Financial Statements
Campden BRI (Nutfield)

For the year ended 31 December 2019

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Registered number: 02690377

Campden BRI (Nutfield)

(A company limited by guarantee)

Company Information

Directors	J C G Davies (to 15 May 2020) P J Headridge (from 6 January 2020) S C Huscroft (from 30 May 2019) C Ikpeme (from 3 January 2019) S J Walker (to 31 December 2019)
Company secretary	C Ikpeme (from 3 January 2019)
Registered number	02690377
Registered office	c/o Campden BRI Station Road Chipping Campden Gloucestershire GL55 6LD
Independent auditor	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

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(A company limited by guarantee)

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Introduction

The principal activity of the Campden BRI Group is the practical application of technical excellence for the food and drink supply chain. This is achieved through the provision of a broad portfolio of services to member companies and to commercial and Government clients. These activities are focused under five key business platforms:

Membership
Research and innovation
Analysis and testing
Operational support
Knowledge management

These platforms are described in more detail in the financial statements of Campden BRI.

Business review

Turnover increased from £3,947,240 last year to £4,038,475 and loss before tax reduced from £249,864 to £140,622. A trading review for the Group is set out in the accounts of Campden BRI.

Covid19

Covid19 represents a significant challenge to the Group. Despite serving the essential food and drink industry, the pandemic has in 2020 had an adverse impact on demand such that revenue is likely to be 20% down by the end of the year compared to turnover reported in these financial statements for 2019.

The most severe impact has been seen in Q2 of 2020 with the training business and sensory services being worst affected. The Group reacted positively taking action to ensure the viability of the business and maintain delivery of all services to its members and customers throughout the pandemic.

Where possible, training and auditing services have been revised to be delivered remotely. Where they can work from home, employees have been doing so, whilst for on-site activities, Covid secure environments have been introduced. Adequate inventory of key materials has been maintained and additional suppliers of PPE have been sourced where necessary.

Cost reduction and capital expenditure restrictions have been introduced, and government-backed assistance support schemes are being accessed where necessary. The business began the year with cash reserves of £2m and has arranged sufficient liquidity for future anticipated financial scenarios and the board has put in place additional monitoring of both financial performance and demand forecasting.

The Group continues to respond and take decisive action as the pandemic continues and the board would like to thank everyone at Campden BRI for the way they have responded to the challenge. Safely supporting our staff remains a top priority of the Board and Campden BRI is open for business to support our members and clients.

Key performance indicators

Campden BRI Group monitors the health of the business through a range of measures: financial performance; health and safety, staff investment; infrastructure and capital investment; standards of service; marketing and communications, client feedback, and business development. These are reviewed and monitored by the senior management team on a regular basis and reported to the non-Executive Board as required.

Strategic report

For the year ended 31 December 2019

The Group has comprehensive monthly financial management reporting to help ensure effective review of the business.

	2019	2018
	No. / %	No. / %
Health and safety		
RIDDOR accidents	**2**	0
Reportable accidents*	**3**	2
Near misses to accidents ratio	**5.6:1**	5.4:1
Marketing and communication		
Visits to website	**441,641**	376,448
Video views (online)	**77,676**	70,211
Member Interest Group attendees	**894**	882
Staff investment		
Staff turnover as a % of average workforce	**18.11%**	17.39%
Training hours as a % of total hours	**4.53%**	4.80%
Sickness hours as a % of total hours	**2.61%**	2.59%

*Notified individually to the board of directors

Principal risks and uncertainties

The Company is part of the Campden BRI Group of companies. The principal risks of the Company correspond to those of the Group, and therefore the statements below refer to the Group.

Operating Units

To optimise alignment to our client's needs, the business has restructured into Analytical Services and Consulting operating units, reporting to the Chief Operating Officer.

This will ensure we deliver client-focused services while ensuring lean and efficient processes. Individual profit responsibility is now directly with those groups. This is aided by having the Enquiry Handling team embedded within the operating units ensuring more rapid turnaround of requests into the business.

Risk management

The management of the business has identified a number of risks in the execution of the Group's strategy. The breadth of the Group's business and its reputation means that there are no direct competitors for the business as a whole, although there are a number of businesses who compete directly in certain defined areas of the Group's business. A strategic business review for 2021-25 is currently underway to ensure the business remains relevant to our membership's needs and financially robust.

Market and commercial risks

The strong and active membership helps ensure that Campden BRI remains close to its core client base, allowing it to respond effectively and efficiently to their changing needs in both the short and medium term. In 2019 we published Scientific and Technical Needs of the Food and Drink Supply Chain following very extensive consultations with the members on their requirements. This is the largest consultation of its type. It directly shapes the nature of the activities and services offered and ensures that they are aligned to the stated needs of the industry. Campden BRI has actively reduced its reliance on UK Government funding, as they continue to face budget challenges and increased uncertainty. Although tenders are reviewed for appropriateness, income is derived mainly from Membership fees (16%) and Commercial contracts (79%).

Operational risks

Business management practices and performance are detailed in a comprehensive business management system which is a constituent part of a comprehensive governance, risk and compliance regime overseen by a fully qualified Business Systems Quality Manager. The Group is also externally audited and accredited to ISO 9001 (Campden and Nutfield sites) and ISO 17025 (Campden and Nutfield sites). The Non-Exec Board has continued to appoint and get feedback from two Independent Scientific Advisers who reviewed the activities of Campden BRI, particularly in relation to the use of the Members fees and formal engagement with members. A detailed system for assessing and reporting health and safety is in place and reviewed regularly.

Financial instruments and risks

The Group is exposed to the usual credit and cash flow risks associated with selling on credit and manages these risks through credit control procedures. The nature of its financial instruments means that the price and liquidity risks are minimised by the predetermination of the Group's funding facilities and terms. Monthly accounts are used to aid management.

The Group participates in four defined benefit pension schemes which results in a significant financial risk. As part of a derisking strategy, the Group's participation has been actively managed. The Campden RA Pension Scheme was closed to future accrual of benefits from the end of 2010, the British Beer & Pub Association (BBPA) Group Pension Scheme in 2011 and the Flour Milling and Baking Research and Association (FMBRA) Scheme in 2012. The eligibility criteria for joining the Universities Superannuation Scheme (USS) have been amended in 2013, which limits additional future exposure.

The Group also recognises the risks attached to the need to provide adequate profits to maintain investments in facilities, staff and equipment. Capital investment in 2019 was £312,190 (2018 - £844,844) focussed on laboratory and pilot plant equipment, improvements in I.T. and buildings refurbishment.

The board constantly monitors the Group's trading results and revised projections as appropriate to ensure that the Group can meet its future obligations as they fall due. The board does not consider there to be any significant risk to the financial position of the Group as a result of fluctuations on foreign exchange rates deflating or inflating the Group's foreign currency assets and liabilities.

Campden BRI (Nutfield)

(A company limited by guarantee)

Strategic report

For the year ended 31 December 2019

Going concern

The board assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The board make this assessment in respect of a period of one year from the date of approval of the financial statements.

In assessing the going concern status of the Group, the board has given consideration to the financial resources available and the potential impact of Covid19 on the business. A range of scenarios have been modelled that reflect the known impact of the pandemic to the date of this report and the positive actions taken to ensure the viability of the Group described earlier in this report.

The base case assumes that demand for services will steadily return to more usual levels experienced pre lockdown in Q3 and Q4 of 2020 and that training and audit services will continue to be delivered remotely. The forecasts also assume, as has been the case now for many years, that the pension scheme trustees do not insist upon payment of the deficit in full or materially increase the deficit repayment plan and the board continue to benefit from a good working relationship with trustees to their and the business advantage

There are many sensitivities behind the assumptions and the base case has been stress tested with revenues and demand returning more slowly than anticipated and also to lower levels than previously experienced. With the financial resources currently available to the Group, even with the additional stress described above, the board is confident that there is sufficient cash and committed facilities in place for the Group to meet its obligations for the foreseeable future, therefore the Financial Statements have been prepared on a going concern basis.

This report was approved by the board on 22nd July 2020 and signed on its behalf.

S.C. Huscroft
Director

Directors' report

For the year ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Results

The loss for the year, after taxation, amounted to £140,622 (2018 – loss of £249,864).

Directors

The Directors who served during the year were:

J C G Davies (to 15 May 2020)
S J Walker (to 31 December 2019)
S C Huscroft (from 30 May 2019)
C Ikpeme (from 3 January 2019)

Future outlook

The board expects the restructuring of the business this year into client-focused Analytical and Consulting Operating Units to improve both the service to members, and the profitability of the business.
A strategic review is underway to set the course for the next five years and position the business for success in meeting the opportunities and challenges of the departure from the European Union in 2021.

Employees

The Group places great emphasis on recruiting, training and retaining high-quality employees to minimise staff turnover, and business practices across the company reinforce this.

Performance Development Planning for all colleagues has been improved, with a simplified system put in place in the latter half of 2020, making this a more "living", engaged process with colleagues.

The Group continues to support employee training and development to meet business objectives. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees, who are supported by a range of bespoke technical and skills training.

The Group is committed to eliminating all forms of discrimination amongst the workforce, and creating a working environment in which all decisions are based on merit, and will never knowingly exploit people. The Group's policy informs all activities within the Group, including recruitment, progression, appraisals & training to provide equal opportunities and support is given to employees and managers as necessary.

The Group has continued its practice of keeping employees informed of matters affecting them as employees, and the financial and economic factors affecting the performance of the Group. This is achieved through full staff meetings, consultations with union representatives, the intranet and emails to all staff. These Group activities are supported by Operating Unit and Departmental meetings with staff. 2020 has seen a significant improvement of communication to all staff and this is valued throughout the company.

Directors' report (continued)

For the year ended 31 December 2019

Directors' insurance

The Company maintains insurance policies on behalf of all the Directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law); including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Directors are aware, there are no relevant audit information of which the Company's auditor is unaware, and
- that Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report (continued)

For the year ended 31 December 2019

Auditor

The auditor, Hazlewoods LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22nd July 2020 and signed on its behalf.

S.C. Huscroft
Director

Independent auditor's report to the members of Campden BRI (Nutfield)

Opinion

We have audited the financial statements of Campden BRI (Nutfield) for the year ended 31 December 2019, which comprise the statement of comprehensive income, the statement of change in equity, the statement of financial position and the related notes. 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 company's affairs as at 31 December 2019 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of Campden BRI (Nutfield)

Opinion on other matter 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 Strategic Report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors 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 Directors 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 Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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.

Independent auditor's report to the members of Campden BRI (Nutfield) (continued)

Use of our report

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

Scott Lawrence
Senior Statutory Auditor
for and on behalf of Hazlewoods LLP
Statutory Auditor
Cheltenham
Date: 25/8/2020

Statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	2	**4,038,475**	3,947,240
Cost of sales		**(2,655,883)**	(2,751,137)
Gross profit		**1,382,592**	1,196,103
Administrative expenses - normal		**(1,548,214)**	(1,406,767)
Administrative expenses - exceptional	12	**-**	(50,000)
Total administrative expenses		**(1,548,214)**	(1,456,767)
Operating loss	3	**(165,622)**	(260,664)
Other finance income	6	**25,000**	10,800
Loss on ordinary activities before taxation		**(140,622)**	(249,864)
Tax on loss on ordinary activities	7	**-**	-
Loss for the financial year		**(140,622)**	(249,864)
Other comprehensive income			
Revaluation of freehold property	9 9	**3,969,076 3,090,600**	-
Gains and losses on defined benefit pension obligations	12	**111,021**	(555,494)
Total comprehensive income / (loss) for the year attributable to the parent's owners		3,939,475	(805,358)

All amounts relate to continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2019

	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2018	-	94,795	94,795
Loss for the year	-	(249,864)	(249,864)
Gains and losses on defined benefit pension obligations	-	(555,494)	(555,494)
Total comprehensive loss for the period	-	(805,358)	(805,358)
Balance as at 31 December 2018	**-**	**(710,563)**	**(710,563)**

	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2019	-	(710,563)	(710,563)
Loss for the year	-	(140,622)	(140,622)
Revaluation of freehold property	3,969,076	-	3,969,076
Gains and losses on defined benefit pension obligations	-	111,021	111,021
Total comprehensive income /(loss) for the period	3,969,076	(29,601)	3,939,912
Balance as at 31 December 2018	**3,969,076**	**(740,164)**	**3,228,912**

The notes on pages 13 to 26 form part of these financial statements.

Campden BRI (Nutfield)
Registered number 02690377

(A company limited by guarantee)

Statement of financial position

As at 31 December 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Property, plant and equipment	9		**6,037,359**		2,220,971
Current assets					
Debtors	10	**889,974**		567,595	
Cash in hand		**1,831**		1,747	
		891,805		569,342	
Creditors: amounts falling due within one year	11	**(2,954,551)**		(2,665,154)	
Net current liabilities			**(2,062,746)**		(2,095,812)
Total assets less current liabilities			**3,974,613**		125,159
Defined benefit pension scheme liability	12		**(745,701)**		(835,722)
Net assets/(liabilities) including pension scheme liabilities			**3,228,912**		(710,563)
Capital and reserves					
Revaluation reserve			**3,969,076**		-
Profit and loss account			**(740,164)**		(710,563)
Shareholders' funds			**3,228,912**		(710,563)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22nd July 2020.

S.C. Huscroft
Director

The notes on pages 13 to 26 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by certain financial assets being measured at fair value through profit and loss.

Campden BRI (Nutfield) ('the Company') is a company limited by guarantee registered and domiciled in England and Wales. The registered company number is 02690377 and the registered office is Station Road, Chipping Campden, Gloucestershire, GL55 6LD. These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The principal activity of the Company is the practical application of technical excellence for the food and drink chain.

The financial statements are presented in Sterling, the functional and presentational currency of the Company.

1.2 Cash flow

The Company, being a member of a Group that prepares publicly available consolidated financial statements which give a true and fair view, has taken advantage of the exemption available to qualifying entities under FRS 102, "Reduced disclosures for subsidiaries (and ultimate parents)" from preparing a cash flow statement.

1.3 Going Concern

The board assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The board make this assessment in respect of a period of one year from the date of approval of the financial statements. The board have prepared forecasts that they believe are prudent and anticipate that the Company will be able to continue to operate for at least the next 12 months from signing of its balance sheet. As described in the Strategic Report the board has given consideration to the financial resources available and potential impact of COVID-19 on the business and, as has been the case for many years, that the pension scheme trustees do not insist upon payment of the deficit in full or materially increase the deficit repayment plan. The Directors have therefore prepared the accounts on a going concern basis.

1.4 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Estimates

Revenue recognition
The recognition of revenue on long term contracts is subject to estimates in respect of the stage of project completion and the overall profitability of the contract. Details of the methodology applied can be found in the accounting policies set out in note 1.4.

Valuation of freehold property
The Freehold land and buildings are carried in the financial statements at a revalued amount of £5,400,000 less two months depreciation. This value is based on a professional valuation by a third party.

Defined benefit pension schemes
The measurement of obligations under defined benefit pension scheme arrangements is subject to a number of highly sensitive assumptions, details of which are given in note 12 of the financial statements. The carrying value of amounts recognised in the financial statements in respect of defined benefit pension obligations are £745,701 (2018: £835,722). Where the fair value of pension scheme assets exceed the present value of pension scheme obligations, the surplus is only recognised to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. At 31 December 2019, a surplus of £nil (2018: £nil) has not been recognised.

Judgements

Deferred tax
The company is subject to UK corporation tax and judgement is required in determining the provision for income and deferred taxation. The company recognises taxation assets and liabilities based upon estimates and assessments of many factors including judgements about the outcome of future events. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. At 31 December 2018 the company has not recognised a deferred tax asset in respect of defined benefit pension scheme obligations or losses (2018: £nil) due to uncertainty over future recovery.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1. Accounting policies (continued)

1.5 Turnover

Turnover is the total amount receivable by the Company for services provided, excluding VAT and trade discounts. Turnover comprises work done on research projects together with amounts receivable in respect of members' subscriptions and other income. It is recognised on a systematic basis as the conditions relating to the revenue are met.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.6 Grant income

Government grants are recognised in revenue on a systematic basis over the life of the grant as the conditions related to the grant are met. Government grants become repayable when the conditions of the grant are not met.

1.7 Property, plant and equipment

Tangible fixed assets are stated at valuation less depreciation. Depreciation 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 bases:

Freehold property	-	50 years
Plant and equipment	-	3 to 10 years
Motor vehicles	-	4 years

No depreciation is provided on freehold land.
Any revaluation increase in the carrying amount of land and buildings is recognised in other comprehensive income and included in a revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expended. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve in equity; decreases exceeding the balance in revaluation reserve relating to an asset are recognised in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset recognised in the income statement and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

1.8 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the statement of financial position date or if appropriate at the forward contract date. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the asset. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All revaluation differences are taken to the income statement.

1.10 Basic financial instruments

Trade and other debtors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received.

Trade and other creditors
Trade and other creditors are recognised initially at transaction price less attributable transaction costs. All are payable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1. Accounting policies (continued)

1.11 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Defined Benefit Pension Schemes
The Company also operates two defined benefit schemes providing benefits based on final pensionable pay.

Universities Superannuation Scheme
The assets of the scheme are held separately from those of the Company, being invested by the scheme's investment managers. Contributions to the scheme are paid by the Company.

It is not possible to identify the Company's share of the underlying assets and liabilities in the Scheme. Therefore, under FRS 102, with the exception of the obligations arising under deficit funding agreements, the scheme is accounted for as if it were a defined contribution scheme with employer contributions payable in the period expensed in the income statement. Differences between contributions payable in the period and contributions paid are shown either as accruals or prepayments in the Statement of financial position.

The Company and other participating employers have entered into a deficit funding agreement with the USS. The present values of the Company's commitments under this agreement have been recognised as a liability in the Statement of financial position. The discount rate used reflects that used in the valuation of the British Beer & Pub Association Scheme as set out below. The obligation recognised represents an employer contribution of 2.4% to 9.5% (total employer contribution 18% increasing gradually to 24.2%) to be made until 30 June 2034, in accordance with the scheme schedule of contributions.

British Beer & Pub Association Group Pension Fund
The assets of the scheme are held separately from those of the Company, being invested through investment management companies. Contributions to the scheme are paid by the company. Full actuarial valuations, by a professionally qualified actuary are obtained at least every three years, and updated to reflect current conditions at each statement of financial position date. The date of the last full actuarial valuation was 30 September 2017.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis and are discounted at the appropriate high quality corporate bond rates.

The net surplus or deficit, adjusted for deferred tax where appropriate is presented separately from other net assets on the Statement of financial position as part of the Company's pension scheme liability. A net surplus is recognised only to the extent that it is recoverable by the Company.

The current service cost and costs from settlements and curtailments are charged to the income statement. Interest on the scheme liabilities and on scheme assets are included in other finance costs. Actuarial gains and losses, and the expected return on scheme assets, are reported in other comprehensive income.

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Turnover

A geographical analysis of turnover is as follows:

	2019	2018
	£	£
United Kingdom	**2,737,493**	2,876,498
Rest of European Union	**673,449**	639,817
Rest of world	**627,533**	430,925
	4,038,475	3,947,240

3. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Depreciation – tangible fixed assets owned	**170,714**	174,603
Auditor's remuneration:		
– audit	**8,394**	7,579
– non-audit services	**6,613**	-

4. Staff costs

Staff costs, including Directors' remuneration, during the year were as follows:

	2019	2018
	£	£
Wages and salaries	**1,471,645**	1,590,341
Social security costs	**143,564**	161,277
Current service costs under FRS 102 (Note 12)	**21,000**	40,000
Other pension costs	**145,725**	180,724
	1,781,934	1,972,342

The average monthly number of employees, including the Directors, during the year was as follows:

	2019	2018
	No.	No.
Administration and support	**4**	4
Research and development	**65**	69
	69	73

Notes to the financial statements (continued)

For the year ended 31 December 2019

5. Directors' remuneration

During the year there were no directors' remuneration, benefits in kind, or retirement benefits accruing to no director (2018- nil). Directors are remunerated in Campden BRI (Chipping Campden) Limited and the disclosures for those directors are shown in those financial statements.

The directors are considered to be the only key management personnel.

6. Other finance income

	2019	2017
	£	£
Interest receivable from group companies	**25,000**	10,800
Interest on pension scheme assets	-	-
	25,000	10,800

7. Taxation

Recognised in the income statement	2019	2018
	£	£
Current tax:		
UK corporation tax charge on loss for the year	-	-
Total current tax	-	-
Deferred tax:		
Amounts charged to the income statement in respect of defined benefit pension scheme obligations	-	-
Change in tax rates	-	-
Total deferred tax	-	-
Total tax in income statement	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2019

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	**(140,622)**	(249,864)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	**(26,718)**	(47,474)
Reconciliation of tax charge		
Effects of:		
Expenses not deductible for tax purposes	**172**	355
Fixed asset differences	**-**	33,175
Short term timing differences	**5,215**	-
Deferred tax not recognised	**(145,799)**	19,569
Changes in tax rate	**(17,153)**	2,303
Adjustments in respect of prior periods	**-**	(7,928)
Chargeable gains/losses	**184,283**	-
Total tax charge for the year	**-**	-

Factors that may affect future tax charges

At the balance sheet date, legislation has been enacted which will reduce the main rate of corporation tax to 17% from 1 April 2020. This reduction has been reflected in the calculation of the Company's deferred tax assets and liabilities.

There is a deferred tax asset not recognised of £955,863 (2018 - £1,148,756) on the basis that the timing of its recoverability cannot be assessed with any certainty. The deferred tax asset largely relates to tax losses of £6,657,260 (2018 - £6,493,981) which are available to carry forward against future tax profits.

Notes to the financial statements (continued)

For the year ended 31 December 2019

8. Property, plant and equipment

	Freehold property	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2019	2,665,314	1,474,592	38,365	4,178,271
Additions	-	18,026	-	18,026
Disposals	-	-	-	-
Revaluation	2,734,686	-	-	2,734,686
At 31 December 2019	**5,400,000**	**1,492,618**	**38,365**	**6,930,983**
Depreciation				
At 1 January 2019	1,189,968	728,967	38,365	1,957,300
Charge for the year	50,755	119,959	-	170,714
Disposals	-	-	-	-
Revaluation	(1,234,390)	-	-	(1,234,390)
At 31 December 2019	**6,333**	**848,926**	**38,365**	**893,624**
Net book value				
At 31 December 2019	**5,393,667**	**643,692**	-	**6,037,359**
At 31 December 2018	**1,475,346**	**745,625**	-	**2,220,971**

The freehold land and buildings were revalued on 28 October 2019 by an independent valuer, Resolution property surveyors, on a fair value basis. Resolution have confirmed that the value as at that date was £3,500,000 for the land and £1,900,000 for the buildings.

The historic cost of the freehold land and buildings included above at valuation of £5,400,000 was £2,665,314 and the aggregate depreciation thereon would have been £1,243,275.

No deferred tax has been recognised in respect of the valuation of freehold land and buildings upon the grounds that no significant taxable gains arise.

9. Debtors

	2019	2018
	£	£
Amounts owed by Group undertakings	**760,084**	452,044
Prepayments and accrued income	**12,677**	6,134
Amounts recoverable on long term contracts	**117,213**	109,417
	889,974	567,595

Notes to the financial statements (continued)

For the year ended 31 December 2019

10. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Payments received on account	**45,652**	49,823
Amounts owed to Group undertakings	**2,801,403**	2,517,936
Other taxation and social security	**33,589**	40,141
Other payables	**813**	813
Accruals and deferred income	**73,094**	56,441
	2,954,551	2,665,154

11. Pension commitments

Defined contribution pension scheme

The Company operates a defined contribution scheme for certain of its Directors and employees. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions are charged to the Statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Defined benefit pension schemes

The Company operates two defined benefit schemes providing benefits based on final pensionable pay.

Universities Superannuation Scheme

The assets of the scheme are held separately from those of the Company, being invested by the scheme's investment managers. Contributions to the scheme are paid by Campden BRI (Nutfield).

It is not possible to identify the Company's share of the underlying assets and liabilities in the scheme. Therefore, under FRS 102, with the exception of the obligations arising under deficit funding agreements, the scheme is accounted for as if it were a defined contribution scheme with employer contributions payable in the period expensed in the Statement of comprehensive income. Differences between contributions payable in the period and contributions paid are shown either as accruals or prepayments in the Statement of financial position.

The Company and other participating employers have entered into a deficit funding agreement with the Universities Superannuation Scheme Limited. The present values of the Company's commitments under this agreement have been recognised as a liability in the Statement of financial position. The discount rate used reflects that used in the valuation of the British Beer & Pub Association Scheme as set out below. The obligation recognised represents an employer contribution of between 2.4% and 9.5% (total employer contributions 18% increasing to 24.2%) to be made until 30 June 2034, in accordance with the scheme schedule of contributions.

11. Pension commitments (continued)

The last formal actuarial valuation of the Universities Superannuation Scheme was as at 31 March 2017. The valuation was carried out using the projected unit method. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the past service liabilities was £67.5 billion indicating a deficit of assets of £7.5 billion, being 89% cover of benefits.

Surpluses or deficits which arise in future valuations may impact on the Company's future contribution commitment. The next formal triennial actuarial valuation is due as at 31 March 2020. The contribution rate will be reviewed as part of each valuation.

British Beer & Pub Association Group Pension Fund
Campden BRI (Nutfield) is a participating employer in the British Beer & Pub Association Group Pension Fund ("the scheme"). The assets of the Scheme are held in a separate trustee administered fund. The Scheme closed to future accrual on 1 December 2011. A schedule of contributions is agreed between the Company and the trustees after each comprehensive actuarial valuation.

The most recent comprehensive actuarial valuation took place as at 30 September 2017 and this showed that Campden BRI (Nutfield)'s share of the Schemes liabilities was 19%. These disclosures have been prepared on the basis that Campden BRI (Nutfield)'s share of Scheme's assets is 19%.

The amounts recognised in the Statement of financial position are as follows:

	2019	2018
	£	£
Present value of funded obligations under the British Beer & Pub Association Group Pension Scheme	**542,000**	382,000
Present value of deficit funding obligations to the Universities Superannuation Scheme	**(745,701)**	(835,722)
Deficit in scheme	**(203,701)**	(453,722)
Surplus not recognised	**(542,000)**	(382,000)
Deficit included in Statement of financial position	**(745,701)**	(835,722)
Related deferred tax asset	**-**	-
Net liability	**(745,701)**	(835,722)

No surplus has been recognised in respect of the British Beer & Pub Association Group Pension Fund, as the surplus is not recoverable by the Company.

Notes to the financial statements (continued)

For the year ended 31 December 2019

11. Pension commitments (continued)

The aggregate amounts recognised in the income statement are as follows:

	2019	2018
	£	£
Universities Superannuation Scheme:		
Interest on deficit obligation	-	-
Other defined benefit schemes:		
Scheme expenses	(21,000)	(40,000)
Past service cost (exceptional)	-	(50,000)
Net interest on obligation and scheme assets	-	-
	(21,000)	(90,000)

Exceptional expenditure in the prior year relates to past service costs relating to Guaranteed Minimum Pension (GMP) equalisation.

Movements in the present value of the British Beer and Pub Association Group Pension Fund defined benefit obligation were as follows:

	2019	2018
	£	£
Opening defined benefit obligation	3,385,000	3,837,000
Interest cost	101,000	99,000
Actuarial (gains)/losses	219,000	(572,000)
Past service cost (exceptional)	-	50,000
Benefits paid	(62,000)	(29,000)
Closing defined benefit obligation	3,643,000	3,385,000

Changes in the fair value of scheme assets were as follows:

	2019	2018
	£	£
Fair value of scheme assets at the start of the year	3,767,000	3,931,000
Interest income on scheme assets	112,000	102,000
Return on scheme assets, excluding interest income	359,000	(229,000)
Scheme administrative costs	(21,000)	(40,000)
Contributions by employer	30,000	32,000
Benefits paid	(62,000)	(29,000)
Fair value of scheme assets at end of year	4,185,000	3,767,000

Notes to the financial statements (continued)

For the year ended 31 December 2019

11. Pension commitments (continued)

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2019	2018
Discount rate at 31 December	**2.1 %**	3.0%
Future pension increases	**3.0%**	3.3%
Inflation assumption	**2.1%**	2.4%

The assumptions used in determining the overall expected return of the scheme's assets have been set with reference to yields available on government bonds and appropriate risk margins, in accordance with the requirements of FRS 102.

The assets in the scheme were:

	2019	2018
	£	£
Equity	**2,034,000**	1,730,000
Gilts	**1,507,000**	1,413,000
Corporate bonds	**577,000**	502,000
Cash and other	**67,000**	122,000
	4,185,000	3,767,000
The actual return on assets over the period was:	**471,000**	(127,000)
Present value of funded obligations	**3,643,000**	3,385,000
Fair value of scheme assets	**4,185,000**	3,767,000
Surplus in funded scheme	**542,000**	382,000
Irrecoverable surplus	**(542,000)**	(382,000)
Net liability in the Statement of financial position	**-**	-

12. Financial risk management

The Group is exposed to the usual credit and cash flow risks associated with selling on credit and manages these risks through credit control procedures. The nature of its financial instruments means that the price and liquidity risks are minimised by the predetermination of the Group's funding facilities and terms. Monthly accounts are used to aid management.

13. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. The Company's sole member is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

Notes to the financial statements (continued)

For the year ended 31 December 2019

14. Capital commitments

The Company had no capital commitments as at 31 December 2019 or 31 December 2018.

15. Contingent liabilities

The Company is bound by an unlimited multilateral cross company guarantee arrangement with Campden BRI and Campden BRI (Chipping Campden) Limited. The guarantee is secured by a fixed charge over the freehold land and property at Station Road, Chipping Campden and covers the Group's facility.

16. Ultimate parent undertaking and controlling party

The Company is controlled by its sole member Campden BRI. The results of Campden BRI (Nutfield) are included in the consolidated accounts of Campden BRI. Copies of the consolidated accounts, including the Group's accounting policy for the merger, may be obtained from the Company Secretary, Campden BRI, Chipping Campden, Gloucestershire, GL55 6LD.