

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 2023

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PRESIDENT'S INTRODUCTION

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

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

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

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

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

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

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

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

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

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

President

Dr Megan Sheehy

Immediate Past President

Bhavya Mandanna

CHIEF EXECUTIVE'S SUMMARY

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

Membership

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

Education and Professional Development

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

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

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Member Engagement

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

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

Tom Shelston CEO

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

OBJECTIVES & ACTIVITIES

Purpose and Public Benefit

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

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

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

Strategic Framework and Activities

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

THE PURPOSE, VISION, MISSION AND STRATEGY OF THE IBD

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

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Our strategy to deliver the mission has five key elements:

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

Fundraising

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

ACHIEVEMENTS & PERFORMANCE

Membership

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

Education and Professional Development

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

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

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

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

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

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

Examinations

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

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

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

Events

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

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

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

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

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

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Publications

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

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

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

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

Subsidiaries

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

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

PLANS FOR FUTURE PERIODS

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

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

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

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FINANCIAL RESULTS

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

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

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

Charitable Activities

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

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

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

Trading activities

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

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

POLICIES AND OBJECTIVES

Reserves Policy

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

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

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

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

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Investments Overview

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

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

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

Investment Performance

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

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

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

Investment Policy

Investment rules have been agreed with Atomos as follows:

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

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

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

All portfolios are at risk level 4 of 7.

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

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

Policy for Remuneration

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

Policy for Risk Management

The Trustees have a Risk Management Strategy which comprises:

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

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

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

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From the Risk Register the Trustees have also identified:

- Theft of IP Assets
- Competitor activities

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

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

Going Concern

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

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

Appointment of Trustees

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

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

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

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

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

Trustee Induction and Training

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

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

Organisation and Trustees' Meetings

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

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

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

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

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

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

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Attendance at Trustee Meetings for 2023 was:

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

Sub-Committees

Finance and Audit Sub-Committee

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

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

These topics cover:

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

Governance and Risk Compliance Sub-Committee (GRC)

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

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

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Nominations Sub-Committee:

During the year, the Sub-Committee considered:

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

Chartership Steering Group

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

Activities of the Subsidiary Company Boards

IBD Trading Ltd:

The Board met twice in 2023.

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

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

Composition and Activity of the Council

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

Related parties and co-operation with other industry related organisations

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

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

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

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

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

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

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

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

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

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

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

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

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

Trustees' Indemnities

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

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

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

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

A handwritten signature in black ink, appearing to read 'G W Calvert', written in a cursive style.

G W Calvert (Honorary Treasurer)

Date: 12th June 2024

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

ADMINISTRATIVE DETAILS

Trustees and Directors of The Institute of Brewing & Distilling:

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

Directors of IBD Trading Limited – 05584522

Director and Company Secretary	D M Murray
Director	G W Calvert

The Beer Academy – 06277078

Director	N Fitch
	D M Murray

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

The Beer and Cider Academy Limited – 10572136

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

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

ADMINISTRATIVE DETAILS (continued)

Independent Auditor

Haysmacintyre LLP
Chartered Accountants and Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Bankers

Royal Bank of Scotland plc
Curzon Street
London W1Y 7RF

Solicitors

William Sturges Solicitors
14-16 Caxton Street
London
SW1H 0QY

THE INSTITUTE OF BREWING & DISTILLING

(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Institute of Brewing and Distilling for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, The Group and Charity Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Non Going Concern Basis

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

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

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

10 Queen Street Place
London
EC4R 1AG

Date: 13th June 2024

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

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

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

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

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

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

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

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

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

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

Company Registration Number 01217770

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

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

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



.....
G W Calvert (Treasurer)

Date: 12th June 2024

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

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2023

Company Registration Number 01217770

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

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

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



.....
G W Calvert (Treasurer)

Date: *12th June 2024*

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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

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

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

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

1.2 Group Financial Statements

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

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

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

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

1.3 Company Status

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

1.4 Funds

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

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

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

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

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

1.5 Income Recognition

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

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

Advertising income is recognised when the publication is printed.

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

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

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

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

Grant and investment income is recognised on an accruals basis.

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

1.6 Expenditure recognition

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

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

THE INSTITUTE OF BREWING & DISTILLING
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1.7 Going Concern

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

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

1.8 Basis of Consolidation

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

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

1.9 Tangible Fixed Assets and Depreciation

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

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

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

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

1.10 Investments

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

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

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

1.11 Intangible Assets

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

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

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

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

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

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

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

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

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

1.12 Debtors Receivable and Creditors Payable within One Year

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

1.13 Cash at Bank and in Hand

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

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1.14 Financial Instruments

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

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

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

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

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

1.15 Pensions

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

1.16 Taxation

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

1.17 Sections

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

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

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

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1.18 Critical Accounting Estimates and Areas of Judgement

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

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

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

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

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

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

All of this income received was unrestricted.

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

2b. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND CHARITY

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

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

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

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

Total funds in 2022 are all unrestricted.

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4. INCOME FROM INVESTMENTS – GROUP AND CHARITY

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

5. EXPENDITURE ON RAISING FUNDS - GROUP AND CHARITY

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

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6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

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

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

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

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

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

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7. SUPPORT COSTS - CURRENT YEAR

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

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

Governance costs are analysed in Note 9

SUPPORT COSTS - PRIOR YEAR

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

8. ANALYSIS OF GRANTS - CURRENT YEAR

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

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9. GOVERNANCE COSTS

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

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

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

11. AUDITORS' REMUNERATION

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

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12. Staff Costs

Staff costs were as follows:

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

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

Staff	2023	2022
	No.	No.
	21	21

The number of higher paid employees was:

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

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

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

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

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

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13. TANGIBLE FIXED ASSETS

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

14. FIXED ASSET INVESTMENTS

Group investments at market value comprise:

All the fixed asset investments are held in the UK

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

Reconciliation of investments held with fund

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

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

16. DEBTORS

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

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17. CREDITORS: Amounts falling due within one year

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

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

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

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

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18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

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

18. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - PRIOR YEAR

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

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18. STATEMENT OF FUNDS (Continued)

Designated Funds

Fixed Assets Fund

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

British Isles Sections

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

Scholarships Bursaries and Grants

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

Restricted Funds

John S Ford Memorial

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

J J Morison Fund

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

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

IoB London Section Trust Fund

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

IBD Hop Industry Fund

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

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

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

69,882

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PRIOR YEAR

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

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

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

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS - Group

	2023	2022
	£	£
Cash in hand	2,491,862	1,971,320

22. PENSION COMMITMENTS

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

23. RELATED PARTY TRANSACTIONS

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

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

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

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

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24. PRINCIPAL SUBSIDIARIES

The Beer Academy Limited

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

The Beer and Cider Academy

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

IBD Trading Limited

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

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

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

IBD Trading Limited

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

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