Registration number: 00510618

# CAMPDEN BRI

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

**CAMPDEN BRI**

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## CAMPDEN BRI

## COMPANY INFORMATION

| | |
|---|---|
| **Chair** | S Munden |
| **Directors** | P J Headridge<br>C Ikpeme<br>A L Kyriakides<br>P E Moody<br>S K Newbitt<br>C Pronto-Hussey |
| **Company secretary** | C Ikpeme |
| **Independent scientific advisors to the Board** | M Howie<br>G Milligan |
| **Registered office** | Station Road<br>Chipping Campden<br>Gloucestershire<br>GL55 6LD |
| **Auditors** | Hazlewoods LLP<br>Staverton Court<br>Staverton<br>Cheltenham<br>GL51 0UX |

## CHAIR'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

I became the Chair of the Board on 22nd November 2023, after the Extraordinary General Meeting that brought in the amendments to governance, when the new board met for the first time. We are a board of seven, with five non-executive directors plus the CEO and CFO. Between us we have worked across the food and drink industry in farming, retailing, manufacturing, food service, and franchising, in roles from research & development, quality, supply chain, finance, marketing, commercial, consultancy and technology to CEO. We have been brought together to ensure that Campden is fulfilling its true potential to serve the food and drink industry globally.

We are listening to members, clients and potential clients, both the stories of delivering and delighting, and also perhaps the more instructive ones where we may have fallen short or where our services were not chosen. We are taking soundings across all the sectors to understand the growth areas and the future needs of members and clients, so that we can plan to invest in capabilities ahead of the curve to be there, ready when we are needed.

We are also listening to our teams, and investing behind systems and processes to help efficiency and effectiveness in what they do. This is turning out to be quite a significant programme, which the executive team are sequencing to ensure it lands well and builds over time. Thank you to all our colleagues for their focus and service to our members and clients.

In its essence our core capability is food quality, safety and business continuity. But we are not just here for the emergencies in life. Our teams can support the many topics quality and safety intersect. When companies innovate with new recipes or ingredients, whether it’s for cost, supply-security, sustainability, or health, there’s always the first responsibility to customers for product safety and quality. Or when companies change their technology and innovate in production methods for any of those reasons again, there’s still the first responsibility to customers for product safety and quality. Campden BRI is here for our members and clients at every step of the process across your various teams and departments. We aspire to be able to bring our research and all our services together in a seamless way to give clear insight and answers from a lot of data. Both now and into the future.

Last but by no means least, I would like to say a big thank you to former board members, and the previous Chair, Tim Holmes for steering the board and supporting the executive team over the past few years, and wish him well with his next venture.

Sebastian Munden
.........................................
S Munden
Chair

## CAMPDEN BRI

## CHIEF EXECUTIVE'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Despite the economic headwinds the business faced in 2023, I am pleased to report that the demand for our services remained robust. The total revenue of the business grew by over £2M vs 2022 through a healthy combination of both increased number of project briefs and analytical consultancy.

Despite the inflationary impact on our direct costs, increased sales volume led to further resources for reinvestment in 2023.

The difficult decision was taken in January 2024 to consult on the closure of our Nutfield site which subsequently led to the site being fully decommissioned in July. This consolidation of our analytical services to our Chipping Campden site will deliver operational resilience as well as substantial cost savings. These savings will also enable us to invest in state-of-the-art capital analytical equipment at Chipping Campden, thus future proofing the labs with the latest analytical methods and improved systems for exceptional client service our members enjoy and deserve.

2023 saw the launch of our operational excellence program which consists of several workstreams to modernise and invest in our processes which will accelerate our capacity for strategic growth.

At the back end of the year, we evolved our research strategy after consulting with the member scientific and technical committee. This new strategy has focussed on delivering shorter term tangible outputs to serve our members with newly developed analytical methods and technology solutions.

We remain committed to delivering, in the most cost-effective way, an exceptional client experience, fostering diversity and inclusion, and reinforcing our capabilities to address the evolving opportunities for the food and drink industry.

As we navigate the continued challenges of the economic environment, we remain dedicated to our vision to be the trusted, premier, independent technical partner of choice to the food and drink industry, with great science and sustainability at the core of our plans.

Peter Headridge
........................................
P Headridge
Chief Executive

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their strategic report for the year ended 31 December 2023.

**Principal activity**

The principal activity of the Group is the provision of scientific and technical services to the food and drink supply chain. This is achieved by providing a broad portfolio of services to member companies and commercial and Government clients. These activities are focused on five key business platforms:

*Membership*

The close relationship with over 4,000 member companies in 90 countries around the world, through 1,478 membership accounts, helps ensure that the Group understands the needs of its principal clients, both individually and collectively. Membership of the organisation provides the opportunity to participate in Member Interest Groups (MIGs), which offer valuable insights and networking opportunities to connect with industry colleagues and peers. Additionally, membership includes special support services, preferential rates, and quick, free enquiries. This engagement provides an unrivalled view of the needs and opportunities for the food, drink, and allied industries.

*Research & innovation*

The Group carries out an ongoing research program in its own right and in collaboration with other research providers to meet the food industry's strategic aims and develop its service offerings and technical skills.

*Analytical Services*

The Group focuses its activities on those areas of complex analysis where the interpretation of results, innovative methods and the strength of the Campden BRI brand provide a unique selling point versus high-volume operators. Significant investment in this area continues, which remains a key part of our activities. Continued refinement of the laboratory information management system (LIMS) is at the forefront of providing our clients with a more rigorous, consistent and high-quality offering regarding analysis and reporting.

*Consultancy*

Through developing innovative technical and consulting services and close relationships with members, the Group provides clients with a broad range of bespoke services in the areas of Science and Technology. There has been continued investment in the necessary equipment for such work in the Process Halls and Pilot Production capabilities.

*Training and knowledge management*

The provision of classroom and online scheduled and customised training, seminars and conference events, coupled with the provision of targeted technical databases, have been effective mechanisms to keep clients up to date, promote the Campden BRI brand, and help identify new market opportunities. Expansion of the Regulatory advisory services into international territories continue the Groups' commitment to continuous improvement and remaining relevant in an increasingly globalised economy. The Strategic Knowledge Development team ensure that the vast amount of knowledge within Campden BRI is clearly available for commercial use to the business and in support of our members and clients.

### Fair review of the business

The results for the year, as detailed in the statement of comprehensive income, reflect a turnover of £26,048,990, representing a 10% increase from the previous year's £23,483,103. This growth in turnover facilitated strategic investments in our services, which in turn contributed to an improved operating profit of £1,905,421, compared to £1,367,889 in the prior year.

The company has agreed with the trustees of its defined benefit pension schemes to contribute a schedule of contributions from its profits towards funding the deficits in the pension schemes. During the year, the Group committed £1,243,000 (2022 - £1,181,000) towards funding these defined benefit pension scheme deficits.

The defined benefit pension scheme deficit, excluding deferred tax, has increased during the year, rising to £7,387,000 from £3,276,804 in the previous year. This increase is primarily attributable to the impact of lower corporate bond yields, which have reduced the discount rate used to calculate the scheme's liabilities, thereby exacerbating the deficit.

The Group has tangible fixed assets, including freehold property valued in the financial statements at £17,686,934 (2022 - £17,109,272). The Group also had net current assets amounting to £3,008,322 (2022 - £3,125,868).

### Key perfomance indicators

Campden BRI Group monitors the health of the business through a range of measures: health and safety, financial performance, staff investment, infrastructure and capital investment, standards of service, marketing and communications, client feedback and business development. These are reviewed and monitored by the Executive Leadership Team regularly and reported to the Board as requested.

| | | 2023 | 2022 |
|---|---|---|---|
| | | No. / % | No. / % |
| Health and Safety | | | |
| | RIDDOR accidents | 2 | 1 |
| | Lost Time accidents | - | 1 |
| Membership | | | |
| | Number of member accounts | 1,478 | 1,506 |
| | Member Interest Group attendees | 1,504 | 1,444 |
| Staff investment | | | |
| | Training hours as a % of total hours | 4.37% | 4.31% |

**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 several businesses compete directly in certain defined areas of the Group's business. Development of a new business strategy for 2025-28 is underway to ensure the business remains relevant to our membership's needs and is financially robust.

The Board has formed an Audit and Risk Committee of independent Non-Executive Directors, which meets at least four times a year to maintain regular risk oversight.

*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 clients' changing needs in both the short and medium term. Campden BRI has actively reduced its reliance on U.K. Government and EU funding as they continue to face budget challenges and increased uncertainty. Although Government tenders are reviewed for appropriateness, income is derived mainly from Membership fees (16%) and Commercial contracts (82%).

*Operational risks*
Business management practices and performance are detailed in a comprehensive business management system overseen by the Governance, Risk Management and Compliance team. The Group is also externally audited and accredited to ISO 9001 (Campden and Nutfield sites) and ISO 17025 (Campden and Nutfield sites). The Board has continued to appoint and get feedback from Independent Scientific Advisers who reviewed the activities of Campden BRI, particularly in relation to the direction of research and formal engagement with member views. 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 management accounts are used to aid management in monitoring and directing business performance. The Board has formed a Finance Committee of independent Non-Executive Directors to oversee group performance and enhance the Board's decision-making processes.

The Group participates in four defined benefit pension schemes, resulting in significant financial risk. The group's participation has been actively managed as part of a de-risking strategy. The Campden R.A. 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 Assurance (FMBRA) Scheme in 2012. The eligibility criteria for joining the Universities Superannuation Scheme (USS) was 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 2023 was £1,368,658 (2022 - £861,416), focusing on laboratory and pilot plant equipment, improvements in I.T. and building 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 in foreign exchange rates deflating or inflating the Group's foreign currency assets and liabilities.

**Going concern**
The Board evaluates whether the Group can continue as a going concern, meaning that there are no material uncertainties that could cast significant doubt on the Group's ability to operate effectively over the next twelve months from the approval date of the financial statements.

In assessing the Group's going concern status, the Board has considered the financial resources available alongside ongoing economic and geopolitical uncertainties. Although U.K. inflation has significantly decreased over the past year, the Board continues to monitor the lingering effects of COVID-19, the ongoing war in Ukraine, and potential volatility in energy markets. Scenarios have been modelled to assess these risks alongside the proactive measures the Group has taken to ensure its viability, as outlined earlier in this report. The base case scenario assumes that demand for the Group's services will continue through 2024 and 2025, supported by ongoing initiatives to enhance process efficiency and productivity.

The assumptions underlying these forecasts are subject to various sensitivities, including potential declines in revenue and demand. The base case has been stress-tested to consider scenarios where revenues and demand are lower than anticipated. As has been the case for many years, the forecasts also assume that the pension scheme trustees do not insist on paying the deficit in full or materially increasing the deficit repayment plan. The triennial valuations for the Campden R.A. and FMBRA schemes were submitted to the Pensions Regulator in March 2024, and they include an agreed-upon schedule of contributions. The Board and Trustees continue to have a good working relationship.

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.

**Section 172(1) statement**
The Board of Directors of Campden BRI, individually and collectively, consider that they have acted in good faith and in a manner likely to promote the Company's and Group's success for the benefit of its members in the decisions taken during the year.

During the year, we updated and implemented policies, systems, and procedures in accordance with our responsibilities to our stakeholders.

The Board considers that the primary stakeholder groups impacted by the Company's and Group's business activities and decisions include its employees, members, clients, pension trustees, lenders, suppliers, and local communities. We recognise the importance of our stakeholders to the success of the business.

We strive to be responsible employers and engage with our employees. They are fundamental in contributing to the success of the Company and the Group and delivering the best possible service to our members and clients. As a result, management meets regularly with employee representatives to facilitate an exchange of views and achieve a safe and successful business. In addition, all employees receive regular business updates from leadership. All employees are invited to participate in an annual staff engagement survey.

All staff and their immediate families have access to an employee assistance programme that provides confidential support from counsellors and financial, legal, and health advice. Ten of our employees are trained mental health first aiders.

The experience we deliver to members and clients is integral to the Group's brand and drives the business's success. Therefore, we continue to undertake an annual membership survey to assess customer satisfaction feedback during the year, which informs our ongoing client experience program.

The Articles of Association, approved in November 2023, established an Advisory Council that the Board will actively meet with three times per year.

**Section 172(1) statement (continued)**
Suppliers are engaged regularly as they are vital to the business's ability to operate effectively. The directors agree on terms and establish policies to ensure adherence to supplier payment terms.

The Company and Group endeavour to positively impact the local community and environment, as this is essential to the staff, customers, and members. At our company-owned sites, all waste is recycled or incinerated to generate energy, and carbon dioxide emissions have continually reduced over the last four years.

Key decisions include health, safety, and the environment, commercial and financial strategy, capital expenditure, management of defined benefit pension schemes, and key management personnel's appointments.

The directors prioritise our employees' health, safety, and physical and mental welfare, which is a core value of the Company. We also diligently manage our responsibility to others who may be affected by our activities, such as contractors, visitors, and members of the public.

We are continually improving Campden BRI's occupational health and safety performance. We are committed to reducing risks through the continuous improvement of safe and effective processes and properly supervised systems of work in conjunction with appropriate consultation, communication, training and monitoring.

We have established rigorous and robust processes to ensure that we meet our statutory duties at all times and have appointed competent people to assist us in discharging this duty and in ensuring that a strong health and safety culture is embedded in our business. Health and safety performance is measured, reported on, and reviewed at every board meeting, and all safety incidents are investigated thoroughly. We actively encourage all employees to report accidents and near-misses.

The Board regularly participates in developing the business’s three-year strategy and monitoring its implementation against key performance indicators. In 2024 and 2025, the Board will devote time to understanding current and future industry needs and preparing to serve them best. Independent scientific advisors and a scientific and technical committee support the Board in overseeing the essential research programme.

The business is the employer sponsor of the defined benefit schemes, and the active engagement with the trustees is an important business relationship. Meetings are held a minimum of three times per year to brief the trustees on business performance, review the funds' performance, and consult on investment and funding decisions.

To help ensure the quality and integrity of essential management information, the directors continue to invest in a comprehensive data reporting system, segregation of duties, regular oversight, and a robust budgeting process. In addition, the Company operates a forecast process to develop the business's financial plans. It engages with its lenders when required to ensure sufficient liquidity for future anticipated economic scenarios.

The appointment of key staff is essential for shaping strategic decisions and ensuring longer-term succession planning and cultural influence.

The above activities help safeguard the business's success, ensuring that it acts fairly in the interests of the Company's shareholders, including maximising the financial returns to members.

Approved by the Board on 4/9/2024 .................... and signed on its behalf by:

Sebastian Munden
.........................................
S Munden
Chair

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the consolidated financial statements for the year ended 31 December 2023.

**Directors of the company**
The directors who held office during the year were as follows:

S Branch (resigned 22 November 2023)

A R Heygate (resigned 22 November 2023)

T Holmes (resigned 22 November 2023)

A L Kyriakides

P E Moody

A P F Nelstrop (resigned 22 November 2023)

J O'Brien (resigned 22 November 2023)

W B Warburton (resigned 22 November 2023)

A W Waugh (resigned 22 November 2023)

S Bradbury (resigned 29 August 2023)

T Dewi (resigned 22 November 2023)

S Peace (resigned 31 August 2023)

C Ikpeme (appointed 22 November 2023)

P Headridge (appointed 22 November 2023)

S Munden - Chair (appointed 22 November 2023)

S Newbitt (appointed 22 November 2023)

C M T Pronto Hussey (appointed 22 November 2023)

K Williams (appointed 1 September 2023 and resigned 22 November 2023)

L Schneider (appointed 7 June 2023 and resigned 22 November 2023)

S P Nicholas (appointed 7 June 2023 and resigned 22 November 2023)

**Future developments**
The Board is in the process of renewing the strategy for 2025-2028, aimed at guiding Campden BRI into its next phase of growth. This strategy will focus on leveraging our strengths and market position to serve our clients and members better. As part of this, a new research strategy has been formulated to ensure that the scientific excellence underpinning our services remains at the forefront of our industry. This approach is designed to deliver a more client-centric suite of services. The existing and upcoming services, shaped by our research program, are well-positioned to meet the challenges and opportunities of the food and drink sector in the coming years.

**Engagement with employees**
Our people are committed to sharing their technical expertise with clients. We build technical capability through advice and training from experienced scientists to develop technical and laboratory skills. Culture is important at Campden BRI and key to how we deliver results and create a great place to work. We assess our culture through an annual employee engagement survey, where we listen to feedback about how we can make changes on both a team and organisational level. We aim to constantly improve levels of engagement within our business.

In 2023, our comprehensive training program for staff in a management or supervisory role continued to support our culture change and client experience initiatives.

An independent Non-Executive Director was appointed in 2024, following the formation of the new board in November 2023, to be responsible for employee engagement. This director’s role involves understanding the views and concerns of the workforce and articulating them in board meetings. By ensuring the appropriate steps are taken to evaluate the impact of proposals and developments on the workforce, and considering what steps should be taken to mitigate any adverse impact, this appointment is expected to enhance employee satisfaction and contribute to the company’s long-term success.

We encourage people to be themselves at work and bring their full range of skills. We recruit and promote people based on their talent, experience and technical skills, with an active aim for a diverse workforce. We do not tolerate any form of discrimination.

**Social and community issues**
The Campden BRI Group and its staff work with local schools and colleges to promote science concerning the food and drink industry as an academic and career choice. This includes staff involvement in supporting careers events, school visits, funding prizes in science, student work experience and placements.

The Streamlined Energy and Carbon Report (SECR) below describes our energy consumption and emissions and the improvements we have made this year.

The Group continues to seek ways to manage waste effectively through re-use, recycling and effective disposal to achieve an ongoing objective of zero operational waste to landfill.

**Charitable donations**
The Group made donations during the year of £1,400 (2022 - £578) for charitable purposes.

**Environmental report**
As part of our commitment to sustainability, we are pleased to report that our energy consumption continues to decrease year on year. This ongoing reduction reflects our dedication to integrating sustainable practices at the core of our operations and strategic plans.

Stated below is the Group's energy consumption, in kilowatt hours (kWh), and associated greenhouse gas ("GHG") emissions, in tonnes of carbon dioxide equivalent (tCO2e), and additional related information for the year, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

The methodology applied to the calculation of GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard which is available on the Greenhouse Gas Protocol website at www.ghgprotocol.org/corporate-standard.

Conversion factors have been taken from the U.K. Government's Greenhouse gas reporting: conversion factors 2023 which are available from the Government's website at https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023

| | 2023 | 2022 |
|---|---|---|
| | kWh | kWh |
| Total Energy Consumption (Scope 1 and Scope 2 - see below) | 4,196,034 | 4,676,738 |
| | tCO2e | tCO2e |
| Emissions resulting from activities for which the Group is responsible involving the combustion of gas or the consumption of fuel for the purpose of transport (Scope 1) | 383 | 445 |
| Emissions resulting from the purchase of electricity by the Group for its own use, including for the purpose of transport (Scope 2) | 441 | 438 |
| Total emissions (Scope 1 and Scope 2) | 824 | 883 |
| Intensity Ratio (Scope 1 and Scope 2 emissions of tCO2e per £million of UK turnover) | 32.48 | 35.58 |

Energy efficiency improvements made during the year:
• Continued the replacement program of replacing existing lighting with LED lighting and energy efficient heating and air conditioning, where economically viable.
• Increased use of video conferencing technology to meetings to reduce travel requirements
• Continued roll out of updated company car policy so petrol and diesel vehicles in fleet are replaced with Electric or Plug-In Hybrid vehicles.

**Engagement with suppliers, customers and other relationships**
Suppliers of goods and services to the Group receive an official purchase order, which clearly states the terms of payment, which are net monthly.

**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.

**Disclosure of information to the auditor**
Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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

Approved by the Board on 4/9/2024 and signed on its behalf by:

Sebastian Munden
.........................................
S Munden
Chair

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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). 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 group and company and of the surplus of deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMPDEN BRI

### Opinion

We have audited the financial statements of Campden BRI (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's profit 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### 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.

### 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMPDEN BRI

**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 and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page 12, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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

We considered the nature of the group's industry and its control environment and reviewed the groups's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

**Use of our report**

This report is made solely to the company’s guarantor 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 guarantor 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 guarantor 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

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 04/09/2024

**CAMPDEN BRI**

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| Turnover | 3 | 26,048,990 | 23,483,103 |
| Cost of sales | | (14,391,001) | (13,264,677) |
| Gross profit | | 11,657,989 | 10,218,426 |
| Administrative expenses | | (9,755,568) | (8,850,537) |
| Operating profit | 4 | 1,902,421 | 1,367,889 |
| Interest payable and similar charges | 5 | (106,000) | (162,000) |
| Profit before tax | | 1,796,421 | 1,205,889 |
| Taxation | 9 | (288,203) | (64,770) |
| Profit for the financial year | | 1,508,218 | 1,141,119 |

| | 2023 £ | 2022 £ |
|---|---|---|
| Profit for the year | 1,508,218 | 1,141,119 |
| Surplus/deficit on property, plant and equipment revaluation | - | 1,990,133 |
| Remeasurement gain/(loss) on defined benefit pension schemes | (5,253,196) | 4,611,000 |
| Deferred tax on defined benefit pension obligations | 1,400,500 | (1,033,600) |
| Effect of changes in tax rates | - | 161,640 |
| | (3,852,696) | 5,729,173 |
| Total comprehensive income for the year | (2,344,478) | 6,870,292 |

**CAMPDEN BRI**

**(REGISTRATION NUMBER: 00510618)**
**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023**

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 10 | 17,686,934 | 17,109,272 |
| **Current assets** | | | |
| Inventories | 12 | 85,135 | 124,665 |
| Debtors | 13 | 7,157,609 | 6,794,975 |
| Cash at bank | | 3,073,688 | 3,011,831 |
| | | 10,316,432 | 9,931,471 |
| Creditors: Amounts falling due within one year | 15 | (7,308,110) | (6,805,603) |
| Net current assets | | 3,008,322 | 3,125,868 |
| Total assets less current liabilities | | 20,695,256 | 20,235,140 |
| Creditors: Amounts falling due after more than one year | 15 | (316,667) | (516,667) |
| Provisions for liabilities | 17, 9 | (1,119,428) | (1,112,530) |
| **Net assets excluding pension asset/(liability)** | | 19,259,161 | 18,605,943 |
| Pension liability | 18 | (7,387,000) | (3,267,804) |
| Deferred tax asset on pension scheme liability | | 1,795,000 | 673,500 |
| Net pension liability | 18 | (5,592,000) | (2,594,304) |
| Net assets | | 13,667,161 | 16,011,639 |
| **Capital and reserves** | | | |
| Revaluation reserve | | 5,959,209 | 5,959,209 |
| Profit and loss account | | 7,707,952 | 10,052,430 |
| Total equity | | 13,667,161 | 16,011,639 |

Approved and authorised by the Board on 4/9/2024 .................... and signed on its behalf by:

Sebastian Munden
.........................................

S Munden
Chair

**CAMPDEN BRI**

**(REGISTRATION NUMBER: 00510618)**
**BALANCE SHEET AS AT 31 DECEMBER 2023**

| | Note | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 11 | 6,035,879 | 6,035,879 |
| **Current assets** | | | |
| Debtors | 13 | 9,248,209 | 8,747,916 |
| Cash at bank | | 3,410 | 3,445 |
| | | 9,251,619 | 8,751,361 |
| Creditors: Amounts falling due within one year | 15 | (1,199,375) | (1,181,062) |
| Net current assets | | 8,052,244 | 7,570,299 |
| **Net assets excluding pension asset/(liability)** | | 14,088,123 | 13,606,178 |
| Pension liability | 18 | (7,180,000) | (2,694,000) |
| Deferred tax asset on pension scheme liability | | 1,795,000 | 673,500 |
| Net pension liability | 18 | (5,385,000) | (2,020,500) |
| Net assets | | 8,703,123 | 11,585,678 |
| **Capital and reserves** | | | |
| Profit and loss account | | 8,703,123 | 11,585,678 |
| Total equity | | 8,703,123 | 11,585,678 |

The company made a profit after tax for the financial year of £1,318,945 (2022 - profit of £1,072,591).

Approved and authorised by the Board on 4/9/2024 .................. and signed on its behalf by:

Sebastian Munden
.........................................
S Munden
Chair

**CAMPDEN BRI**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
## EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

| | Revaluation reserve £ | Profit and loss account £ | Total £ |
|---|---|---|---|
| At 1 January 2022 | 3,969,076 | 5,172,271 | 9,141,347 |
| Surplus for the year | - | 1,141,119 | 1,141,119 |
| Surplus on property revaluations | 1,990,133 | - | 1,990,133 |
| Remeasurement gain/(loss) on defined benefit pension schemes | - | 4,611,000 | 4,611,000 |
| Deferred tax on defined benefit pension obligations | - | (1,033,600) | (1,033,600) |
| Effect of changes in tax rates | - | 161,640 | 161,640 |
| Total comprehensive income | 1,990,133 | 4,880,159 | 6,870,292 |
| At 31 December 2022 | 5,959,209 | 10,052,430 | 16,011,639 |

| | Revaluation reserve £ | Profit and loss account £ | Total £ |
|---|---|---|---|
| At 1 January 2023 | 5,959,209 | 10,052,430 | 16,011,639 |
| Surplus for the year | - | 1,508,218 | 1,508,218 |
| Remeasurement gain/(loss) on defined benefit pension schemes | - | (5,253,196) | (5,253,196) |
| Deferred tax on defined benefit pension obligations | - | 1,400,500 | 1,400,500 |
| Total comprehensive income | - | (2,344,478) | (2,344,478) |
| At 31 December 2023 | 5,959,209 | 7,707,952 | 13,667,161 |

**CAMPDEN BRI**

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

| | Profit and loss account £ | Total £ |
|---|---|---|
| At 1 January 2022 | 5,945,047 | 5,945,047 |
| Profit for the year | 1,072,591 | 1,072,591 |
| Remeasurement gain/(loss) on defined benefit pension schemes | 5,440,000 | 5,440,000 |
| Deferred tax on defined benefit pension obligations | (1,033,600) | (1,033,600) |
| Effect of changes in tax rates | 161,640 | 161,640 |
| Total comprehensive income | 5,640,631 | 5,640,631 |
| At 31 December 2022 | 11,585,678 | 11,585,678 |

| | Profit and loss account £ | Total £ |
|---|---|---|
| At 1 January 2023 | 11,585,678 | 11,585,678 |
| Profit for the year | 1,318,945 | 1,318,945 |
| Remeasurement gain/(loss) on defined benefit pension schemes | (5,602,000) | (5,602,000) |
| Deferred tax on defined benefit pension obligations | 1,400,500 | 1,400,500 |
| Total comprehensive income | (2,882,555) | (2,882,555) |
| At 31 December 2023 | 8,703,123 | 8,703,123 |

The notes on pages 22 to 41 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year | | 1,508,218 | 1,141,119 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation and amortisation | 4 | 772,715 | 896,007 |
| Surplus on disposal of tangible assets | | - | (11,630) |
| Finance costs | 5 | 106,000 | 162,000 |
| Income tax expense | 9 | 288,203 | 64,770 |
| Difference between provision for pension liabilities charged against operating surplus and contributions paid in the year | | (1,219,000) | (1,174,000) |
| Foreign exchange gains/losses | | (240) | 614 |
| | | 1,455,896 | 1,078,880 |
| Working capital adjustments | | | |
| Decrease/(increase) in inventories | 12 | 39,530 | (96,180) |
| Increase in accounts receivable | 13 | (362,634) | (806,895) |
| Increase in accounts payable | 15 | 500,028 | 233,659 |
| Cash generated from operations | | 1,632,820 | 409,464 |
| Income taxes (paid)/received | 9 | (2,305) | 190,531 |
| Net cash flow from operating activities | | 1,630,515 | 599,995 |
| **Cash flows from investing activities** | | | |
| Acquisitions of tangible assets | | (1,368,658) | (861,416) |
| Proceeds from sale of tangible assets | | - | 11,630 |
| Net cash flows from investing activities | | (1,368,658) | (849,786) |
| **Cash flows from financing activities** | | | |
| Repayment of bank borrowing | | (200,000) | (200,000) |
| Net increase/(decrease) in cash and cash equivalents | | 61,857 | (449,791) |
| Cash and cash equivalents at 1 January | | 3,011,831 | 3,461,622 |
| Cash and cash equivalents at 31 December | | 3,073,688 | 3,011,831 |

## 1 General information

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the company in the event of liquidation.

The address of its registered office is:
Station Road
Chipping Campden
Gloucestershire
GL55 6LD

## 2 Accounting policies

**Summary of significant accounting policies and key accounting estimates**
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

**Basis of preparation**
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

**Basis of consolidation**
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £1,318,945 (2022 - £1,072,591).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder’s share of changes in equity since the date of the combination.

**Going concern**
The Board assesses 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 makes 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 considered the financial resources available, the reduced potential impact of COVID-19, the economic uncertainty due to the war in Ukraine and inflation trends on the business. A range of scenarios has been modelled that reflect the anticipated impact of these events 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 continue to steadily increase during 2023 and an increased focus on process and productivity improvements in the business. When preparing forecasts, the Group will continue to adapt its plans in response to the challenges impacting our industry from inflation and to mitigate the risk of exposure to Global Supply Chain issues caused by the War in Ukraine. As has been the case for many years, the forecasts also assume that the pension scheme trustees do not insist on paying the deficit in full or materially increasing the deficit repayment plan. The triennial valuations for the Campden R.A., FMBRA and BBPA schemes were submitted to The Pensions Regulator in 2021, and the Board and Trustees continue to have a good working relationship.

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.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***Judgements***
Application of merger accounting
The Group has applied a true and fair override in respect of the merger between Campden BRI and Campden BRI (Nutfield). Details of this judgement can be found in the accounting policies set out below.

***Key sources of estimation uncertainty***

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 15 of the financial statements. The carrying value of amounts recognised in the Group financial statements in respect of defined benefit pension obligations, net of related deferred tax, are £5,592,000 (2022 - £2,594,304). 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 Group is able to realise the surplus either during the life of the scheme or when the scheme is settled. At 31 December 2023, a surplus of £1,027,000 was recognised (2022 - £1,614,000) in relation to the FMBRA pension scheme.

Deferred tax

The Group is subject to UK corporation tax and judgement is required in determining the provision for income and deferred taxation. The Group 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 2023 the Company has recognised a deferred tax asset in respect of defined benefit pension scheme obligations of £1,795,000 (2022 - £673,500) on the basis that the Group is, and remains, in a tax paying position.

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 each contract. Details of the methodology applied can be found in the accounting policies set out below.

Valuation of freehold property

The freehold land and buildings are carried in the financial statements at a revalued cost of £13,800,000 plus additions in the year of £30,576. This value is based on a professional valuation by a third party at 31 December 2022.

**True and fair override**

The merger of Campden BRI and Campden BRI (Nutfield) does not meet the conditions for merger accounting as defined by the Companies Act because neither entity has share capital. The Companies Act does not consider business combinations of not for profit organisations where the parties to the combination are limited by guarantee with no share capital. Because the conditions for accounting for a business combination as a merger are not met, the Companies Act requires Campden BRI to account for the business combination as an acquisition. However, if the criteria defined by the Companies Act were to be applied to the merger with Campden BRI (Nutfield), merger accounting would be applied. Upon this basis, merger accounting has historically been applied.

**Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group’s activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**Foreign currency transactions and balances**

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet 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 and realised exchange differences are taken to the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of Group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

**Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

**Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| **Asset class** | **Depreciation method and rate** |
|---|---|
| Freehold property | 50 years |
| Plant and equipment | 3 to 10 years |
| Motor vehicles | 4 years |

**Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

**Investments**
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

**Stocks**
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Trade creditors**
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

**Borrowings**
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Provisions**
Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

**Leases**
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Share capital**
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined contribution pension obligation**
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Defined benefit pension obligation**
Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

*Campden RA Pension Scheme ("Campden"), Flour Milling and Baking Research Association Pension and Assurance Scheme ("FMBRA") and British Beer and Pub Association Group Pension Fund ("BBPA")*

The assets of the schemes are held separately from those of the Group, being invested through investment management companies. Contributions to the schemes are paid by Campden BRI (Chipping Campden) Limited in respect of the Campden and FMBRA Schemes and by Campden BRI (Nutfield) in respect of the BBPA Scheme. Full actuarial valuations, by a professionally qualified actuary are obtained at least every three years, and are updated to reflect current conditions at each balance sheet date. The date of the last full actuarial valuation for Campden was 1 January 2020; FMBRA was 1 January 2020 and 30 September 2020 in respect of the BBPA.

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 Group's pension scheme liability. A net surplus is recognised only to the extent that it is recoverable by the Group.

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.

*Universities Superannuation Scheme ("USS")*

The assets of the scheme are held separately from those of the Group, 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 Group'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 consolidated statement of comprehensive income statement. Differences between contributions payable in the period and contributions paid are shown either as accruals or prepayments in the consolidated statement of financial position.

The Group and other participating employers have entered into a deficit funding agreement with the Universities Superannuation Scheme. The present values of the Group'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 2.0% to September 2021, 0% between October 2021 and March 2022 and 6.3% from April 2022 to March 2028. The deficit contribution is part of the total employer contributions of 21.1% to September 2021, and 21.4% from October 2021, in accordance with the scheme schedule of contributions.

**Financial Instruments**

**Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

**Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Impairment**
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets:
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets:
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset’s carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## 3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Rendering of services | 26,048,990 | 23,483,103 |

The analysis of the group's Turnover for the year by market is as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| UK | 18,309,088 | 16,796,046 |
| Europe | 4,473,033 | 3,931,233 |
| Rest of world | 3,266,869 | 2,755,824 |
| | 26,048,990 | 23,483,103 |

## 4 Operating profit

Arrived at after charging

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Depreciation expense | 772,715 | 896,007 |

## 5 Interest payable and similar expenses

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Other finance costs | 106,000 | 162,000 |

## 6 Staff costs

**Group**

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Wages and salaries | 11,755,042 | 11,124,267 |
| Redundancy costs | 76,634 | 66,382 |
| Social security costs | 1,165,890 | 1,147,149 |
| Net interest cost under FRS 102 | 3,000 | (14,000) |
| Other pension costs | 566,961 | 541,610 |
| | 13,567,527 | 12,865,408 |

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

| | 2023<br>No. | 2022<br>No. |
|---|---|---|
| Administration and support | 71 | 83 |
| Technical | 276 | 279 |
| | 347 | 362 |

## 7 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Remuneration | 404,105 | 348,332 |
| Contributions paid to money purchase schemes | 13,499 | 12,410 |
| | 417,604 | 360,742 |

During the year the number of directors who were receiving benefits and share incentives was as follows:

| | 2023<br>No. | 2022<br>No. |
|---|---|---|
| Accruing benefits under money purchase pension scheme | 1 | 1 |

In respect of the highest paid director:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Remuneration | 224,226 | 213,803 |

## 8 Auditors' remuneration

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Audit of these financial statements | 43,708 | 39,001 |
| **Other fees to auditors** | | |
| All other non-audit services | 2,073 | 32,352 |

## 9 Taxation

Tax charged/(credited) in the consolidated profit and loss account

| | 2023 £ | 2022 £ |
|---|---|---|
| **Current taxation** | | |
| UK corporation tax | - | (437,978) |
| Foreign tax | 2,305 | 8,433 |
| Total current income tax | 2,305 | (429,545) |
| **Deferred taxation** | | |
| Arising from origination and reversal of timing differences | 3,558 | 156,106 |
| Arising from changes in tax rates and laws | 3,340 | 49,296 |
| Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods | - | 99,293 |
| Arising from amounts charged to the income statement in respect of defined benefit pension scheme obligations | 279,000 | 189,620 |
| Total deferred taxation | 285,898 | 494,315 |
| Tax expense in the income statement | 288,203 | 64,770 |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 23.52% (2022 - 19%).

The differences are reconciled below:

| | 2023 £ | 2022 £ |
|---|---|---|
| Surplus before tax | 1,796,421 | 1,205,889 |
| Corporation tax at standard rate | 422,518 | 229,119 |
| Effect of expense not deductible in determining taxable profit (tax loss) | 22,558 | 767 |
| UK deferred tax expense relating to changes in tax rates or laws | 3,340 | 49,296 |
| Increase from tax losses for which no deferred tax asset was recognised | 8,628 | 42,239 |
| Increase in UK and foreign current tax from unrecognised temporary difference from a prior period | - | 99,293 |
| Tax decrease from effect of capital allowances and depreciation | (51,111) | (28,792) |
| Tax decrease from effect of adjustment in research and development tax credit | - | (437,978) |
| Tax (decrease)/increase from effect of indexation allowance on capital gains | (16,765) | 169,889 |
| Other tax effects for reconciliation between accounting profit and tax expense (income) | (100,965) | (59,063) |
| Total tax charge | 288,203 | 64,770 |

**Deferred tax**

**Group**
Deferred tax assets and liabilities

| **2023** | **Asset** £ | **Liability** £ |
|---|---|---|
| Accelerated capital allowances | - | 1,422,526 |
| Revaluation of property | - | 205,718 |
| Tax losses | 453,467 | - |
| Other timing differences | 55,349 | - |
| | 508,816 | 1,628,244 |

| **2022** | **Asset** £ | **Liability** £ |
|---|---|---|
| Accelerated capital allowances | - | 1,213,520 |
| Revaluation of property | - | 223,538 |
| Tax losses | 302,314 | - |
| Other timing differences | 22,214 | - |
| | 324,528 | 1,437,058 |

There is a deferred tax asset not recognised of £1,825,853 (2022 - £1,817,275) 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 £7,010,049 (2022 - £7,000,330) which are available to carry forward against future tax profits.

## 10 Tangible assets

**Group**

| | Land and buildings £ | Furniture, fittings and equipment £ | Motor vehicles £ | Assets under construction £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2023 | 13,808,778 | 13,183,556 | 69,672 | - | 27,062,006 |
| Additions | 30,576 | 793,776 | 36,171 | 508,135 | 1,368,658 |
| Disposals | (8,551) | (45,322) | (23,524) | - | (77,397) |
| Foreign exchange movements | (227) | 2,077 | 1,197 | - | 3,047 |
| At 31 December 2023 | 13,830,576 | 13,934,087 | 83,516 | 508,135 | 28,356,314 |
| **Depreciation** | | | | | |
| At 1 January 2023 | 8,778 | 9,892,248 | 51,708 | - | 9,952,734 |
| Charge for the year | - | 764,050 | 8,663 | - | 772,713 |
| Eliminated on disposal | (8,551) | (26,799) | (23,524) | - | (58,874) |
| Foreign exchange movements | (227) | 2,080 | 954 | - | 2,807 |
| At 31 December 2023 | - | 10,631,579 | 37,801 | - | 10,669,380 |
| **Carrying amount** | | | | | |
| At 31 December 2023 | 13,830,576 | 3,302,508 | 45,715 | 508,135 | 17,686,934 |
| At 31 December 2022 | 13,800,000 | 3,291,308 | 17,964 | - | 17,109,272 |

Included within the net book value of land and buildings above is £13,830,576 (2022 - £13,800,000) in respect of freehold land and buildings.

The freehold land and buildings at the Chipping Campden and Nutfield sites were revalued as at 31 December 2022 by independent valuers, Alder King property consultants and Resolution Property Surveyors respectively, on a fair value basis. They have confirmed that the value as at that date was £5,255,000 for the land and £8,545,000 for the buildings.

The historic cost of the freehold land and buildings was £6,920,314 and the aggregate depreciation thereon would have been £2,307,500.

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.

## 11 Investments

**Company**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Investments in subsidiaries | 6,035,879 | 6,035,879 |

| **Subsidiaries** | **£** |
|---|---|
| **Cost** | |
| At 1 January 2023 and 31 December 2023 | 6,035,879 |
| **Carrying amount** | |
| At 31 December 2023 | 6,035,879 |
| At 31 December 2022 | 6,035,879 |

**Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Registered office | Holding | Proportion of voting rights and shares held 2023 | 2022 |
|---|---|---|---|---|
| **Subsidiary undertakings** | | | | |
| Campden BRI (Chipping Campden) Limited | Station Road, Chipping Campden, Gloucestershire, GL55 6LD | Ordinary | 100% | 100% |
| Campden BRI Magyarorszag | Hungary | Ordinary | 100% | 100% |

**Subsidiary undertakings**

*Campden BRI (Chipping Campden) Limited*

The principal activity of Campden BRI (Chipping Campden) Limited is Food and drink consultancy and training services.

*Campden BRI Magyarorszag*

The principal activity of Campden BRI Magyarorszag is Food and drink consultancy and training services.

In addition, the Group has a controlling interest in Campden BRI (Nutfield), a company limited by guarantee, as the sole member of the company. Campden BRI (Nutfield) was incorporated in England and Wales and its business is that of food and drink consultancy and training services.

**CAMPDEN BRI**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

## 12 Inventories

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|
| Consumables | 85,135 | 124,665 | - | - |

## 13 Debtors

| | Note | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|---|
| Trade debtors | | 4,604,068 | 4,115,865 | - | - |
| Amounts owed by related parties | 22 | - | - | 9,174,128 | 8,652,049 |
| Other debtors | | 16,653 | 60,825 | - | - |
| Prepayments | | 940,315 | 1,022,289 | 74,081 | 95,867 |
| Gross amount due from customers for contract work | | 1,381,263 | 1,380,686 | - | - |
| Corporation tax asset | 9 | 215,310 | 215,310 | - | - |
| Total current trade and other debtors | | 7,157,609 | 6,794,975 | 9,248,209 | 8,747,916 |

## 14 Cash and cash equivalents

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|
| Cash on hand | 4,207 | 12,129 | - | - |
| Cash at bank | 3,069,481 | 2,999,702 | 3,410 | 3,445 |
| | 3,073,688 | 3,011,831 | 3,410 | 3,445 |

## 15 Creditors

| | Note | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|---|
| **Due within one year** | | | | | |
| Loans | 16 | 200,000 | 200,000 | - | - |
| Trade creditors | | 1,569,828 | 900,450 | - | - |
| Amounts due to related parties | 22 | - | - | 1,219,992 | 1,179,893 |
| Social security and other taxes | | 753,851 | 1,098,834 | - | - |
| Outstanding defined contribution pension costs | | 132,351 | 129,339 | - | - |
| Other creditors | | 2,385,173 | 2,318,410 | - | - |
| Accrued expenses | | 608,322 | 514,239 | (20,617) | 1,169 |
| Gross amount due to customers for contract work | | 1,658,585 | 1,644,331 | - | - |
| | | 7,308,110 | 6,805,603 | 1,199,375 | 1,181,062 |
| **Due after one year** | | | | | |
| Loans | 16 | 316,667 | 516,667 | - | - |

## 16 Loans

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|
| **Current loans and borrowings** | | | | |
| Bank borrowings | 200,000 | 200,000 | - | - |

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|
| **Non-current loans and borrowings** | | | | |
| Bank borrowings | 316,667 | 516,667 | - | - |

The bank loan is provided under the UK Government's Coronavirus Business Interruption Loan Scheme, and is secured by a fixed charge over the land and buildings at Station Road, Chipping Campden and inter company cross guarantee. The loan is repayable over the period until July 2026. The interest rate is Base Rate +2.6%.

## 17 Provisions for liabilities

### Group

| | Deferred tax £ | Deferred tax asset on pension scheme liability £ | Total £ |
|---|---|---|---|
| At 1 January 2023 | 1,112,530 | (673,500) | 439,030 |
| Increase (decrease) in existing provisions | 6,898 | (1,121,500) | (1,114,602) |
| At 31 December 2023 | 1,119,428 | (1,795,000) | (675,572) |

### Company

| | Deferred tax asset on pension scheme liability £ | Total £ |
|---|---|---|
| At 1 January 2023 | (673,500) | (673,500) |
| Increase (decrease) in existing provisions | (1,121,500) | (1,121,500) |
| At 31 December 2023 | (1,795,000) | (1,795,000) |

## 18 Pension and other schemes

### Defined contribution pension scheme

The group operates a defined contribution pension scheme for certain employees. The scheme is compliant for Auto-Enrolment purposes. The assets of the scheme are held separately from those of the Group 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. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £566,961 (2022 - £541,610).

Contributions totalling £132,351 (2022 - £129,339) were payable to the scheme at the end of the year and are included in creditors.

**Defined benefit pension schemes**
**Campden RA Pension Scheme**

The contributions to this scheme are determined with advice from an independent qualified actuary on the basis of triennial valuation.

The date of the most recent comprehensive actuarial valuation was 01 January 2023. The valuation showed that the market value of the scheme's assets at that date was £36,768,000 and that the actuarial value was sufficient to cover 86% of the value of the benefits that had accrued to members, after allowing for earnings increases and guaranteed pension increases.

Following the valuation, the Group is required to contribute in accordance with a schedule provided by the actuary to satisfy the long term funding of the scheme. The schedule continues until 1 March 2029. Contributions of £1,118,000 (2022 - £1,055,000) were made in the year.

The scheme was closed (for future accrual of benefits) to existing members on 1 January 2011.

**Flour Milling and Baking Research Association Pension and Assurance Scheme**

The contributions to this scheme are determined with advice from an independent qualified actuary on the basis of triennial valuation.

The date of the most recent comprehensive actuarial valuation was 01 January 2023. The valuation showed that the market value of the scheme's assets at that date was £11,076,000 and that the actuarial value was sufficient to cover 111% of the value of the benefits that had accrued to members, after allowing for earnings increases and guaranteed pension increases.

Following the valuation, the actuarial advice is that the Group should cease to contribute in accordance with the schedule of contributions as the long-term funding objective of the scheme has been achieved. Contributions of £104,000 (2022 - £105,000) were made in the year.

The scheme was closed (for future accrual of benefits) to existing members on 31 March 2012.

**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 date of the most recent comprehensive actuarial valuation was 30 September 2020. This showed that Campden BRI (Nutfield)'s share of the Schemes liabilities was 21%. These disclosures have been prepared on the basis that Campden BRI (Nutfield)'s share of Scheme's assets is 21%.

**Universities Superannuation Scheme**

As a participating employer in the Universities Superannuation Scheme (USS), the Group previously recognised a liability in the Statement of Financial Position for its share of the scheme's deficit, based on the former schedule of contributions, which included a deficit recovery component.

The date of the most recent comprehensive actuarial valuation was 31 March 2023. The valuation was carried out using the projected unit method. At the valuation date, the scheme's assets were valued at £73.1 billion, while the past service liabilities were valued at £65.7 billion, resulting in a surplus of £7.4 billion, representing 111% coverage of benefits.

The scheme’s assets are held separately from those of the Group and are managed by the scheme's investment managers. Contributions to the scheme are paid by Campden BRI (Nutfield) and other participating employers. It is not possible to identify the Group's share of the underlying assets and liabilities in the scheme. Therefore, under FRS 102, with the exception of obligations arising under deficit funding agreements, the scheme is accounted for as if it were a defined contribution scheme, with employer contributions expensed in the period in the Statement of Comprehensive Income. Differences between contributions payable and contributions paid are recorded as either accruals or prepayments in the Statement of Financial Position.

Up until 31 December 2023, the Group contributed at a rate of 21.6%, which included a 6% deficit contribution. Following the 31 March 2023 valuation, it was determined that the scheme’s assets are now sufficient to meet the technical provisions, achieving the scheme's long-term funding objective.

As a result, effective from 1 January 2024, the employer contribution rate was reduced to 14.5%, with no portion of these contributions allocated towards deficit recovery. Consequently, the Group and other participating employers are no longer required to contribute towards the deficit under the revised schedule.

The previously recognised liability related to the deficit funding agreement has been derecognised, and no further liability is reflected in the Statement of Financial Position for the year ended 31 December 2023.

The scheme remains open to new entrants. The eligibility rules were amended from 1 December 2013 and restrict new entrants to those in "academic" equivalent roles defined as Heads of Department and Directors employed by Campden BRI (Nutfield).

**Defined benefit scheme liability**

The amounts recognised in the Statement of Financial Position are as follows:

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Present value of funded obligations | (7,387,000) | (2,770,000) |
| Present value of deficit funding obligations to the Universities Superannuation Scheme | - | (497,804) |
| Deficit in scheme | (7,387,000) | (3,267,804) |
| Surplus not recognised | - | - |
| Deficit included in Statement of financial position | (7,387,000) | (3,267,804) |
| Related deferred tax asset | 1,795,000 | 673,500 |
| **Net Group liability** | **(5,592,000)** | (2,594,304) |
| | | |
| Deficit included in Group Statement of Financial Position | (7,387,000) | (3,267,804) |
| Deficit in respect of Campden BRI (Nutfield) | 207,000 | 573,804 |
| Deficit included in Company Statement of Financial Position | (7,180,000) | (2,694,000) |
| Deferred tax asset in respect of Campden BRI | 1,795,000 | 673,500 |
| **Net company liability** | **(5,385,000)** | (2,020,500) |

***Reconciliation of scheme assets and liabilities to assets and liabilities recognised***

The amounts recognised in the balance sheet are as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Fair value of scheme assets | 49,751,000 | 50,243,000 |
| Present value of defined benefit obligation | (57,138,000) | (53,013,000) |
| | (7,387,000) | (2,770,000) |
| Opening (deficit) | (2,770,000) | (8,414,000) |
| Employer contributions | 1,243,000 | 1,181,000 |
| Credit/(charge) recorded in the P&L | (109,000) | (148,000) |
| Gain/(loss) recorded in OCI | (5,751,000) | 4,611,000 |
| | (7,387,000) | (2,770,000) |

***Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

| | 2023<br>£ |
|---|---|
| Present value at start of year | 53,013,000 |
| Interest cost | 2,416,000 |
| Actuarial gains and losses | 4,890,000 |
| Benefits paid | (3,181,000) |
| Present value at end of year | 57,138,000 |

***Fair value of scheme assets***

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

| | 2023<br>£ |
|---|---|
| Fair value at start of year | 50,243,000 |
| Interest income | 2,307,000 |
| Return on plan assets, excluding amounts included in interest income/(expense) | (861,000) |
| Employer contributions | 1,243,000 |
| Benefits paid | (3,181,000) |
| Fair value at end of year | 49,751,000 |

***Analysis of assets***

The major categories of scheme assets are as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Cash and cash equivalents | 16,140,000 | 24,790,000 |
| Equity instruments | 1,302,000 | 1,164,000 |
| Gilts | 12,790,000 | 9,553,000 |
| Property | 9,140,000 | 8,990,000 |
| Corporate and Government Bonds | 10,379,000 | 5,746,000 |
| | 49,751,000 | 50,243,000 |

***Return on scheme assets***

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Return on scheme assets | 1,446,000 | (20,236,000) |

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

***Principal actuarial assumptions***

The principal actuarial assumptions at the balance sheet date are as follows:

| | 2023<br>% | 2022<br>% |
|---|---|---|
| Discount rate | 4.30 | 4.70 |
| Retail price inflation | 3.20 | 3.20 |
| Consumer price inflation (Until 2030) | 2.40 | 2.40 |
| Consumer price inflation (After 2030) | 3.20 | 3.20 |
| Pension increases: RPI max 5.0% min 3.0% | 3.70 | 3.70 |
| Pension increases: RPI max 5.0% | 3.10 | 3.10 |
| Pension increases: RPI max 2.5% | 2.10 | 2.10 |

***Post retirement mortality assumptions***

| | 2023<br>Years | 2022<br>Years |
|---|---|---|
| Current UK pensioners at retirement age - male | 21.00 | 22.00 |
| Current UK pensioners at retirement age - female | 24.00 | 24.00 |
| Future UK pensioners at retirement age - male | 22.00 | 23.00 |
| Future UK pensioners at retirement age - female | 25.00 | 25.00 |

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

## 19 Obligations under leases and hire purchase contracts

**Group**

**Operating leases**

The total of future minimum lease payments is as follows:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Not later than one year | 357,732 | 225,614 |
| Later than one year and not later than five years | 547,213 | 285,961 |
| Later than five years | 3,259 | - |
| | 908,204 | 511,575 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £312,538 (2022 - £228,252).

## 20 Contingent liabilities

**Company**

The Company is bound by an unlimited multilateral cross company guarantee arrangement with Campden BRI (Chipping Campden) Limited and Campden BRI (Nutfield). 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, although there are currently no borrowings under that facility.

## 21 Analysis of changes in net debt

**Group**

| | At 1 January 2023 £ | Cash flows £ | At 31 December 2023 £ |
|---|---|---|---|
| **Cash and cash equivalents** | | | |
| Cash | 3,011,831 | 61,857 | 3,073,688 |
| **Borrowings** | | | |
| Long term borrowings | (516,667) | 200,000 | (316,667) |
| Short term borrowings | (200,000) | - | (200,000) |
| | (716,667) | 200,000 | (516,667) |
| | 2,295,164 | 261,857 | 2,557,021 |

## 22 Related party transactions

During the year the Group received fees and subscriptions from some companies of which members of the Board are directors. All transactions were at arms-length and in the ordinary course of business. The total value of these fees was £621,278 (2022 - £709,441). Included in trade debtors at 31 December 2023 was £179,978 (2022 - £192,538) owed by such related parties.

**Company**

**Summary of transactions with key management**

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 7 to the financial statements.

## 23 Members liability

The Company is a company limited by guarantee, the individual members of Campden BRI having a liability not exceeding £5.00 each.

The membership numbers for the company is as follows:

| | 2023 No. | 2022 No. |
|---|---|---|
| Campden BRI | 7 | 12 |

## 24 Non adjusting events after the financial period

On 28 June 2024, Campden BRI (Nutfield)'s site in Surrey ceased operations. Services either relocated to the new Wine Centre, Campden Wine Services, based at Surrey Research Park in Guildford, or consolidated at Campden BRI (Chipping Campden) Limited's Chipping Campden site. Following a consultation period, two employees relocated to the Chipping Campden site, and ten employees took redundancy, with all other employees continuing to be predominantly home-based.