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**THE BISCUIT, CAKE, CHOCOLATE
AND CONFECTIONERY ALLIANCE**

COUNCIL'S REPORT AND

FINANCIAL STATEMENTS

for the year ended 31 December 1994

BINDER HAMLYN



THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

COUNCIL'S REPORT for the year ended 31 December 1994

FINANCIAL STATEMENTS

The Council submit their report together with the audited financial statements of the Alliance for the year ended 31 December 1994.

FINANCIAL RESULTS

Deficit on ordinary activities

£

(25)

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 profit or loss 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.

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.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

COUNCIL'S REPORT for the year ended 31 December 1994

MEMBERS

The members of the Council at 31 December 1994 were as follows:

DH Atwell	H Mager
SA Barnett	RP McIvor
DH Bennett	D J Mitchell
CJ Bottomley	AC Ogle
JHH Bradbury CBE	S Richards
S Colman	P Seftel
RW Eyres	AVS Sharpe
B Foskett	GFH Stephens
SD Freedman	AJ Stewart
T Gardiner	WH Tavener
B Hamilton	J Taylor
T Harrison	R Turner
PW Heaps	J Varney
DG Jenkins	DE Welch
SM Kennedy	RB Whittle
S Kitt	AP Williamson
M Little	

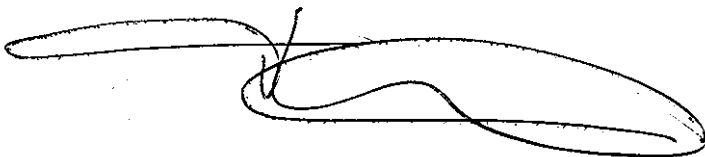
JE Newman OBE
(Secretary to the Council)

AUDITORS

On 1 October 1994 our auditors, BDO Binder Hamlyn, joined the Arthur Andersen worldwide organisation and now practise in the name, Binder Hamlyn. They have signed their audit report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the Alliance will be put to the Annual General Meeting.

This report was approved by the Council on 15 March 1995

Member of the Council



BINDER HAMLYN

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 on the basis of the accounting policies set out on page 7.

Respective responsibilities of the council and auditors

As described on page 1, the Alliance council is responsible for the preparation of 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.

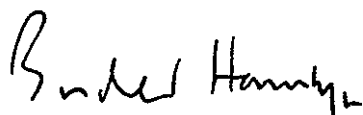
Basis of opinion

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 officers 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 state of the Alliance's affairs as at 31 December 1994 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors

27 March 1995

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 1994

	Notes	1994	1993
		£	£
INCOME			
Subscription receivable	2	948,991	977,241
Subscriptions for statistical summaries		4,855	6,838
		953,846	984,079
EXPENDITURE			
Subscriptions and contributions to other organisations:			
CAOBISCO		105,732	97,393
IOCCC		-	13,867
Confederation of British Industry		11,482	11,279
Food and Drink Federation		64,545	62,787
World Sugar Research Organisation		3,000	3,000
Others		2,867	2,773
		(187,626)	(191,099)
		766,220	792,980
Administrative expenses			
Salaries, recruitment and training	4	490,018	479,102
Pension provision written back		-	(30,330)
Offices			
- lighting, heating and cleaning		8,223	8,576
- rent, rates and insurance		86,554	31,313
- repairs and renewals		7,962	8,528
- equipment leases		9,264	9,959
Printing, stationery and periodicals		54,315	32,890
Postage and telephone		22,700	26,442
Expenses of meetings, travelling and hotel expenses		22,418	23,293
Sundry expenses		952	249
Depreciation		45,216	31,354
Training costs	6	(31,954)	(49,869)
Public relations		108,007	101,466
Parliamentary relations		43,554	42,007
Health research		47,158	16,340
Other research		23,803	27,676
Legal and professional charges		112,935	81,798
Auditors' remuneration		8,000	8,000
Bank charges		1,890	1,873
Motor expenses		2,063	2,162
(Surplus) on technology conference	7	(3,114)	(3,821)
(Surplus)/deficit on annual conference		(27)	3,702
Profit on sale of fixed assets		(243,334)	(1,508)
		(816,603)	(851,202)
Deficit carried forward		(50,383)	(58,222)

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 1994

	Notes	1994		1993	
		£	£	£	£
Deficit brought forward			(50,383)		(58,222)
Other operating income					
Rent receivable		3,427		250	
Sundry sales		2,515		194	
			5,942		444
Other income			(44,441)		(57,778)
Bank interest receivable		47,023		74,730	
Income from listed investments		48		4	
			47,071		74,734
Surplus on ordinary activities before taxation	3		2,630		16,956
Tax on ordinary activities	8		(2,655)		(11,470)
(Deficit)/surplus on ordinary activities after taxation					
transferred to reserves	14		(25)		5,486

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

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

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

BALANCE SHEET as at 31 December 1994

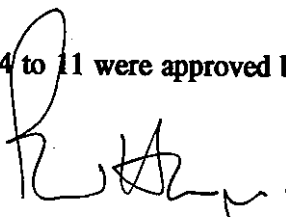
	Notes	1994	1993
		£	£
FIXED ASSETS			
Tangible assets	9	235,375	21,525
Investments	10	33	33
		235,408	21,558
CURRENT ASSETS			
Debtors	11	85,888	56,239
Cash at bank and in hand		831,516	1,376,045
		917,404	1,432,284
CREDITORS: amounts falling due within one year	12	(1,061,275)	(1,362,280)
Net current assets		(143,871)	70,004
Total assets less current liabilities		91,537	91,562
RESERVES	14	91,537	91,562

The financial statements on pages 4 to 11 were approved by the Council on

15 March 1995



President



Hon. Treasurer



Director

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Accounting convention

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

Basis of accounting

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

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 follow:

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

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.

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.

Cash flow statement

The Alliance has taken advantage of the exemptions available for small companies under Financial Reporting Standard number 1 and has not prepared a cash flow statement.

2 INCOME

Subscription income and subscriptions for statistical summaries comprise the total amount receivable in respect of the year.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

3	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	1994 £	1993 £
	Depreciation	45,216	31,354
	Auditors' remuneration	8,000	8,000
	Income from listed investments	(48)	(4)

4 EMPLOYEES

The average number of employees during the year was 17 (1993: 20).

Staff costs during the year amounted to:

Wages and salaries	412,389	434,104
Social security costs	36,765	38,749
Health Insurance	3,355	(5,581)
Recruitment	3,236	2,400
Training	7,859	4,430
Redundancy	3,805	5,000
Ex-gratia payments	22,609	-
	490,018	479,102

5 PENSIONS COSTS

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 1992. The principal assumptions used by the actuary in calculating the valuation were interest of 9% a year, salary rises 8% a year, and dividend rises of 4.5% a year. At the valuation date, the assets were valued by the actuary at £1,508,000, which represented 160% of the actuarial value of the accrued liabilities, allowing for future salary rises and benefit improvements granted since the valuation date.

This surplus has arisen partly from the change in actuarial basis since the 1989 valuation, and partly from the favourable experience of the scheme. It is allowed for in the pension cost by amortisation over members future service on an approximate basis, the finance of the scheme, and the benefits, are currently under review following the valuation, and an employer contribution holiday is continuing pending the results of that review.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

6	TRAINING COSTS	1994	1993
		£	£
	Income	112,324	110,262
	Expenditure (excluding salaries)	(80,370)	(60,393)
	Surplus transferred to income and expenditure account	31,954	49,869
7	TECHNOLOGY CONFERENCE		
	Amounts received from delegates	21,748	25,372
	Expenses incurred	(18,634)	(21,551)
	Surplus transferred to income and expenditure account	3,114	3,821
	ANNUAL CONFERENCE		
	Amounts received from delegates	12,290	11,220
	Expenses incurred	(12,263)	(14,922)
	Surplus/(deficit) transferred to income and expenditure account	27	(3,702)
8	TAXATION		
	Corporation tax at 25% on ordinary activities	(2,655)	(11,470)

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Leasehold property £	Furniture, fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost						
1 January 1994	-	20,950	46,308	73,238	30,497	170,993
Additions	151,954	-	86,561	20,551	-	259,066
Disposals	-	(20,950)	(44,168)	(60,128)	-	(125,246)
31 December 1994	151,954	-	88,701	33,661	30,497	304,813
Depreciation						
1 January 1994	-	20,950	44,432	65,143	18,943	149,468
Charge for year	15,195	-	18,525	8,415	3,081	45,216
Disposals	-	(20,950)	(44,168)	(60,128)	-	(125,246)
31 December 1994	15,195	-	18,789	13,430	22,024	69,438
Net book amount						
31 December 1994	136,759	-	69,912	20,231	8,473	235,375
31 December 1994	-	-	1,876	8,095	11,554	21,525

10 INVESTMENTS

	1994 £	1993 £
Cost		
31 December 1994	33	33
Listed investments	32	32
Unlisted investments	1	1
	33	33
Market value of listed investments	391	646

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

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

11	DEBTORS	1994 £	1993 £
	Trade debtors	8,514	30,771
	Other debtors	45,907	12,645
	Prepayments and accrued income	31,022	12,378
	Corporation tax recoverable	445	445
		85,888	56,239

12 CREDITORS: amounts falling due within one year

Subscriptions received in advance	897,000	1,224,000
Other creditors	16,827	45,543
Corporation tax	15,970	20,188
Other taxes and social security costs	15,838	15,724
Accruals	115,640	56,825
	1,061,275	1,362,280

13 OBLIGATIONS UNDER OPERATING LEASES

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

	1994		1993	
	Land and buildings	Other	Land and buildings	Other
Between two and five years	-	8,932	-	8,932
In over five years	41,350	-	-	-
	41,350	8,932	-	8,932

14 RESERVES

	£
1 January 1994	91,562
Deficit on income and expenditure account	(25)
31 December 1994	91,537

15 MEMBERS' LIABILITY

The Alliance is limited by guarantee and has no share capital. The liability of the 110 members (1993 : 110) is limited to the sum of £1 each in the event of a winding up.