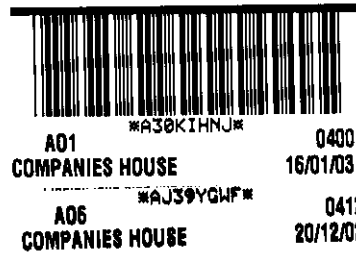


# The Accounts



# The Accounts

## Officers and Council

**The Council - effectively the Association's Board of Directors - has a maximum composition of 35 members. Of these, 20 are appointed or elected from member companies ensuring representation from the largest to the smallest; the remaining 15 are also drawn from member companies as co-options from senior committees, regional chairmen and representatives from other trade associations. The Council manages all the Association's business.**

### President

**Mr B J Stickings**  
Chairman,  
BASF plc  
(to November 2001)

**Dr T W Bastock OBE**  
Group Managing Director,  
Contract Chemicals Limited  
(from November 2001)

### Vice President

**Dr T W Bastock OBE**  
Group Managing Director,  
Contract Chemicals Limited  
(to November 2001)

**Mr D P Gresham**  
Managing Director,  
Atofina UK Ltd

**Mr B G Kerr**  
Regional President,  
Ciba Specialty Chemicals PLC  
(from May 2002)

**Dr B M Murphy**  
Managing Director,  
Robinson Brothers Limited  
(from May 2002)

### Honorary Treasurer

**Mr T M Swan OBE**  
Chairman and Managing  
Director,  
Thomas Swan & Co. Ltd

### Immediate Past President

**Dr G J Blaker**  
Non-Executive Director,  
Thomas Swan & Co. Ltd  
(to September 2001)

**Mr B J Stickings**  
Chairman,  
BASF plc  
(from November 2001)

### Members

**Mr L T Aberg**  
Managing Director,  
Bayer plc  
(to November 2001)

**Mr A G Barton**  
Operations and Engineering  
Director,  
Shanks Chemical Services  
(to May 2002)

**Mr W Barton**  
Vice President for  
Manufacturing & Technology,  
Flexsys Rubber Chemicals  
(from March 2002)

**Dr A Bell**  
Director International  
Actives Supply,  
GlaxoSmithKline  
(to November 2001)

**Dr M J Braithwaite**  
Chief Executive,  
exchem organics

**Mr J D Chapman**  
Chief Executive,  
Witton Chemical Co. Ltd

**Mr R J Chatterton**  
Director - Bulk Gases,  
BOC Gases  
(to September 2001)

**Mr I Clark**  
Corporate Centre HR Director,  
Imperial Chemical Industries plc  
(from November 2001)

**Dr A D Clements**  
Managing Director,  
ICI Nobel Enterprises

**Mr R L Craig**  
Vice President for Commercial  
Operations,  
Shell Chemicals UK Ltd

**Mr J B Elliot**  
Senior Vice President,  
GlaxoSmithKline  
(from November 2001)

**Mr B Fullagar**  
President,  
Novartis UK Limited  
(to September 2001)

**Mr M Gardner**  
Executive Vice President,  
Imperial Chemical Industries plc

**Dr B Harrison**  
Technical Director,  
Johnson Matthey plc

**Mr D C Hayward**  
Director and General Manager,  
Thomas Swan & Co. Ltd.

**Mr T Haywood**  
Human Resources Director -  
Gases Europe,  
BOC Gases  
(to November 2001)

**Mr M Hughes**  
Marketing Director,  
Bayer plc  
(from November 2001)

**Mr D Hyde**  
Group Manager,  
AstraZeneca Pharmaceuticals

**Mr B G Kerr**  
Regional President,  
Ciba Specialty Chemicals plc  
(to May 2002)

**Mr D Kerrison**  
Managing Director,  
Associated Octel Company Ltd  
(from March 2002)

**Mr M J Lane**  
Chairman,  
ExxonMobil Chemical Limited

**Mr R Margetts**  
Chairman - Europe,  
Huntsman Corporation

**Mr R McNeel**  
Group Vice President,  
BP Chemicals  
(to November 2001)

**Mr M Mitchell**  
Economist,  
BP Chemicals  
(from November 2001)

**Dr J Mooney**  
Managing Director,  
Rohm & Haas (UK) Limited

**Dr B M Murphy**  
Managing Director,  
Robinson Brothers Ltd  
(to May 2002)

**Mr D Peattie**  
Group Vice President &  
Commercial Director,  
BP Chemicals  
(from November 2001)

**Dr P Reucroft**  
Head of Customer Supply,  
Ciba Specialty Chemicals plc

**Mr J Scudamore**  
Chief Executive Officer,  
Avecia Ltd

**Dr K W Shelton**  
Head of Environment, Safety &  
Quality,  
Coalite Chemicals

**Mr J G Speirs CBE**  
Managing Director,  
Norsk Hydro (UK) Ltd

**Mr A Steel**  
Managing Director,  
Rhodia Ltd

**Mr A Walker**  
Group Chief Executive,  
Yule Catto & Co plc

### Secretary (Non member)

**Mr C R Brooks**  
General Secretary,  
Chemical Industries Association

Annual Accounts 2002

## Report of the Council

for the year ended 30 June 2002

Council presents the Annual Report and audited financial statements of the Association for the year ended 30 June 2002. This document will be laid before members at the thirty seventh Annual General Meeting, to be held on 21 November 2002, notice of which is given separately.

### Officers

Dr T W Bastock was elected President and Mr D P Gresham was elected vice-president following the Annual General Meeting in November 2001. Mr B G Kerr and Dr B M Murphy were appointed vice-presidents of the Association in May 2002.

In November 2001 Mr I Clark was elected Chairman of the Employment Affairs Board; Mr M Mitchell was elected Chairman of the Business and Trade Board; Mr T M Swan was re-appointed Honorary Treasurer; Mr D C Hayward was re-appointed Chairman of the Responsible Care Board (formerly the Chemical Industry Safety Health and Environment Council); Mr D P Gresham was re-appointed Chairman of the Industry Reputation Board; Dr B Harrison was re-appointed Chairman of the Science, Education and Technology Board and Dr B M Murphy was re-appointed Chairman of SOCSA.

### Council and the Boards

All those who served on the Council during the year are listed on page 1 of this report.

There are no contracts, shareholdings or other arrangements benefiting any member of Council which requires disclosure in terms of the Companies Act 1985.

The main policy making boards are the Employment Affairs Board, the Business and Trade Board, the Responsible Care Board, the Science, Education and Technology Board, the General Purposes & Finance Committee, the Industry Reputation Board and SOCSA.

Council met six times and the Employment Affairs Board, the Business and Trade Board, the Responsible Care Board, the Science, Education and Technology Board, the Industry Reputation Board, SOCSA and the General Purposes & Finance Committee all met regularly during year.

The work of the Association depended crucially on the activities of all the above bodies and of the work done by the many other Association committees and sub-committees. Council wishes to express its gratitude to Member companies and their expert staff, who have supported the Boards and Committees throughout the period under review.

The Association kept its members informed about the activities it had undertaken on their behalf through various media including websites, BusinessBrief, news briefs, minutes and general correspondence.

### Sector/Product groups

There were eleven active special interest groups at 30 June 2002.

### Statement of the Council members' responsibilities

Company law requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period.

In preparing those financial statements, the Council Members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them to safeguard prevention and detection of fraud and other irregularities.

### Management

For the purposes of the Companies Acts, the Council members constitute the Association's directors; the day to day running of the Association was conducted by the senior managers under the direction of the Director General.

### Staff

On 30 June 2002 the number of staff employed by the Association, including the senior managers was:

	2002	2001
CIA	59	60
VQSET	7	9
PICME	5	3
CIABATA	2	1
	73	73

The weekly average figure of employees, including the senior managers, was 73 (2001 : 73).

The Association is staffed throughout with talented and committed people. Council wishes to record its appreciation to all staff for their contribution during the year.

### Principal activities

The basic objectives and principal activities of the Association have remained as shown in its Memorandum and Articles of Association and are:

- the promotion of the interests of manufacturers, processors, sellers, providers of services and employers in the chemical and allied industries in the United Kingdom;
- the furthering of co-operation between companies engaged in those industries;
- the encouragement of efficiency in those industries.

The Association's mission is to help members secure sustainable profitability and improve recognition of their contribution to society by

- working with them to influence relevant people and policies;
- stimulating and helping them towards appropriate internal action, singly or co-operatively.

Details of the Association's work during the year are reported separately by the Director General.

#### Association structure

The constitution and structure of the Association, which is a company limited by guarantee, have remained unaltered during the year and are as described in the Articles of Association. The constitution allows for a maximum of 35 council members and, at 30 June 2002, there were 30. Members of council who served during the year are listed on page 1.

#### Membership

On 30 June 2002 there were 164 (2001: 166) subscription-paying companies (listed on pages 14-15). During the year the following companies joined the Association:

Methanex (UK) Ltd  
Koppers UK Limited

Of the companies in membership on 30 June 2002, five resigned with effect from 1 July 2002 mainly due to changes in the nature of their businesses.

#### Financial review of the year

On the basis of the preliminary estimates of expenditure and trading income for the financial year 2001-02 Council approved an annual Call-Up on the members of 0.93 (2000-2001: 0.88).

The Association's financial position during 2001-02 has been managed on a sound basis with a view to maintaining the Capital Fund at a satisfactory level.

VQSET, a joint venture with The Association of the British Pharmaceutical Industry (ABPI), was incorporated on 15 January 1996 as a charitable company, limited by guarantee, to support vocational qualifications. The VQSET business experienced a marked downturn in registration income during the year. The VQSET Trustees resolved to find a trading partner to take the business forward and

entered negotiations with the Process Awards Authority (PAA). Under an agreement effective from 30 June 2002 PAA will acquire certain VQSET assets comprising the Goodwill, the benefit of the contracts with approved centres, the intellectual property rights together with all relevant contact data to enable effective continuation of the business. PAA has guaranteed to support the existing approved centres and registered candidates for a period of two years. The employment contracts for all VQSET staff were terminated as at the agreement date by reason of redundancy and VQSET has met all its liabilities in this regard. The Trustees believe that VQSET will remain solvent and that no liabilities will fall to be met by the Association or the ABPI.

	2001 - 2002	2000-2001
	£	£
Turnover from subscriptions	4,866,772	4,820,177
Turnover from other operations	1,951,496	1,408,950
Interest receivable	91,003	146,146
Gross income	6,909,271	6,375,273
(Deficit)/Surplus after tax	(137,112)	99,892

#### Current year

In the current financial year it is the Association's intention to continue promoting the interests and prosperity of its members within the chemical industry. The level of activities will be consistent with the available resources and the efficient operation of the Association.

#### Political and charitable contributions

The Association made no political contributions.

Contributions to the CIA Charitable Trust amounted to £80,000 during the year (2000-2001: £80,000). The Trust has sufficient resources to meet its immediate objectives; the Association expects to make similar contributions in the current year. The Trust was established by the Association in 1989 to enable member companies to make charitable contributions primarily for educational purposes.

#### Auditors

KPMG were reappointed auditors for the year ended 30 June 2001. However, since that date their audit practice was transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors and KPMG LLP were thereupon appointed to fill the casual vacancy arising. A resolution for the reappointment of KPMG LLP as auditors until the next succeeding Annual General Meeting and for the fixing of their remuneration will be submitted to the forthcoming Annual General Meeting as a special resolution.

By order of the Council  
C R Brooks  
General Secretary

Kings Buildings, Smith Square  
London SW1P 3JJ  
25 September 2002



## Auditors' Report

to the members of the Chemical Industries Association Limited

We have audited the financial statements on pages 5 to 12.

### **Respective responsibilities of the Council members and auditors**

The Council members are responsible for preparing the report of the Council and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the report of the Council 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 Council members' remuneration and transactions with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements.

### **Basis of opinion**

We concluded 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 Council members 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 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 mis-statement 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 at 30 June 2002 and of its excess of expenditure over income for the year then ended and have been properly prepared in accordance with the Companies' Act 1985.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Registered Auditors

London  
October 2002

19 November

Annual Accounts 2002 The notes on pages 7 to 12 form part of these financial statements

## Income and expenditure account

for the year ended 30 June 2002

	2002	2001
	£	£
Note 2 Turnover from : Subscriptions	4,866,772	4,820,177
Note 8 : Other operations	1,951,496	1,408,950
Total turnover	6,818,268	6,229,127
Note 10 Administration expenses	(6,671,081)	(5,930,113)
Note 11 Other operating expenses	(310,573)	(243,249)
Note 14 Charitable contributions	(80,000)	(80,000)
Operating loss	(243,386)	(24,235)
Interest receivable	91,003	146,146
Note 9 (Loss)/Profit on ordinary activities before taxation	(152,383)	121,911
Note 12 Taxation	15,271	(22,019)
(Loss)/Profit on ordinary activities after taxation	(137,112)	99,892
Capital fund at beginning of year	495,324	395,432
Capital fund at end of year	358,212	495,324

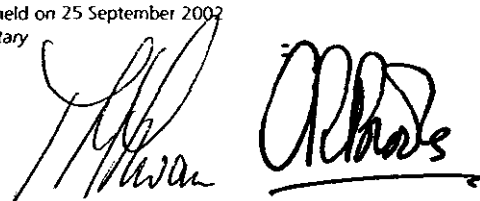
The Association had no other recognised gains or losses in 2001/02 or the prior year

## Balance sheet

as at 30 June 2002

	2002	2001
	£	£
<b>Fixed Assets</b>		
Note 15 Tangible fixed assets	83,869	110,799
Note 16 Fixed asset investments	4	4
	83,873	110,803
<b>Current Assets</b>		
Note 17 Debtors	1,528,095	736,457
Short term deposits	1,250,000	900,000
Cash at bank and in hand	1,803	15,501
	2,779,898	1,651,958
<b>Current Liabilities</b>		
Note 19 Creditors: Amounts falling due within one year	2,505,559	1,267,437
<b>Net Current Assets</b>	274,339	384,521
<b>Total Assets less Current Liabilities</b>	358,212	495,324
Financed by:		
<b>Capital Fund</b>	358,212	495,324

The financial statements on pages 5 to 12 were approved by Council at a meeting held on 25 September 2002  
 T W Bastock, President T M Swan, Honorary Treasurer C R Brooks, General Secretary



Annual Accounts 2002 The notes on pages 7 to 12 form part of these financial statements

## Cash flow statement

for the year ended 30 June 2002

	2002	2001
	£	£
<b>Cash Flows</b>		
<i>Note 20</i> Net cash inflow from operating activities	207,584	140,690
Returns on investments and servicing of finance		
Interest received	85,452	155,753
Taxation	(22,110)	(36,097)
Capital expenditure		
Payments to acquire tangible fixed assets	(55,085)	(124,474)
Cash inflow before management of liquid resources and financing	215,841	135,872
Management of liquid resources		
Purchase of short term deposits	(350,000)	(150,000)
Decrease in cash	(134,159)	(14,128)

## Reconciliation of movement in capital fund

for the year ended 30 June 2002

	2002	2001
	£	£
(Deficit)/Surplus for financial year	(137,112)	99,892
Opening capital funds	495,324	395,432
	358,212	495,324



# Notes to the financial statements

for the year ended 30 June 2002

## 1 Accounting policies

- (i) The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 as amended by the Companies Act 1989 and in accordance with applicable accounting standards.
- (ii) The Association has adopted FRS 19 "Deferred Tax" - see note 18.
- (iii) Stocks of publications and stationery are treated as having zero net realisable value.
- (iv) Depreciation of fixed assets:
  - (a) Fixed assets costing more than £1,500 are written off over three years.
  - (b) Assets costing less than £1,500 are provided in full in the year of purchase.
- (v) Turnover represents the amount (excluding value added tax) derived from subscriptions and the provision of services.
- (vi) 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 income and expenditure account in accordance with a scheme of contributions agreed with the Scheme Actuary, from time to time, to eliminate the Minimum Funding Requirement deficit by March 2007.
- (vii) Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.
- (viii) The charge for taxation takes into account taxation deferred because of timing differences.

## 2 Turnover from subscriptions

Subscription income is based on member company declarations which are accepted by the Association as being valid, without verification, for the purposes of calculating subscription fees due from each member company.

## 3 Members' liability

Each member is, in accordance with the Memorandum and Articles of Association, liable to contribute to the assets of the Association such amount as may be required, not exceeding £100, in the event of the Association being wound up. This liability continues for one year after cessation of membership. On 30 June 2002 there were 169 members of the Association so liable (2001:171).

## 4 Format of accounts

The formats for income and expenditure account and balance sheet included under Schedule 4 (Paragraph 1) Companies Act 1985, have been amended where in the Council's opinion the formats are not applicable to the

Association's special circumstances. In order to express a true and fair view of the balance sheet, the Association's Capital Fund has not been classified under capital and reserves as required by the Companies Act 1985. The Association is a company limited by guarantee, not having a share capital and is principally involved in non-trading activities. In compliance with Section 288(5) Companies Act 1985 the Council presents the financial statements in an amended format.

## 5 Pensions

SSAP 24 Accounting for pension costs

The company operates a pension scheme, closed to new members from 1 July 1995 which provides benefits based on final pensionable pay, contributions being charged to the income and expenditure account in accordance with a scheme of contributions agreed with the Scheme Actuary to eliminate the MRF deficit by March 2007 as required by legislation. From 31 May 2002 the defined benefit accrual ceased and was replaced by defined contribution accrual for all active members of the scheme; the defined contributions charge for June 2002 was £8,258.

The most recent actuarial valuation was at July 2000 based on the Current Unit Method, which assumed that the investment returns would be 8% p.a. on gilts and 9% p.a. on equities, that the salary increases would be 6% p.a., that inflation would be 4% p.a. and that present and future pensions would increase at the rate of 3.5% p.a. This valuation showed that the market value of the scheme assets was £6,682,963 and that the actuarial value of those assets represented 85% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The Association has agreed a re-assessed schedule of contributions payable for the period 1 February 2000 to 31 March 2007 based on 23.4% of relevant salaries for future services and a lump sum of £260,000 in respect of past service. These contributions were intended to restore the funding level to 100% by March 2007: legislation requires that this schedule should be re-assessed at regular periodic intervals and the contributions increased as necessary. In addition the Association has agreed to pay all expenses of administering the scheme together with premiums for the insured death-in service benefits as they arise.

There was a prepayment of £20,000 in the balance sheet representing the difference between the amount charged in the income and expenditure account and the amount paid into the pension scheme.

Contributions to individual personal pension plans were introduced for new employees effective 1 July 1995; contributions for the year under review amounted to £134,593 (2001: £113,663). Contributions of £10,770 payable to these plans were included in creditors.

## Annual Accounts 2002

## FRS 17 Retirement benefits

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for pension costs', under FRS 17 'Retirement benefits' the following transitional disclosures are required.

The valuation was updated by the actuary on an FRS 17 basis as at 30 June 2002 and 30 June 2001.

The major assumptions used in this valuation at June 2002 were:

Rate of increase in salaries	2.5%
Rate of increase in pensions in payment in respect of service before 6 April 1997	5.0%
Rate of increase in pensions in payment in respect of service after 6 April 1997	2.5%
Rate of increase in deferred pensions	2.5%
Discount rate applied to scheme liabilities	6.0%
Inflation assumption	2.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

## Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant changes before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2002		2001	
	Long term rate of return	Value £000	Long term rate of return	Value £000
Equities	7.5%	913	8.0%	2,287
Bonds	5.0%	4,872	6.0%	4,539
Cash	4.0%	1,027	5.5%	168
		<u>6,812</u>		<u>6,994</u>
Present value of scheme liabilities		<u>(8,393)</u>		<u>(8,132)</u>
Net pension liability		<u>(1,581)</u>		<u>(1,138)</u>

The amount of this net pension liability would have a consequential effect on the Association's reserves.

## Movement in deficit during the year

	2002 £000
Deficit in scheme at beginning of year	(1,138)
Current service cost	(126)
Contributions paid	375
Past service cost	—
Other finance cost	(23)
Actuarial loss	(669)
Deficit in the scheme at end of year	<u>(1,581)</u>

If FRS 17 had been fully adopted in these financial statements the pension costs for defined benefit schemes for the year to 30 June 2002 would have been as follows:

## Analysis of other pension costs charged in arriving at operating loss

	£000
Current service cost	(126)
Past service cost	—
Gain on curtailments	96
	<u>30</u>

## Analysis of amounts included in other finance income/costs

	£000
Expected return on pension scheme assets	465
Interest on pension scheme liabilities	(488)
	<u>(23)</u>

## Analysis of amount recognised in statement of total recognised gains and losses

	%	£000
Actual return less expected return on scheme assets		(812)
Percentage of year end scheme assets	11.9	
Experience gains and losses arising on scheme liabilities		143
Percentage of present value of year end scheme liabilities	1.7	
Actuarial loss recognised in statement of total recognised gains and losses		<u>(669)</u>

## 6 Designated funds

Designated funds represent money subscribed for specific medical, research, educational and other projects held in trust by the Association for those purposes.

## 7 Council members and employees

Neither the President nor any of the Officers and Council members who served during the year received any emoluments or pension contributions from the Association in respect of the year ended 30 June 2002 (2001: NIL). For the purposes of the Companies Act 1985, the Council members constitute the Association's directors.

	2002	2001
	£	£
<b>8 Turnover from other operations</b>		
Property income	197,636	172,562
Fees from affiliates and sector groups	385,341	438,400
Training services	218,207	145,801
Meetings and conferences	293,744	252,614
CIABATA	123,276	99,194
PICME	684,885	252,892
Publications	48,407	47,487
	<u>1,951,496</u>	<u>1,408,950</u>
<b>9 (Loss)/profit on ordinary activities before taxation</b>		
<i>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors remuneration: Audit	11,000	10,000
: Other services	750	700
Depreciation - amount written off owned assets	82,015	101,346
Government grants	<u>(719,094)</u>	<u>(305,014)</u>
<b>10 Administration expenses</b>		
Training services	109,454	93,557
Meetings and conferences	236,063	236,583
CIABATA	123,276	99,194
PICME	684,885	252,892
Publications	151,833	147,356
Note 13 Staff costs	3,389,658	3,150,711
Consultancy costs	294,620	385,829
Property occupancy	1,060,276	910,372
Administration costs	262,724	259,362
Depreciation	82,015	101,346
Meetings, travel and other expenses	<u>276,277</u>	<u>292,911</u>
	<u>6,671,081</u>	<u>5,930,113</u>
<b>11 Other operating expenses</b>		
CEFIC : Subscription	162,541	158,647
: Long Range Research Initiative	93,539	27,970
Confederation of British Industry	16,039	15,398
National Chemical Emergency Centre	15,000	15,000
Energy Intensive Users' Group	13,400	10,700
Other subscriptions	<u>10,054</u>	<u>15,534</u>
	<u>310,573</u>	<u>243,249</u>

Annual Accounts 2002

	2002	2001
	£	£
<b>12 Taxation</b>		
UK Corporation Tax : Current 20%	-	22,130
: Prior year adjustment	(17,000)	-
: Deferred 20%	1,749	2,892
: Previous year	(20)	(3,003)
	<b>(15,271)</b>	<b>22,019</b>
<b>13 Staff costs</b>		
The aggregate payroll costs of employees were as follows:		
Wages and salaries: CIA staff	2,193,166	2,053,717
: Recharged to VQSET	224,666	189,597
	<b>2,417,832</b>	<b>2,243,314</b>
Social security costs	238,276	226,371
Pension costs	547,920	479,693
Other costs	185,630	201,333
	<b>3,389,658</b>	<b>3,150,711</b>
<b>14 Charitable contributions</b>		
Gift aid contribution to charitable trust	80,000	80,000
<b>15 Tangible fixed assets</b>		
COST:		
Balance at 1 July 2001	181,932	472,119
	<b>654,051</b>	
Additions in year	9,567	45,518
Disposals	(2,404)	(36,938)
	<b>(39,342)</b>	
Balance at 30 June 2002	189,095	480,699
	<b>669,794</b>	
DEPRECIATION:		
Balance at 1 July 2001	165,536	377,716
	<b>543,252</b>	
Charge for the year	14,243	67,772
Disposals	(2,404)	(36,938)
	<b>(39,342)</b>	
Balance at 30 June 2002	177,375	408,550
	<b>585,925</b>	
NET BOOK VALUE at 30 June 2002	11,720	72,149
	<b>83,869</b>	
NET BOOK VALUE at 30 June 2001	16,396	94,403
	<b>110,799</b>	

	2002	2001
	£	£
<b>16 Fixed assets investments</b>		
Investments in subsidiary undertakings	4	4
Investments comprise the Association's holdings in CIABATA Ltd and PICME Ltd. The Association owns 100% of each company, both companies are incorporated in England and Wales. Group accounts have not been prepared to consolidate the Association's dormant subsidiaries, PICME Ltd and CIABATA Ltd on the basis that the consolidated accounts would not be materially different from the accounts prepared for the Association as a standalone entity.		
<b>17 Debtors</b>		
Trade debtors	913,760	314,959
Other debtors	126,244	92,011
Note 18 Deferred taxation due after more than 1 year	37,631	39,380
Prepayments and accrued income	450,460	290,107
	<u>1,528,095</u>	<u>736,457</u>
<b>18 Deferred tax asset</b>		
Accelerated depreciation	34,071	36,820
Other including bad debt	6,560	6,560
Pension prepayment	(3,000)	(4,000)
	<u>37,631</u>	<u>39,380</u>
Financial Reporting Standard 19 requires that the Association makes a full tax provision for all timing differences. The impact of the introduction of the standard has been to increase the taxation charge for the year by £1,749 (2001: £2,892) and increase the net assets by £37,631 (2001: £39,380)		
<b>19 Creditors: Amounts falling due within one year</b>		
Bank loans and overdrafts	120,461	—
Subscriptions received in advance	367,388	118,339
Trade creditors	270,003	282,943
Other creditors	227,593	224,882
Deferred grant income	183,266	67,108
Taxation and social security	749,793	193,073
Accruals and deferred income	587,055	381,092
	<u>2,505,559</u>	<u>1,267,437</u>
<b>20 Reconciliation of operating loss to net cash inflow from operating activities</b>		
Operating loss	(243,386)	(24,235)
Depreciation charges	82,015	101,347
Increase in debtors	(783,836)	(33,389)
Increase in creditors	903,742	311,232
Increase/(Decrease) in payments in advance	249,049	(214,265)
Net cash inflow from operating activities	<u>207,584</u>	<u>140,690</u>

Cash flow from operating activities includes subscription payments received in advance; the timing of receipts of such subscription payments can cause fluctuations in the cash flow statement.

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	2002		2001	
	£	£	£	£
<b>21 Reconciliation of net cash flow to movement in funds</b>				
Decrease in cash in the period	(13,698)		(14,128)	
Increase in overdraft	(120,461)		-	
Cash used to increase liquid-resources	350,000		150,000	
Change in net funds	215,841		135,872	
Net funds as at 1 July 2001	915,501		779,629	
Net funds as at 30 June 2002	1,131,342		915,501	
<b>22 Analysis of changes in net funds</b>	At 1 July 2001	Cash flows	At 30 June 2002	
Cash in hand at bank	15,501	(13,698)	1,803	
Overdraft	-	(120,461)	(120,461)	
Term deposits	900,000	350,000	1,250,000	
	915,501	215,841	1,131,342	
<b>23 Annual commitments under non-cancellable operating leases</b>	Land and buildings	Other	Land and buildings	Other
<i>Operating leases which expire:</i>				
Within one year	-	-	-	28,564
Over five years	900,000	-	510,000	-
	900,000	-	510,000	28,564

**24 Contingent liability**

The Association facilitated the payment of certain funds from the European Social Fund to a technical training enterprise for four projects in 1999 and two further projects in 2000. In the unlikely event that the technical training enterprise cannot meet the criteria for accessing these funds any repayment considered due may be sought through the Association. The Association would suffer loss only to the extent that any such amount could not be recovered from the third party technical training enterprise. Association staff have worked closely with the enterprise and the auditors representing the European Social Fund and Council believes that there will be no net financial loss to the Association. The Association has advised the technical training enterprise that it will not facilitate any further projects of this nature.

**25 Post balance sheet event**

On 30 August 2002 the Association announced a reorganisation of its business with an estimated cost of £148,000

**Chemical Industries Association Limited**  
A Company limited by guarantee, not having a share capital.

Registered number: 860702 England

Registered office:  
Kings Buildings  
Smith Square  
London SW1P 3JJ

Telephone: 020 7834 3399

**Bankers:**  
National Westminster Bank PLC  
63 Piccadilly  
London W1A 2AG

**Auditors:**  
KPMG LLP  
8 Salisbury Square  
London EC4Y 8BB

**Breakdown of income and expenditure****Income For The Year Ended 30 June 2002 £000**

Subscriptions (full industry members)	4781
Management fees, Gov't and EU grant support	400
Property	168
Interest	91
Sector groups	75
Associate and affiliate members	86
Income from courses, annual events, meetings	511
Relevant costs excluding staff & property	<u>-345</u>
Net contribution from other events	166

**Total Income to 30 June 02** **5767**

**Expenditure For The Year Ended 30 June 2002 £000**

Normal contract salaries	2418
NI	238
Pensions (employer's contributions only)	548
Recruitment, temporary, medical etc	<u>186</u>
Total staff costs	3390
Property occupancy costs	1060
Consultancies, subcontractors	295
Admin (post, phone, stationery etc)	328
Subscriptions – CEFIC, EMSG and CBI	273
Travel and subsistence	184
Depreciation	82
Publication costs (net)	103
Charitable Trust	80
Meetings	61
Subscriptions – Chemical Emergency Centre, etc	38
Periodicals and books	20
Bursaries, prizes and sundries	5

**Total Expenditure to 30 June 02** **5919**

**Total Deficit Before Tax** **152**

CIABATA and PICME have been excluded from these graphs as excess income over expenditure has been carried forward to the following period in both cases.

<b>Allocation of Expenditure</b>	<b>%</b>
Confidence in Chemicals/chemicals management policy	9
Site HS&E performance (Responsible Care)	9
Influencing public policy	53
Helping members improve performance	10
Enhancing the industry's reputation	19

Excludes self-funded activities, e.g. VQSET, PICME and CIABATA

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## Companies in membership

Full membership of the CIA is open to organisations engaged directly in the manufacture and/or marketing of chemical products in the UK. All member companies give signatory commitment to the Responsible Care Guiding Principles.

3M United Kingdom PLC



A H Marks and Company Limited

Abbot Laboratories Limited

Acordis Acetate Chemicals Ltd  
Acordis Cellulosic Polymers Ltd  
Acordis Fine Chemicals Ltd

ACS Dobfar UK Ltd

Advanced Gel Technology Ltd

Air Products Group Ltd  
Air Products (Chemicals) PLC  
Air Products PLC  
Air Products (BR) Ltd  
Air Products (Chemicals) Teesside Ltd

Akzo Nobel Chemicals Limited  
Akcros Chemicals Ltd  
Diosynth Ltd

Albemarle UK Ltd

Albion Chemicals Ltd

Albion Dyestuffs Ltd

Alcan Chemicals Europe

Arizona Chemicals

Aroma &amp; Fine Chemicals Ltd

Ashland Foundry Products Ltd

Associated Ocel Company Ltd

AstraZeneca Group plc

Atofina UK Limited  
Atotech UK

Avecia Ltd  
Avecia DTBA Ltd



Baker Petrolite

Basell Polyolefins UK Ltd  
Basell UK Ltd  
Basell Manufacturing UK Ltd  
Basell Polypropylene Ltd

BASF plc  
BASF Coatings Ltd  
BASF Coatings Refinish Ltd  
BASF Printing Systems Ltd  
Cheadle Colour & Chemicals Ltd  
Elastogran UK Ltd  
RM Automotive Refinish Ltd

Baxenden Chemicals Ltd

Bayer plc

Bayer CropScience UK Limited  
BetzDearborn Ltd

BIP Ltd

BIP Organics Ltd

Bitrez Limited

BOC Gases

Borax Europe Limited

Borden Chemical (UK) Limited

Borregaard UK Limited

BP plc

British Nuclear Fuels plc

British Salt Limited

Bromine &amp; Chemicals Limited

Brotherton Speciality Products Ltd



Celanese Chemicals UK Ltd

Chemson Ltd

ChiroTech Technology Ltd  
ChiroTech Inc

Ciba Specialty Chemicals Plc  
Ciba Specialty Chemicals (Water Treatments) Ltd

Clariant LSM UK Ltd

Clariant UK Ltd  
Clariant Masterbatches

Cleanaway Limited

Coalite Chemicals

Coalite Smokeless Fuels

Contract Chemicals Limited  
Contract Chemicals (Knowsley) Limited  
Contract Chemicals (Leeds) Limited

Croda International Plc  
Croda Chemicals Limited  
Croda Distillates Limited  
Croda Leek Limited  
Croda Universal Limited

Custom Powders Limited

CYTEC Industries UK Limited



Degussa Limited

Degussa UK Holdings Ltd

Dow Chemical Company Limited  
Union Carbide Limited

Dow Corning Limited  
DSM United Kingdom Limited

Du Pont Sabanci Polyester (UK) Ltd

Du Pont (UK) Limited

du Vergier Ltd

Dynea UK Ltd



Eastman Chemical Ectona Limited  
Eastapet Ltd  
Vordian (England) Ltd

Elementis plc  
Elementis Chromium  
Elementis Pigments  
Elementis Specialties  
Linatex Ltd

Eli Lilly &amp; Company Limited

EniChem UK Limited

Epichem Limited

Ethyl Petroleum Additives Ltd

European Colour (Pigments) Ltd

exchem organics

ExxonMobil Chemical Limited  
ExxonMobil Chemical Olefins Inc



Fisher Scientific UK Ltd

Flexsys Rubber Chemicals Ltd

FMC Chemicals Limited



GE Plastics ABS Ltd

Genzyme Limited

GlaxoSmithKline

Great Lakes UK Ltd  
Great Lakes Manufacturing (UK) Limited  
Biolab UK Ltd

Grillo Zinc Oxide (UK) Ltd



Haltermann Custom Processing Ltd  
Pentagon Speciality Chemicals

Hays Chemicals Ltd

Hercules Limited

Hickson International Limited  
Arch Coatings UK Ltd  
Arch Timber Protection Ltd  
Hickson & Welch Limited

Huntsman Corporation Limited  
Huntsman Petrochemicals  
Huntsman Polyurethanes  
Tioxide Europe

Hydro Gases & Chemicals UK &  
Ireland Limited

Hydro Polymers Limited





Iford Imaging UK Limited

Imperial Chemical Industries PLC  
ICI Chemicals & Polymers Ltd  
Quest International (Fragrances, Flavours,  
Food Ingredients) UK Ltd  
Uniqema Chemicals Ltd

Ineos Chlor

Ineos Fluor

Ineos Silicas

Infineum International Ltd

ISP (GB) Co. Ltd



James M Brown Ltd

Johnson Matthey PLC  
Johnson Matthey – Autocatalyst UK  
Johnson Matthey – Noble Metals UK  
Johnson Matthey – Chemicals UK



Kanor Chemicals Ltd

Kemira Agro UK Limited

Kodak Limited

Koppers UK Limited

Kraton Polymers International



Lambson Group Limited

Lanstar Limited  
Lanstar (Scotland) Ltd

Laporte plc  
Fine Organics Ltd  
Laporte Performance Chemicals UK Ltd  
Laporte Industries Ltd

Libra Specialty Chemicals Ltd

Lubrizol Limited

Lucite International

Lundbeck Pharmaceuticals Limited

Lyondell Chemical Europe Inc.



Macfarlan Smith Limited  
Bitrex Ltd  
Anipet Ltd

Mallinckrodt Chemical Ltd

Manro Performance Chemicals Ltd

MEL Chemicals

Merck, Sharpe & Dohme  
Methanex (UK) Ltd

Millennium Inorganic Chemicals

Mitchell Cotts Chemicals Limited

Molecular Products Ltd



Nalco/Exxon Energy Chemicals Limited  
Nalco/Exxon Energy Chemicals  
Marketing Ltd

Norit (UK) Limited  
Purton Carbons

Nova Chemicals Europe Ltd

Novartis Grimsby Limited

Noveon UK Ltd

Nufarm UK Limited



Ondeo Nalco Limited



Peboc Division of Eastman Chemical  
(U.K.) Ltd

Perstorp UK Ltd

Petrochem Carless Ltd

Pfizer Limited

Phoenix Chemicals

PolymerLatex Ltd



Reichhold UK Ltd  
Swift Adhesives Ltd

Rhodia ChiRex Holdings Ltd  
Rhodia ChiRex (Dudley) Ltd  
Rhodia ChiRex (Annan) Ltd

Rhodia Ltd  
Rhodia Holdings Ltd  
Rhodia Eco Services Ltd  
Rhodia Sealants Ltd

Robinson Brothers Limited

Roche Vitamins UK Limited

Rockwood Specialities Ltd

Rohm and Haas (UK) Limited  
Rohm and Haas (Scotland) Limited

Ronseal Ltd



SABIC Global Limited

Schenectady Europe Limited

Seal Sands Chemicals Limited

Sevalco Limited

Shanks Chemical Services  
Shanks Chemical Services (Scotland) Ltd

Shell Chemical Services

Sigma-Aldrich Company Ltd

SNPE Limited

Solutia UK Limited

Solvay Chemicals Limited  
Solvay Specialty Chemicals

Solvay Interlox Ltd

Solvent Resource Management Ltd

Stepan UK Ltd

Sud-Chemie UK Ltd

Sutcliffe Speakman Carbons Limited

Syngenta

Synprotec Ltd

Synthite Limited



Terra Nitrogen UK Ltd

Tessenderlo Fine Chemicals Ltd

Tessenderlo UK Ltd

Thomas Swan & Co. Ltd :  
Organic Specialities Limited

Thor Specialities (UK) Limited  
Thor Overseas Ltd



Ubichem plc

UCB Films PLC

UOP Limited

Union Miniere Oxyde (UK) Ltd



Vantico Ltd

Vinamul Limited



Warwick International Group Ltd  
Warwick International Ltd

WBB Minerals

Witton Chemical Co. Ltd



Yule Catto plc  
Holiday Dispersions Ltd  
Holiday Pigments  
James Robinson Ltd  
Oxford Chemicals  
Reabrook  
William Blythe Limited



Zeon Chemicals Europe Limited