

Chemical Industries Association Limited

Directors' report and financial statements For the year ended 30 June 2017



Company Registration No: 00860702 (England and Wales)

Chemical Industries Association Limited

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Chemical Industries Association Limited

Officers and Board

For the year ended 30 June 2017

The Board consists of a maximum of 10 Directors, comprising the Chief Executive, President of the Association and up to six persons elected from Council members. The Board manages the Association's business. Council consists of a maximum of 32 members, elected from the Association's general membership and focusses on policy issues.

President

Mr T Crotty
Ineos

Other Board Members

Dr W Barton OBE
Velocys Technologies Ltd

Dr T W Bastock OBE
Contract Chemicals

Mr S Elliott (Chief Executive)
Chemical Industries Association

Mr T Jensen
BASF

Mr H Swan
Thomas Swan & Co Ltd

Mr D Topliffe
Shell Chemicals UK

Mr D Tudor
Glaxosmithkline

Secretary (Non member)

Mr S Marsh
Chemical Industries Association

Chemical Industries Association Limited

Report of the Board

For the year ended 30 June 2017

The Board presents the Annual Report and audited financial statements of the Association for the year ended 30 June 2017. This document will be presented to the Board meeting on 30 November 2017.

Officers

Mr T Crotty remained in office as President during the year. Following a two year term of office elections are due in March 2019.

Board

All Directors who served on the Board are listed on page 2 of this report. There are eight members of the Board as at 30 June 2017. The Board met four times during the year. There are no contracts, shareholdings or other arrangements benefiting any member of the Board which requires disclosure in terms of the Companies Act 2006.

Council

CIA Council is an advisory forum for Directors to liaise with members of the Association. The Council comprises representatives from all categories of membership and is in overall charge of CIA's policy and communications agenda. Chairs of the Strategy Groups are also members of Council.

Strategies and Issues

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 focuses on providing strategic guidance on chemical policy and voluntary initiatives to manufacturers and their related supply chains.

Responsible Care focuses on performance in safety, health, environment and security as the way CIA delivers industry's Responsible Care commitment to continuous improvement. RCSG is responsible for agreeing and monitoring the strategy to achieve this.

Communications deals with communication issues in support of the industry's relationship with its stakeholders and CIA member companies.

Employment deals with employment issues in support of the industry's relationship with its workforce and their representatives as well as lobbying in employment policy, law and regulation.

The function of the Strategy Groups is to determine strategy and policy within their broad areas of responsibility, to agree priorities, sponsor relevant issues and to oversee the work of the dedicated Issue Teams, supported by their appropriate Networks. All Strategy Groups have met two or three times during 2016/17. Issue teams have a clear remit with defined timescales and measures of success within which to operate. They form the mainstay of CIA and member work activity. Chaired by a member sponsor, these teams are multi-disciplinary, with a limited commitment.

Networks exist for specific subject areas and communicate as necessary moderated by CIA staff. Networks identify future issues, act as sounding boards for ideas on CIA policy and provide a pool of potential support for Issue Teams.

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

The Association keeps its members informed of the activities it has undertaken on their behalf via the website, CIA Matters and Bulletin.

Sector Networks

Sector Networks have a vital role to play within the Association acting as Issue Teams on their sector specific issues. They also form a national Network in their specialism.

The Board members are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Chemical Industries Association Limited

Report of the Board (Continued)

For the year ended 30 June 2017

Board member responsibilities

Company law requires Board members to prepare financial statements every financial year. Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law Board members must not approve the financial statements unless they are satisfied they give a true and fair view of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, Board 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.

Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 Act 2006, the Board constitutes the Association's directors. The day to day running of the Association is conducted by the Chief Executive supported by a management team of two directors.

Staff

On 30 June 2017 the number of staff employed by the Association, including the Chief Executive was:

	<u>2017</u>	<u>2016</u>
Senior Management	3	3
Executives	17	12
Administration	7	6
	<u>27</u>	<u>21</u>

The monthly average number of employees was 24 (2016: 23).

Employees were allocated to the Association and subsidiary activities as follows:

	<u>2017</u>	<u>2016</u>
CIA	23	18
CIABATA	1	1
REACHREADY	3	2
	<u>27</u>	<u>21</u>

The Association continually reviews its available staff skill sets compared with those required to maintain its core activities.

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

Principal activities

The basic objectives and principal activities of the Association are 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, social and environmental sustainability.

Details of the Association's work during the year are set out in a separate report by the Chief Executive, which is circulated to members four times a year.

The Association's financial position during 2016-17 has been managed on a sound basis with a view to building reserves.

Chemical Industries Association Limited

Report of the Board (Continued)

For the year ended 30 June 2017

Association structure

The Association is a company limited by guarantee. There has been no change to its structure during the year.

The constitution allows for a maximum of 10 Board members and, at 30 June 2017, there were eight (2016: 8).

Membership

On 30 June 2017 there were 94 (2016: 97) subscription-paying companies (listed on pages 21-22).

Financial review of the year

On the basis of the preliminary estimates of expenditure and trading income for the financial year 2015-16 the Board decided to increase subscriptions by 2.5% for 2016-17.

	<u>2016-17</u>	<u>2015-16</u>
Turnover from subscription	3,601,070	3,562,682
Turnover from other operations	1,120,493	1,121,623
Interest receivable	3,062	11,885
Gross income	<u>4,724,625</u>	<u>4,696,190</u>
Surplus after tax for the company	<u>916,210</u>	<u>839,167</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. Surpluses generated are used to meet pension fund deficit obligations which are reflected in the Statement of Changes in Equity on page 10.

Risks and uncertainties

The Board is responsible for monitoring the Association's internal controls. The Board, supported by the Management Team and an audit committee, review the major risks identified arising from or in connection with the Association's activities and how they might be alleviated. At recent meetings particular attention has been paid to:

- continuing subscription income from member companies
- the impact of the economic downturn both on the Association's activities and those of its member companies
- the deficit on the defined benefit pension scheme (closed to further benefit accrual in May 2002)
- maintaining ongoing increased payments to address the deficit, since July 2012
- the control and management of cash balances
- reviewing and rationalising overhead costs

Political and charitable contributions

The Association made no political contributions.

No contributions to the Chemical Industries Association Charitable Trust were made during the year (2016 - NIL). The Trust was established by the Association in 1989 to enable member companies to make charitable contributions primarily for educational purposes and was closed in June 2016 as funding is now managed by York University, where the trust is based.

Auditors

Following the recent audit retender process the appointment of the auditors was approved by the Board at their meeting and confirmed at the Annual General Meeting in March 2018.

Chemical Industries Association Limited
Report of the Board (Continued)
For the year ended 30 June 2017

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 to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

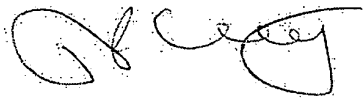
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board
Kings Buildings,
Smith Square,
London
SW1P 3JJ

30-Nov-17

Steve Elliott
Director

T Crotty
Chairman



Chemical Industries Association Limited

Independent Auditor's Report

to the members of the Chemical Industries Association Limited

Opinion

We have audited the financial statements of *Chemical Industries Association Limited* for the year ended 30 June 2017 which comprise the Income and Expenditure account and Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its surplus for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Chemical Industries Association Limited

Independent Auditor's Report

to the members of the Chemical Industries Association Limited

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Board and from preparing a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Board Members' Responsibilities, Board members, who are also Directors for the purposes of the Companies Act 2006, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

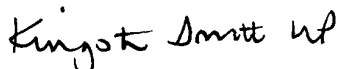
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Sandra De Lord (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP,
Statutory Auditor

18.12.17

Devonshire House
60 Goswell Road
London
EC1M 7AD

Chemical Industries Association Limited
Income and Expenditure Account and
Statement of Comprehensive Income
For the year ended 30 June 2017

Income and Expenditure Account

		2017 £	2016 £
		<u> </u>	<u> </u>
<i>Note 2</i>	Turnover from :Subscriptions	3,601,070	3,562,682
<i>Note 5</i>	:Other operations	1,120,493	1,121,623
	Total turnover	<u>4,721,563</u>	<u>4,684,305</u>
<i>Note 7</i>	Administration expenses	(3,422,745)	(3,369,742)
<i>Note 8</i>	Other operating expenses	<u>(329,870)</u>	<u>(296,060)</u>
	Operating Surplus	968,948	1,018,503
	Interest receivable	3,062	11,885
<i>Note 18</i>	Other finance income/(costs)	<u>(135,000)</u>	<u>(201,000)</u>
<i>Note 6</i>	Surplus on ordinary activities before taxation	837,011	829,388
<i>Note 11</i>	Taxation	<u>79,199</u>	<u>9,779</u>
	Surplus on ordinary activities after taxation	<u>916,210</u>	<u>839,167</u>

Statement of Other Comprehensive Income

		2017 £	2016 £
		<u> </u>	<u> </u>
	Retained surplus on ordinary activities	916,210	839,167
<i>Note 18</i>	Movement on Deferred Tax asset relating to Defined Benefit Pension	(196,000)	(157,000)
<i>Note 18</i>	Net Actuarial loss on Defined Benefit Pension	<u>(238,000)</u>	<u>(335,000)</u>
	Total Comprehensive Income for the year	482,210	347,167
	Net Liabilities Brought Forward	<u>(2,000,902)</u>	<u>(2,348,069)</u>
	Net Liabilities Carried Forward	<u>(1,518,692)</u>	<u>(2,000,902)</u>

Chemical Industries Association Limited
Statement of Changes in Equity
For the year ended 30 June 2017

	Pension Deficit	Capital Fund	Total
At 1 July 2015	(4,878,400)	2,530,331	(2,348,069)
Profit for the year	-	839,167	839,167
Employer contributions	1,320,000	(1,320,000)	-
Net interest	(201,000)	201,000	-
Deferred tax on pension deficit	(157,000)	-	(157,000)
Actuarial deficit	(335,000)	-	(335,000)
At 30 June 2016	<u>(4,251,400)</u>	<u>2,250,498</u>	<u>(2,000,902)</u>
Profit for the year	-	916,210	916,210
Employer contributions	588,000	(588,000)	-
Net interest	(135,000)	135,000	-
Deferred tax on pension deficit	(196,000)	-	(196,000)
Actuarial deficit	(238,000)	-	(238,000)
At 30 June 2017	<u>(4,232,400)</u>	<u>2,713,708</u>	<u>(1,518,692)</u>

Chemical Industries Association Limited
Balance sheet
At 30 June 2017

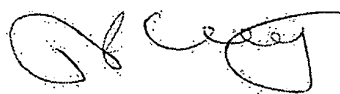
		2017	2016
		£	£
	FIXED ASSETS		
Note 12	Intangible fixed assets	305,547	-
Note 13	Tangible fixed assets	23,937	8,964
Note 14	Fixed asset investments	<u>3</u>	<u>3</u>
		329,487	8,967
	CURRENT ASSETS		
Note 15	Debtors	780,156	4,835,917
	Short term deposits	1,050,407	1,047,735
	Cash at bank and in hand	<u>1,566,931</u>	<u>1,343,529</u>
		3,397,495	7,227,181
	CURRENT LIABILITIES		
Note 16	Creditors: Amounts falling due within one year	<u>1,063,789</u>	<u>4,997,903</u>
	NET CURRENT ASSETS	2,333,705	2,229,278
	NET ASSETS EXCLUDING PENSION PROVISION	2,663,193	2,238,245
Note 17	Deferred tax	50,515	12,253
Note 18	Defined Benefit Pension Scheme deficit	<u>(4,232,400)</u>	<u>(4,251,400)</u>
	NET LIABILITIES AFTER PENSION SCHEME DEFICIT	<u>(1,518,692)</u>	<u>(2,000,902)</u>
	Represented by:		
Note 18	DEFICIT ON DEFINED BENEFIT SCHEME	(4,232,400)	(4,251,400)
	CAPITAL FUND	<u>2,713,708</u>	<u>2,250,498</u>
		<u>(1,518,692)</u>	<u>(2,000,902)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements pages 8 to 10 were approved by the Audit Committee and ratified by the Board on 30th November 2017

S Elliott, Chief Executive

T Crotty, Chairman

The notes on pages 11 to 21 form part of these financial statements

COMPANY NUMBER: 00860702

Chemical Industries Association Limited

Notes to the Financial Statements

For the year ended 30 June 2017

1 Accounting Policies

Company information

Chemical Industries Association is a private company limited by guarantee that is domiciled and incorporated in England and Wales. The registered office is Kings Buildings, Smith Square, London, SW1P 3JJ.

Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

The entity's large capital fund and the fact that the pension deficit is not imminently due means that this entity is deemed to be a going concern by its Board.

Taxation

The charge for taxation represents the tax currently payable and takes into account taxation deferred because of timing differences.

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 the relevant sections of FRS 102.

Stocks

Stocks of publications and stationery are treated as having zero net realisable value.

Intangible Fixed Assets

Intangible assets represent the cost of the association's website and software. These are amortised over their useful economic lives of 5 years.

Tangible Fixed Assets

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.

At each reporting date the company reviews the carrying amounts of its intangible and tangible fixed assets and takes account of changes in estimated useful life and any impairment of value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

Basic financial instruments are measured initially at transaction price and subsequently at amortised cost. The company has no other financial instruments or basic financial instruments measured at fair value.

Revenue

Turnover represents the amount (excluding value added tax) derived from subscriptions and the provision of services. Turnover is recognised at the fair value of the consideration receivable and is shown net of VAT. The fair value takes account of any trade or settlement discounts.

Chemical Industries Association Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2017

1 Accounting Policies (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

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.

The company has complied fully with Section 28 of FRS 102 (retirement benefits).

Operating leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

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 & 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 2017 there were 94 members of the Association so liable (2016 - 97).

4 Format of Accounts

The formats for income and expenditure account and balance sheet set out in the Companies Act 2006 have been amended where in the Board's opinion the formats are not applicable to the Association's special circumstances. The Association is a company limited by guarantee, not having a share capital and is principally involved in non-trading activities. In compliance with the Companies Act 2006 the Board presents the financial statements in an amended format.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

5 Turnover from other operations

	2017	2016
	£	£
Management charges	-	0
Fees from affiliates and sector groups	23,730	47,273
Training services & exhibitions	322,926	324,969
Meetings, conferences & events	329,272	264,615
CIABATA	312,513	342,475
REACH	114,333	121,416
Publications	17,720	20,875
	<u>1,120,493</u>	<u>1,121,623</u>

6 Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging

	2017	2016
	£	£
Auditors remuneration: Audit	10,990	10,500
: Other services including pension audit	1,881	5,884
Depreciation & Amortisation	25,309	6,197
Lease payments recognised as an expense	<u>220,685</u>	<u>224,632</u>

7 Administration expenses

	2017	2016
	£	£
Training services & exhibitions	227,049	254,394
Meetings, conferences & events	243,377	172,033
Charges for affiliates and sector groups	28,601	26,223
Publications	95,193	93,661
Staff costs <i>Note 9</i>	1,816,607	1,829,772
Consultancy costs	177,281	225,990
Property occupancy	418,585	421,288
Administration costs	164,248	124,596
Depreciation & Amortisation	25,310	6,197
Meetings, travel and other expenses	214,158	204,282
Bank charges	12,335	11,306
Bad debts	-	0
	<u>3,422,745</u>	<u>3,369,742</u>

8 Other operating expenses

	2017	2016
	£	£
CEFIC :Subscription	208,096	176,812
National Chemical Emergency Centre	1,000	1,000
Confederation of British Industry	22,529	22,087
Energy Intensive Users' Group	22,500	21,500
ECEG	19,716	15,010
Other subscriptions	56,028	59,651
	<u>329,870</u>	<u>296,060</u>

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

9 Staff costs

The aggregate payroll costs of employees were as follows:

	2017	2016
	£	£
Wages and Salaries : CIA staff, Secondees & NI costs	1,568,792	1,574,854
	182,198	180,725
Pension Costs (excluding £588,000 contribution to the DB pension scheme)		
Other Costs	65,617	74,193
Staff Costs included in administration expenses	1,816,607	1,829,772
Total Staff costs	1,816,607	1,829,772

The weekly average number of employees was 24 (2016: 23).

10 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 2017 (2016: £nil)

11 Taxation

(a) Analysis of charge in the period

	2017	2016
	£	£
UK Corporation tax on surplus for the period	(34,998)	-
Adjustments in respect of previous periods	75,935	4,106
Total current tax	40,937	4,106
Deferred tax (note 17)		
Origination and reversal of timing differences	38,262	5,673
Tax on surplus on ordinary activities	79,199	9,779

(b) Factors affecting tax charge for the period:

The differences are explained below.

Reported surplus	837,011	829,388
Defined benefit pension scheme contribution	(588,000)	(1,320,000)
Section 28 of FRS 102 pension interest cost	135,000	201,000
Taxable (deficit) / surplus in ordinary activities before tax	384,011	(289,612)

Taxable (deficit) / surplus on ordinary activities multiplied by standard rate of 19.75% (2016: 20%)

	75,845	(57,922)
Effects of:		
Capital allowances in excess of Depreciation	(41,467)	(1,752)
Marginal Relief	-	-
Movements in provision	620	(410)
Losses carried forward		60,084
Current tax charge for period	34,998	-

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

12 Intangible Fixed Assets

	<i>Website & CRM</i>	<i>Total</i>
	£	£
COST:		
Balance at 1 July 2016	-	-
Additions in year	324,471	324,471
Disposals in year	-	-
Balance at 30 June 2017	324,471	324,471
DEPRECIATION:		
Balance at 1 July 2016	-	-
Charge for the year	18,924	18,924
Disposals in year	-	-
Balance at 30 June 2017	18,924	18,924
NET BOOK VALUE at 30 June 2017	305,547	305,547
NET BOOK VALUE at 30 June 2016	-	-

13 Tangible Fixed Assets

	<i>F&F & Office Refurb</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£
COST:			
Balance at 1 July 2016	168,855	125,979	294,834
Additions in year	10,735	10,625	21,360
Disposals in year	-	(87,940)	(87,940)
Balance at 30 June 2017	179,590	48,664	228,254
DEPRECIATION:			
Balance at 1 July 2016	168,855	117,015	285,870
Charge for the year	597	5,790	6,387
Disposals in year	-	(87,940)	(87,940)
Balance at 30 June 2017	169,452	34,865	204,317
NET BOOK VALUE at 30 June 2017	10,138	13,799	23,937
NET BOOK VALUE at 30 June 2016	-	8,964	8,964

14 Fixed assets investments

	2017	2016
	£	£
Investments in subsidiary undertakings	3	3

Investments comprise the Association's holdings in CIABATA Ltd (two Ordinary shares of £1 each) and REACHREADY Ltd (one Ordinary share of £1). The Association owns 100% of the ordinary shares of each company, all companies are incorporated in England and Wales. Group accounts have not been prepared to consolidate the Association's subsidiaries, CIABATA Ltd and REACHREADY LTD, on the basis that the consolidated accounts would not be materially different from the accounts prepared for the Association as a single entity.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

15	Debtors		
		2017	2016
		£	£
	Trade debtors	373,269	4,445,143
	Other debtors	13,490	41,394
	Taxation	67,857	-
	Prepayments and accrued income	325,540	349,380
		<u>780,156</u>	<u>4,835,917</u>
16	Creditors: Amounts falling due within one year		
		2017	2016
		£	£
	Subscriptions received in advance	57,492	63,012
	Trade creditors	344,602	277,514
	Other creditors	17,781	19,745
	Designated Funds (note 19)	155,132	155,338
	Corporation tax	34,998	-
	Taxation and social security	64,527	725,019
	Accruals and deferred income	389,258	3,757,275
		<u>1,063,789</u>	<u>4,997,903</u>
17	Deferred tax (liability)/asset		
		2017	2016
		£	£
	Accelerated depreciation	26,982	(11,833)
	Other including bad debt	23,533	24,086
	Deferred tax asset	<u>50,515</u>	<u>12,253</u>
18	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 line with a scheme of contributions agreed with the Scheme Actuary to eliminate the deficit by January 2025 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 in June 2012 used a market based approach, indicating that the market value of the scheme assets was £8.1m and that the funding level of those assets represented 51% of the benefits that had accrued to members. The latest actuarial valuation, performed by The Scheme Actuary for the Trustees in June 2015, was carried out from a Statutory Funding Objective and a buy out solvency basis. The SFO valuation revealed a funding shortfall of £5.8m at a funding level of 64%. The Buy-out solvency valuation revealed a funding shortfall of £10.8m at a funding level of 49%

The Association agreed a schedule of contributions payable from 1 November 2007 to 30 June 2012 of £30,000 per month, subsequently increased to £60,000 from 1 July 2012 to 31 October 2015, in respect of past service. A one off lump sum payment was made to the scheme during 2013-14 of £180,000. During 2015-16 another lump sum payment was made to the scheme of £600,000. From July 2016 contributions to the scheme were revised to £49,000 per month. All contributions are intended to restore the funding level to 100% by January 2025; 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.

Chemical Industries Association Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2017

18 Pensions (continued)

The valuation was updated by the actuary on an FRS 102 basis as at 30 June 2017.

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 £135,615 (2016: £129,694).

The major assumptions used in this valuation at June 2016 were:

	2017	2016
Rate of salary increase (no members accruing benefits on a final salary basis)	N/A	N/A
Allowance for revaluation of deferred pensions	2.50%	2.00%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.50%	3.00%
Rate of increase in deferred pensions	2.50%	2.00%
Discount rate applied to scheme liabilities	2.40%	2.70%
Inflation assumption	3.30%	2.90%

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:

	Value at 2017 £000	Value at 2016 £000
Equities	3,462	3,400
Property	1,077	994
UK Gilts	-	-
Bonds	472	508
Cash	148	200
Liability driven investments	2,486	1,552
Div Growth	4,564	5,118
Total asset value	12,209	11,772
Present value of scheme liabilities	(17,307)	(17,084)
Net liability	(5,098)	(5,312)
Less: deferred tax asset at 20%	867	1,062
Net liability	(4,231)	(4,250)

Amounts recognised in profit and loss

	2017 £000	2016 £000
Interest cost	(135)	(201)
Administration Expenses	-	-
Total	(135)	(201)

Amount recognised in Statement of Other Comprehensive Income

	2017	2016
Actual return on assets less interest	506	419
Actuarial loss on obligations	(744)	(754)
Total	(238)	(335)

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

18 Pensions (continued)

Changes in fair value of scheme assets	2017	2016
	£000	£000
Opening fair value of scheme assets	11,772	10,335
Interest income	313	394
Expected return on assets less interest income	506	419
Employer contributions	588	1,320
Benefits paid	(969)	(696)
Administration Expenses	-	-
Closing fair value of scheme assets	12,210	11,772

Chemical Industries Association expects to contribute £588,000 in the year to 30 June 2018.

Changes in fair value of defined benefit obligation

	2017	2016
	£000	£000
Opening defined benefit obligation	17,084	16,431
Interest cost	448	595
Actuarial loss	744	754
Benefits paid	(969)	(696)
Closing defined benefit obligation	17,307	17,084

Amounts for the current and previous four periods are as follows:

	2017	2016	2015	2014	2013
	£000	£000	£000	£000	£000
Defined benefit obligation	(17,307)	(17,084)	(16,431)	(15,487)	(14,899)
Plan assets	12,209	11,772	10,335	9,277	8,932
Deficit	(5,098)	(5,312)	(6,096)	(6,210)	(5,967)

A mortgage charge is held by the defined benefit pension scheme over all monies due or to become due up to a maximum amount of £1,000,000.

19 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.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2017

20 Annual commitments under non-cancellable operating leases

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Commitments falling due:				
Within one year	205,902	7,960	205,902	5,729
Two to Five years	411,804	28,654	617,706	-
In more than five years	-	1,592	-	-
	617,706	38,206	823,608	5,729

21 Related party transactions

During the year the company purchased services totalling £76,174 (2016: £49,677) at arm's length from Mint Events Limited, a company in which the director Dr T W Bastock has an interest. At the year end £2,925 was due to Mint Events Limited (2016: £27,143).

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

Auditor:

Kingston Smith LLP

Devonshire House,

60 Goswell Road

London EC1M 7AD

Chemical Industries Association

Companies in Membership

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

A

Aesica Pharmaceuticals Ltd

AMOG

Ashland Specialities UK Ltd

AstraZeneca Group Plc

B

Baker Hughes

Bardyke Chemicals

Basell Polyolefins UK Ltd

BASF Plc

Baxenden Chemicals Ltd

Bitrez Limited

Bluestar Silicones (UK) Ltd

BP Chemicals

Brenntag UK Ltd

Briar Chemicals

Byk Additives Ltd

C

Cabot Carbon

Cabot Norit UK Ltd

Calachem

CF Fertilisers

Chemoxy International

Chemtura Manufacturing UK Limited

Chemviron Carbon Ltd

Clariant Services UK Ltd

Contract Chemicals Ltd

Cristal Pigment UK Ltd

Croda International Ltd

Custom Powders Limited

D

Dow Chemical Company Ltd

Dow Corning Ltd

DSM

E

Eli Lilly & Co Ltd

Emerald Materials

EPC UK Additives

Essar Oil (UK) Ltd

Esseco UK Ltd

Evonik Goldschmidt UK

ExxonMobil Chemical Ltd

F

Fine Organics Ltd

FMC Chemicals Ltd

Frutarom

Fujifilm Imaging Colorants

Futamura Chemical UK Ltd

G

Gantrade Europe Ltd

GEO Speciality Chemicals

GlaxoSmithKline

Chemical Industries Association Limited Companies in Membership

H

Halterman Carless

Headland Agrochemicals Ltd

Hexion UK Ltd

Huntsman Corporation Ltd

I

Ineos Chemicals Grangemouth Ltd

Ineos Nitriles

Infineum International Ltd

Innospec Ltd

Inovyn Chlorvinyls Ltd

J

James M Brown Ltd

Johnson Matthey Edinburgh

Johnson Matthey Plc

K

Kemira Chemicals (UK) Ltd

L

Lankem Ltd

Lanxess Ltd

Lotte Chemicals UK Ltd

Lubrizol Ltd

Lucite International

M

MEL Chemicals

Mexichem UK Ltd

N

Nanoco

Novartis Grimsby Limited

Nufarm Limited

O

Oxford Biotrans

P

Perstorp UK Ltd

PQ Silicas

R

Robinson Brothers Limited

S

SABIC UK Petrochemicals

Shell Chemicals UK

SI Group-UK Ltd

Silberline

Solutia UK Ltd

Solvay Solutions UK

Stepan UK Ltd

Sterling Pharma Solutions Ltd

Syngenta

Synthomer

T

Tata Chemicals Europe

Tennants Fine Chemicals Ltd

Thomas Swan & Co Ltd

Tradebe Solvent Recycling Ltd

U

UOP Ltd

Ureenco Chemplants Ltd

V

Valtris Speciality Chemicals

Veolia ES Cleanaway UK Ltd

Versalis UK Ltd

Vertellus Specialities Holdings UK Ltd

W

Witton Chemicals Co Ltd