

INCORPORATED BREWERS' BENEVOLENT SOCIETY

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2019

Incorporated Brewers' Benevolent Society
LEGAL AND ADMINISTRATIVE INFORMATION

The Society was incorporated under the Friendly Societies Act 1974 and is governed under the Friendly Societies Act 1992. It is an exempt charity under Schedule 3 of the Charities Act 2011.

The Objects

“The Society is established for the benevolent or charitable purpose of providing by voluntary contributions primarily for the relief or maintenance of any persons employed or formerly employed in the brewing or distilling profession in the United Kingdom or Eire and the dependants of such persons provided that in each case the Committee of the Society shall be satisfied that financial hardship exists.

A Member shall be any person employed or formerly employed in the brewing profession in the United Kingdom or Eire or was or had been a Member of the International Brewers' Guild prior to the winding up of that organisation.

Donations to the Fund may be received from persons employed or formerly employed in the Brewing profession or owners, managers or directors of breweries and any such person or firms so subscribing shall be an Honorary Member of the Society.”

Committee of Management's Responsibilities Statement

The committee of management are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Legislation requires the committee of management to prepare financial statements for each financial year. Under that law the committee of management have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The committee of management 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 society and the excess of expenditure over income of the society for that period.

In preparing these financial statements, the committee of management is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgments and accounting estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the society will continue in existence.

The committee of management is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Friendly Societies Act 1992. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees and Advisers

TRUSTEES:	C G Dennis	J K Don	H Smith
COMMITTEE OF MANAGEMENT:	N S Fitch (Chairman)		
	R Davies	R Duszanskyj	Mrs J A Carling
	R D Knox	D E Prentice	
	I Swanson	Ms B Tanner	
SECRETARY:	Mrs J A Carling		
TREASURER:	I M Swanson		
AUDITORS:	Jacob Cavenagh & Skeet		
BANKERS:	Barclays Bank Plc		
INVESTMENT MANAGERS:	Thesis Asset Management plc to 19 September 2019		
	Sanlam Wealth from 20 September 2019		

Key Management Personnel are considered to include all members of the Committee of Management, none of whom derive any remuneration for their services in those capacities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INCORPORATED BREWERS' BENEVOLENT SOCIETY

We have audited the financial statements of the Incorporated Brewers Benevolent Society (the "Society") for the year ended 31 December 2019 which comprise the Revenue Account, the Balance Sheet, the Statement of Changes in Retained Earnings, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the society's affairs as at 31st December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society 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 the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Committee of Management is 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Committee of Management's report; or
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Committee of Management

As explained more fully in the Committee of Management's responsibilities statement, the Committee of Management is 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 they 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 Committee of Management is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob Cavenagh & Skeet

Chartered Accountants and Statutory Auditor

5 Robin Hood Lane

Sutton, Surrey SM1 2SW

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INCORPORATED BREWERS' BENEVOLENT SOCIETY
REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2019

	2019		2018	
	£	£	£	£
Income				
Donations	12,061		3,122	
Investment income	74,081		83,141	
Tax recoverable on Gift Aid	263		263	
Deposit interest	18		12	
Total income	<u> </u>	86,423	<u> </u>	86,538
Expenditure				
<i>Direct Aid</i>				
Grants	18,308		40,608	
Walter Finch Bequests	<u>1,800</u>		<u>1,800</u>	
		20,108		42,408
<i>Counselling and Administration</i>				
Administration	25,771		19,325	
Investment Advice	<u>11,958</u>		<u>11,936</u>	
		37,729		31,261
Total expenditure		<u>57,837</u>		<u>73,669</u>
Net investment gains/(losses)		<u>333,159</u>		<u>(166,768)</u>
Total comprehensive income/(expenditure) for the financial year		<u><u>361,745</u></u>		<u><u>(153,899)</u></u>

The income is wholly derived from continuing activities.

INCORPORATED BREWERS' BENEVOLENT SOCIETY
BALANCE SHEET AT 31st DECEMBER 2019

	2019		2018	
	£	£	£	£
Capital Funds				
General Fund (note 1)		2,818,785		2,457,040
		2,818,785		2,457,040
 Represented by:				
Fixed assets				
Investments (Note 2)		2,793,088		2,384,787
Current assets				
Debtors (note 3)	3,511		8,298	
Cash and cash equivalents	43,824		74,969	
		47,335	83,267	
Less current liabilities				
Creditors and accruals		(21,638)		(11,014)
Net current assets		25,697		72,253
Net assets		2,818,785		2,457,040

Signed on behalf of the Committee of Management:

Ms J A Carling (Secretary)
N S Fitch (Chairman)
I M Swanson (Treasurer)

March 2020

INCORPORATED BREWERS' BENEVOLENT SOCIETY
STATEMENT OF CHANGES IN RETAINED EARNINGS AT 31st DECEMBER 2019

	2019	2018
	£	£
As at 1st January 2019	2,457,040	2,610,939
Total comprehensive income/(expenditure) for the financial year	361,745	(153,899)
As at 31st December 2019	<u>2,818,785</u>	<u>2,457,040</u>

INCORPORATED BREWERS' BENEVOLENT SOCIETY
STATEMENT OF CASH FLOWS AT 31st DECEMBER 2019

	2019		2018	
	£	£	£	£
Cash used in operating activities (note below)		(30,102)		(66,237)
Cash used in investing activities				
Interest and dividends received	74,099		83,153	
Payments made on acquisition of fixed asset investments	(794,344)		(955,625)	
Proceeds on disposal of fixed asset investments	719,202		768,527	
Cash (used in) investing activities	(1,043)		(103,945)	
Net cash (outflow)		(31,145)		(170,182)
Cash and cash equivalents at 1st January 2019		74,969		245,151
Cash and cash equivalents at 31st December 2019		43,824		74,969
 CASH USED IN OPERATING ACTIVITIES				
Net income/(expenditure)		361,745		(153,899)
Interest received shown in investing activities		(74,099)		(83,153)
(Gain)/loss on disposal of investment assets		(23,495)		6,204
(Gain)/loss on revaluation of investment assets		(309,664)		160,564
Decrease/(increase) in debtors		4,787		(4,346)
Increase in creditors		10,624		8,393
Cash used in operating activities		(30,102)		(66,237)

Incorporated Brewers' Benevolent Society
ACCOUNTING POLICIES

BASIS OF ACCOUNTS

These financial statements have been prepared in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. They have been prepared under the historical cost convention, modified by the revaluation of investments.

INCOME RECOGNITION

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

REVENUE ACCOUNT

The Revenue Account shows the surplus for the year and the surplus is transferred to General Funds. Previously the inclusion in the Revenue Accounts of surpluses and deficits on sales in the course of asset management was considered to have distorted the revenue balance and might mislead, but in accordance with FRS 102 all such surpluses and deficits are now included in comprehensive income for the year (see above).

INVESTMENTS

Investments are shown in the balance sheet at market value at the year-end. All gains and losses are included in comprehensive income, as described above.

DEBTORS

Gift Aid receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

CASH AND CASH EQUIVALENTS

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

CREDITORS

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

INCORPORATED BREWERS' BENEVOLENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL FUND

	Realised surplus £	Revaluation reserve £	Total surplus £
Balance at 1st January 2019	1,908,321	-	1,908,321
Valuation of Investments Surplus at 1st January 2019	-	548,719	548,719
	<u>1,908,321</u>	<u>548,719</u>	<u>2,457,040</u>
Transfer of Memorials and Bequests Fund into general funds	-	-	-
Proportion of surplus/(deficit) on Sale of Investments Current year	30,235	(6,740)	23,495
Valuation of Investments: Movement in value for the year to 31st December 2019		309,664	309,664
Revenue account surplus for the year to 31st December 2019	28,586	-	28,586
	<u>1,967,142</u>	<u>851,643</u>	<u>2,818,785</u>

2 LISTED INVESTMENTS

	Fixed interest £	Equities £	Total £
Market value as at 1 January 2019	536,388	1,848,399	2,384,787
Purchases during the year	436,177	358,167	794,344
Disposals during the year	(78,446)	(617,261)	(695,707)
Change in market value during the year	27,391	282,273	309,664
Market value at 31 December 2019	<u>921,510</u>	<u>1,871,578</u>	<u>2,793,088</u>
Historical cost at 31 December 2019	<u>908,065</u>	<u>1,549,513</u>	<u>2,457,578</u>

3 DEBTORS

	2019 £	2018 £
Tax recoverable	<u>3,511</u>	<u>8,298</u>

4 AUDITOR'S REMUNERATION

Included in administration expenses is £1,758 (2018: £1,704) charged in respect of auditors' remuneration.

5 OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR

In common with many other entities similar of our size and nature we use the auditors to assist with the preparation of our financial statements.