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CHEMICAL INDUSTRIES
ASSOCIATION

Annual Accounts 2008

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Officers and Council for the year ended 30 June 2008

The Council – effectively the Association's Board of Directors – has a maximum composition of 35 members. Of these 23 are appointed or elected from member companies ensuring representation from the largest to the smallest; the remaining 12 may be drawn from member companies as co-options from the whole membership. The Council manages all the Association's business.

President

Mr G Dann
*UK Regional Manager,
Dow Chemicals
(to November 2007)*

Mr R Tyler
*Managing Director,
Rhodia UK
(from November 2007)*

Honorary Treasurer

Mr T Swan OBE
*Chairman,
Thomas Swan & Co Ltd
(to November 2007)*

Mr P Jennings
*President & CEO,
Innospec
(from November 2007)*

Immediate Past President

Mr A J Steel
*Executive Director,
Euro Chlor
(to November 2007)*

Mr G Dann
*UK Regional Manager,
Dow Chemicals
(from November 2007 to
February 2008)*

Members

Dr W Barton
*Chief Operating Officer,
Oxford Catalysts Limited*

Dr T W Bastock OBE
*Group Managing Director,
Contract Chemicals Limited*

Mr P Booth
*President,
SABIC UK Petrochemicals*

Dr J Bush
*Chief Executive,
Ineos Silicas Limited*

Mr S Clements
*UK Lead Director,
Rohm & Haas (Scotland) Ltd
(from November 2007)*

Mr C Dale
*Executive Director,
BASF plc
(from May 2008)*

Mr M Dawkins
*Managing Director,
Bayer plc*

Mr A Dimery
*Regional President,
Northern Europe,
Ciba Specialty Chemicals*

Mr D Fournier
*President & CEO,
Infineum*

Mr G Grant
*Operations Manager,
Ineos Manufacturing Scotland
Limited*

Mr J Hudson
*Chairman,
ExxonMobil Chemical Limited*

Mr P Jennings
*President & CEO,
Innospec
(to November 2007)*

Mr M Lunn
*Operations Manager,
Nufarm UK Limited*

Sir Rob Margetts CBE
*Chairman – Europe,
Huntsman Corporation*

Ms M Matthews
*Site Manager/
Managing Director,
Dow Corning*

Dr J Mooney
*Managing Director,
Rohm & Haas (UK) Limited
(to November 2007)*

Dr B M Murphy
*Managing Director,
Robinson Brothers Limited*

Mr F Phillips
*Managing Director,
Silberline Ltd*

Mr A Ritchie
*Managing Director,
Total Petrochemicals*

Mr F Rose
*Group Vice President
Sustainability,
Imperial Chemical Industries plc
(to November 2007)*

Mr J Saul
*Senior Vice President
Primary Supply,
GlaxoSmithKline*

Mr I Stephenson
*Director EH&S,
Johnson Matthey PLC*

Mr B Stickings CBE
*Consultant,
BASF plc*

Mr T Swan OBE
*Chairman,
Thomas Swan & Co Ltd
(from November 2007)*

Mr D Topliffe
*North Chemicals Production
Unit Manager,
Shell Chemicals*

Mr R Tyler
*Managing Director,
Rhodia UK
(to November 2007)*

Mr K Wiggins
*General Manager UK,
Dow Chemicals*

Secretary (non member)

Mr C Brooks
*Finance Director,
Chemical Industries Association*

Council presents the Annual Report and audited financial statements of the Association for the year ended 30 June 2008. This document will be laid before members at the forty-third Annual General Meeting, to be held on 20 November 2008, notice of which is given separately.

Officers

Mr R Tyler was elected President and Mr P Jennings was appointed Honorary Treasurer following the Annual General Meeting in November 2007.

Council and boards

All those who served on Council during the year are listed on page 5 of this report. There were 25 members of Council as at 30 June 2008. Council met four times during the year.

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

Issues management

On 1 January 2005 the Association formally adopted Issues Management, a radical new approach to the way we operate as a trade association, an approach that enables the Association to deliver additional value to our members and facilitate their contributions to our collective work in a more efficient and cost effective manner.

Reporting to Council are four Strategy Groups, each chaired by a member of Council with a CIA executive as manager. They are:

Chemicals Management which considers how chemicals are managed responsibly once off site and formulated into products.

Responsible Care is responsible for production and management of chemicals on site.

Business looks at international competitiveness and related productivity of the UK chemical industry.

Employment and Communication deals with employment and communication issues in support of the industry's relationship with its workforce and external stakeholders.

The function of the Strategy Groups is to determine strategy and policy within their broad areas of responsibility, to agree priorities, and where appropriate, sponsor relevant issues and to oversee the work of the dedicated Issue Teams, supported by the appropriate Networks of Expertise. All the Strategy Groups have met two or three times during 2007/08 and once the system has matured it is expected that these groups will only meet physically twice a year with much of the work taking place virtually on our new software ONECIA.

Issue Teams, having a clearly defined and desired outcome, with agreed measures of success, as well as a timescale in which they need to operate, will form the mainstays of CIA and member work activity. Chaired by a member sponsor, these teams will be multi-disciplinary, and have a limited commitment.

Networks of Expertise (NoEs) are formed around specific subject areas and communicate through our ONECIA software with discussions being moderated by CIA staff. NoEs identify future issues, act as a sounding board for ideas on CIA policy and provide a pool of potential support for Issue Teams. Communicating through ONECIA allows active participation with minimum time requirement.

The work of the Association depends crucially on the activities of all the above bodies and on 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 Association 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, *CIA Matters*, *CIA Bulletin*, news briefs and general correspondence.

Sector Groups

Sector Groups have a vital role to play within the Association acting as Issue Teams on their sector specific issues and they also form a national Network of Expertise in their specialism.

There were three active special interest groups at 30 June 2008.

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 is conducted by the Chief Executive supported by a management team of four directors.

Staff

On 30 June 2008 the number of staff employed by the Association, including the Chief Executive was:

	2008	2007
Senior Management	5	4
Executives	20	22
Administration	12	13
	<u>37</u>	<u>39</u>

The weekly average number of employees was 36 (2007: 44).

The staff were allocated to the Association and its subsidiary activities as follows:

	2008	2007
CIA	32	34
CIABATA	1	1
REACHReady	4	4
	<u>37</u>	<u>39</u>

The Association continually reviews its available staff skill sets compared with those required to maintain its core activities. As at 30 June the Association had recruited two employees who commenced their employment after that date.

The Association is staffed throughout with talented and committed people. Council wishes to record its appreciation to all members of staff for their contributions to the Association's work.

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 represent UK chemical and allied industries to relevant stakeholders and to support our members in achieving economic and environmental sustainability.

Details of the Association's work during the year are set out in a separate report headed by the Chief Executive.

Association structure

The structure of the Association, which is a company limited by guarantee, has remained unaltered during the year.

The constitution allows for a maximum of 35 council members and, at 30 June 2008, there were 25 (2007: 26).

Membership

On 30 June 2008 there were 134 (2007: 134) subscription-paying companies (listed on pages 19-20).

During the year the following companies joined the Association as individual members:

Cleenol
Fujifilm Imaging Colorants Ltd

There were no notices to withdraw from membership as at 1 July 2008, however, two member companies were acquired by existing member companies during the year.

Financial review of the year

On the basis of the preliminary estimates of expenditure and trading income for the financial year 2007-08 Council approved an annual Call-Up on the members of 1.035 (2006-2007 – 0.995).

The Association's financial position during 2007-08 has been managed on a sound basis with a view to starting the REACHReady business activity and increasing the Capital Fund.

	2007-2008	2006-2007
	£	£
Turnover from subscription	4,026,009	3,954,598
Turnover from other operations	1,704,403	988,058
Interest receivable	137,813	110,486
Gross income	<u>5,868,225</u>	<u>5,053,142</u>
Surplus/(deficit) after tax		
for the company	292,280	(35,424)
Impact on the surplus due to the adoption of FRS17	<u>55,000</u>	<u>77,000</u>
Reported surplus	<u>347,280</u>	<u>41,576</u>

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 (2007 – £60,000). 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

A formal resolution for the appointment of Kingston Smith LLP as auditors until the next succeeding Annual General Meeting and for the fixing of their remuneration will be submitted to the following Annual General Meeting.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Council
C R Brooks
Finance Director

Kings Buildings, Smith Square
London SW1P 3JJ

25 September 2008



Independent auditors' report *to the members of the Chemical Industries Association Limited*

We have audited the financial statements of Chemical Industries Association Limited for the year ended 30 June 2008, which comprise the Balance Sheet, Income and Expenditure Account, the Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and Auditors

As described in the Statement of Board's Responsibilities the company's Board is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (United Kingdom 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 Board's 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 the Board's remuneration and transactions with the company is not disclosed.

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

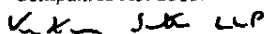
Basis of audit opinion

We conducted our audit in accordance with and International Auditing Standards (United Kingdom 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 Board 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 30 June 2008 and of the incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kingston Smith LLP
Chartered Accountants and
Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

25 September 2008

Income and expenditure account

for the year ended 30 June 2008

	2008	2007
	£	£
<i>Note 2</i> Turnover from: Subscriptions	4,026,009	3,954,598
<i>Note 8</i> : Other operations	1,679,403	988,058
Total turnover	5,705,412	4,942,656
<i>Note 10</i> Administration expenses	(5,023,587)	(4,533,844)
<i>Note 11</i> Other operating expenses	(317,358)	(284,569)
<i>Note 14</i> Charitable contributions	(82,000)	(60,000)
Operating surplus	282,467	64,243
Interest receivable	137,813	110,486
<i>Note 5</i> Other finance costs	(55,000)	(127,000)
<i>Note 9</i> Surplus on ordinary activities before taxation	365,280	47,729
<i>Note 12</i> Taxation	(18,000)	(6,153)
Surplus on ordinary activities after taxation	347,280	41,576

Statement of total recognised gains and losses

for the year ended 30 June 2008

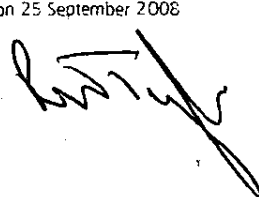
	2008	2007
	£	£
Retained surplus on ordinary activities	347,280	41,576
<i>Note 5</i> Deferred Tax asset relating to Pension Deficit	(38,000)	(218,000)
<i>Note 5</i> Actuarial gain/(deficit)	57,000	1,069,000
Total recognised gains and losses for the year	366,280	892,576
Balance Sheet total at 1 July 2008	(174,197)	(1,066,773)
Balance Sheet total carried forward	192,083	(174,197)

Balance sheet

as at 30 June 2008

	2008		2007	
	£	£	£	£
Fixed Assets				
<i>Note 15</i> Tangible fixed assets		24,476		30,908
<i>Note 16</i> Fixed asset investments		62,368		3
		<u>86,844</u>		<u>30,911</u>
Current Assets				
<i>Note 17</i> Debtors	937,831		628,055	
Short term deposits	1,123,599		1,064,221	
Cash at bank and in hand	551,132		654,122	
	<u>2,612,562</u>		<u>2,346,398</u>	
Current Liabilities				
<i>Note 19</i> Creditors: Amounts falling due within one year	1,523,323		1,273,506	
Net Current Assets		<u>1,089,239</u>		<u>1,072,892</u>
Net Assets excluding Pension Provision		<u>1,176,083</u>		<u>1,103,803</u>
Provision for liabilities and charges				
<i>Note 5</i> Defined Benefit Pension Scheme deficit		<u>(984,000)</u>		<u>(1,278,000)</u>
Net Liabilities after Pension Scheme Deficit		<u>192,083</u>		<u>(174,197)</u>
Represented by:				
<i>Note 5</i> (Deficit) on Defined Benefit Scheme		<u>(984,000)</u>		<u>(1,278,000)</u>
Capital Fund		<u>1,176,083</u>		<u>1,103,803</u>
		<u>192,083</u>		<u>(174,197)</u>

The financial statements on pages 10 to 18 were approved by Council at a meeting held on 25 September 2008
R. Tyler, President C. R. Brooks, Finance Director




Cash flow statement

for the year ended 30 June 2008

	2008		2007	
	£	£	£	£
Cash Flows				
<i>Note 20</i> Net cash outflow from operating activities	(83,996)		(64,140)	
Returns on investments and servicing of finance				
Interest received	137,813		110,486	
Taxation	(4,169)		(3,977)	
Capital expenditure				
Payments to acquire tangible fixed assets	(17,125)		(23,867)	
Proceeds from sale of Fixed Assets			651	
Cash inflow before management of liquid resources and financing	<u>32,523</u>		<u>19,153</u>	
Management of liquid resources				
Sale/purchase of short term deposit	(59,378)		195,026	
(Decrease)/Increase in cash	<u>(26,855)</u>		<u>214,179</u>	

Notes to the financial statements *for the year ended 30 June 2008*

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) Deferred tax is recognised, without being discounted, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.
- (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 an employee 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 as agreed with the Scheme Actuary from time to time.
- (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.
- (ix) The company has complied fully with Financial Reporting Standard 17 (Retirement Benefits).

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 2008 there were 134 members of the Association so liable. (2007: 138).

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

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 deficit by October 2015 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 triennial actuarial valuation at July 2006 used a market based approach, which assumed that the investment returns would be 7% before retirement and 5% after retirement, that inflation would be 3%p.a. and that present and future pensions would increase at the rate of 3%p.a. This valuation showed that the market value of the scheme assets was £8,038,000 and that the actuarial value of those assets represented 79% of the benefits that had accrued to members.

The Association has agreed a re-assessed schedule of contributions payable for the period 1 November 2007 to 31 October 2015 of £30,000 per month in respect of past service. These contributions were intended to restore the funding level to 100% by October 2015: 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 £32,843 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. This arrangement ceased in September 2002 and all employer contributions have been paid into a group personal pension

plan from 1 October 2002 onwards. Contributions for the year under review amounted to £139,352 (2007: £118,244). Contributions of £13,644 payable to these plans were included in creditors.

The valuation was updated by the actuary on an FRS 17 basis as at 30 June 2008.

The major assumptions used in this valuation at June 2008 were:

Rate of increase in salaries (no members accruing benefits on a final salary basis)	NIL
Rate of increase in pensions in payment in respect of service before 1 July 1995	5%
Rate of increase in pensions in payment in respect of service after 1 July 1995	4%
Rate of increase in deferred pensions	4%
Discount rate applied to scheme liabilities	7%
Inflation assumption	4%

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.

Money purchase contributions to the scheme are not dealt with in this note.

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:

	2008		2007	
	Long term rate of return	Value £000	Long term rate of return	Value £000
Equities	8.2%	1,420	8.3%	1,501
Property	7.2%	304	7.3%	345
UK Gilts	5.2%	1,719	5.3%	2,136
Bonds	7.0%	3,928	5.9%	3,863
Cash	5.0%	303	5.5%	264
		<u>7,674</u>		<u>8,109</u>
Present value of scheme liabilities		<u>(8,920)</u>		<u>(9,687)</u>
Shortfall		<u>(1,246)</u>		<u>(1,578)</u>

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

Change in shortfall during the year

	2008 £000	2007 £000
Deficit in scheme at beginning of year	(1578)	(2,724)
Current service cost	-	-
Contributions paid	330	204
Past service cost	-	-
Curtailment gain	-	-
Other finance cost	(54)	(127)
Actuarial loss	56	1,069
Shortfall at end of year	<u>(1,246)</u>	<u>(1,578)</u>
Deferred tax relief	262	300
Net Pension Liability	<u>(984)</u>	<u>(1,278)</u>

Analysis of other pension costs charged in arriving at operating (deficit)/surplus

	2008 £000	2007 £000
Current service cost	-	-
Past service cost	-	-
Gain on curtailments	-	-

Analysis of amounts included in other finance income/costs

	2008 £000	2007 £000
Expected return on pension scheme assets	502	427
Interest on pension scheme liabilities	(556)	(554)
	<u>(54)</u>	<u>(127)</u>

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

	%	£000
Net experience gain		(829)
Percentage of year-end scheme liabilities	9.3	
Changes in assumptions		885
Percentage of year-end scheme liabilities	9.9	
Actuarial gain recognised in statement of total recognised gains and losses		<u>56</u>
Percentage of year-end scheme liabilities	0.6	

	2008	2007	2006	2005	2004	2003
	£000	£000	£000	£000	£000	£000
History of experienced gains and losses						
Expected return less actual return on scheme assets	-	(151)	(131)	395	228	73
% of year end scheme liabilities	-	(2)	(2)	5	3	1
Net experience gain/(loss)	829	561	0	0	17	159
% of year-end scheme liabilities	9	6	-	-	-	2
Gains/(losses) recognised in the statement of recognised gains and losses	56	1,069	(863)	(217)	101	502
% of year-end scheme liabilities	1	11	(8)	(2)	1	6

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. This includes funds held for the National Sulphuric Acid Association.

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 2008 (2007: NIL). For the purposes of the Companies Act 1985, the Council members constitute the Association's directors.

	2008	2007
	£	£
8 Turnover from other operations		
Property income	338,355	339,500
Fees from affiliates and sector groups	184,877	152,941
Training services	505,440	74,307
Meetings and conferences	358,415	187,977
CIABATA	193,156	143,316
REACHReady	93,363	34,566
Proceeds on sale of PICME business	-	25,000
Publications	5,797	30,451
	<u>1,679,403</u>	<u>988,058</u>

9 Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/(crediting)

Auditors remuneration: Audit	9,250	8,708
: Other services	1,125	2,725
Depreciation – amount written off owned assets	<u>23,557</u>	<u>34,742</u>

	2008	2007
	£	£
10 Administration expenses		
Training services	276,606	117,239
Meetings and conferences	247,083	87,476
Publications	162,144	96,934
<i>Note 13</i> Staff costs	2,167,023	2,093,373
Consultancy costs	363,270	366,634
Property occupancy	1,301,650	1,242,802
Administration costs	245,831	283,394
Depreciation	23,556	34,742
Meetings, travel and other expenses	236,424	211,250
	5,023,587	4,533,844
11 Other operating expenses		
CEFIC Subscription	237,026	211,692
Confederation of British Industry	18,157	17,500
National Chemical Emergency Centre	18,000	18,000
Energy Intensive Users' Group	15,200	14,700
EMAP	8,008	-
CESIO	-	8,013
EFCG	3,483	4,595
ECEG	5,136	4,189
SORIS	1,000	1,000
Other subscriptions	11,348	4,880
	317,358	284,569
12 Taxation		
(a) Analysis of charge in the period		
UK Corporation tax on surplus for the period	23,265	4,169
Small companies relief	-	-
Adjustments in respect of previous periods	-	-
<i>Total current tax</i>	23,265	4,169
<i>Deferred tax (note 18)</i>		
Origination and reversal of timing differences	(5,265)	1,984
Tax on surplus on ordinary activities	18,000	6,153
(b) Factors affecting tax charge for the period		
Reported surplus	365,280	47,729
Defined Benefit Pension Scheme contribution	(330,000)	(204,000)
FRS17 pension expenses	55,000	127,000
Taxable surplus on ordinary activities before tax	90,280	(29,271)
Taxable surplus on ordinary activities multiplied by standard rate 20% (19% 2007)	18,056	(5,561)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	99	6,563
Capital allowances in excess of depreciation	(2,319)	(1,997)
Movements in provision	7,143	5,111
Increase in basic rate	286	53
Current tax charge for period	23,265	4,169

	2008	2007
	£	£
13 Staff costs		
The aggregate payroll costs of employees were as follows:		
Wages and salaries: CIA staff and secondees	1,713,154	1,625,254
Social security costs	198,969	179,913
Pension costs (excluding £330,000 contribution to the Defined Benefit Pension Scheme)	161,741	146,950
Other costs	93,159	141,256
Staff costs included in administration expenses (Note 10)	2,167,023	2,093,373
Actuarial cost associated with the Defined Benefit Pension Scheme	(57,000)	(1,069,000)
Total staff costs	2,110,023	1,024,373
The weekly average number of employees was 38 (2007: 44)		
14 Charitable contributions		
Gift aid contribution to charitable trust	82,000	60,000
	£	£
	Furniture & fittings	Computer equipment
	£	£
	Total	
15 Tangible fixed assets		
COST:		
Balance at 1 July 2007	155,960	483,659
Additions in year	11,233	5,892
Disposals	(9,558)	(8,346)
Balance at 30 June 2008	157,635	481,205
DEPRECIATION:		
Balance at 1 July 2007	149,080	459,631
Charge for the year	10,922	12,635
Disposals	(9,558)	(8,346)
Balance at 30 June 2008	150,444	463,920
NET BOOK VALUE at 30 June 2008	7,191	17,285
NET BOOK VALUE at 30 June 2007	6,880	24,028

	2008	2007
	£	£
16 Fixed assets investments		
Investments in subsidiary undertakings		
Brought forward	3	5
Disposal: PICME	-	(2)
REACHLink	62,365	-
	<u>62,368</u>	<u>3</u>
Investments brought forward comprise the Association's holdings in CIABATA Ltd, PICME Ltd and REACHREADY Ltd. PICME Ltd was sold during year ended 30 June 2007. The Association owns 100% of CIABATA and REACHREADY, both companies are incorporated in England. The Association holds less than 10% of REACHLink, a company incorporated in Belgium.		
17 Debtors		
Trade debtors	262,450	149,496
Other debtors	51,357	18,494
<i>Note 18</i> Deferred taxation due after more than one year	49,608	44,343
Prepayments and accrued income	574,416	415,722
	<u>937,831</u>	<u>628,055</u>
18 Deferred tax asset		
Accelerated depreciation	13,185	16,198
Other including bad debt	36,423	28,145
	<u>49,608</u>	<u>44,343</u>
19 Creditors: Amounts falling due within one year		
Subscriptions received in advance	31,333	125,342
Trade creditors	172,062	59,223
Other creditors	164,424	153,656
Designated funds	347,660	398,650
Deferred grant income relating to PICME business	-	-
Taxation and social security	93,437	76,485
Accruals and deferred income	714,407	460,150
	<u>1,523,323</u>	<u>1,273,506</u>
20 Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	282,467	64,243
Depreciation charges	23,556	34,742
Loss on sale of tangible assets	(60)	(651)
Pensions contribution	(330,000)	(204,000)
(Increase)/decrease in debtors	(309,776)	87,602
Increase/(decrease) in creditors	343,826	(126,195)
(Decrease)/increase in payments received in advance	(94,009)	80,119
Net cash outflow from operating activities	<u>(83,996)</u>	<u>(64,140)</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.

	2007	2006
	£	£
21 Reconciliation of net cash flow to movement in funds		
(Decrease)/increase in cash in period	(102,990)	214,179
Cash used to increase/(decrease) liquid-resources	59,378	(195,026)
Change in net funds	(43,612)	19,153
Net funds as at 1 July 2007	1,718,343	1,699,190
Net funds as at 30 June 2008	1,674,731	1,718,343

	At 1 July 2007	Cash flows	At 30 June 2008
22 Analysis of changes in net funds			
Cash in hand at bank	654,122	(102,990)	551,132
Term deposits	1,064,221	59,378	1,123,599
	1,718,343	(43,612)	1,674,731

23 Annual commitments under non-cancellable operating leases				
	Land and buildings	Other	Land and buildings	Other
Operating leases which expire:				
Two to five years	834,155	24,164	786,480	20,492

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 prepayment 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. 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.

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

Registered number: 860702 England

Bankers:

National Westminster Bank PLC
63 Piccadilly, London W1A 2AG

Registered office:

Kings Buildings, Smith Square, London SW1P 3JJ
Telephone: 020 7834 3399

Auditors:

Kingston Smith LLP
Devonshire House, 60 Goswell Road, London EC1M 7AD

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.

A

AH Marks Co Ltd (now Nufarm)
Aesica Pharmaceuticals Ltd
Aesica Queenborough Ltd
Akcros Chemicals Ltd
Albemarle Chemicals UK
Albemarle UK Ltd
Albion Chemicals Ltd
Arizona Chemicals
Arkema Ltd
Artenius (UK) Ltd
Ashland Castings Solutions
AstraZeneca Group plc

B

Baker Petrolite
Basell Polyolefins UK Ltd
Basell UK Ltd
Basell Manufacturing UK Ltd
Basell Polypropylene Ltd
BASF plc
BASF Speciality Chemical Distribution
Elastogram UK Ltd
Baxenden Chemicals Ltd
Bayer plc
Bayer Cropscience
Biofuels Corporation
Bitrez Limited
Bluestar Silicones (UK) Ltd
British Salt Limited
Brotherton Speciality Products Ltd

C

Celanese Acetate Products Limited
Celanese Emulsions
Chemson Limited
Chemtura
Chemviron Carbon Limited
Ciba Specialty Chemicals PLC
Ciba Specialty Chemicals (Water Treatments) Ltd

Clariant UK Ltd

Clariant Masterbatches
Clariant Oil Services Ltd
Clariant LSM UK Ltd

Cleenol

Cognis Performance Chemicals UK
Contract Chemicals Limited
CRICriterion Catalyst Co Ltd
Croda Chemicals Europe Ltd
Custom Powders Limited

D

Dow Chemical Company Limited
ChiroTech Technology Ltd
Haltermann Ltd
Mitchell Cotts Chemicals Limited
Union Carbide Limited
Dow Corning Limited
Du Pont (UK) Limited
Dynea UK Ltd

E

Eastman Chemical
Eastman Workington
European Colour (Pigments) Ltd
exchem additives
ExxonMobil Chemical Limited
ExxonMobil Chemical Olefins Ltd

F

Fine Organics Ltd
Fisher Scientific UK Ltd
Flexsys Rubber Chemicals Ltd
FMC Chemicals Limited
Fujifilm Imaging Colorants

G

Genzyme Limited
GlaxoSmithKline
Goldschmidt UK Ltd
Growhow UK Limited

H

Hexion Specialty Chemicals (UK) Limited
Huntsman Corporation Limited
Huntsman Advanced Materials (UK) Ltd
Huntsman Polyurethanes
Huntsman Surface Services
Huntsman Tioxide
Hydro Polymers Limited

I

Imperial Chemical Industries PLC
Ablestik Ltd
Acheson Colloids Ltd
National Starch & Chemical Co
Permabond Adhesives Ltd
Vinamul Ltd

Ineos ChlorVinyls Limited

Ineos Fluor Limited
Ineos Manufacturing Scotland Limited
Infineum International Ltd
Innospec Inc
Innovia Films Ltd
Invista Textiles UK Ltd
ISP (GB) Co Ltd

J

James M Brown Ltd
John Hogg Technical Solutions Ltd
Johnson Matthey PLC
Johnson Matthey – Autocatalyst UK
Johnson Matthey – Noble Metals UK
Johnson Matthey – Chemicals UK

K

Kemfine
Kemira Chemicals (UK) Limited
Kemira Growhow UK Limited
Koppers UK Limited

L

Lanxess Limited
Lubrizol Ltd
Lucite International
Lundbeck Pharmaceuticals Limited
Lyondell Chemical Company

M

Macfarlan Smith Limited
Anipel Ltd
Bitrex Ltd
 Mallinckrodt Chemical Ltd
 McIntyre Group Ltd
 MEL Chemicals
 Merisol UK Ltd
 Millennium Inorganic Chemicals Inc.
 A Crystal Company
 Molecular Products Ltd

N

Nalco Limited
 Norit (UK) Limited
Purton Carbons
 Novartis Grimsby Limited
 Nufarm UK Limited

O

OMG UK Limited
 Oxford Catalysts Group PLC
 Oxiris Ltd

P

Peboc Division of Eastman Chemical
 (UK) Ltd
 Pentagon Chemicals Specialities Ltd
Pentagon Fine Chemicals Ltd
 Perstorp UK Ltd
 Petrochem Carless Ltd
 Phoenix Chemicals
 Piramal Healthcare
 Polimeri Europa UK
 PolymerLatex Ltd
 PQ Silicas
 Prom Chem Ltd
 Prosynth

R

Rhodia Ltd
Rhodia Consumer Specialities
Rhodia Eco Services Ltd
Rhodia Holdings Ltd
Rhodia HPCII
Rhodia Organique Fine Ltd
Rhodia Pharma Solutions
Rhodia Sealants Ltd
 Rio Tinto Minerals
 Robinson Brothers Limited
 Rockwood Specialities Ltd
CSI Wood Protection
Rockwood Additives
Rockwood Specialities Ltd
 Rohm and Haas (UK) Limited
Rohm and Haas (Scotland) Limited

S

SABIC Innovative Plastics
 SABIC UK Petrochemicals
 SAFC HITECH
 SI Group-UK Ltd
 Sevalco Limited
 Shasun Chemicals & Drugs
 Shell Chemical UK
 Sigma-Aldrich Company Ltd
 Silberline
 Solutia UK Limited
 Solvay Chemicals Limited
Solvay Speciality Chemicals
Solvay Interlox Ltd
 Solvent Resource Management Ltd
 Stepan UK Ltd
 Syngenta
 Synthite Limited

T

Tessenderlo Fine Chemicals Ltd
 Thermphos UK Ltd
 Thomas Swan & Co Ltd
 Total Petrochemicals

U

Ubichem plc
 UOP Limited

V

Veolia Environmental Services (UK) PLC
 Vertellus Specialities UK Ltd

W

Warwick International Group Ltd
Warwick International Ltd
 Witton Chemical Co Ltd

Y

Yule Catto plc
Holliday Dispersions Ltd
Holliday Pigments
James Robinson Ltd
Oxford Chemicals
Synthomer Ltd
William Blythe Limited

Z

Zeon Chemicals Europe Limited

