

# The Biscuit, Cake, Chocolate and Confectionery Alliance

Accounts for the year ended 31 December 1998  
together with Council's and auditors' reports

Registered number: 156562



## **Council's report**

For the year ended 31 December 1998

### **Financial Statements**

The Council presents its report and financial statements of the Alliance for the year ended 31 December 1998.

### **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 has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis.

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 £24,909 (1997: deficit £913).

### **Review of the business**

The Alliance continued during the year to promote the interests of its members in the biscuit, cake, chocolate and confectionery manufacturing industries, by facilitating policy formation, providing members with timely and relevant information, representing the industry's needs to government, and providing other services to members.

With regard to the Millennium Bug, all computers in the Alliance office have been independently tested by London Business Link and have been certified as being capable of accurately using date calculations after 31 December 1999. Other software applications, which are not crucial to compliance, have also been updated.

## Council's report (continued)

### Members

The members of the Council at 31 December 1998 were as follows:

D Baines	G Plews
CJ Bottomley	W Ronald
C Burke	R Schofield
MB Coulthard	P Seftel
SD Freedman	AVS Sharpe
P Hamilton	A Sykes
PW Heaps	J Taylor
M Kerr	R Wahi
RP McIvor	T Ward

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 19 March 1999.



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 11 which have been prepared under the historical cost convention and 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 1998 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

19 March 1999

# Income and expenditure account

For the year ended 31 December 1998

	Notes	1998 £	1997 £
<b>Income</b>			
Subscriptions receivable		1,330,843	1,280,972
Subscriptions for statistical summaries		5,650	4,000
Training income		79,215	83,131
		<u>1,415,708</u>	<u>1,368,103</u>
<b>Less: Subscriptions and contributions to other organisations:</b>			
CAOBISCO			
- Annual Subscription		94,994	98,376
- Chocolate directive		-	11,952
Confederation of British Industry		13,539	12,446
Food and Drink Federation		72,926	70,460
FDNTO		3,390	
Others		3,050	3,282
		<u>(187,899)</u>	<u>(196,516)</u>
<b>Net income</b>		<u>1,227,809</u>	<u>1,171,587</u>
<b>Administrative expenses</b>			
Salaries, recruitment and training	2	513,285	511,696
Offices			
- lighting, heating and cleaning		6,809	6,340
- rent, rates and insurance		119,644	114,599
- repairs and renewals		3,094	7,406
- equipment leases		8,180	8,180
Printing, stationery and periodicals		25,536	24,516
Postage and telephone		18,912	21,211
Expenses of meetings, travelling and hotel expenses		23,778	24,407
Sundry expenses		181	550
Depreciation		50,831	56,655
Cost of training		84,392	83,632
External relations		234,352	140,470
Parliamentary relations		45,913	51,364
Health research 1		67,148	68,800
Health research 2		9,600	-
Other research		45,118	44,998
Legal and professional charges		41,338	46,402
Auditors' remuneration		8,900	8,900
Bank charges		1,334	1,386
<b>Carried forward</b>		<u>1,308,345</u>	<u>1,221,512</u>

## Income and expenditure account (continued)

	Notes	1998 £	1997 £
Brought forward		1,308,345	1,221,512
Motor expenses		1,782	1,535
Surplus on technology conference	3	(7,178)	(1,521)
Deficit on annual conference	3	-	1,311
Profit on sale of fixed assets		(300)	(1,650)
		<u>1,302,649</u>	<u>1,221,187</u>
<b>Deficit before other operating income</b>		<u>(74,840)</u>	<u>(49,600)</u>
<b>Other operating income</b>			
Rent receivable		9,059	7,586
Sundry sales		60	20
		<u>9,119</u>	<u>7,606</u>
<b>Other income</b>			
Bank interest receivable		40,800	41,068
Income from listed investments		12	13
		<u>40,812</u>	<u>41,081</u>
<b>Deficit on ordinary activities before taxation</b>		(24,909)	(913)
Tax on ordinary activities	4	-	-
<b>Deficit on ordinary activities after taxation transferred to reserves</b>	10	<u>(24,909)</u>	<u>(913)</u>

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

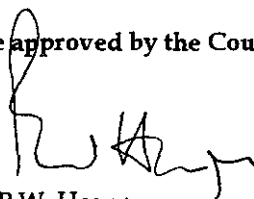
As at 31 December 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	5	110,354	137,145
Investments	6	15	15
		<u>110,369</u>	<u>137,160</u>
<b>Current assets</b>			
Debtors	7	133,085	129,043
Cash at bank and in hand		415,413	457,218
		<u>548,498</u>	<u>586,261</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(579,126)</u>	<u>(618,771)</u>
<b>Net current liabilities</b>		<u>(30,628)</u>	<u>(32,510)</u>
<b>Total assets less current liabilities</b>		<u>79,741</u>	<u>104,650</u>
<b>Reserves</b>	10	<u>79,741</u>	<u>104,650</u>

The financial statements on pages 4 to 11 were approved by the Council on 19 March 1999.



P Seftel  
President



P.W. Heaps  
Hon. Treasurer



J.E. Newman  
Director

# Notes to the financial statements

For the year ended 31 December 1998

## 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 Employees

The average number of employees during the year was 14 (1997: 14).

Staff costs during the year amounted to:

	1998 £	1997 £
Wages and salaries	412,093	412,216
Social security costs	33,557	34,904
Pensions	67,395	59,927
Recruitment	-	2,400
Training	240	2,249
	<u>513,285</u>	<u>511,696</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.

### 3 Technology conference

	1998 £	1997 £
Amounts received from delegates	25,105	26,848
Expenses incurred	<u>(17,927)</u>	<u>(25,327)</u>
Surplus transferred to income and expenditure account	<u>7,178</u>	<u>1,521</u>

### Annual conference

	1998 £	1997 £
Amounts received from delegates	7,750	7,875
Expenses incurred	<u>(7,750)</u>	<u>(9,186)</u>
Deficit transferred to income and expenditure account	<u>-</u>	<u>(1,311)</u>

## Notes to the financial statements (continued)

### 4 Taxation

In view of the deficit for the two years ended 31 December 1998 no liability arises in respect of UK corporation tax.

### 5 Tangible fixed assets

	Leasehold improvements £	Furniture fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
1 January 1998	151,954	103,266	54,528	21,074	330,822
Additions	14,473	-	9,567	-	24,040
Disposals	-	-	(14,385)	-	(14,385)
<b>31 December 1998</b>	<b>166,427</b>	<b>103,266</b>	<b>49,710</b>	<b>21,075</b>	<b>354,863</b>
<b>Depreciation</b>					
1 January 1998	60,780	80,930	41,430	10,537	193,677
Charge for year	18,090	18,243	9,229	5,269	50,831
Disposals	-	-	(14,385)	-	(14,385)
<b>31 December 1998</b>	<b>78,870</b>	<b>99,173</b>	<b>36,274</b>	<b>15,807</b>	<b>230,123</b>
<b>Net book amount</b>					
<b>31 December 1998</b>	<b>87,557</b>	<b>4,093</b>	<b>13,436</b>	<b>5,268</b>	<b>110,354</b>
<b>31 December 1997</b>	<b>91,174</b>	<b>22,336</b>	<b>13,098</b>	<b>10,537</b>	<b>137,145</b>

### 6 Investments

	1998 £	1997 £
Cost at 1 January 1998 and 31 December 1998	15	15
Listed investments	14	14
Unlisted investments	1	1
	15	15
Market value of listed investments	182	276

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

## Notes to the financial statements (continued)

### 7 Debtors

	1998 £	1997 £
Trade debtors	51,890	38,799
Other debtors	13,102	19,885
Prepayments and accrued income	46,647	54,056
Corporation tax recoverable and VAT recoverable	21,446	16,303
	<u>133,085</u>	<u>129,043</u>

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

	1998 £	1997 £
Subscriptions in advance	375,824	498,000
Cocoa Research Fund	15,850	-
Other creditors	120,501	5,511
Other taxes and social security costs	14,046	15,393
Accruals	52,905	99,867
	<u>579,126</u>	<u>618,771</u>

### 9 Obligations under operating leases

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

	1998		1997	
	Land and buildings £	Other £	Land and buildings £	Other £
Between two and five years	-	8,180	-	8,180
In over five years	73,916	-	69,867	-
	<u>73,916</u>	<u>8,180</u>	<u>69,867</u>	<u>8,180</u>

### 10 Reserves

	£
1 January 1998	104,650
Deficit on income and expenditure account	(24,909)
31 December 1998	<u>79,741</u>

## Notes to the financial statements (continued)

### **11 Related party transactions**

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

### **12 Members' liability**

The Alliance is limited by guarantee and has no share capital. The liability of the 99 members (1997: 102) is limited to the sum of £1 each in the event of a winding up.