

# ARTHUR ANDERSEN

N.W. 004038  
1/15

## Tobacco Documentation Centre

Accounts 31 December 1996  
together with auditors' report

Registered number: FC16520



## Auditors' report

St Albans

### To the members of Tobacco Documentation Centre

We have audited the accompanying balance sheet of the Tobacco Documentation Centre at 31 December 1996 and the related statements of revenues and expenses and cash flows for the year then ended.

### Respective responsibilities of directors and auditors

As described in the notes to the financial statements, the directors are 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 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 referred to above present a true and fair view of the financial position of the Tobacco Documentation Centre at 31 December 1996 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.



Arthur Andersen  
Chartered Accountants and Registered Auditors

3 Victoria Square  
Victoria Street  
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29 July 1997.

## Balance sheet

31 December 1996

	Notes	1996 £	1995 £
<b>Tangible fixed assets</b>	4	52,332	78,918
<b>Current assets</b>			
Cash at bank		88,703	84,930
Debtors		54,253	54,706
		<u>142,956</u>	<u>139,636</u>
<b>Current liabilities</b>			
Creditors		<u>(98,775)</u>	<u>(130,039)</u>
<b>Net current assets</b>		<u>44,181</u>	<u>9,597</u>
<b>Provisions for liabilities and charges</b>		<u>(56,765)</u>	<u>(56,765)</u>
<b>Net assets</b>		<u>39,748</u>	<u>31,750</u>

The financial statements on pages 2 to 7 were approved by the Board on 29 July 1997.

Director

The accompanying notes are an integral part of this balance sheet.

David Jackson

# Statement of revenues and expenses

for the year ended 31 December 1996

	Notes	1996 £	1995 £
<b>Revenues</b>			
Contributions from members	5	1,267,950	1,264,200
Interest and miscellaneous income		10,390	3,142
Gain on sale of fixed assets		1,179	9,746
		<u>1,279,519</u>	<u>1,277,088</u>
<b>Expenses</b>			
Salaries and allowances		390,013	449,476
Other administrative expenses		880,303	870,267
Tax on income earned in the year	6	1,205	786
		<u>1,271,521</u>	<u>1,320,529</u>
<b>Surplus/(deficit) of revenues over expenses</b>			
Surplus/(deficit) of revenues over expenses, for the year		7,998	(43,441)
Surplus of revenues over expenses, at beginning of year		<u>31,750</u>	<u>75,191</u>
Surplus of revenues over expenses, at end of year		<u>39,748</u>	<u>31,750</u>

The accompanying notes are an integral part of this statement.

# Cash flow statement

31 December 1996

	1996 £	1995 £
<b>Operating activities</b>		
Surplus/(deficit) of revenues over expenses before taxation	9,203	(42,655)
Depreciation	63,877	52,525
Profit on disposal of fixed assets	(1,179)	(9,746)
	<u>71,901</u>	<u>124</u>
Decrease in debtors	453	28,437
(Decrease)/increase in creditors	(31,683)	22,136
<b>Cash inflow from operating activities</b>	<u>40,671</u>	<u>50,697</u>
<b>Taxation</b>		
UK tax paid	(786)	(754)
<b>Investing activities</b>		
Purchase of tangible fixed assets	(37,291)	(28,722)
Sale of tangible fixed assets	1,179	3,267
	<u>(36,112)</u>	<u>(25,455)</u>
<b>Net increase in cash and cash equivalents</b>	<u>3,773</u>	<u>24,488</u>
<b>Cash and cash equivalents at end of year</b>	<u>88,703</u>	<u>84,930</u>

# Notes to the financial statements

31 December 1996

## 1 Organisation

The 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 financial statements 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 financial statements, 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

## 3 Accounting policies

### a) *Tangible fixed assets*

Tangible fixed assets are shown at original historical cost. Depreciation is provided on a straight-line basis. A full year's depreciation is provided in the year of acquisition. 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	33%
Computers	25%

### b) *Foreign currency*

Transactions denominated in foreign currencies (currencies 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 revenues and expenses.

## Notes to the financial statements (continued)

### 3 Accounting policies (continued)

#### c) 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.

#### d) 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.

### 4 Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer systems £	Total £
<b>Cost</b>				
At beginning of year	32,171	36,582	130,625	199,378
Additions	-	14,409	22,882	37,291
<b>At end of year</b>	<b>32,171</b>	<b>50,991</b>	<b>153,507</b>	<b>236,669</b>
<b>Depreciation</b>				
At beginning of year	13,963	23,503	82,994	120,460
Charge for year	10,723	12,497	40,657	63,877
<b>At end of year</b>	<b>24,686</b>	<b>36,000</b>	<b>123,651</b>	<b>184,337</b>
<b>Net book value</b>				
At end of year	7,485	14,991	29,856	52,332
At beginning of year	18,208	13,079	47,631	78,918

### 5 Contributions from members

Contributions from members of £1,267,950 in 1996 relate exclusively to that year (1995: £1,264,200).

### 6 Tax on income earned in the year

The tax charge is based on interest income earned during the year and comprises:

	1996 £	1995 £
Current year tax 24% (1995: 25%)	1,205	786

## Notes to the financial statements (continued)

### **7 Pension arrangements**

The Centre has established individual money purchase schemes 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.