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THE INTERNATIONAL TOBACCO  
DOCUMENTATION CENTRE  
ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 2006

Registered Number: FC16520



# **THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

## **INDEPENDENT AUDITORS' REPORT**

### **To the members of The International Tobacco Documentation Centre**

We have audited the financial statements set out on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7

This report is made solely to the members of the association. Our audit work has been undertaken so that we might state to the 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 International Tobacco Documentation Centre members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Directors and Auditors**

As described in the notes to the accounts, the company's directors 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. We also report to you if, in our opinion, the association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

# THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

## INDEPENDENT AUDITORS' REPORT

### **Basis of 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 directors 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 affairs of The International Tobacco Documentation Centre at 31 December 2006 and of the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Mercer & Hole  
Chartered Accountants and Registered Auditors  
Gloucester House  
72 London Road  
St Albans  
Hertfordshire  
AL1 1NS

10 May 2007

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
<b>Revenues</b>			
Contributions from members		720,560	728,833
Interest and miscellaneous income		1,044	937
Profit on sale of fixed assets		-	-
Rental income		<u>63,310</u>	<u>69,221</u>
		<u>784,914</u>	<u>798,991</u>
<b>Expenses</b>			
Salaries and allowances		381,353	410,355
Other administrative expenses	5	<u>364,347</u>	<u>393,997</u>
		<u>745,700</u>	<u>804,352</u>
<b>Surplus Of Revenues Over Expenses</b>			
Surplus/(Deficit) of revenues over expenses, for the year		39,214	(5,361)
(Deficit) of revenues over expenses, at beginning of year		<u>(35,812)</u>	<u>(30,451)</u>
Surplus/(Deficit) of revenues over expenses, at end of year		<u>3,402</u>	<u>(35,812)</u>


The accompanying notes are an integral part of this statement


**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**BALANCE SHEET**  
**31 DECEMBER 2006**

	Notes	2006 £	2005 £
<b>Tangible fixed assets</b>	4	16,039	22,252
<b>Current Assets</b>			
Cash at bank and in hand		75,710	-
Prepaid expenses		27,843	13,458
Other receivables		<u>220,081</u>	<u>266,374</u>
		<u>323,634</u>	<u>279,832</u>
<b>Current Liabilities</b>			
Cash at bank and in hand		-	(9,639)
Accounts payable		(12,597)	(6,983)
Accrued expenses		(47,660)	(40,951)
Prepaid contributions		(228,427)	(239,850)
Prepaid rent		(16,426)	(16,890)
VAT Payable		<u>(31,161)</u>	<u>(23,583)</u>
		<u>(336,271)</u>	<u>(337,896)</u>
<b>Net Current Liabilities</b>		(12,637)	(58,064)
<b>Net Assets</b>		<u>3,402</u>	<u>(35,812)</u>
<b>Accumulated revenue reserves</b>		<u>3,402</u>	<u>(35,812)</u>

The accounts on pages 3 to 11 were approved by the Board on 10 May 2007  
and signed on its behalf by

  
Chairman

  
Director

The accompanying notes are an integral part of this balance sheet

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Operating Activities</b>		
Surplus/(deficit) of revenues over expenses before taxation	39,214	(5,361)
Depreciation	<u>12,228</u>	<u>14,906</u>
	<u>51,442</u>	<u>9,545</u>
(Increase)/decrease in debtors		
Prepaid expenses	(14,385)	1,511
Other receivables	<u>46,293</u>	<u>2,676</u>
	<u>31,908</u>	<u>4,187</u>
Increase/(decrease) in creditors		
Accounts payable	5,614	(1,208)
Accrued expenses & provisions	6,709	3,885
Prepaid contribution	(11,423)	(40,052)
Prepaid rent	(464)	16,890
VAT payable	<u>7,578</u>	<u>3,632</u>
	<u>8,014</u>	<u>(16,853)</u>
Cash inflow from operating activities	91,364	(3,121)
<b>Taxation</b>		
UK tax paid	—	—
	<u>91,364</u>	<u>(3,121)</u>
<b>Investing Activities</b>		
Purchase of tangible fixed assets	<u>(6,015)</u>	<u>(8,582)</u>
<b>Net Increase/(Decrease) In Cash</b>	<u>85,349</u>	<u>(11,703)</u>
Cash at beginning of year	(9,639)	2,064
Net increase/(decrease) in year	<u>85,349</u>	<u>(11,703)</u>
Cash at end of year	<u>75,710</u>	<u>(9,639)</u>

# THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2006

### **1. Organisation**

The International Tobacco Documentation Centre (the "Centre") is a non-profit making association constituted and having its head office in the Canton of Geneva, Switzerland, established within the terms of Articles 70 to 79 of the Swiss Civil Code. The Centre's secretariat is located in London, United Kingdom, where it has the status of a non-profit making organisation. It commenced operations on 1 January 1992.

### **2 Directors' Responsibilities**

The directors are responsible for preparing accounts for each financial year which give a true and fair view of the state of affairs of the centre and of the surplus or deficit of the Centre for that period. In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The directors are responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. As far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all steps that they should have taken to make themselves aware of any relevant audit information that the auditors are also aware.

### **3. Accounting Policies**

These accounts have been prepared in accordance with generally accepted accounting principles. The principal accounting policies which have been applied consistently, are set out below.

#### **a) Contributions from Members**

Net contributions are shown after taking into account contributions from and repayments to members. The accounts are prepared on a going concern basis assuming the continuing support of members.

#### **b) Tangible Fixed Assets**

Tangible fixed assets are shown at original historical cost. Depreciation is provided on a straight-line basis. The annual depreciation rates have been determined on the basis of the expected useful economic lives of these assets and are as follows:

Furniture and equipment	25%
Motor vehicles	25%
Computers	33%

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2006**

- c) **Foreign currency**  
Transactions are denominated in foreign currencies (currency other than pounds sterling) are recorded in pounds sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gains or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of revenue and expenses.
- d) **Pension costs**  
It is the general policy of the Centre to provide for pension benefits on the advice of external actuaries. Pension contributions are based on a percentage of employees' salaries and are paid to an insurance company which administers individual money purchase schemes for employees.
- e) **Taxation**  
Corporation tax payable is provided on taxable profits at the current rate. The company has trade protection association status for tax purposes with the UK Inland Revenue, and as such is liable to UK corporation tax on profits from non-mutual activities, principally interest income on deposits and rental income from letting.



**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2006**

**4. Tangible Fixed Assets**

Tangible fixed assets comprise

	<b>Motor Vehicles £</b>	<b>Office Equipment £</b>	<b>Computer Systems £</b>	<b>Total £</b>
<b>Cost</b>				
At beginning of year	22,642	13,349	74,883	110,874
Additions		247	5,768	6,015
Disposals	_____	_____ -	_____	_____
At end of year	<u>22,642</u>	<u>13,596</u>	<u>80,651</u>	<u>116,889</u>
<b>Depreciation</b>				
At beginning of year	10,457	13,349	64,816	88,622
Charge for year	5,661	5	6,562	12,228
Disposals	_____	_____ -	_____	_____
At end of year	<u>16,118</u>	<u>13,354</u>	<u>71,378</u>	<u>100,850</u>
<b>Net book value at end of year</b>	<u>6,524</u>	<u>242</u>	<u>9,273</u>	<u>16,039</u>
At beginning of year	<u>12,185</u>	<u>_____ -</u>	<u>10,067</u>	<u>22,252</u>

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2006**

**5. Other administrative expenses**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Car expenses	2,864	2,474
Professional fees	10,137	9,447
Travel and living expenses	1,957	1,657
Building costs	237,404	245,749
Office costs	17,759	37,842
Information acquisition	52,618	52,342
Systems support	8,528	9,877
Telecommunications	12,128	14,094
Carriage and distribution	1,007	1,155
Training	2,050	-
Bank charges	2,400	2,600
Depreciation	12,228	14,906
Translations	<u>3,267</u>	<u>1,854</u>
	<b><u>364,347</u></b>	<b><u>393,997</u></b>

No directors' remuneration is charged in these accounts (2005 – Nil)

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2006**

**6. Commitments and guarantees**

The Centre leases its premises, in the United Kingdom, under a lease agreement which runs for 25 years from 29 April 1988. The rent review carried out during 2003 did not result in any change in the annual rental from £166,250 which was set at the inception of the lease. The annual rental is subject to upward only reviews every 5 years during the life of the lease.

Annual commitments under non-cancellable operating leases are as follows

	2006		2005	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Expiry Date				
- Within One Year	-	1,555	-	1,555
- Between Two and Five Years	-	-	-	-
- After Five Years	<u>166,250</u>	<u>-</u>	<u>166,250</u>	<u>-</u>
	<u>166,250</u>	<u>1,555</u>	<u>166,250</u>	<u>1,555</u>

**THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2006**

**7. Pension arrangements**

The Centre has established individual money purchase arrangements available for its UK employees with Scottish Widows covering pension and life insurance benefits. Contributions are determined each year based upon board approved pay awards.

Total pension contributions paid during the year were £19,985 (2005 £20,898)