

Financial Statements Campden BRI (Nutfield)

For the year ended 31 December 2017



Registered number: 02690377

Campden BRI (Nutfield)

(A company limited by guarantee)

Company Information

Directors

C L Allen
S J Walker
C J Weinstein (to 30 June 2017)

Company secretary

C L Allen

Registered number

02690377

Registered office

Station Road
Chipping Campden
Gloucestershire
GL55 6LD

Independent auditor

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Campden BRI (Nutfield)

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Campden BRI (Nutfield)

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Strategic report

For the year ended 31 December 2017

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 £3,477,520 last year to £3,956,923 and loss before tax reduced from £526,309 to £338,418. A trading review for the Group is set out in the accounts of Campden BRI.

Key performance indicators

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

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

	2017 No. / %	2016 No. / %
Health and safety		
RIDDOR accidents	2	0
Reportable accidents*	4	4
Near misses to accidents ratio	7.1:1	6.9:1
Marketing and communication		
Visits to website	350,853	363,442
Online news monitoring	404	429
Member Interest Group attendees	922	979
Staff investment		
Staff turnover as a % of average workforce	20.40%	17.90%
Training hours as a % of total hours	4.70%	4.69%
Sickness hours as a % of total hours	2.15%	2.54%

*Notified individually to the board of directors

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Strategic report (continued)

For the year ended 31 December 2017

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.

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 transformation programme is underway, aligned to the delivery of a three-year plan to 202. The corporate governance methodology has been strengthened with the introduction of departmental and directorate level risk registers, with the significant risks contributing to the Group's risk register.

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. A consultation to identify the innovation needs of the Food and Drink industry will help ensure that our areas of work remain relevant to our key clients. 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 (14%) and Commercial contracts (79%).

Operational risks

Business management practices and performance are detailed in a comprehensive intranet based system which is regularly reviewed. The Group is also externally audited and accredited to ISO 9001 (Campden and Nutfield sites) and ISO 17025 (Campden and Nutfield sites). 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 by the Company in 2017 was £198,523 (£158,013 in 2016) focused on laboratory and pilot plant equipment, IT infrastructure and refurbishment of facilities.

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Strategic report (continued)

For the year ended 31 December 2017

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.

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. The Group has realised a trading profit during the year, but have realised deficit once the impact of the significant defined pension scheme obligations is recognised – resulting in a net liabilities position. The Directors have prepared forecasts that they believe are prudent and anticipate that the Group will be able to continue to operate for at least the next 12 months from signing of its balance sheet. The forecasts assume that the pension scheme trustees do not insist upon payment of the deficit in full or materially increase the deficit repayment plan and the Directors have therefore prepared the accounts on a going concern basis.

This report was approved by the board on 21 May 2018 and signed on its behalf.


S.J Walker
Director

Campden BRI (Nutfield)

(A company limited by guarantee)

Directors report

For the year ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

Results

The loss for the year, after taxation, amounted to £338,418 (2016 – loss of £526,309).

Directors

The Directors who served during the year were:

C L Allen

S J Walker

C J Weinstein (to 30 June 2017)

Future outlook

The strategy has been developed in to a change programme and is being delivered as the Business Transformation Programme (BTP). This was approved by the Board in 2017 and will be largely delivered in 2018. The BTP requires full POTI (Process, Organisation, Technology and Information) analysis to be completed to define the scope of change. The resultant projects will deliver new structures and operating models, to ensure the business becomes financially sustainable, a great place to work and the partner of choice for the food and drink industry.

Government austerity measures will continue for the future and be compounded by the uncertainty created following the UK referendum in June 2016 leading to “Brexit.” Whilst UK Government recognises the importance of the agri-food sector, it is not anticipated that there will be significant additional income from this.

Employees

The Group places great emphasis on recruiting, training and retaining high quality staff in order to minimise staff turnover and this has been reinforced by the BTP and its deliverables.

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 Directorate and Departmental meetings with staff.

The Group is committed to staff training and development in order to meet business objectives. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees. The Leadership development programme, a Management development programme and Supervisors’ programme continue. These are supported by a range of bespoke technical and skills training.

Applicants for employment, including those with disabilities, are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. The Group’s policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

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Directors report (continued)

For the year ended 31 December 2017

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

Campden BRI (Nutfield)

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Directors report (continued)

For the year ended 31 December 2017

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 21 May 2018 and signed on its behalf.



S. J Walker
Director

Campden BRI (Nutfield)

(A company limited by guarantee)

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

We have audited the financial statements of Campden BRI (Nutfield) for the year ended 31 December 2017, which comprise the statement of comprehensive income, the statement of changes 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Campden BRI (Nutfield)

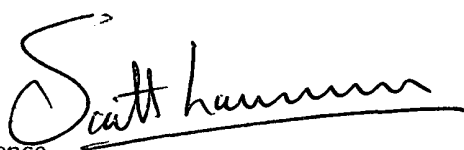
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Independent auditor's report to the members of Campden BRI (Nutfield) (continued)

Matters on which we are required to report by exception

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.

A handwritten signature in black ink, appearing to read 'Scott Lawrence', with a horizontal line underneath.

Scott Lawrence
Senior Statutory Auditor
for and on behalf of Hazlewoods LLP
Statutory Auditor
Cheltenham
Date: 13 June 2018

Campden BRI (Nutfield)**(A company limited by guarantee)****Statement of comprehensive income****For the year ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	2	3,956,923	3,477,520
Cost of sales		<u>(2,779,193)</u>	<u>(2,732,883)</u>
Gross profit		1,177,730	744,637
Administrative expenses		<u>(1,532,748)</u>	<u>(1,308,534)</u>
Operating loss	3	(355,018)	(563,897)
Interest payable and similar charges	6	(9,000)	(8,958)
Other finance income	7	<u>25,600</u>	<u>46,546</u>
Loss on ordinary activities before taxation		(338,418)	(526,309)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss for the financial year		(338,418)	(526,309)
Other comprehensive income			
Gains and losses on defined benefit pension obligations	12	<u>363,000</u>	<u>(286,000)</u>
Total comprehensive income for the year attributable to the parent's owners		<u>24,582</u>	<u>(812,309)</u>

All amounts relate to continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Campden BRI (Nutfield)

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Statement of changes in equity

For the year ended 31 December 2017

	Retained earnings £
At 1 January 2016	<u>882,522</u>
Loss for the year	(526,309)
Gains and losses on defined benefit pension obligations	<u>(286,000)</u>
Total comprehensive income for the period	<u>(812,309)</u>
Balance as at 31 December 2016	<u>70,213</u>

	Retained earnings £
At 1 January 2017	<u>70,213</u>
Loss for the year	(338,418)
Gains and losses on defined benefit pension obligations	<u>363,000</u>
Total comprehensive income for the period	<u>24,582</u>
Balance as at 31 December 2017	<u>94,795</u>


The notes on pages 12 to 25 form part of these financial statements.

Statement of financial position

As at 31 December 2017

		2017	2016
	Note	£	£
Fixed assets			
Property, plant and equipment	9	2,386,451	2,364,753
Current assets			
Debtors	10	216,239	1,448,565
Cash in hand		1,897	2,222
		218,136	1,450,787
Creditors: amounts falling due within one year	11	(2,287,564)	(3,182,772)
Net current liabilities		(2,069,428)	(1,731,985)
Total assets less current liabilities		317,023	1,168,702
Defined benefit pension scheme liability	12	(222,228)	(562,555)
Net (liabilities)/assets including pension scheme liabilities		94,795	70,213
Capital and reserves			
Profit and loss account		94,795	70,213

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 May 2018.


S. J Walker
Director

The notes on pages 12 to 25 form part of these financial statements.

Campden BRI (Nutfield)

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Notes to the financial statements

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 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 cost of £2,665,314. Management believe that fair value is not materially different to historic net book value.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.3 Significant judgements and estimates (continued)

Estimates (continued)

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 £222,228 (2016: £562,555). 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 2017, a surplus of £nil (2016: £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 2017 the company has not recognised a deferred tax asset in respect of defined benefit pension scheme obligations or losses (2016: £nil) due to uncertainty over future recovery.

1.4 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.

1.5 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. Accounting policies (continued)

Notes to the financial statements (continued)

1.6 Property, plant and equipment

Tangible fixed assets are stated at cost 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

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.

1.7 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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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

Notes to the financial statements (continued)

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 2.1% (total employer contribution 18%) to be made until 31 March 2031, 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.

Campden BRI (Nutfield)**(A company limited by guarantee)****Notes to the financial statements (continued)****2. Turnover**

A geographical analysis of turnover is as follows:

	2017	2016
	£	£
United Kingdom	3,780,355	2,250,655
Rest of European Union	703,949	734,436
Rest of world	472,619	492,429
	<u>3,956,923</u>	<u>3,477,520</u>

3. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation – tangible fixed assets owned	176,825	168,778
Auditor's remuneration	<u>8,140</u>	<u>5,898</u>

4. Staff costs

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

	2017	2016
	£	£
Wages and salaries	1,721,453	1,679,733
Social security costs	175,028	158,985
Current service costs under FRS 102 (Note 12)	65,000	38,000
Other pension costs	124,557	137,299
	<u>2,086,038</u>	<u>2,014,017</u>

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

	2017	2016
	No.	No.
Administration and support	5	6
Research and development	<u>68</u>	<u>66</u>
	<u>73</u>	<u>72</u>

Campden BRI (Nutfield)**(A company limited by guarantee)****Notes to the financial statements (continued)****5. Directors' remuneration**

	2017 £	2016 £
Remuneration (including Benefits in Kind)	<u>129,383</u>	<u>102,491</u>
Contributions to DB Scheme	<u>8,656</u>	<u>16,583</u>

During the year retirement benefits were accruing to 1 Director (2016 - 1) in respect of defined benefit pension schemes.

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

6. Interest payable

	2017 £	2016 £
Interest payable to group companies	-	-
Interest on pension scheme liabilities	<u>9,000</u>	<u>8,958</u>
	<u>9,000</u>	<u>8,958</u>

7. Other finance income

	2017 £	2016 £
Interest receivable from group companies	<u>25,600</u>	<u>38,546</u>
Interest on pension scheme assets	<u>-</u>	<u>8,000</u>
	<u>25,600</u>	<u>46,546</u>

8. Taxation

Recognised in the income statement	2017 £	2016 £
Current tax:		
UK corporation tax charge on profit for the year	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Amounts charged to the income statement in respect of defined benefit pension scheme obligations	<u>-</u>	<u>-</u>
Change in tax rates	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Total tax in income statement	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before tax	<u>(338,418)</u>	<u>(526,309)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20 %)	(65,145)	(105,262)

Reconciliation of tax charge

Effects of:

Expenses not deductible for tax purposes	9,488	1,813
Fixed asset differences	-	(15,340)
Short term timing differences	-	(3,641)
Deferred tax not recognised	<u>55,657</u>	<u>122,430</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At the balance sheet date, legislation has been enacted which reduced the main rate of corporation tax to 19% from 1 April 2017 and 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 £1,118,596 (2016 - £1,135,904) 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 £6,074,539 (2016 - £5,977,960) which are available to carry forward against future tax profits.

Campden BRI (Nutfield)**(A company limited by guarantee)****Notes to the financial statements (continued)****9. Property, plant and equipment**

	Freehold property £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2017	2,665,314	1,331,743	38,365	4,035,422
Additions	-	198,523	-	198,523
Disposals	-	-	-	-
At 31 December 2017	2,665,314	1,530,266	38,365	4,233,945
Depreciation				
At 1 January 2017	1,083,356	550,244	37,069	1,670,669
Charge for the year	53,306	122,223	1,296	176,825
Disposals	-	-	-	-
At 31 December 2017	1,083,356	550,244	37,069	1,847,494
Net book value				
At 31 December 2017	1,528,652	857,799	-	2,386,451
At 31 December 2016	1,581,958	781,499	1,296	2,364,753

The land element included within the carrying value of freehold land and buildings cannot be separately identified.

The freehold land and buildings fair value is not materially different to the historical net book value as set out above in the opinion of the directors.

10. Debtors

	2017 £	2016 £
Amounts owed by Group undertakings	97,944	1,247,781
Prepayments and accrued income	7,620	10,657
Amounts recoverable on long term contracts	110,675	190,127
	216,239	1,448,565

Notes to the financial statements (continued)

11. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Payments received on account	18,910	207,453
Trade payables	-	-
Amounts owed to Group undertakings	2,147,555	2,837,122
Other taxation and social security	38,042	46,000
Other payables	841	817
Accruals and deferred income	82,216	91,380
	<u>2,287,564</u>	<u>3,182,772</u>

12. 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 2.1% (total employer contributions 18%) to be made until 31 March 2031, in accordance with the scheme schedule of contributions.

Campden BRI (Nutfield)

(A company limited by guarantee)

Notes to the financial statements (continued)

12. Pension commitments (continued)

The last formal actuarial valuation of the Universities Superannuation Scheme was as at 31 March 2014. The valuation was carried out using the projected unit method. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the past service liabilities was £46.9 billion indicating a deficit of assets of £5.3 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 2017. 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 16%. These disclosures have been prepared on the basis that Campden BRI (Nutfield)'s share of Scheme's assets is 16%.

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

	2017	2016
	£	£
Present value of funded obligations under the British Beer & Pub Association Group Pension Scheme	(94,000)	(314,000)
Present value of deficit funding obligations to the Universities Superannuation Scheme	(222,228)	(248,555)
Deficit in scheme	(316,228)	(562,555)
Surplus not recognised	94,000	-
Deficit included in Statement of financial position	(222,228)	(562,555)
Related deferred tax asset	-	-
Net liability	(222,228)	(562,555)

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.

Campden BRI (Nutfield)**(A company limited by guarantee)****Notes to the financial statements (continued)****12. Pension commitments (continued)**

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

	2017 £	2016 £
Universities Superannuation Scheme:		
Interest on deficit obligation	-	(8,958)
Other defined benefit schemes:		
Scheme expenses	(65,000)	(38,000)
Net interest on obligation and scheme assets	(626,000)	8,000
	<u>(691,000)</u>	<u>(38,958)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,500,000	2,634,000
Interest cost	101,000	105,000
Actuarial losses/(gains)	256,000	781,000
Benefits paid	(20,000)	(20,000)
Closing defined benefit obligation	<u>3,837,000</u>	<u>3,500,000</u>

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

	2017 £	2016 £
Fair value of scheme assets at the start of the year	3,186,000	2,828,000
Interest income on scheme assets	92,000	113,000
Return on scheme assets, excluding interest income	713,000	301,000
Scheme administrative costs	(65,000)	(38,000)
Contributions by employer	25,000	2,000
Benefits paid	(20,000)	(20,000)
Fair value of scheme assets at end of year	<u>3,931,000</u>	<u>3,186,000</u>

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

12. Pension commitments (continued)

	2017	2016
Discount rate at 31 December	2.6%	2.9%
Future pension increases	3.3%	3.4%
Inflation assumption	2.4%	2.5%

Campden BRI (Nutfield)**(A company limited by guarantee)****Notes to the financial statements (continued)**

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:

	2017	2016
	£	£
Equity	1,957,000	1,536,000
Gilts	1,425,000	1,184,000
Corporate bonds	532,000	416,000
Cash and other	17,000	50,000
	<u>3,931,000</u>	<u>3,186,000</u>
The actual return on assets over the period was:	<u>805,000</u>	<u>414,000</u>
Present value of funded obligations	3,837,000	3,500,000
Fair value of scheme assets	<u>3,931,000</u>	<u>3,186,000</u>
Surplus in funded scheme	94,000	(314,000)
Irrecoverable surplus	<u>(94,000)</u>	<u>-</u>
Net liability in the Statement of financial position	<u>-</u>	<u>(314,000)</u>

13. 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.

14. 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.

Campden BRI (Nutfield)

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Notes to the financial statements (continued)

15. Capital commitments

The Company had no capital commitments as at 31 December 2017 or 31 December 2016.

16. 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.

17. 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.