

**THE BEER ACADEMY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **THE BEER ACADEMY**

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## THE BEER ACADEMY

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### COMPANY INFORMATION

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<b>Directors</b>	Dr J W Avis A H P Barclay (resigned 5 September 2016) Dr P J Channon N S Fitch (appointed 6 September 2016) J K Mitchell (appointed 6 September 2016) L P Specterman (resigned 4 July 2016)
<b>Company secretary</b>	J W Avis
<b>Registered number</b>	06277078
<b>Registered office</b>	44A Curlew Street London SE1 2ND
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
<b>Bankers</b>	Royal Bank of Scotland plc Curzon Street London W1Y 7RF

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## **THE BEER ACADEMY**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### **Principal activity**

The Beer Academy Limited is a wholly owned subsidiary of the Institute of Brewing and Distilling (IBD), a charitable company.

The Beer Academy is operated through the Beer Academy Limited and provides educational courses dedicated to helping people understand, appreciate and enjoy beer sensibly. Founded in 2003 by a small group of beer enthusiasts, it quickly attracted support from brewers (large and small), beer retailers, trade associations and consumer groups who funded the start-up costs and enabled the Academy to put together a series of courses and training materials delivered by a small group of experienced and knowledgeable tutors with a real passion for beer.

#### **Results for the year**

2016 proved to be a better year than 2015 both from an activity and a financial perspective with 1,168 delegates successfully completing courses at training venues (a rise of c. 8% over 2015). At the end of 2016 there were 136 beer sommeliers from 23 countries who had successfully completed all the courses and final assessment. All are now in a position to be advocates for the category and many do so in a professional or semi-professional capacity.

The Beer Academy ended the year with a profit of £28,815 (2015 saw a loss of £12,928) and with good prospects for 2017. The increased profitability arose from increased sales, an improved ratio of delegates to tutors and the removal of the Beer Steward on-line product where the take up was poor.

During the year the Trustees of the company's parent charity made the decision to bring the Beer Academy into IBD as a division, to ensure that the Institute could have an educational solution that would stretch from grain to glass.

#### **Directors**

The directors who served during the year were:

Dr J W Avis  
A H P Barclay (resigned 5 September 2016)  
Dr P J Channon  
N S Fitch (appointed 6 September 2016)  
J K Mitchell (appointed 6 September 2016)  
L P Specterman (resigned 4 July 2016)

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## **THE BEER ACADEMY**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **Directors' responsibilities statement**

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements 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.

#### **Post balance sheet events**

On 31st December 2016 the goodwill, assets and IP of the Beer Academy Ltd were transferred into the IBD. The Beer Academy remains a non-trading company wholly owned by the IBD.

#### **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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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.

#### **Auditor**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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**THE BEER ACADEMY**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12<sup>th</sup> September 2017 and signed on its behalf.



N S Fitch  
Director

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## **THE BEER ACADEMY**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE BEER ACADEMY**

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We have audited the financial statements of The Beer Academy for the year ended 31 December 2016, set out on pages 7 to 13. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 on page 3, 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 Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2016 and of its profit or 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.

#### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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 Directors' Report.

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**THE BEER ACADEMY**

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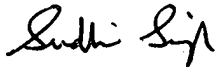
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE BEER ACADEMY (CONTINUED)**

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**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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants and Statutory Auditor

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date: 29 September 2017



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**THE BEER ACADEMY**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Note	2016 £	2015 £
Turnover		127,807	95,694
Cost of sales		(66,722)	(57,879)
<b>Gross profit</b>		<b>61,085</b>	<b>37,815</b>
Administrative expenses		(31,712)	(50,743)
<b>Operating profit/(loss)</b>	2	<b>29,373</b>	<b>(12,928)</b>
Transfer of net assets to parent		(558)	-
<b>Profit/(loss) before tax</b>		<b>28,815</b>	<b>(12,928)</b>
<b>Profit/(loss) for the year</b>		<b>28,815</b>	<b>(12,928)</b>

There were no recognised gains and losses for 2016 or 2015 other than those included above.

The notes on pages 10 to 13 form part of these financial statements.

The company's results derive from continuing operations.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	2	10,468
Cash at bank and in hand		-	33,474
		<u>2</u>	<u>43,942</u>
Creditors: amounts falling due within one year	6	-	(72,755)
<b>Net current assets/(liabilities)</b>		<u>2</u>	<u>(28,813)</u>
<b>Total assets less current liabilities</b>		<u>2</u>	<u>(28,813)</u>
 <b>Net assets excluding pension asset</b>		 <u>2</u>	 <u>(28,813)</u>
<b>Net assets/(liabilities)</b>		<u>2</u>	<u>(28,813)</u>
 <b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account		-	(28,815)
		<u>2</u>	<u>(28,813)</u>

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

12<sup>th</sup> September 2017

N S Fitch  
Director

The notes on pages 10 to 13 form part of these financial statements.

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**THE BEER ACADEMY**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2015</b>	<b>2</b>	<b>(15,887)</b>	<b>(15,885)</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(12,928)	(12,928)
<b>Total comprehensive income for the year</b>	-	(12,928)	(12,928)
<b>At 1 January 2016</b>	<b>2</b>	<b>(28,815)</b>	<b>(28,813)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	28,815	28,815
<b>Total comprehensive income for the year</b>	-	28,815	28,815
<b>At 31 December 2016</b>	<b>2</b>	<b>-</b>	<b>2</b>

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## THE BEER ACADEMY

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The Beer Academy Limited is a company limited by shares incorporated in England & Wales within the United Kingdom.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 1.2 Going concern

The directors of The Beer Academy are satisfied that the financial statements have been prepared on a going concern basis on the grounds that the current sources of funding or support will be more than adequate for the company's needs. On 31 December 2016, the goodwill, assets and intellectual property were transferred into the parent, Institute of Brewing and Distilling. The Beer Academy is now a dormant trading company and remains wholly owned by the Institute of Brewing and Distilling. The parent is therefore committed to ensuring that the underlying activities of The Beer Academy will continue for the foreseeable future, albeit through the parent entity.

##### 1.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are estimated to have a useful economic life of 4 years.

##### 1.4 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Tangible assets are estimated to have a useful economic life of 10 years.

##### 1.5 Financial instruments

Debtors - trade debtors are financial instruments and are debt instruments measured at amortised cost as detailed in Note 5.

Cash at bank and short term deposits - are classified as financial instruments and are measured at face value.

Liabilities - trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 6. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

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## THE BEER ACADEMY

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. Accounting policies (continued)

##### 1.6 Income and Expenditure

Income for goods or services is recognised in the period in which the goods or services are supplied.

All expenditure is accounted for on an accrual basis. Expenditure incurred on events taking place after the year end is carried forward in debtors as prepayments. Income received in advance on events taking place after the year end is carried forward in creditors as deferred income.

##### 1.7 Debtors and creditors receiveable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

#### 2. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,250	2,250
Auditors Remuneration - Taxation	800	750
Underprovision for prior year	-	1,450
	<u>          </u>	<u>          </u>

The company does not employ any staff. Administrative functions are undertaken by the parent undertaking and recharges to the company are at cost.

#### 3. Intangible assets

	Equipment £
At 1 January 2016	7,500
Disposals	(7,500)
At 1 January 2016	7,500
On disposals	(7,500)
<b>Net book value</b>	
At 31 December 2016	<u>          </u>
At 31 December 2015	<u>          </u>

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**THE BEER ACADEMY**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**4. Tangible fixed assets**

	Office equipment £
At 1 January 2016	1,080
Disposals	(1,080)
At 31 December 2016	-
At 1 January 2016	1,080
Disposals	(1,080)
At 31 December 2016	-
<b>Net book value</b>	
At 31 December 2016	-
At 31 December 2015	-

**5. Debtors**

	2016 £	2015 £
Trade debtors	2	10,468
	<u>2</u>	<u>10,468</u>

**6. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	-	1,687
Amounts owed to group undertakings	-	46,357
Other taxation and social security	-	2,009
Accruals and deferred income	-	22,702
	<u>-</u>	<u>72,755</u>

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## THE BEER ACADEMY

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 7. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

#### 8. Post balance sheet events

On 31st December 2016 the goodwill, assets and IP of the Beer Academy Ltd were transferred into the IBD. The Beer Academy remains a non-trading company wholly owned by the IBD.

#### 9. Controlling party

The ultimate parent undertaking is The Institute of Brewing & Distilling a company registered in England and Wales (No. 1217770) & a registered charity (No. 269830). Copies of the group accounts may be obtained from 44a Curlew Street, London SE1 2ND.