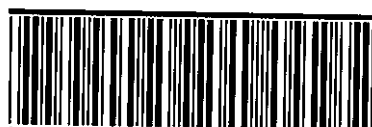


# The Biscuit, Cake, Chocolate and Confectionery Alliance

Accounts for the year ended 31 December 1996  
together with Council's and auditors' reports

Registered number: 156562



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COMPANIES HOUSE 28/05/97

# **Council's report**

For the year ended 31 December 1996

## **Financial Statements**

The Council presents its report and financial statements of the Alliance for the year ended 31 December 1996 .

## **Council's Responsibilities**

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Alliance and of the income and expenditure of the Alliance for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Alliance will continue in business.

The Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Alliance and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Alliance and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Financial results**

Deficit on ordinary activities £12,149 (1995 : surplus £26,175).

## **Review of the business**

The Alliance continued during the year to pursue its principal objects, namely to provide information and training, to maintain the standards, and safeguard the interests of its members in the biscuit, cake, chocolate and confectionery manufacturing industries.

## Council's report (continued)

### Members

The members of the Council at 31 December 1996 were as follows:

J Aspin	S Newiss
DH Atwell	AC Ogle
DM Bennett	S Roberts
CJ Bottomley	P Seftel
JHH Bradbury CBE	AVS Sharpe
B Foskett	I Sutherland
SD Freedman	WH Tavener
B Hamilton	J Taylor
T Harrison	DJ Thomson
PW Heaps	MS Thornton OBE
C Horrill	J Varney
SM Kennedy	T Ward
S Kitt	R Wilkins
RP McIvor	AP Williamson
	N Worne


JE Newman OBE  
(Secretary to the Council)

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be reappointed as auditors of the Alliance will be put to the Annual General Meeting.

This report was approved by the Council on *21st March 1997*

Member of the Council



# BINDER HAMLYN

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Andersen Worldwide

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20 Old Bailey  
London EC4M 7BH

## Auditors' report

To the members of The Biscuit, Cake, Chocolate and Confectionery Alliance

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 7.

### Respective responsibilities of Council and auditors

As described on page 1, the Alliance Council is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements and of whether the accounting policies are appropriate to the Alliance's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the Alliance's state of affairs at 31 December 1996 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Binder Hamlyn*

Chartered Accountants and Registered Auditors

*21 March 1997*

## Income and expenditure account

For the year ended 31 December 1996

	Notes	1996 £	1995 £
<b>Income</b>			
Subscriptions receivable		1,267,787	1,203,717
Subscriptions for statistical summaries		4,850	2,246
Training income		161,363	107,815
		<u>1,434,000</u>	<u>1,313,778</u>
<b>Expenditure</b>			
<b>Subscriptions and contributions to other organisations:</b>			
CAOBISCO			
- Annual Subscription		113,448	107,258
- Chocolate directive		-	11,924
Confederation of British Industry		12,191	11,734
Food and Drink Federation		68,541	66,223
Others		2,922	2,993
		<u>(197,102)</u>	<u>(200,132)</u>
		1,236,898	1,113,646
<b>Administrative expenses</b>			
Salaries, recruitment and training	3	515,614	516,741
Offices			
- lighting, heating and cleaning		6,308	6,658
- rent, rates and insurance		114,180	106,121
- repairs and renewals		6,945	3,256
- equipment leases		8,256	8,932
Printing, stationery and periodicals		20,851	30,156
Postage and telephone		23,835	23,036
Expenses of meetings, travelling and hotel expenses		19,814	21,679
Sundry expenses		3,428	9
Depreciation		55,673	48,903
Cost of training		138,621	94,391
External relations		171,159	108,364
Parliamentary relations		46,744	45,550
Health research		65,294	60,545
Other research		46,551	22,699
Legal and professional charges		45,279	72,382
Auditors' remuneration		8,500	8,200
Bank charges		1,498	1,481
Carried forward		<u>1,298,550</u>	<u>1,179,103</u>

# Income and expenditure account (continued)

For the year ended 31 December 1996

	Notes	1996 £	1995 £
Brought forward		1,298,550	1,179,103
Motor expenses		1,846	2,090
Surplus on technology conference	4	(1,340)	(3,499)
Deficit on annual conference	4	-	91
Profit on sale of fixed assets		(4,700)	-
Profit on disposal of investments		-	(114)
		<u>(1,294,356)</u>	<u>(1,177,671)</u>
<b>Deficit before other operating income</b>		<b>(57,458)</b>	<b>(64,025)</b>
<b>Other operating income</b>			
Rent receivable		7,139	6,839
Sundry sales		1,125	500
		<u>8,264</u>	<u>7,339</u>
<b>Other income</b>			
Bank interest receivable		37,034	41,386
Income from listed investments		11	11
		<u>37,045</u>	<u>41,397</u>
<b>(Deficit) on ordinary activities before taxation</b>	2	<b>(12,149)</b>	<b>(15,289)</b>
Tax on ordinary activities	5	-	41,464
<b>(Deficit)/surplus on ordinary activities after taxation transferred to reserves</b>	11	<b>(12,149)</b>	<b>26,175</b>

There were no recognised gains or losses apart from the deficit on ordinary activities shown above.

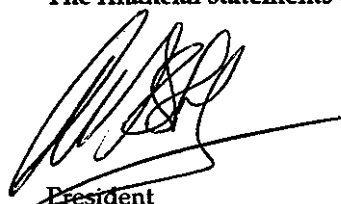
All the above results derive from continuing activities and there were no acquisitions in the year.

# Balance sheet

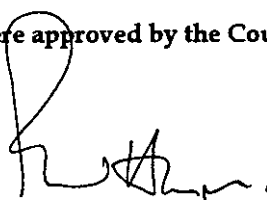
as at 31 December 1996

	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	6	179,570	201,220
Investments	7	<u>15</u>	<u>15</u>
		179,585	201,235
<b>Current assets</b>			
Debtors	8	130,723	141,499
Cash at bank and in hand		<u>478,350</u>	<u>446,699</u>
		609,073	588,198
<b>Creditors: amounts falling due within one year</b>	9	<u>(683,095)</u>	<u>(671,721)</u>
<b>Net current liabilities</b>		<u>(74,022)</u>	<u>(83,523)</u>
<b>Total assets less current liabilities</b>		<u>105,563</u>	<u>117,712</u>
<b>Reserves</b>	11	<u>105,563</u>	<u>117,712</u>

The financial statements on pages 4 to 12 were approved by the Council on *21st March 1997*



President



Hon. Treasurer



Director

# Notes to the financial statements

for the year ended 31 December 1996

## 1 Accounting policies

### a) Accounting convention

The following are the more important accounting policies adopted by the Alliance.

### b) Basis of accounting

The financial statements have been prepared under the historical cost convention.

### c) Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off cost less estimated residual value, of each asset evenly over its expected useful life which is reviewed annually, as follows:

Leasehold improvements	- over the period of the lease - 10 years
Furniture, fixtures and fittings	- 20% - 25% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 25% per annum

### d) Deferred taxation

Deferred taxation is provided on timing differences where a liability for the payment of such taxation is expected to arise in the foreseeable future.

### e) Pension costs

The regular cost of providing retirement pensions and related benefits is charged to income and expenditure account over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The difference between the charge to the income and expenditure account and the contributions paid to the scheme is shown as an asset or a liability in the balance sheet.

### f) Cash flow statement

The Alliance has taken advantage of the exemptions available for small companies under Financial Reporting Standard No.1 and has not prepared a cash flow statement.



## Notes to the financial statements (continued)

### 2 Deficit on ordinary activities before taxation

The deficit is stated after charging (and crediting):

	1996	1995
	£	£
Depreciation	55,673	48,903
Auditors' remuneration	8,500	8,200
Income from listed investments	<u>(11)</u>	<u>(11)</u>

### 3 Employees

The average number of employees during the year was 15 (1995 : 17).

Staff costs during the year amounted to:

	1996	1995
	£	£
Wages and salaries	404,398	415,610
Social security costs	34,533	35,978
Pensions	70,118	55,402
Recruitment	3,990	-
Training	2,575	1,856
Redundancy	<u>-</u>	<u>7,895</u>
	<u>515,614</u>	<u>516,741</u>

The Alliance operates a defined benefit pension scheme, providing pensions based on final pensionable salary. The assets of the scheme are held separately from those of the Alliance, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account, so as to spread the cost of pensions over employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations, using the attained age method.

The cost in these accounts has been calculated from the actuarial valuation as at 1 January 1995. The principal assumptions used by the actuary in calculating the valuation were interest of 9% a year, salary rises 8% a year and a dividend rise of 9% a year. At the valuation date, the assets were valued by the actuary at £1,382,975, which represented 117% of the actuarial value of the accrued liabilities, allowing for future salary rises and benefit improvements granted since the valuation date.

## Notes to the financial statements (continued)

### 4 Technology conference

	1996	1995
	£	£
Amounts received from delegates	22,415	21,915
Expenses incurred	(21,075)	(18,416)
<b>Surplus transferred to income and expenditure account</b>	<b>1,340</b>	<b>3,499</b>

### Annual conference

Amounts received from delegates	9,484	9,625
Expenses incurred	(9,484)	(9,716)
<b>Deficit transferred to income and expenditure account</b>	<b>-</b>	<b>(91)</b>

### 5 Taxation

	1996	1995
	£	£
Overprovision in prior years	-	41,464
	-	41,464

## Notes to the financial statements (continued)

### 6 Tangible fixed assets

	Leasehold improvements £	Furniture fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
1 January 1996	151,954	92,251	44,859	30,497	319,561
Additions	-	5,655	7,293	21,075	34,023
Disposals	-	-	(6,494)	(18,174)	(24,668)
<b>31 December 1996</b>	<b>151,954</b>	<b>97,906</b>	<b>45,658</b>	<b>33,398</b>	<b>328,916</b>
<b>Depreciation</b>					
1 January 1996	30,390	38,201	24,645	25,105	118,341
Charge for year	15,195	20,826	11,302	8,350	55,673
Disposals	-	-	(6,494)	(18,174)	(24,668)
<b>31 December 1996</b>	<b>45,585</b>	<b>59,027</b>	<b>29,453</b>	<b>15,281</b>	<b>149,346</b>
<b>Net book amount</b>					
<b>31 December 1996</b>	<b>106,369</b>	<b>38,879</b>	<b>16,205</b>	<b>18,117</b>	<b>179,570</b>
<b>31 December 1995</b>	<b>121,564</b>	<b>54,050</b>	<b>20,214</b>	<b>5,392</b>	<b>201,220</b>

### 7 Investments

	1996 £	1995 £
<b>Cost</b>		
1 January 1996	15	33
Disposal	-	(18)
<b>31 December 1996</b>	<b>15</b>	<b>15</b>
Listed investments	14	14
Unlisted investments	1	1
	15	15
<b>Market value of listed investments</b>	<b>261</b>	<b>226</b>

The listed investments are dealt with on a recognised stock exchange.

## Notes to the financial statements (continued)

### 8 Debtors

	1996	1995
	£	£
Trade debtors	19,809	14,835
Other debtors	16,000	46,491
Prepayments and accrued income	92,155	61,103
Corporation tax recoverable	2,759	19,070
	<u>130,723</u>	<u>141,499</u>

### 9 Creditors: amounts falling due within one year

	1996	1995
	£	£
Subscriptions in advance	506,000	522,000
Other creditors	70,992	4,830
Corporation tax	-	-
Other taxes and social security costs	18,328	16,990
Accruals	87,775	127,901
	<u>683,095</u>	<u>671,721</u>

### 10 Obligations under operating leases

Annual commitments in respect of operating leases analysed between commitments expiring:

	1996		1995	
	Land and buildings £	Other £	Land and buildings £	Other £
Between two and five years	-	8,180	-	8,932
In over five years	<u>61,671</u>	<u>-</u>	<u>52,450</u>	<u>-</u>
	<u>61,671</u>	<u>8,180</u>	<u>52,450</u>	<u>8,932</u>

### 11 Reserves

	£
1 January 1996	117,712
Deficit on income and expenditure account	<u>(12,149)</u>
31 December 1996	<u>105,563</u>

## Notes to the financial statements (continued)

### 12 Related party transactions

All members of the Council are employed by or are consultants to member companies who subscribe to the Alliance. Subscriptions are calculated on relevant product turnover of each member.

In the year, T Harrison, a member of the Council was paid £2,500 in consultancy fees in respect of his services to the Alliance Cocoa Research Subcommittee.

### 13 Members' liability

The Alliance is limited by guarantee and has no share capital. The liability of the 99 members (1995: 104) is limited to the sum of £1 each in the event of a winding up.