

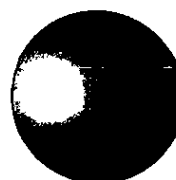


chartwells

The Biscuit, Cake, Chocolate & Confectionery Association

Members' report and financial statements
for the year ended 31 December 2006

Company registration number: 156562



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THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

COUNCIL'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

Financial Statements

The Council presents its report and the financial statements of the Association for the year ended 31 December 2006

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 Association and of the income and expenditure of the Association 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
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the association will not 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 Association 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 Association 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 £6,693 (2005 surplus £136,653)

Review of the business

The Association 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 conference activities

Members

The members of the Council during the year were as follows

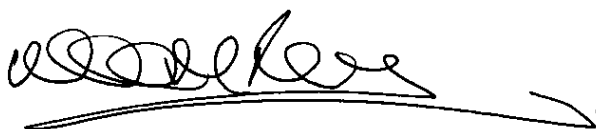
Simon Baldry	David Atwell (appointed 27 6 06)
David Bevan	Mandy Ferguson (appointed 26 6 06)
Keith Braithwaite	Paul Grimwood (appointed 1 6 06)
Paul Seftel	Graham Hunter (appointed 17 10 06)
David Brooks	Gill McIvor (appointed 26 6 06)
Gharry Eccles	Mario Giannotta (resigned 26 6 06)
Tim Kelly	Jeff Halliwell (resigned 30 10 06)
Jean Harper	Philip McIvor (resigned 26 6 06)
Benoit Testard	Gordon Storey (resigned 26 6 06)
Paul Kitchener	
Philip McHale	
Malachy McReynolds	
Secretary to Council - Penny Hawley (resigned 18 10 06)	
- Cliff Luckhoo (appointed 18 10 06)	

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Chartwells be reappointed as auditors of the Association will be put to the Annual General Meeting

This report was approved by Council on **30 May** 2007

Member of Council



THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

We have audited the financial statements of The Biscuit, Cake, Chocolate and Confectionery Association for the year ended 31 December 2006 set out on pages 3 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the association's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditors' 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Council Responsibilities on page 1, the council member's are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 council's report is not consistent with the financial statements, if the Association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 association'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.

In our opinion, the financial statements should disclose the following matter: The association operates a defined benefit pension scheme on behalf of its council, members and employees. The council have not complied with the disclosure requirements of Financial Reporting Standard 17- Retirement Benefits on the grounds that the cost involved could not be justified for a scheme of its size.

Except for the absence of the disclosure referred to in the paragraph above, in our opinion the financial statements give a true and fair view of the state of the association's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Councils' report is consistent with the financial statements

Chartwells
Chartered Accountants
Registered Auditor

Chartwells

30th May 07

Essex SS12 9JR

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Income			
Subscriptions receivable		945,391	1,290,999
Be treatwise projects income		20,240	-
		<u>965,631</u>	<u>1,290,999</u>
LESS Subscriptions and contributions to other organisations			
CAOBISCO Annual subscription	109,112	115,406	
Food and Drink Federation	78,536	76,249	
Others	1,956	909	
		<u>(189,604)</u>	<u>(192,564)</u>
Net income		<u>776,027</u>	<u>1,098,435</u>
Administrative expenses			
Salaries, Recruitment and Training	315,091	368,550	
Staff Pension	47,288	209,202	
Rent, Rates and Insurance	26,541	26,474	
Printing, stationery and periodicals	11,971	7,186	
Postage and Telephone	9,348	13,610	
Computer Costs	7,110	7,165	
Meetings, Travel and hotel expenses	21,861	25,864	
Other research	29,488	8,418	
Legal and professional fees	63,565	55,266	
Audit fees	6,250	5,500	
Bank charges	1,233	801	
Public Affairs Programme - UK	94,968	85,940	
External Relations	157,051	139,156	
Sundry expenses	3,551	3,297	
Restructuring costs	-	23,172	
		<u>(795,316)</u>	<u>(979,601)</u>
Deficit before other operating income		<u>(19,289)</u>	<u>118,834</u>

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	31 December 2006 £	31 December 2005 £
Other Income			
Bank interest receivable		12,596	17,819
(Loss)/profit on ordinary activities before taxation		(6,693)	136,653
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit on ordinary activities after taxation	10	(6,693)	136,653

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 ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Investments	6		17		17
Current assets					
Debtors	7	52,079		25,382	
Cash at bank and in hand		213,573		297,524	
		<u>265,652</u>		<u>322,906</u>	
Creditors amounts falling due within one year	8	<u>(130,208)</u>		<u>(180,767)</u>	
Net current assets			<u>135,444</u>		<u>142,139</u>
Total assets less current liabilities			<u>135,461</u>		<u>142,156</u>
Capital and reserves					
Profit and loss account	10		<u>135,461</u>		<u>142,156</u>
Shareholders' funds	11		<u>135,461</u>		<u>142,156</u>

Approved by the Board and authorised for issue on

30 May 07

PT McHale
Director

M McReynolds
Director

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for subscriptions and services net of VAT

1.3 Leasing

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

1.4 Investments

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

1.5 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. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet

1.6 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 association for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating (loss)/profit

2006

2005

£

£

Operating (loss)/profit is stated after charging

Auditors' remuneration

6,250

5,500

4 Investment income

2006

2005

£

£

Bank interest

12,596

17,819

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5 Taxation

Current tax charge

-	-
<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year

(Loss)/profit on ordinary activities before taxation

(6,693)	136,653
<u>(6,693)</u>	<u>136,653</u>

(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2005 16.52%)

-	22,575
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Effects of

Tax losses utilised

-	(22,575)
<u>-</u>	<u>(22,575)</u>

Current tax charge

-	-
<u>-</u>	<u>-</u>

The company has estimated losses of £ 53,717 (2005 £ 47,024) available for carry forward against future trading profits

6 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 January 2006 & at 31 December 2006	14	3	17
Net book value			
At 31 December 2006	14	3	17
	<u>14</u>	<u>3</u>	<u>17</u>
At 31 December 2005	14	3	17
	<u>14</u>	<u>3</u>	<u>17</u>

The listed investments are dealt with on a recognised stock exchange. In 1999 the Association 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 loss of BCCCA Trading Limited in the year ended 31 December 2006 amounted to £741 (2005- loss £14,928) and its net assets amounted to £7 (2005 £746).

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7 Debtors	2006 £	2005 £
Trade debtors	17,504	16,947
Amounts owed by subsidiary undertakings	993	1,754
Other debtors	20,709	2,203
Prepayments and accrued income	12,873	4,478
	<u>52,079</u>	<u>25,382</u>

8 Creditors amounts falling due within one year	2006 £	2005 £
Trade creditors	25,716	29,609
Taxation and social security	7,451	8,274
Other creditors	97,041	142,884
	<u>130,208</u>	<u>180,767</u>

9 Pension costs

The Association operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1st January 2004. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 6% per annum, that salary increases would average 4% per annum and that present and future pensions would increase at the rate of 4% per annum.

The pension charge for the year was £47,288 (2005 - £209,202)

The most recent actuarial valuation showed that the market value of the scheme's assets was £1,415,400 and that the actuarial value of those assets represented 90.3% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the Association and employees is 18.7% and 6% of earnings respectively.

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	142,154
Loss for the year	(6,693)
Balance at 31 December 2006	<u>135,461</u>

11 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
(Loss)/Profit for the financial year	(6,693)	136,653
Opening shareholders' funds	<u>142,156</u>	<u>5,503</u>
Closing shareholders' funds	<u>135,461</u>	<u>142,156</u>

The Association is limited by guarantee and has no share capital. The liability of the 102 members (2005 104) is limited to the sum of £1 each in the event of a winding up.

12 Financial commitments

At 31 December 2006 the association had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2006 £	2005 £
Expiry date		
Between two and five years	<u>16,500</u>	<u>16,500</u>

THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

13 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
	6	6
	<u>6</u>	<u>6</u>
Employment costs	2006	2005
	£	£
Wages and salaries	315,091	368,550
Other pension costs	47,288	209,202
	<u>362,379</u>	<u>577,752</u>

14 Related party transactions

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