2,620,336</u>	2,110,386
Total 2021	2,110,386	2,110,386	-

The income shown above is unrestricted for both 2022 and 2021.

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

	Unrestricted Funds	Total Funds	Total Funds
	2022	2022	2021
	£	£	£
Advertising Income	72,612	72,612	81,791
Conference Income	-	-	241,020
Rent income	-	-	2,552
Total 2022	<u>72,612</u>	<u>72,612</u>	325,363
Total 2021	325,363	325,363	-

**4. INCOME FROM INVESTMENTS – GROUP AND CHARITY**

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Dividend on listed investments	47,879	-	47,879	40,627
Bank interest receivable	4,313	-	4,313	388
Total 2022	<u>52,192</u>	-	<u>52,192</u>	41,015
Total 2021	41,015	-	41,015	-

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Advertising Expenses	<b>991</b>	14,299
Conference Expenses	<b>(1,280)</b>	129,217
Direct costs	<b>125,646</b>	99,828
Support Costs	<b>91,517</b>	39,654
	<b>216,874</b>	282,999

**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>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Membership	<b>2,366</b>	-	<b>112,533</b>	<b>114,899</b>
Education	<b>371,918</b>	-	<b>1,130,648</b>	<b>1,502,566</b>
Publications and Technical	<b>234,151</b>	-	<b>15,620</b>	<b>249,771</b>
Sections and Events	<b>121,775</b>	<b>6,510</b>	<b>91,518</b>	<b>219,802</b>
Total 2022	<b>730,209</b>	<b>6,510</b>	<b>1,350,319</b>	<b>2,087,038</b>

Of the total expenditure on Charitable Activities, £30,925 has been transferred to the JJM fund, being the courses provided for free for 46 courses (2021 : There were charges for 16 courses totalling £11,171 to the restricted funds in 2021)

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

**ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR**

	<b>Activities undertaken directly</b>	<b>Grant funding of activities</b>	<b>Support Costs</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Membership	<b>211,652</b>	-	<b>206,147</b>	<b>417,799</b>
Education	<b>543,948</b>	-	<b>1,197,068</b>	<b>1,741,016</b>
Publications and Technical	-	-	<b>35,906</b>	<b>35,906</b>
Sections and Events	-	-	-	-
Total 2021	<b>755,600</b>	-	<b>1,439,121</b>	<b>2,194,722</b>

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**7. SUPPORT COSTS - CURRENT YEAR**

	Raising funds £	Charitable activities £	2022 £	2021 £
Premises costs	2,797	49,886	52,682	21,134
General office costs	17,201	306,792	323,993	226,048
Project development	13,032	232,441	245,473	269,577
Staff meeting and training expenses	273	4,869	5,141	32,810
Governance costs	7,840	125,285	133,125	123,834
Release of VAT Provision	0	(282,000)	(282,000)	0
Other staff costs	786	28,594	29,380	28,251
Support staff costs	36,008	642,241	678,248	717,779
Depreciation	13,580	242,213	255,793	59,342
<b>Total</b>	<b>91,517</b>	<b>1,350,319</b>	<b>1,441,836</b>	<b>1,478,775</b>

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

Governance costs are analysed in Note 9.

**SUPPORT COSTS - PRIOR YEAR**

	Raising funds £	Charitable activities £	2021 £
Premises costs	567	20,567	21,134
General office costs	6,062	219,986	226,048
Project development	7,229	262,348	269,577
Staff meeting and training expenses	880	31,930	32,810
Governance costs	3,321	120,513	123,834
Other staff costs	757	27,494	28,251
Support staff costs	19,247	698,532	717,779
Depreciation	1,591	57,751	59,342
<b>Total</b>	<b>39,654</b>	<b>1,439,121</b>	<b>1,478,775</b>

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

	Grants to Institutions	Grants to Individuals	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Grants	<b>6,510</b>	<b>-</b>	<b>6,510</b>	<b>-</b>

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**9. GOVERNANCE COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>28,800</b>	25,000
Under Accrual for prior year's Auditors Remuneration	<b>5,200</b>	7,250
Trustee and Meeting Expenses	<b>3,949</b>	414
Legal and Professional fees	<b>13,563</b>	7,533
Support Staff Costs	<b>81,614</b>	83,207
Other costs	-	430
<b>Total</b>	<b>133,125</b>	<b>123,834</b>

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible and intangible fixed assets:		
- owned by the charitable group	<b>255,793</b>	253,028
Auditors' remuneration	<b>28,800</b>	25,000
Auditors' remuneration - under accrual of prior year	<b>5,200</b>	7,250
Support costs - Auditors' remuneration - Other services	<b>12,693</b>	1,150
	<b>302,486</b>	<b>286,428</b>

**11. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an Audit fee of £28,800 (2021: £25,000), with under accrual of £5,200 (2021: £7,250) from the prior year. Payments for other services were £12,693 (2021: £1,150) relating to corporation tax and VAT services.



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**12. Staff Costs**

Staff costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>935,641</b>	821,172
Social security costs	<b>95,831</b>	82,290
Redundancies	<b>1,999</b>	-
Other pension costs	<b>52,862</b>	51,140
	<b>1,086,333</b>	954,602

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

<b>Staff</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
	<b>21</b>	17

The number of higher paid employees was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>3</b>	1
In the band £70,001 - £80,000	<b>1</b>	-
In the band £110,001 - £120,000	<b>-</b>	1

For 2022, the key personnel management consisted of the Chief Executive, Head of Publications, Head of Finance and Business Support, Head of ITC, Head of EPD, Head of Community Engagement and Chair of Board of Examiners. The total amounts of employee benefits received by Key Management Personnel is £468,526 (2021: £307,291)

There was one redundancy in 2022: £1,999 (2021: £NIL).

There are no non-contractual elements to this redundancy.

The Institute contributes to some staff members' pension schemes. The assets of the schemes are held separately from those of the Institute in an independently administered fund. The pension costs charge represents contributions payable by the Institute to the fund and amounted to £52,863 (2021: £51,140). There were contributions outstanding at the year-end of £4,821 (2021: £11,686)

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**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Group and Charity Cost</b>					
At 1 January 2022	2,785,259	282,245	43,635	136,265	3,247,403
Additions	-	-	-	1,707	1,707
Disposals	-	-	-	-	-
At 31 December 2022	<u>2,785,259</u>	<u>282,245</u>	<u>43,635</u>	<u>137,971</u>	<u>3,249,110</u>
<b>Depreciation</b>					
At 1 January 2022	196,220	162,253	42,129	132,297	532,899
Charge in the year	27,853	27,332	188	3,969	59,342
At 31 December 2022	<u>224,073</u>	<u>189,585</u>	<u>42,317</u>	<u>136,266</u>	<u>592,241</u>
<b>Net Book Value</b>					
At 31 December 2022	<u>2,561,186</u>	<u>92,660</u>	<u>1,318</u>	<u>1,705</u>	<u>2,656,869</u>
At 31 December 2021	2,589,038	119,993	1,506	3,967	2,714,504

**14. FIXED ASSET INVESTMENTS**

**Group investments at market value comprise:**

All the fixed asset investments are held in the UK

	2022 £	2021 £
Quoted Investments	1,732,675	1,955,822
Quoted Liquid Funds	59,807	22,582
Total Investments held with Fund Managers	<u>1,792,482</u>	<u>1,978,404</u>

**Reconciliation of investments held with fund managers**

	2022 £	2021 £
<b>Market Value</b>		
At 1 January	1,978,404	1,790,750
Additions at cost	336,174	198,877
Disposals at carrying value	(333,103)	(162,779)
Net Unrealised (loss)/gain	(226,218)	155,342
Movement in Cash	37,225	(3,786)
Total	<u>1,792,482</u>	<u>1,978,404</u>

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

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**15. INTANGIBLE FIXED ASSETS**

**Group and Charity**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January	<b>614,378</b>	614,378
Additions	<b>30,000</b>	-
At 31 December	<b>644,378</b>	614,378
<b>Amortisation</b>		
At 1 January	<b>417,927</b>	224,241
Charge for the year	<b>196,451</b>	193,686
At 31 December	<b>614,378</b>	417,927
<b>Net book value</b>		
At 31 December	<b>30,000</b>	196,451

**16. DEBTORS**

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>435,637</b>	323,795	<b>387,235</b>	286,301
Amounts owed by group undertakings	-	-	<b>149,940</b>	216,495
Other debtors	<b>214,888</b>	42,244	<b>29,046</b>	5,475
Prepayments and accrued income	<b>240,689</b>	283,782	<b>183,861</b>	216,782
	<b>891,213</b>	649,821	<b>750,082</b>	725,053

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

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>366,836</b>	425,899	<b>366,836</b>	359,574
Amounts owed to group undertakings	-	-	-	1,280
Other taxation and social security	<b>76,496</b>	450,981	<b>76,496</b>	443,634
Other creditors	<b>21,035</b>	49,415	<b>19,483</b>	37,608
Accruals	<b>48,369</b>	98,354	<b>43,050</b>	85,298
Deferred income	<b>1,369,816</b>	1,080,338	<b>1,209,574</b>	1,080,338
	<b>1,882,552</b>	2,104,987	<b>1,715,439</b>	2,007,732

<b>Deferred Income</b>	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income at 1 January 2022	<b>1,080,338</b>	937,198	<b>1,080,338</b>	937,198
Resources deferred during the year	<b>1,369,816</b>	683,422	<b>1,209,574</b>	683,422
Amounts released from previous years	<b>(1,080,338)</b>	(540,282)	<b>(1,080,338)</b>	(540,282)
Deferred income at 31 December 2022	<b>1,369,816</b>	1,080,338	<b>1,209,574</b>	1,080,338

**THE INSTITUTE OF BREWING & DISTILLING****(A company limited by guarantee)****18. STATEMENT OF FUNDS****GROUP STATEMENT OF FUNDS - CURRENT YEAR**

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

**18. STATEMENT OF FUNDS****GROUP STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2021	Income	Expenditure	Transfers in/(out)	Gains	Balance at 31 December 2021
	£	£	£	£	£	£
<b>Designated funds</b>						
Fixed Assets	2,773,846		(59,342)			2,714,503
British Funds Sections	369,737	56,599	(99,828)	(295,133)		31,375
Scholarships Bursaries and Grants	-			60,000		60,000
Asia Pacific Engagement	-			25,000		25,000
Learning Materials and Courses	-			225,000		225,000
Online Exam Development	-			150,000		150,000
Curlew Street Asset Review	-			20,000		20,000
Community Engagement	-			100,000		100,000
Young Scientist Symposium	13,533			(13,533)		-
	<b>3,157,116</b>	<b>56,599</b>	<b>(159,170)</b>	<b>271,333</b>		<b>3,325,878</b>
<b>General funds</b>						
General Fund	1,425,342	2,478,244	(2,210,115)	(271,334)		1,422,137
<b>Total Unrestricted Funds</b>	<b>4,582,458</b>	<b>2,534,843</b>	<b>(2,369,285)</b>	<b>-</b>		<b>4,748,015</b>
<b>Restricted Funds</b>						
John S Ford Memorial	26,771					26,771
J.J. Morison Fund	225,149		(11,171)			213,978
IoB London Section Trust Fund	20,256					20,256
IBD Hop Industry	5,560					5,560
	<b>277,736</b>		<b>(11,171)</b>			<b>266,565</b>
<b>Total of Funds</b>	<b>4,860,194</b>	<b>2,534,843</b>	<b>(2,380,456)</b>			<b>5,014,580</b>

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

### **18. STATEMENT OF FUNDS (Continued)**

#### **Designated Funds**

##### **Fixed Assets Fund**

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

##### **British Isles Sections**

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

##### **Scholarships Bursaries and Grants**

This fund has been designated to support the Awards Committee to award scholarships and bursaries. Furthermore the fund will be used for Educational Grants. In 2022 a total of £6,510 was paid as a grant to the Brewing Scottish Heritage Trust to develop their website for educational information

##### **Asia Pacific Company Limited Engagement**

A memorandum of Understanding has been agreed with the Asia Pacific Section, to support the IBD Members based in the Asia Pacific Region who are also Members of the Asia Pacific Section. In addition the MOU sets out access to central services such as IT and Marketing. The IBD has further agreed to designate funds from the General reserves to cover administration costs for local events and services for the IBD. During the year £22,000 was paid to the Asia Pacific Section. The Asia Pacific Section operates as a separate entity and is independent of any direct control of the UK entity. It is registered in Australia as Institute of Brewing & Distilling - Asia Pacific Company Limited.

##### **Learning Materials and Courses**

This designation has been established to fund the continuous need to develop learning materials and courses. In 2022 a total of £245,473 was spent on developing courses in Essentials and Foundation plus further research for Tutor Guided Learning.

##### **Online Exams Development**

This fund has been designated to support the development of online invigilation and marking platform for all IBD's exams. A total of £30,000 was spent towards this.

##### **Curlew Street**

This fund has been designated to carry out building surveys and consultation for the use of the Curlew Street Building. This fund was not used in 2022 however, the designation is kept as expenditure is expected in 2023.

##### **Community Engagement**

This fund has been designated to develop community engagement across the global membership. This fund was not utilized in 2022 and the programme is now cancelled so the designation is no longer required.

#### **Restricted Funds**

##### **John S Ford Memorial**

The John S Ford Memorial Trust Fund provides a cash award to the candidate who has achieved the highest distinction at the Diploma Membership Examination of the year. Due to the pandemic no awards have been made in the year 2022. The awards will resume in 2023

##### **J J Morison Fund**

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

In 2022, the fund was utilised to provide educational support to 23 candidates totalling £30,925.

##### **IoB London Section Trust Fund**

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

##### **IBD Hop Industry Fund**

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

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

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

**ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR**

	Unrestricted Funds	Restricted Funds	Total Funds
	2021	2021	2021
	£	£	£
Tangible and Intangible assets	2,910,955	-	2,910,955
Fixed asset investments	1,978,404	-	1,978,404
Current assets	1,963,643	266,565	2,230,208
Creditors due within one year	(2,104,987)	-	(2,104,987)
Creditors due after one year	-	-	-
	<u>4,748,015</u>	<u>266,565</u>	<u>5,014,580</u>

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

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>444,752</b>	154,385
<b>Adjustment for:</b>		
Depreciation and amortisation charges	<b>255,793</b>	253,028
Loss / (gain) on investments	<b>226,218</b>	(155,342)
Investment income	<b>(52,192)</b>	(40,627)
(Increase)/decrease in debtors	<b>(238,786)</b>	(161,267)
Increase / (decrease) in creditors	<b>(222,434)</b>	504,619
<b>Net cash provided by operating activities</b>	<b>413,350</b>	554,796

**THE INSTITUTE OF BREWING & DISTILLING**  
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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group**

	2022	2021
	£	£
Cash in hand	<u>1,971,320</u>	<u>1,580,387</u>

**22. PENSION COMMITMENTS**

The Charity operates a defined contribution pension plan for its employees. The amount recognized as an expense in the period was £51,142 (2021: £51,140). Contributions totaling £4,821 (2021: £11,686) were payable to the fund at the balance sheet date and are included within creditors.

**23. RELATED PARTY TRANSACTIONS**

During the year, 9 Trustees were reimbursed £7,299 for travel and accommodation expenses (2021, 1 Trustee was reimbursed £420).

Exam fees of £741 were paid to David Cook (2021: £nil)

Exam fees of £1,543 were paid to Douglas Murray in 2022 (2021: £415).

Author fees of £1,200 were paid to Dr Caroline J Walker Ltd, where C Walker is a director (2021: £2,550)

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



**THE INSTITUTE OF BREWING & DISTILLING**  
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**24. PRINCIPAL SUBSIDIARIES**

**The Beer Academy Limited**

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

**The Beer and Cider Academy**

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

**IBD Trading Limited**

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

The transfer under gift aid of the trading profits of IBD Trading Limited to the parent charity was £68,117 (2021: £179,295).

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

**IBD Trading Limited**

Subsidiary name	IBD Trading Limited
Company registration number	5584522
Basis of control	The Institute of Brewing & Distilling
Equity shareholding %	100%

Total Assets as at 31 December 2022	£322,281
Total Liabilities as at 31 December 2022	£320,950
Total equity as at 31 December 2022	£1,331
Turnover for the year ended 31 December 2022	£72,612
Expenditure for the year ended 31 December 2022	£72,612
Profit for the year ended 31 December 2022	NIL

**The Beer Education Trust**

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

