Financial Statements
Campden BRI and its subsidiary undertakings

For the year ended 31 December 2016

Company No. 0510618

Company information (continued)

Company Registration Number:	0510618
Registered office:	Station Road Chipping Campden Gloucestershire GL55 6LD
Auditor:	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
President:	The Lord Krebs
Honorary Members:	T.H. Collins Prof. C. Dennis I. Dixon Prof. G.A.H. Elton W.A. Palmer The Lord Plumb of Coleshill B.C. Read Prof. B. Spencer B.J. Woods K.N. Wood

Company information (continued)

Chairman:	*	W.B. Warburton	Warburtons Ltd (to 8 June 2016)
	*	A.L. Kyriakides	Sainsbury's Supermarkets Ltd (from 8 June 2016)
Other Members of Council:	*	A.G. Bowman	Jas Bowman & Sons Ltd
	*	R.P. Clarke	Fenton Packaging Limited
		A.R. Davies	H.J. Heinz
		D.P. Ghee	Bettys & Taylors of Harrogate
	*	A.R. Heygate	Heygates Ltd
		T. Holmes	Diageo
		J. O'Brien	Nestec SA
		J. Pickles	Weetabix Ltd
		D. Robinson	SPAR UK Ltd (to 8 June 2016)
		I. Robinson	ADM Milling Ltd
		H.M. Sisson	Greencore
		R.J. Stride	Tesco (from 20 July 2016)
		A.W. Waugh	National Association of British & Irish Millers Ltd
		D.A. Wright	G.R. Wright & Sons (to 8 June 2016)
Co-Opted Members of Council:	*	C. Kelly	Chair of Scientific and Technical Committee
	*	T. Falcon	

Independent Scientific Advisers to Council:

M. Fowler
G. Atri

* Members of the Executive Committee

Index to the financial statements

Strategic report

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

Membership

The close relationship with over 2,400 member companies, through 1,526 membership accounts, helps ensure that the Group understands the needs of its principal clients both individually and collectively. In 2016, 159 companies joined Campden BRI.

The vibrant membership base is managed through an active series of 14 Member Interest Groups. This gives an unrivalled view of the needs of, and opportunities for, the food, drink and allied industries.

In addition to growing the membership base, the focus continues on further developing commercial partnerships with key clients.

Research & innovation

The Group carries out research funded by member companies, Government, levy bodies and the European Commission. The research and development provides an opportunity for the Group to develop its services and skills to continue to meet the needs of the food and drink supply industry.

The Group has continued to evaluate the strategic aims of public sector bodies and responded either alone or in collaboration with other research providers with high quality relevant proposals.

Analysis & testing

The Group has focussed its activities on those areas of complex analysis where the interpretation of results, coupled with the strength of the Campden BRI brand, provides a unique selling point. There has been significant investment in equipment and facilities for this work including Autoclaves and Media Preparation Unit, to improve quality, consistency and speed of service. The laboratory information management system (LIMS) continues to develop through continuous improvement, adding further rigour, consistency and quality to analysis and reporting.

Operational support

Through the development of innovative technical and consulting services and close relationships with members, the Group provides a broad range of bespoke services to clients. There has been continued investment in the equipment available for such work extending Process Halls, Pilot Production capabilities and providing controlled growing environments.

Knowledge management

The provision of 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. Further expansion of the Regulatory advisory services in to international territories underpins the company's commitment to continuous improvement and remaining relevant in an increasingly global economy.

Strategic report (continued)

Business review

The results for the year, which are set out in the Statement of comprehensive income, show turnover for the year of £21,496,849 (2015 - £21,791,426). The pre-tax profit for the year amounted to £278,001 (2015 - £566,651).

Continued Government austerity pressures, coupled with the uncertainty created by the UK referendum in June 2016 leading to 'Brexit', resulted in very few opportunities for new Government funded work. Income from UK Government Agency now accounts for less than 5% of the Group's income. This, along with the financial pressures from a food deflationary economy made 2016 another challenging year. An active business development strategy is in place to increase income from commercial clients and members to offset the reductions.

During the year, the Group committed £1,024,800 (2015 - £1,032,016) to funding the defined benefit (DB) pension scheme deficits. An active derisking strategy for the DB pension schemes is in place (see Financial Risks).

The Group has tangible fixed assets including freehold property valued in the financial statements at £9,944,882 (2015 - £9,558,415). The Group also had net current assets amounting to £4,887,081 (2015 - £3,699,967). The pension scheme deficit, net of deferred tax, amounted to £19,334,667 (2015 - £9,605,780).

Key performance indicators

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

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

		2016	2015
		No. / %	No. / %
Health and safety			
	RIDDOR accidents	**0**	0
	Reportable accidents*	**4**	8
	Near misses to accidents ratio	**6.9:1**	7.4:1
Marketing and communication			
	Visits to website	**363,442**	355,743
	Online news monitoring	**429**	434
	Member Interest Group attendees	**979**	900
Staff investment			
	Staff turnover as a % of average workforce	**17.90%**	19.13%
	Training hours as a % of total hours	**4.69%**	4.32%
	Sickness hours as a % of total hours	**2.54%**	2.22%

*Notified individually to Council

Strategic report (continued)

Risk management

The management of the business has identified a number of risks in the execution of the Group's strategy. The breadth of the Group's business and its reputation means that there are no direct competitors for the business as a whole although there are a number of businesses who compete directly in certain defined areas of the Group's business. A business plan (2016 and 2017) is in place and the Group's risk register is updated and reviewed annually.

Market and commercial risks

The strong and active membership helps ensure that Campden BRI remains close to its core client base, allowing it to respond effectively and efficiently to their changing needs in both the short and medium term. A consultation to identify the innovation needs of the Food and Drink industry will help ensure that our areas of work remain relevant to our key clients. Campden BRI has actively reduced its reliance on UK Government funding, as they continue to face budget challenges and increased uncertainty. Although tenders are reviewed for appropriateness, income is derived mainly from Membership fees (17%) and Commercial contracts (79%).

Operational risks

Business management practices and performance are detailed in a comprehensive intranet based system which is regularly reviewed. The Group is also externally audited and accredited to ISO 9001 (Campden site) and ISO 17025 (Campden and Nutfield sites). A detailed system for assessing and reporting health and safety is in place and reviewed regularly.

Financial instruments and risks

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

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

The Group also recognises the risks attached to the need to provide adequate profits to maintain investments in facilities, staff and equipment. Capital investment in 2016 was £1,302,955 (£1,372,314 in 2015) focused on laboratory and pilot plant equipment.

The Council 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 Council does not consider there to be any significant risk to the financial position of the Group as a result of fluctuations on foreign exchange rates deflating or inflating the Group's foreign currency assets and liabilities.

The Council assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Council make this assessment in respect of a period of one year from the date of approval of the financial statements. The Group has realised a trading profit during the year, but has a realised deficit once the impact of the significant defined pension scheme obligations is recognised, resulting in a net liabilities position. The Directors have prepared forecasts that they believe

Strategic report (continued)

are prudent and anticipate that the Group will be able to continue to operate for at least the next 12 months from signing of its balance sheet. The forecasts assume that the pension scheme trustees do not insist upon payment of the deficit in full or materially increase the deficit repayment plan. The Directors have therefore prepared the accounts on a going concern basis.

This report was approved by the Council on 27 April 2017 and signed on its behalf.

A.L. Kyriakides
Director

Report of the Council

The Council present its report and the financial statements for the year ended 31 December 2016.

Results

The profit for the year, after taxation, amounted to £27,458 (2015 – £142,967).

Council

Details of the members of the Council, who are the Directors of the Company, during the year, were as follows. None of the members had any financial interest in the Group.

A G Bowman	J Pickles	
R P Clarke	D Robinson	Resigned (8 June 2016)
A R Davies	I Robinson	
T Falcon	H M Sisson	
D P Ghee	RJ Stride	Appointed (20 July 2016)
A R Heygate	D Treacy	Resigned (25 February 2016)
T Holmes	W B Warburton	
A L Kyriakides	A W Waugh	
J O'Brien	D A Wright	Resigned (8 June 2016)

At the AGM on 7 June 2017 T Holmes and H M Sisson retire in accordance with the Articles of Association.

T Holmes and H M Sisson are seeking re-election.

Report of the Council (continued)

Future outlook

The future strategy is focused on further developing the business from commercial clients. To this end, a major strategic review in 2015 identified five new areas for business growth which show great potential. These were all established in 2016 and continue to develop through the early stages of the service lifecycle. In 2017, there will be further investment in these new areas (primarily in people with well recognised expertise) and following this, significant growth in 2018 and beyond. At the same time, the underlying business structure and processes are being reviewed to enable further business growth, efficiency and effectiveness.

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

Employees

The Group places great emphasis on recruiting, training and retaining high quality staff in order to minimise staff turnover.

The Group has continued its practice of keeping employees informed of matters affecting them as employees, and the financial and economic factors affecting the performance of the Group. This is achieved through full staff meetings, consultations with union representatives, the intranet and emails to all staff. These Group activities are supported by Divisional and Departmental meetings with staff.

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

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

Charitable donations

The Group made donations during the year of £920 (2015 – £1,636) for charitable purposes.

Report of the Council (continued)

Corporate responsibility

The Campden BRI Group and its staff work with local schools and colleges in promoting science, in relation to the food and drink industry, as an academic and career choice. This includes staff involvement in supporting careers events, school visits, student work experience and placements.

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.

Payment of creditors

Suppliers of goods and services to the Group receive an official purchase order, which clearly states the terms of payment, which are met 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.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Report of the Council (continued)

Disclosure of information to auditor

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

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

Auditor

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

This report was approved by the Council on 27 April 2017 and signed on its behalf.

A.L. Kyriakides
Director

Independent auditor's report to the members of Campden BRI and its subsidiary undertakings
(registered number 0510618)

We have audited the financial statements of Campden BRI and its subsidiary undertakings for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the Company statement of financial position, the Company statement of changes in equity, the consolidated statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Campden BRI and its subsidiary undertakings (continued)

(registered number 0510618)

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

Scott Lawrence
Senior Statutory Auditor
for and on behalf of Hazlewoods LLP
Statutory Auditor
Cheltenham
Date : 2017

Principal accounting policies

General information

Campden BRI ('the Company') is a company limited by guarantee, incorporated and domiciled in England and Wales. The registered company number is 0510618 and the registered office is Station Road, Chipping Campden, Gloucestershire, GL55 6LD.

The principal activity of the Group headed by Campden BRI is the practical application of technical excellence for the food and drink supply chain.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and certain financial assets measured at fair value through the income statement.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

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

Going Concern

The Council assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Council make this assessment in respect of a period of one year from the date of approval of the financial statements. The Group has realised a trading profit during the year, but has a realised deficit once the impact of the significant defined pension scheme obligations is recognised, resulting in a net liabilities position. The Directors have prepared forecasts that they believe are prudent and anticipate that the Group will be able to continue to operate for at least the next 12 months from signing of its balance sheet. The forecasts assume that the pension scheme trustees do not insist upon payment of the deficit in full or materially increase the deficit repayment plan. The Directors have therefore prepared the accounts on a going concern basis.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Campden BRI, Campden BRI (Chipping Campden) Limited, Campden BRI (Nutfield), and Campden BRI Magyarorszag. Profits or losses on intra-group transactions are eliminated in full.

Significant judgements and estimates

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

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.

Principal accounting policies

Significant judgements and estimates (continued)

Estimates

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 13 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 £19,334,667 (2015: £9,605,780). Where the fair value of pension scheme assets exceed the present value of pension scheme obligations, the surplus is only recognised to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. At 31 December 2016, a surplus of £nil (2015: £194,000) has not been recognised.

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 2016 the Company has recognised a deferred tax asset in respect of defined benefit pension scheme obligations of £3,844,890 (2015: £2,045,400) 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 at Station Road, Chipping Campden, Gloucestershire, GL55 6LD are carried in the financial statements at a valuation of £4,225,000. The last external valuation was performed at 23 December 2013 on the basis of fair value determined by appraisal from market-based evidence of recent transactions for similar properties in the area. Management believe that there has been no material change to the fair value since this date.

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.

Principal accounting policies (continued)

Turnover

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

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

Grant income

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

Property, plant and equipment

Tangible fixed assets are stated at cost less depreciation except for certain items held at revalued amounts. Revalued amounts are fair values based on appraisals by external professional valuers. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Any revaluation increase in the carrying amount of land and buildings is recognised in other comprehensive income and included in a revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expended. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve in equity; decreases exceeding the balance in revaluation reserve relating to an asset are recognised in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset recognised in the income statement and depreciation based on the asset's original cost is transferred from revaluation reserve to equity.

Principal accounting policies (continued)

Taxation

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

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

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

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

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

Defined contribution pension schemes

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

Defined benefit pension schemes

The Group operates four defined benefit pension schemes which provide benefits based on final pensionable pay.

a) 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 was1 January 2014; FMBRA was 1 January 2014 and 30 September 2014 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.

Principal accounting policies (continued)

Defined benefit pension schemes (continued)

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.

b) 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 USS. The present values of the Group's commitments under this agreement have been recognised as a liability in the consolidated statement of financial position. The discount rate used reflects that used in the valuation of the British Beer & Pub Association Scheme as set out above. The obligation recognised represents an employer contribution of 2.1% (total employer contribution 18%) to be made until 31 March 2031, in accordance with the scheme schedule of contributions.

Principal accounting policies (continued)

Foreign currency

Functional currency and presentation currency
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.

Transactions and balances
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.

Translation of group companies
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.

Basic financial instruments

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

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

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

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

Consolidated statement of comprehensive income

	Note	Before impact of pensions 2016	Impact of pensions 2016	**Total 2016**	Total 2015
		£	£	**£**	£
Turnover	1	21,496,849	-	**21,496,849**	21,791,426
Cost of sales		(13,046,277)	-	**(13,046,277)**	(13,161,402)
Gross profit		8,450,572	-	**8,450,572**	8,630,024
Administrative expenses		(7,715,018)	(38,000)	**(7,753,018)**	(7,627,791)
Operating profit	2	735,554	(38,000)	**697,554**	1,002,233
Interest receivable	3	7,405	-	**7,405**	12,609
Interest payable	3	-	(426,958)	**(426,958)**	(448,191)
Profit on ordinary activities before taxation		742,959	(464,958)	**278,001**	566,651
Tax on profit on ordinary activities	5	(3,573)	(246,970)	**(250,543)**	(423,684)
Profit for the financial year		739,386	(711,928)	**27,458**	142,967
Total comprehensive income for the year attributable to the owners					
Gains and losses on defined benefit pension obligations				**(12,038,000)**	265,000
Deferred tax on defined benefit pension obligations				**2,046,460**	(53,000)
Foreign exchange movements				**34,044**	(17,566)
Total comprehensive income for the year attributable to the parent's owners				**(9,930,038)**	337,401

All of the operations of the Group are considered to be continuing.

Consolidated statement of changes in equity

	Equity £	£
At 1 January 2015		696,668
Profit for the year	142,967	
Gains and losses on defined benefit pension obligations	265,000	
Deferred tax on pension obligations	(53,000)	
Foreign exchange movement on retranslation of overseas subsidiaries	(17,566)	
Total comprehensive income for the period		337,401
Balance as at 31 December 2015		**1,034,069**

	Equity £	£
At 1 January 2016		1,034,069
Profit for the year	27,458	
Gains and losses on defined benefit pension obligations	(12,038,000)	
Deferred tax on pension obligations	2,046,460	
Foreign exchange movement on retranslation of overseas subsidiaries	34,044	
Total comprehensive income for the period		(9,930,038)
Balance as at 31 December 2016		**(8,895,969)**

Consolidated statement of financial position

	Note		2016		2015
		£	£	£	£
Fixed assets					
Property, plant and equipment	7		**9,944,882**		9,558,415
Current assets					
Inventories		**1,056**		912	
Deferred tax asset on pension scheme liability		**3,844,890**		2,045,400	
Debtors	9	**6,061,344**		6,248,375	
Cash at bank and in hand		**2,113,123**		1,409,944	
		12,020,413		9,704,631	
Creditors: amounts falling due within one year	10	**(7,133,332)**		(6,004,664)	
Net current assets			**4,887,081**		3,699,967
Total assets less current liabilities			**14,831,963**		13,258,382
Provisions for liabilities					
Deferred tax	11		**(548,377)**		(573,133)
Net assets before pension liability			**14,283,586**		12,685,249
Defined benefit pension scheme liability	13		**(23,179,555)**		(11,651,180)
Net (liabilities)/assets including pension liability			**(8,895,969)**		1,034,069
Equity			**(8,895,969)**		1,034,069

These financial statements were approved by the Council and authorised for issue on 27 April 2017 and are signed on their behalf by:

A.L. Kyriakides
Director
Registration number: 0510618

Company statement of financial position

	Note		2016		2015
		£	**£**	£	£
Fixed assets					
Investments	8		**6,035,879**		6,035,879
Current assets					
Deferred tax asset on pension scheme liability		**3,844,890**		2,045,400	
Debtors	9	**6,998,627**		6,206,192	
Cash at bank and in hand		**4,162**		438	
		10,847,679		8,252,030	
Creditors: amounts falling due within one year	10	**(1,438,824)**		(987,808)	
Net current assets			**9,408,855**		7,264,222
Net assets before pension liability			**15,444,734**		13,300,101
Defined benefit scheme pension liability	13		**(22,617,000)**		(11,365,000)
Net assets including pension liability			**(7,172,266)**		1,935,101
Equity			**(7,172,266)**		1,935,101

These financial statements were approved by the Council and authorised for issue on 27 April 2017 and are signed on their behalf by:

A.L. Kyriakides
Director
Registration number: 0510618

Company statement of changes in equity

	Accumulated funds	
	£	£
At 1 January 2015		1,467,184
Profit for the year	254,917	
Gains and losses on deferred benefit pension obligations	266,000	
Deferred tax on pension obligations	(53,000)	
Total comprehensive income for the period		467,917
Balance as at 31 December 2015		**1,935,101**

	Accumulated funds	
	£	£
At 1 January 2016		1,935,101
Profit for the year	845,143	
Gains and losses on deferred benefit pension obligations	(11,752,000)	
Deferred tax on pension obligations	1,799,490	
Total comprehensive income for the period		(9,107,367)
Balance as at 31 December 2016		**(7,172,266)**

Consolidated statement of cash flows

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	**27,458**	142,967
Depreciation	**904,679**	862,332
Loss/(profit) on sale of property, plant and equipment	**3,662**	(7,504)
Interest payable	**426,958**	448,191
Interest receivable	**(7,405)**	(12,609)
Taxation	**250,543**	423,684
(Increase)/decrease in stock	**(144)**	734
Decrease in debtors	**187,031**	468,150
Increase /(decrease) increase in creditors	**1,166,613**	(1,115,884)
Difference between provision for pension liabilities charged against operating surplus and contributions paid in the year	**(936,583)**	(971,019)
Net effect of foreign exchange differences	**30,776**	(30,069)
Tax paid	**(66,274)**	(34,324)
Net cash generated from operating activities	**1,987,314**	174,649
Cash flows from investment activities		
Proceeds from sale of property, plant and equipment	**11,415**	8,200
Purchase of property, plant and equipment	**(1,302,955)**	(1,372,314)
Interest received	**7,405**	12,609
Net cash outflow from investment activities	**(1,284,135)**	(1,351,505)
Net increase/(decrease) in cash and cash equivalents	**703,179**	(1,176,856)
Cash, cash equivalents and overdrafts at the beginning of the year	**1,409,944**	2,586,800
Cash, cash equivalents and overdrafts at the end of the year	**2,113,123**	1,409,944

Notes to the financial statements

1 Turnover analysis

A geographical analysis of turnover is as follows:

	2016	2015
	£	£
United Kingdom	**15,433,802**	16,403,187
Rest of the European Union	**3,977,830**	3,523,941
Rest of the world	**2,085,217**	1,864,298
	21,496,849	21,791,426

2 Operating profit

Operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - tangible fixed assets owned	**904,679**	862,332
Profit on disposal of fixed assets	**3,662**	7,701
Auditor's remuneration:		
- audit of the company financial statements	**19,100**	26,395
- audit of the subsidiary financial statements	**2,900**	4,225
- non-audit services	**1,500**	6,330

3 Net interest

	2016	2015
	£	£
Interest receivable on short term deposits	**7,405**	12,609
Interest on pension scheme liabilities	**(426,958)**	(448,191)
	(419,553)	(435,582)

Notes to the financial statements (continued)

4 Staff costs

Staff costs during the year were as follows:

	2016	2015
	£	£
Wages and salaries	**9,975,174**	9,772,591
Social security costs	**936,767**	864,625
Current service costs under FRS 102	**38,000**	18,000
Defined contribution scheme pension costs	**621,931**	753,496
	11,571,872	11,408,712

The average number of employees during the year was as follows:

	2016	2015
	£	£
Administrative	**64**	62
Technical	**333**	326
	397	388

Remuneration in respect of Council members was as follows:

	2016	2015
	£	£
Fees	**-**	-

The Directors consider the key management to be the Directors of the subsidiary companies.

Remuneration in respect of the Directors of the subsidiaries was as follows:

	2016	2015
	£	£
Remuneration	**671,163**	686,716

Notes to the financial statements (continued)

5 Taxation

Recognised in the income statement	**2016**	2015
	£	£
Current tax:		
UK corporation tax charge on profit for the year	**35,099**	73,044
Adjustment in respect of prior years	**(6,770)**	9,277
Total current tax	**28,329**	82,321
Deferred tax:		
Adjustment in respect of prior years	**-**	(7,624)
Origination and reversal of timing differences	**7,391**	78,901
Effect of change in tax rates	**(32,147)**	(54,914)
Amounts charged to the income statement in respect of defined benefit pension scheme obligations	**246,970**	325,000
Total deferred tax	**222,214**	341,363
Total tax in income statement	**250,543**	423,684

Notes to the financial statements (continued)

5 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**278,001**	566,651
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	**36,837**	114,727
Effects of:		
Adjustment for defined benefit pension scheme charges under FRS102	**-**	(7,254)
Non-taxable surplus re S491 research status	**(169,029)**	(117,413)
Expenses not deductible for tax purposes	**18,552**	57,729
Fixed asset differences	**(14,206)**	46,970
Adjustments in respect of prior periods	**(6,770)**	1,653
Change in tax rates	**(32,147)**	(64,763)
Deferred tax not recognised	**169,024**	67,044
Deferred tax movement on pension obligations	**246,970**	325,000
Marginal relief	**-**	(9)
Other short term timing differences	**4,667**	-
Double taxation relief on overseas income	**(3,355)**	-
Total tax charge for the year (see note above)	**250,543**	423,684

The Group has recognised a deferred tax provision as detailed in note 11.

Factors that may affect future tax charges

At the balance sheet date, legislation has been enacted which reduced the main rate of corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020. This reduction has been reflected in the calculation of the Company's deferred tax assets and liabilities.

6 Profit for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The Group profit for the year includes a profit after taxation of £598,173 (2015 – £254,917) which is dealt with in the financial statements of the Company.

Notes to the financial statements (continued)

7 Property, plant and equipment

The Group	Freehold property £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2016	6,930,782	8,698,415	273,485	15,902,682
Exchange variance	1,824	22,996	7,341	32,161
Additions	-	1,302,955	-	1,302,955
Disposals	-	(1,288)	(17,651)	(18,939)
At 31 December 2016	**6,932,606**	**10,023,078**	**263,175**	**17,218,859**
Depreciation				
At 1 January 2016	1,207,437	4,926,595	210,235	6,344,267
Exchange variance	1,252	22,175	5,466	28,893
Provided in the year	139,236	726,871	38,572	904,679
Eliminated on disposals	-	(1,288)	(2,574)	(3,862)
At 31 December 2016	**1,347,925**	**5,674,353**	**251,699**	**7,273,977**
Net Book Amount				
At 31 December 2016	**5,584,681**	**4,348,725**	**11,476**	**9,944,882**
at 31 December 2015	**5,723,345**	**3,771,820**	**63,250**	**9,558,415**

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

The freehold land and buildings at Station Road, Chipping Campden, Gloucestershire, GL55 6LD were revalued on 23 December 2013 by an independent valuer, DTZ Debenham Tie Leung Limited, qualified surveyors and architects, with fair value determined by appraisal from market-based evidence of recent transactions for similar properties in the area. DTZ have confirmed that the value as at that date was £4,255,000. The historic cost of this freehold land and buildings was £12,134,501 and the aggregate depreciation thereon would have been £5,371,601.
The Directors consider that the fair value of the property at Coopers Hill Road, Nutfield, Surrey, RH1 4HY does not materially differ from its carrying value.

Notes to the financial statements (continued)

8 Fixed asset investments

The Company	**Shares in subsidiary undertakings £**
Cost	
At 1 January 2016 and 31 December 2016	7,019,200
Impairment	
At 1 January 2016 and 31 December 2016	983,321
Net book value	
At 31 December 2016 and 31 December 2016	6,035,879

At 31 December 2016 the Group held 20% or more of the allotted share capital of the following:

	Class of shares held	**Held %**	**Country of incorporation and operation**	**Nature of business**
Campden BRI (Chipping Campden) Limited	Ordinary	100	England and Wales	Food and drink consultancy and training services
Campden BRI Magyarorszag	Ordinary	100	Hungary	

In addition the Group has a controlling interest in Campden BRI (Nutfield), a company limited by guarantee, as the sole member of the company.

Notes to the financial statements (continued)

9 Debtors

	The Group 2016 £	The Group 2015 £	**The Company 2016 £**	The Company 2015 £
Trade debtors	**4,140,071**	4,134,465	**-**	-
Amounts recoverable on contracts	**1,336,200**	1,529,660	**-**	49,104
Amounts owed by group undertakings	**-**	-	**6,988,458**	6,154,288
Other debtors	**42,352**	102	**-**	-
Prepayments and accrued income	**542,721**	584,148	**10,169**	2,800
	6,061,344	6,248,375	**6,998,627**	6,206,192

10 Creditors: amounts falling due within one year

	The Group 2016 £	The Group 2015 £	**The Company 2016 £**	The Company 2015 £
Payments received on account	**1,856,920**	1,686,158	**-**	4,024
Trade creditors	**1,395,085**	785,737	**-**	-
Amounts owed to group undertakings	**-**	-	**1,247,781**	870,024
Current corporation tax	**35,099**	73,044	**-**	-
Social security and other taxes	**775,731**	662,986	**-**	-
Other creditors	**2,297,562**	2,106,034	**-**	-
Accruals and deferred income	**772,935**	690,705	**191,043**	113,760
	7,133,332	6,004,664	**1,438,824**	987,808

Notes to the financial statements (continued)

11 Group deferred taxation

	2016	2015
	£	£
At beginning of year	**573,133**	556,770
Charge for year	**(24,756)**	16,363
At end of year	**548,377**	573,133

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	**564,321**	576,710
Other timing differences	**(15,944)**	(3,577)
	548,377	573,133

A deferred tax asset in respect of losses of £6,064,153 (2015 - £5,391,163) and fixed asset and short term timing differences of £703,831 (2015 - £968,315) has not been recognised. The resulting unprovided deferred tax asset amounts to £1,150,557 (2015 - £1,144,706).

12 Share capital

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:

	2016	2015
	No.	No.
Campden BRI	**1,526**	1,464

Notes to the financial statements (continued)

13 Pension commitments

Defined contribution pension scheme

The Group operates a defined contribution scheme for certain of its 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.

Defined benefit pension schemes

The Group operates four defined benefit schemes which are funded by the payment of contributions to separately administered trust funds. The Company is the principal employer of the Campden RA Pension Scheme and Flour Milling and Baking Research Association Pension and Assurance Scheme and a participating employer of the Universities Superannuation Scheme and British Beer & Pub Association Group Pension Fund. In preparing these accounts, the Group has taken advantage of the permitted disclosures under FRS 102 to present figures and assumptions for the defined benefit pension schemes in aggregate.

All costs of administering and managing the pension schemes are shown as administration expenses in the statement of comprehensive income. Expenses of the Campden RA Pension Scheme and Flour Milling and Baking Research Association Pension and Assurance Scheme are borne by the Group directly and shown as administration expenses in the "Profit before impact of pensions" column in the consolidated statement of comprehensive income.

Finance and deferred tax charges and credits are presented in a separate column in the income statement to provide users of the financial statements clear information on the underlying operating results of the business prior to the recognition of changes arising from FRS 102 actuarial valuations.

Campden RA Pension Scheme

The contributions to this scheme are determined with advice from an independent qualified actuary on the basis of triennial valuation. A full valuation was last carried out as at 1 January 2014.

The valuation showed that the market value of the scheme's assets at that date was £34,300,000 and that the actuarial value was sufficient to cover 75% of the value of the benefits that had accrued to members, after allowing for earnings increases and guaranteed pension increases.

Notes to the financial statements (continued)

13 Pension commitments (continued)

Following the valuation, the actuarial advice is that the Group should contribute in accordance with a schedule of contributions to satisfy the long term funding of the scheme. The schedule continues until 31 March 2037. Contributions of £696,000 (2015 - £696,000) 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. A full valuation was last carried out as at 1 January 2014. The valuation showed that the market value of the scheme's assets at that date was £11,265,000 and that the actuarial value was sufficient to cover 92.8% 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 contribute in accordance with a schedule of contributions to satisfy the long term funding of the scheme. The schedule continues until 30 June 2018. Contributions of £215,040 (2015 - £222,040) 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 most recent comprehensive actuarial valuation took place as at 30 September 2014 and this showed that Campden BRI (Nutfield)'s share of the Schemes liabilities was 16%. These disclosures have been prepared on the basis that Campden BRI (Nutfield)'s share of Scheme's assets is 16%

Universities Superannuation Scheme

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 Statement of comprehensive income. Differences between contributions payable in the period and contributions paid are shown either as accruals or prepayments in the Statement of financial position.

Notes to the financial statements (continued)

13 Pension commitments (continued)

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 is 3.6% (2015: 3.30%). The obligation recognised represents an employer contribution of 2.1% (2015: 2.1%) (total employer contributions, 18% (2015: 18%) to be made until 31 March 2031, in accordance with the scheme schedule of contributions.

The last formal actuarial valuation of the Universities Superannuation Scheme was as at 31 March 2014. The valuation was carried out using the projected unit method. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the past service liabilities was £46.9 billion indicating a deficit of assets of £5.3 billion, being 89% cover of benefits.

Surpluses or deficits which arise in future valuations may impact on the Company's future contribution commitment. The next formal triennial actuarial valuation is due as at 31 March 2017. The contribution rate will be reviewed as part of each valuation.

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:

	2016	2015
	£	£
Present value of funded obligations	**(22,931,000)**	(11,171,000)
Present value of deficit funding obligations to the Universities Superannuation Scheme	**(248,555)**	(286,180)
Deficit in scheme	**(23,179,555)**	(11,457,180)
Surplus not recognised	**-**	(194,000)
Deficit included in Statement of financial position	**(23,179,555)**	(11,651,180)
Related deferred tax asset	**3,844,890**	2,045,400
Net group liability	**(19,334,665)**	(9,605,780)
Deficit included in Group Statement of financial position	**(23,179,555)**	(11,651,180)
Deficit in respect of Campden BRI (Nutfield)	**562,555**	286,180
Deficit included in Company Statement of financial position	**(22,617,000)**	(11,365,000)
Deferred tax in respect of Campden BRI (Nutfield)	**-**	-
Deferred tax in respect of Campden BRI	**3,844,890**	2,045,700
Net company liability	**(18,772,110)**	(9,319,300)

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

Notes to the financial statements (continued)

13 Pension commitments (continued)

	2016	2015
	£	£
Universities Superannuation Scheme:		
Interest on deficit obligation	(8,958)	(22,191)
Other defined benefit schemes:		
Scheme expenses	(38,000)	(18,000)
Interest on obligation	(418,000)	(426,000)
	(464,958)	(466,191)

Movements in the present value of the defined benefit obligation were as follows:

	2016	2015
	£	£
Opening defined benefit obligation	**63,023,000**	63,348,000
Interest cost	**2,428,000**	2,308,000
Actuarial losses/(gains)	**16,554,000**	(682,000)
Benefits paid	**(1,667,000)**	(1,951,000)
Closing defined benefit obligation	**80,338,000**	63,023,000

Changes in the fair value of the schemes' assets were as follows:

	2016	2015
	£	£
Fair value of scheme assets at the start of the year	**51,852,000**	51,337,000
Interest income on scheme assets	**2,010,000**	1,882,000
Return on scheme assets, excluding interest income	**4,322,000**	(335,000)
Employee contributions	**-**	-
Scheme administrative costs	**(38,000)**	(18,000)
Contributions by employer	**928,000**	937,000
Benefits paid	**(1,667,000)**	(1,951,000)
Closing scheme assets	**57,407,000**	51,852,000

Notes to the financial statements (continued)

13 Pension commitments (continued)

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

	2016	2015
Discount rate at 31 December	**2.8%**	3.9%
Future pension increases	**3.3%**	3.1%
Inflation assumption	**2.5%**	2.3%
Life expectancy at age 65:		
-male currently aged 65	**23.7**	23.7
-female currently aged 65	**25.1**	25.0
-male currently aged 45	**25.2**	25.1
-female currently aged 45	**26.6**	26.5

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.

The assets in the schemes' were:

	2016	2015
	£	£
Equity	**22,402,000**	18,944,000
Gilts	**6,372,000**	5,067,000
Corporate and Government Bonds	**11,414,000**	10,742,000
Property	**5,431,000**	5,295,000
Cash and other	**11,788,000**	11,804,000
	57,407,000	51,852,000

The actual return on assets over the period was:	**6,332,000**	1,547,000

Notes to the financial statements (continued)

14 Financial risk management

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

15 Operating lease commitments

At 31 December 2016 the Company had future minimum leasing payment commitments under non cancellable operating leases as follows:

	Other equipment		**Other equipment**	
	The Group 2016 £	The Group 2015 £	**The Company 2016 £**	The Company 2015 £
Due within one year	**104,210**	2,500	**-**	-
Due within two and five years	**94,401**	286,435	**-**	-
	198,611	**288,935**	**-**	-

16 Contingent liabilities

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.

17 Related parties transactions

During the year the Group received fees and subscriptions from some companies of which members of the Council are directors. All transactions were at arms-length and in the ordinary course of business. The total value of these fees was £1,827,786 (2015 - £1,136,612). Included in trade debtors at 31 December 2016 was £313,980 (2015 - £241,334) owed by such related parties.