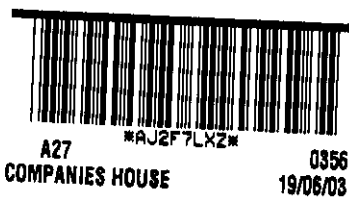


Company Registration No. 156562 (England and Wales)

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002



THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

COUNCIL'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

Financial Statements

The Council presents its report and the financial statements of the Alliance for the year ended 31 December 2002.

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; and
- prepared the financial statements on a 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

There was a deficit on ordinary activities of £13,975 (2001: deficit £13,804).

Review of the business

The Alliance continued 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.

The subsidiary company BCCCA Trading Limited continued to carry out training and conference activities.

Members

The members of the Council during the year were as follows:

D Baines		PW Heaps	
P Baldwin	(retired 17 May 2002)	C Hutchison	(appointed 5 April 2002)
DW Bevan		G Johns	(retired 5 April 2002)
AJR Brown		RP McIvor	
B Carlisle	(retired 1 February 2002)	M Mc Reynolds	(appointed 20 November 2002)
AP Cosslett		J Pollard	(appointed 17 May 2002)
MB Coulthard	(retired 1 November 2001)	PJ Steffel	
L Davis	(retired 7 May 2002)	AVS Sharpe	
IR Douglas		G Storey	(appointed 17 May 2002)
A Geddes	(appointed 5 September 2002)	J Sunley	
G Grant	(appointed 19 August 2002)	P Wharton	(appointed 21 May 2002)

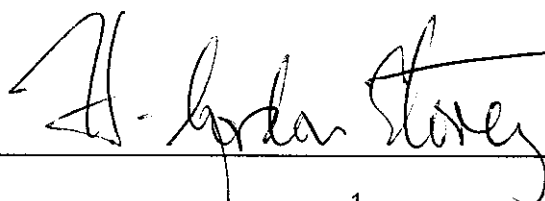
MJ Webber OBE (Secretary to Council)

Auditors

Chartwells were appointed auditors to the Alliance and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the Annual General Meeting.

This report was approved by Council on 29 April 2003

Member of Council



THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF The Biscuit, Cake, Chocolate and Confectionery Alliance

We have audited the financial statements of The Biscuit, Cake, Chocolate and Confectionery Alliance on pages 3 to 9 for year ended 31 December 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the Members and auditors

As described in the statement of Councils' responsibilities on page 1 the Council members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Councils' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Councils' report and consider the implications for our report, if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conduct our audit in accordance with United Kingdom 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 company'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 company's affairs as at 31 December 2002 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartwells

Chartered Accountants
Registered Auditor

29-04-03

Wickford
Essex
SS12 9JR

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Income			
Subscriptions receivable		1,173,371	1,276,062
Subscriptions for statistical summaries		3,440	1,880
		<u>1,176,811</u>	<u>1,277,942</u>
LESS: Subscriptions and contributions to other organisations:			
CAOBISCO Annual subscription	107,355	98,265	
Confederation of British Industry	0	15,030	
Food and Drink Federation	89,840	82,420	
Others	4,095	2,799	
		<u>(201,290)</u>	<u>(198,514)</u>
Net income		<u>975,521</u>	<u>1,079,428</u>
Administrative expenses			
Salaries, Recruitment and Training	384,082	419,981	
Rent, Rates and Insurance	170,389	177,817	
Light, Heating and Cleaning	6,110	7,670	
Repairs and Renewals	18,006	8,023	
Printing, stationery and periodicals	9,618	13,232	
Postage and Telephone	17,469	17,331	
Equipment leases	2,931	2,520	
Motor running expenses	164	1,317	
Meetings, Travel and hotel expenses	13,656	22,842	
Health research	39,200	66,250	
Other research	32,018	23,341	
Legal and professional fees	43,194	61,959	
Audit fees	7,000	7,500	
Bank charges	1,187	1,185	
Parliamentary Relations	61,391	62,144	
External Relations	205,664	202,738	
Sundry expenses	426	292	
Depreciation	28,948	35,949	
Profits/losses on disp of tangibles	147	(4,754)	
		<u>(1,041,600)</u>	<u>(1,127,337)</u>
Deficit before other operating income		<u>(66,079)</u>	<u>(47,909)</u>
Other operating income			
Rent receivable		37,512	15,797
Sundry sales		99	490
		<u>(28,468)</u>	<u>(31,622)</u>
Operating deficit		<u>(28,468)</u>	<u>(31,622)</u>

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

INCOME AND EXPENDITURE ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	31 December 2002 £	31 December 2001 £
Other Income			
Bank interest receivable		14,464	17,805
Income from listed investments		10	12
		<u> </u>	<u> </u>
Deficit on ordinary activities before taxation		(13,994)	(13,805)
Tax on deficit on ordinary activities	3	-	-
		<u> </u>	<u> </u>
Deficit on ordinary activities after taxation	8	(13,994)	(13,805)
		<u> </u>	<u> </u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

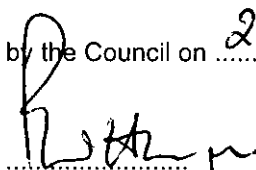
BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		26,094		68,527
Investments	5		17		17
			<u>26,111</u>		<u>68,544</u>
Current assets					
Debtors	6	102,611		129,482	
Cash at bank and in hand		468,369		287,537	
		<u>570,980</u>		<u>417,019</u>	
Creditors: amounts falling due within one year	7	(577,536)		(452,014)	
Net current liabilities			<u>(6,556)</u>		<u>(34,995)</u>
Total assets less current liabilities			<u>19,555</u>		<u>33,549</u>
Capital and reserves					
Profit and loss account	8		19,555		33,549
Shareholders' funds - equity interests	9		<u>19,555</u>		<u>33,549</u>

The financial statements were approved by the Council on 29 April 2003



A J R Brown
President



PW Heaps
Hon. Treasurer



MJ Webber
Secretary

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for subscriptions and services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the period of the lease - 10 years
Computer equipment	25% per annum
Fixtures, fittings & equipment	20%-25% per annum
Motor vehicles	25% per annum

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss 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 the current employees on the basis of a constant percentage of current and estimated future earnings.

The latest actuarial valuation was at the 1 January 2001. The actuary recommended that no future contributions are required to meet the future benefits of the current scheme membership. Therefore only life assurance premiums have been paid in the year under review.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

3 Taxation

No liability arises in respect of UK corporation tax.

4 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2002	166,427	61,383	117,284	24,200	369,294
Additions	-	4,164	-	-	4,164
Disposals	-	(16,686)	(13,561)	(24,200)	(54,447)
	<u>166,427</u>	<u>48,861</u>	<u>103,723</u>	<u>-</u>	<u>319,011</u>
At 31 December 2002	166,427	48,861	103,723	-	319,011
Depreciation					
At 1 January 2002	133,140	55,202	107,386	5,041	300,769
On disposals	-	(16,686)	(13,561)	(6,553)	(36,800)
Charge for the year	18,088	5,783	3,565	1,512	28,948
	<u>151,228</u>	<u>44,299</u>	<u>97,390</u>	<u>-</u>	<u>292,917</u>
At 31 December 2002	151,228	44,299	97,390	-	292,917
Net book value					
At 31 December 2002	<u>15,199</u>	<u>4,562</u>	<u>6,333</u>	<u>-</u>	<u>26,094</u>
At 31 December 2001	<u>33,287</u>	<u>6,182</u>	<u>9,899</u>	<u>19,159</u>	<u>68,527</u>

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 January 2002 & at 31 December 2002	14	3	17
	Market value £	Market value £	
At 31 December 2002	44		44
At 31 December 2001	190		190

The listed investments are dealt with on a recognised stock exchange. In 1999 the Alliance invested £2 being the whole issued sharecapital of BCCCA Trading Limited, a company registered in England. Advantage has been taken of the exemptions available and consolidated accounts have not been prepared. The profit of BCCCA Trading Limited in the year ended 31 December 2002 amounted to £2,936, and its net assets amounted to £13,427.

6 Debtors	2002 £	2001 £
Trade debtors	25,983	27,307
Other debtors	15,256	28,968
Prepayments and accrued income	61,372	73,207
	102,611	129,482

7 Creditors: amounts falling due within one year	2002 £	2001 £
Amounts owed to subsidiary undertakings	18,946	3,056
Taxes and social security costs	11,348	13,828
Subscriptions in advance	404,000	340,000
Other creditors	31,338	51,125
Accruals	111,904	44,005
	577,536	452,014

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2002	33,549
Retained loss for the year	(13,994)
	<hr/>
Balance at 31 December 2002	19,555
	<hr/>

9 Reconciliation of movements in members' funds

	2002 £	2001 £
Loss for the financial year	(13,994)	(13,805)
Opening members' funds	33,549	47,354
	<hr/>	<hr/>
Closing members' funds	19,555	33,549
	<hr/>	<hr/>

10 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2002 £	2001 £
Expiry date:		
Between two and five years	100,600	100,600
	<hr/>	<hr/>

11 Employees

The average number of employees during the year was 9 (2001: 11).

Employment costs	2002 £	2001 £
Wages and salaries	317,003	361,839
Social security costs	26,300	32,510
Other costs	40,779	25,632
	<hr/>	<hr/>

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

12 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 company.

13 Members' liability

The Alliance is limited by guarantee and has no share capital. The liability of the 97 members (2001:94) is limited to the sum of £1 each in the event of a winding up.