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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during
the
year to which the return relates?

Yes

No

(Tick as appropriate)

General Secretary:

Contact name for queries
regarding
the completion of this return:

Telephone Number:

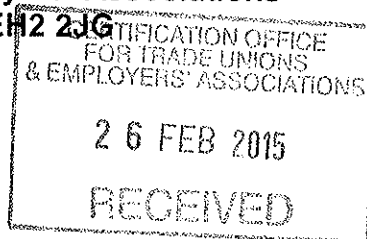
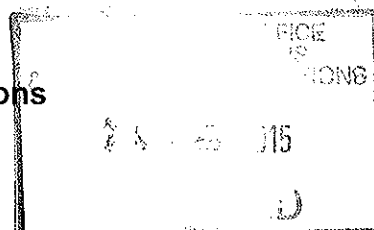
e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the
Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
101				101

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Secretary	Steve Elliott	Simon Marsh	November 2013
Director	Stuart Arnott	Steve Elliott	November 2013
Director	Martin Ashcroft		November 2013
Director	Brian Austin		November 2013
Director	Will Barton		November 2013
Director	Paul Booth		November 2013
Director	April Feick		November 2013

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Director	Martin Goddard		November 2013
Director	Torben Jensen		November 2013
Director	Allan Laing		November 2013
Director	Xavier Le Mintier		November 2013
Director	Rob Margetts		November 2013
Director	Brian Murphy		November 2013
Director	David Prest		November 2013
Director	Harry Swan		November 2013
Director	Chris Tane		November 2013
Director	Dave Tudor		November 2013
Director	Robert Tyler		November 2013
Director	Johanna West		November 2013
Director	Martin Dawkins		December 2013

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year	See attached accounts	£	£
	INCOME		
	From Members Subscriptions, levies, etc		
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)		
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
	TOTAL INCOME		
	EXPENDITURE		
	Administrative expenses Remuneration and expenses of staff Occupancy costs Printing, Stationery, Post Telephones Legal and Professional fees Miscellaneous (specify)		
	Other charges Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		
	Taxation		
	TOTAL EXPENDITURE		
	Surplus/Deficit for year		
	Amount of fund at beginning of year		
	Amount of fund at end of year		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 5	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 7	Not applicable	Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

BALANCE SHEET AS AT 30 June 2014

(see notes 19 and 20)

Previous Year	See attached accounts	£	£
	Fixed Assets (as at page 11)		
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Sundry debtors		
Cash at bank and in hand			
Stocks of goods			
Others (specify)			
Total of other			
assets			
	TOTAL ASSETS		
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Revaluation Reserve		
	Liabilities		
	Loans		
	Bank overdraft		
	Tax payable		
Sundry creditors			
Accrued expenses			
Provisions			
Other liabilities			
	TOTAL LIABILITIES		
	TOTAL ASSETS		

FIXED ASSETS ACCOUNT

(see note 21)

See attached accounts	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
 BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

	See attached accounts	Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO
If YES name the relevant companies:			
COMPANY NAME Ciabata Ltd Reach Ready Ltd Chemicals North West	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 03892238 05711636 03873806		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES <input checked="" type="checkbox"/>	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

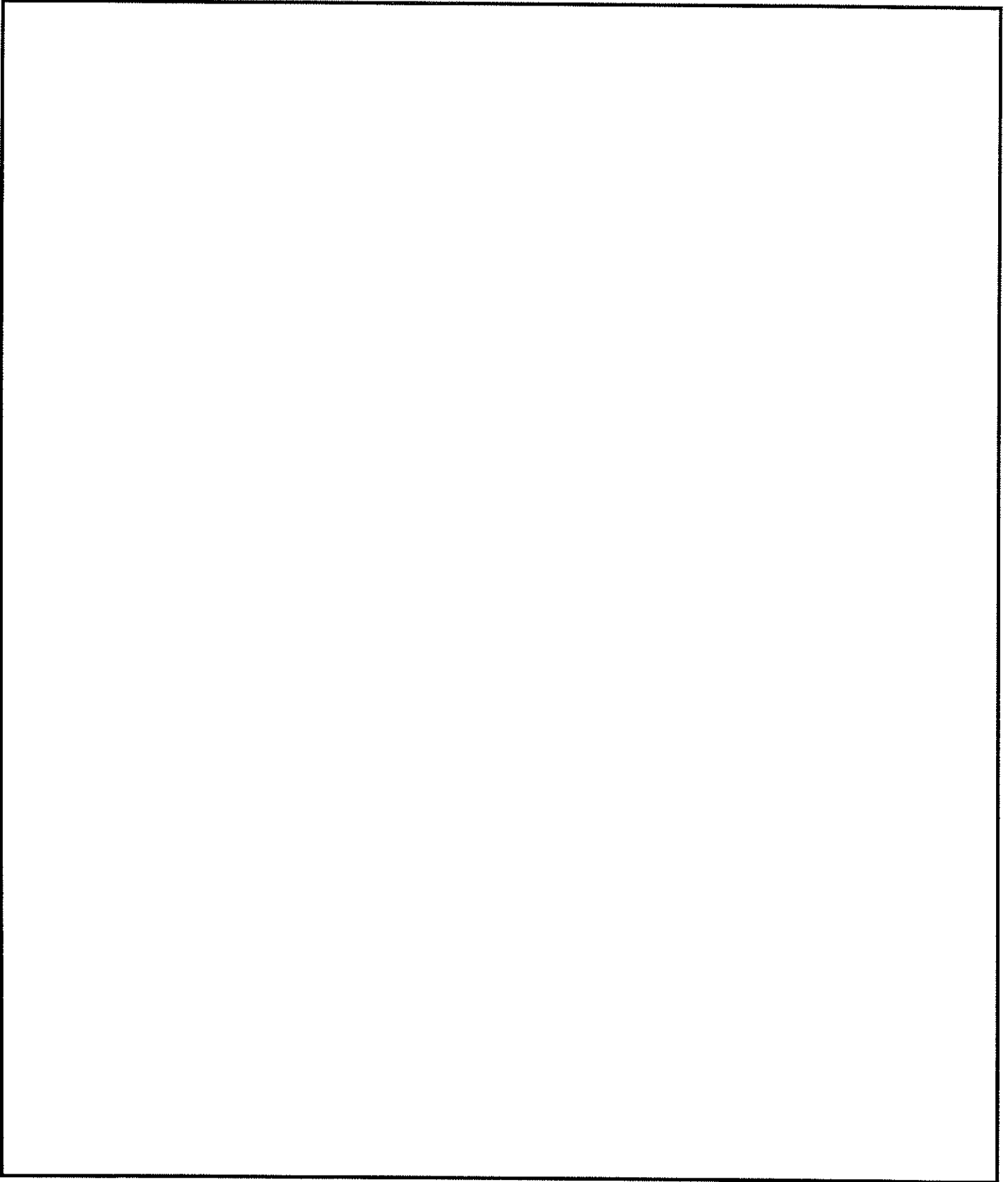
(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	3,706,137		3,706,137
From Investments	11,206		11,206
Other Income (including increases by revaluation of assets)	1,377,777		1,377,777
Total Income	5,095,120		5,095,120
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,890,853		4,890,853
Funds at beginning of year (including reserves)	2,047,590		2,047,590
Funds at end of year (including reserves)	2,251,857		2,251,857
ASSETS			
Fixed Assets			13,411
Investment Assets			20,003
Other Assets			7,034,734
		Total Assets	7,068,148
LIABILITIES		Total Liabilities	4,816,291
NET ASSETS (Total Assets less Total Liabilities)			2,251,857

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page below the instructions.

ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>SIMON MARSH</u> Date: <u>19/2/15</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>STEPHEN ELLIOTT</u> Date: <u>24/2/15</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:

- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
(b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
(c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 43)

YES/ NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
(b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

YES/ NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.

(See note 45)

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):		
Profession(s) or Calling(s):		
Address(es):	<i>(see Attached)</i>	
Date:		
Contact name and telephone number:	<i>Neil Finlayson 020 7566 4000</i>	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

The Accounts



Officers and Board for the year ended 30 June 2014

During the year the Association reviewed its constitution and formed a streamlined Board to manage the Association's business, following the November 2013 AGM. The Council has been retained to focus on policy issues. The Board consists of a maximum of 10 Directors, comprising the Chief Executive, President of the Association, the Treasurer and up to six persons elected from Council members. Council consists of a maximum of 32 members, elected from the Association's general membership as previously.

President

Mr A Whitfield
Synthomer

Board Members

Dr T W Bastock OBE
Contract Chemicals

Dr J Bush
Urenco Chemplants

Mr M Dawkins
Bayer
(to December 2013)

Mr S Elliott
Chemical Industries Association
(from November 2013)

Mr G Grant
Ineos Chemicals Grangemouth

Mr D Topliffe
Shell ChemicalsUK

Secretary (Non member)

Mr S Elliott
Chemical Industries Association
(to November 2013)

Mr S Marsh
Chemical Industries Association
(from November 2013)

Resigned Council Members

Mr S Arnott
Croda International
(to November 2013)

Mr M Ashcroft
Tata Chemicals Europe
(to November 2013)

Dr M B Austin
Dow Corning
(to November 2013)

Dr W Barton
Velocys
(to November 2013)

Mr P Booth
SABIC UK Petrochemicals
(to November 2013)

Mrs A Feick
ExxonMobil Chemical
(to November 2013)

Mr M Goddard
Nufarm UK
(to November 2013)

Mr T Jensen
BASF
(to November 2013)

Mr A Laing
Pentagon Chemical Holdings
(to November 2013)

Mr X LeMintier
Infineum
(to November 2013)

Sir Rob Margetts CBE
Huntsman Corporation
(to November 2013)

Dr B M Murphy
Robinson Brothers
(to November 2013)

Mr D Prest
Johnson Matthey
(to November 2013)

Mr H Swan
Thomas Swan & Co
(to November 2013)

Mr C Tane
Ineos ChlorVinyls
(to November 2013)

Mr D Tudor
Primary Pharma Operations
GlaxoSmithKline
(to November 2013)

Mr R Tyler
Solvay Solutions UK
(to November 2013)

Mrs J West
Dow Chemicals
(to November 2013)

Report of the Board

for the year ended 30 June 2014

The Board presents the Annual Report and audited financial statements of the Association for the year ended 30 June 2014. This document will be presented to the Board meeting on 20 November 2014.

Officers

During the year Mr A Whitfield remained as elected President following the Council meeting in June 2013.

Council and Boards

All those who served on the new Board are listed on page 1 of this report. There are 6 members of the Board as at 30 June 2014. The Board met three times during the year and, before the Board's first meeting in February 2014, Council had met twice. There are no contracts, shareholdings or other arrangements benefiting any member of the Board which requires disclosure in terms of the Companies Act 2006.

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 in relation to sound chemicals management down the supply chains in terms of policy and voluntary initiatives.

Responsible Care considers all relevant issues in the Responsible Care Programme within the industry, to agree ongoing strategy, supporting a sustainable business environment and continual improvement within the industry.

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 2013/14. 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 many 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 through various media including websites, 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.

Statement of Board members' responsibilities

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

Company law requires the Board members to prepare financial statements for each financial year. Under that law the 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 the Board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the 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 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 2006. 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 Act 2006, the Board 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 three directors.

Staff

On 30 June 2014 the number of staff employed by the Association, including the Chief Executive was:

	<u>2014</u>	<u>2013</u>
Senior Management	4	4
Executives	17	17
Administration	<u>5</u>	<u>5</u>
	<u>26</u>	<u>26</u>

The monthly average number of employees was 26 (2013: 26).

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

	<u>2014</u>	<u>2013</u>
CIA	21.5	21.5
CIABATA	1	1
REACHREADY	<u>3.5</u>	<u>3.5</u>
	<u>26</u>	<u>26</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 Directors' Responsibilities 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 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 2014, there were 6 (2013: n/a).

Membership

On 30 June 2014 there were 101 (2013: 109) subscription-paying companies (listed on pages 17-18).

Financial review of the year

On the basis of the preliminary estimates of expenditure and trading income for the financial year 2012-13 Council decided to increase subscriptions by 3% for 2013-14.

The Association's financial position during 2013-14 has been managed on a sound basis with a view to building reserves.

	<u>2013-14</u>	<u>2012-13</u>
	<u>£</u>	<u>£</u>
Turnover from subscription	3,706,137	3,677,981
Turnover from other operations	1,377,777	1,139,524
Interest receivable	<u>11,206</u>	<u>9,720</u>
Gross income	5,095,120	4,827,225
Surplus after tax for the company	1,101,620	911,047
Impact on the surplus due to the adoption of FRS17.	<u>78,000</u>	<u>98,000</u>
Reported Surplus	<u>1,023,620</u>	<u>813,047</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.

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 payments to address the deficit that increased in 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 (2013 - NIL). The Trust has sufficient resources to meet its objectives. 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 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 Board
Kings Buildings,
Smith Square,
London
SW1P 3JJ
20 November 2014

Steve Elliott
Chief Executive



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 2014 which comprise the income and expenditure account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Board Members' Responsibilities Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Board to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of

any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its surplus/deficit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Neil Finlayson

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP,
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

14 / 1 / 2015

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 June 2014

	2014 £	2013 £
<i>Note 2</i> Turnover from :Subscriptions	3,706,137	3,677,981
<i>Note 8</i> :Other operations	<u>1,377,777</u>	<u>1,139,524</u>
Total turnover	5,083,914	4,817,505
<i>Note 10</i> Administration expenses	-3,571,099	-3,485,781
<i>Note 11</i> Other operating expenses	-372,850	-354,953
<i>Note 14</i> Charitable contributions	<u>-7,672</u>	<u>0</u>
Operating Surplus	1,132,293	976,771
Interest receivable	11,206	9,720
<i>Note 5</i> Other finance costs	<u>-78,000</u>	<u>-98,000</u>
<i>Note 9</i> Surplus on ordinary activities before taxation	1,065,499	888,490
<i>Note 12</i> Taxation	<u>-39,230</u>	<u>-75,443</u>
Surplus on ordinary activities after taxation	<u>1,026,269</u>	<u>813,047</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 June 2014

	2014 £	2013 £
Retained surplus on ordinary activities	1,026,269	813,047
<i>Note 5</i> Movement on Deferred Tax asset relating to Pension Deficit	49,000	-2,000
<i>Note 5</i> Actuarial deficit	<u>-1,065,000</u>	<u>-616,000</u>
Total Recognised Gains and Losses for the year	10,269	195,047
Balance Sheet Total Brought Forward	-2,727,810	-2,922,857
Balance Sheet Total Carried Forward	<u>-2,717,541</u>	<u>-2,727,810</u>

BALANCE SHEET
as at 30 June 2014

	2014		2013	
	£	£	£	£
FIXED ASSETS				
<i>Note 15</i> Tangible fixed assets		13,410		20,498
<i>Note 16</i> Fixed asset investments		<u>20,003</u>		<u>20,003</u>
		33,413		40,501
CURRENT ASSETS				
<i>Note 17</i> Debtors	4,887,553		5,065,003	
Short term deposits	1,037,298		1,032,125	
Cash at bank and in hand	<u>1,109,883</u>		<u>1,144,951</u>	
	7,034,734		7,242,079	
CURRENT LIABILITIES				
<i>Note 19</i> Creditors: Amounts falling due within one year	<u>4,822,142</u>		<u>5,230,323</u>	
NET CURRENT ASSETS		<u>2,212,592</u>		<u>2,011,756</u>
NET ASSETS EXCLUDING PENSION PROVISION		2,246,005		2,052,257
<i>Note 18</i> Deferred tax		5,852		-4,667
<i>Note 5</i> Defined Benefit Pension Scheme deficit		<u>-4,969,400</u>		<u>-4,775,400</u>
NET LIABILITIES AFTER PENSION SCHEME DEFICIT		<u>-2,717,543</u>		<u>-2,727,810</u>
Represented by:				
<i>Note 5</i> DEFICIT ON DEFINED BENEFIT SCHEME		-4,969,400		-4,775,400
CAPITAL FUND		<u>2,251,857</u>		<u>2,047,590</u>
		<u>-2,717,543</u>		<u>-2,727,810</u>

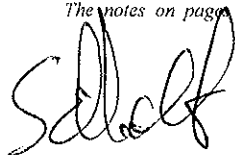
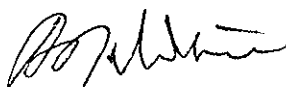
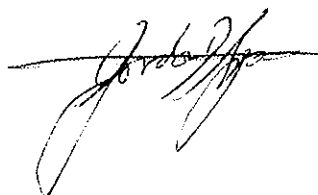
The financial statements on pages 6 to 8 were approved by the Board at a meeting held on 20 November 2014

S Elliott, Chief Executive

A Whitfield, Chairman

G Grant, Chair Audit Committee

The notes on pages 9 to 15 form part of these financial statements

**Cash flow statement
for the year ended 30 June 2014**

The notes on pages 9 to 15 form part of these financial statements

	2014 <u>£</u>	2013 <u>£</u>
Cash flows		
<i>Note 20</i> Net cash inflow from operating activities	32,641	387,575
Returns on investments and servicing of finance		
Interest received	11,206	9,720
Taxation	-65,646	-146,333
Capital expenditure		
Payments to acquire tangible fixed assets	-8,097	-11,279
Proceeds from sale of Fixed Assets	<u> </u>	<u> </u>
Cash inflow/(outflow) before management of liquid resources and financing	-29,896	239,682
Management of liquid resources		
Purchase of short term deposits	-5,172	-5,147
	<u> </u>	<u> </u>
Increase/(decrease) in cash	<u>-35,068</u>	<u>234,535</u>

Notes to the Financial Statements for the year ended 30 June 2013

1 Accounting Policies

- (i) The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 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 & 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 2014 there were 101 members of the Association so liable (2013-109).

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. 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 2006. 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.

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 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 at June 2012 used a market based approach, which assumed that the investment returns would be 5.00%, that inflation would be 3.25% p.a. and that present and future pensions would increase at the rate of 3.25% p.a. This valuation showed that the market value of the scheme assets was £8,116,000 and that the actuarial value of those assets represented 51% of the benefits that had accrued to members.

The Association agreed a schedule of contributions payable for the period 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 the year of £180,000. These 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. There has been no adjustment to the schedule of contributions in the current accounting period.

The valuation was updated by the actuary on an FRS 17 basis as at 30 June 2014

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 £135,282 (2013: £132,964).

The major assumptions used in this valuation at June 2014 were:

Rate of increase in salaries (no members accruing benefits on a final salary basis)	N/A
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.40%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.40%
Rate of increase in deferred pensions	2.40%
Discount rate applied to scheme liabilities	4.20%
Inflation assumption	3.30%
Expected return on scheme assets	6.21%

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:

	Long term rate of return	Value at 2014	Long term rate of return	Value at 2013
	2014	2014	2013	2013
		£000		£000
Equities	7.7%	4,406	7.0%	5,815
Property	6.2%	872	6.0%	774
UK Gilts	3.3%	956	3.0%	439
Bonds	4.2%	2,366	4.5%	1,766
Cash	0.5%	0	3.0%	138
Div Growth		<u>677</u>		<u>0</u>
		9,277		8,932
Present value of scheme liabilities		<u>(15,487)</u>		<u>(14,899)</u>
Net liability		(6,210)		(5,967)
Less deferred tax asset at 20%		<u>1,242</u>		<u>1,193</u>
Net pension liability		<u>(4,968)</u>		<u>(4,774)</u>

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

Amounts recognised in profit and loss

	2014	2013
	£000	£000
Interest cost	(670)	(616)
Expected return on assets	<u>592</u>	<u>518</u>
Total cost	<u>(78)</u>	<u>(98)</u>
Actual return on assets	100	826

Changes in fair value of scheme assets

	2014	2013
	£000	£000
Opening fair value of scheme assets	8,932	8,048
Expected return on assets	592	518
Employer contributions	900	720
Benefits paid	(655)	(662)
Actuarial gain (loss)	<u>(492)</u>	<u>308</u>
Closing fair value of scheme assets	<u>9,277</u>	<u>8932</u>

Chemical Industries Association expects to contribute £720,000 in the year to 30 June 2015.

Changes in fair value of defined benefit obligation

	2014	2013
	£000	£000
Opening defined benefit obligation	14,899	14,021
Interest cost	670	616
Actuarial loss/(gain)	573	924
Benefits paid	<u>(655)</u>	<u>(662)</u>
Closing defined benefit obligation	<u>15,487</u>	<u>14,899</u>

NOTES**5 Pensions note continued**

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

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(15,487)	(14,899)	(14,021)	(12,609)	(12,726)
Plan assets	9,277	8,932	8,047	8,086	7,733
Deficit	(6,210)	(5,967)	(5,974)	(4,523)	(4,993)
Adjustment due to change in assumptions	(573)	(924)	(1,285)	253	(3,225)
Experience adjustments on plan assets	(492)	308	(274)	92	596

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 2014 (2013: NIL). For the purposes of the Companies Act

	2014	2013
	£	£
Management charges	-286	9,750
Fees from affiliates and sector groups	46,386	50,812
Training services & exhibitions	418,034	322,311
Meetings, conferences & events	480,122	362,034
CIABATA	295,214	239,238
REACH	116,801	127,429
Publications	21,506	27,950
	<u>1,377,777</u>	<u>1,139,524</u>

9 Surplus on ordinary activities before taxation

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

Auditors remuneration: Audit	9,300	10,500
: Other services including pension audit	2,875	5,393
Depreciation - amount written off owned assets	15,184	88,422
	<u>27,359</u>	<u>104,315</u>

10 Administration expenses :

Training services & exhibitions	286,585	206,941
Meetings, conferences & events	296,461	247,064
Charges for affiliates and sector groups	17,974	12,231
Publications	106,814	107,793
Note 13 Staff costs	1,827,845	1,755,036
Consultancy costs	205,287	247,405
Property occupancy	415,682	426,955
Administration costs	149,740	143,422
Depreciation	15,184	88,422
Meetings, travel and other expenses	237,056	239,430
Bank charges	12,518	11,005
Bad debts	-47	78
	<u>3,571,099</u>	<u>3,485,781</u>

	2014 £	2013 £
11 Other operating expenses		
CEFIC Subscription	264,622	260,704
National Chemical Emergency Centre	20,000	20,000
Confederation of British Industry	21,271	20,854
Energy Intensive Users' Group	21,500	18,650
EFCG	0	0
ECEG	13,615	6,978
SORIS	0	1,000
Other subscriptions	31,842	26,768
	<u>372,850</u>	<u>354,953</u>

12 Taxation

(a) Analysis of charge in the period

UK Corporation tax on surplus for the period	49,748	65,643
Adjustments in respect of previous periods	0	498
<i>Total current tax</i>	49,748	66,141
<i>Deferred tax (note 18)</i>		
Origination and reversal of timing differences	-10,518	9,302
Tax on surplus on ordinary activities	<u>39,230</u>	<u>75,443</u>

(b) Factors affecting tax charge for the period

Reported surplus	1,065,499	888,490
Defined Benefit Pension Scheme contribution	-900,000	-720,000
FRS17 pension expenses	78,000	98,000
Taxable (deficit) / surplus in ordinary activities before tax	<u>243,499</u>	<u>266,490</u>
Taxable (deficit) / surplus on ordinary activities multiplied by standard rate	48,700	54,182
<i>Effects of:</i>		
Capital allowances in excess of Depreciation	-2,552	10,764
Movements in provision	3,600	697
Current tax charge for period	<u>49,748</u>	<u>65,643</u>

13 Staff costs

The aggregate payroll costs of employees were as follows:

Wages and Salaries : CIA staff, Secondees & Social security costs	1,442,108	1,562,365
Directors Remuneration	144,507	
Pension Costs (excluding £900,000 contribution to the Defined Benefit Pension Scheme)	180,746	108,856
Other Costs	60,484	83,815
Staff Costs included in administration expenses (Note 10)	<u>1,827,845</u>	<u>1,755,036</u>
Actuarial cost associated with the defined benefit pension scheme		-98,000
Total Staff costs	<u>1,827,845</u>	<u>1,657,036</u>

The weekly average number of employees was 26 (2013 : 26)

	2014 £	2013 £
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14 Charitable contributions

Gift aid contribution to charity	7,672	0
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	<i>F&F & Office Refurb</i> £	<i>Computer equipment</i> £	<i>Total</i> £
15 Tangible Fixed assets			
COST:			
Balance at 1 July 2013	176,786	191,549	368,335
Additions in year	0	8,097	8,097
Disposals	-7,931	-77,931	-85,862
Balance at 30 June 2014	168,855	121,715	290,570
DEPRECIATION:			
Balance at 1 July 2013	173,073	174,764	347,837
Charge for the year	3,712	11,469	15,182
Disposals	-7,931	-77,929	-85,860
Balance at 30 June 2014	168,855	108,304	277,160
NET BOOK VALUE at 30 June 2014	0	13,410	13,410
NET BOOK VALUE at 30 June 2013	3,713	16,785	20,498

	2014 £	2013 £
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16 Fixed assets investments

Investments in subsidiary undertakings

Investments	3	3
Reach Link	20,000	20,000
	<u>20,003</u>	<u>20,003</u>

Investments comprise the Association's holdings in CIABATA Ltd and REACHREADY Ltd.

The Association owns 100% of each company, all companies are incorporated in England and Wales.

Group accounts have not been prepared to consolidate the Association's dormant 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.

17 Debtors

Trade debtors	4,473,915	4,640,591
Other debtors	37,376	23,419
Note 18 Deferred taxation due after more than 1 year	276	0
Prepayments and accrued income	375,986	400,993
	<u>4,887,553</u>	<u>5,065,003</u>

	2014 £	2013 £
18 Deferred tax (liability)/asset		
Accelerated depreciation	-15,400	-17,952
Other including bad debt	21,252	13,286
Deferred tax (liability)/asset	5,852	-4,666

	2014 £	2013 £
19 Creditors: Amounts falling due within one year		
Subscriptions received in advance	50,974	51,163
Trade creditors	105,079	122,040
Other creditors	17,065	30,370
Designated Funds	163,372	176,685
Corporation tax	49,748	65,643
Taxation and social security	741,852	763,416
Accruals and deferred income	3,694,051	4,021,006
	4,822,142	5,230,323
	2014 £	2013 £

	2014 £	2013 £
20 Reconciliation of operating Surplus to net cash inflow from operating activities		
Operating Surplus	1,132,293	976,771
Depreciation charges	15,184	88,422
Pensions contribution	-900,000	-720,000
Decrease / (Increase) in debtors	177,450	-4,141,683
(Decrease) / Increase in creditors	-392,097	4,186,617
(Decrease) / Increase in payments received in advance	-189	-2,751
Net cash inflow from operating activities	32,641	387,375

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.

	2014 £	2013 £
21 Reconciliation of net cash flow to movement in funds		
(Decrease) / increase in cash in period	-35,068	234,535
Cash used to increase / (decrease) liquid-resources	5,172	5,147
Change in net funds	-29,896	239,682
Net funds as at 1 July 2013	2,177,076	1,937,394
Net funds as at 30 June 2014	2,147,180	2,177,076

22 Analysis of changes in net funds	At 1 July 2013	Cash flows	At 30 June 2014
Cash in hand at bank	1,144,951	-35,068	1,109,883
Term deposits	1,032,125	5,172	1,037,298
	<u>2,177,076</u>	<u>-29,896</u>	<u>2,147,180</u>

23 Annual commitments under non-cancellable operating leases	Land and buildings	Other	Land and buildings	Other
Operating leases which expire:				
Two to Five years	0	13,751	0	13,751
In more than five years	<u>205,902</u>	<u>0</u>	<u>205,902</u>	<u>0</u>
	<u>205,902</u>	<u>13,751</u>	<u>205,902</u>	<u>13,751</u>

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:
 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, 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

Akros Chemicals Ltd

AMOG

Arizona Chemicals

AstraZeneca Group Plc

B

Baker Hughes

Basell Polyolefins UK Ltd

BASF Plc

Baxenden Chemicals Ltd

Bayer plc

Bitrez Limited

Bluestar Silicones (UK) Ltd

Brenntag UK Ltd

Briar Chemicals

Brotherton Esseco

C

Cabot Carbon

Cabot Norit

Calachem

Celanese Acetate Products Ltd

Chemoxy International

Chemson Limited

Chemtura Europe

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

E

Eastman Chemical Workington

Eli Lilly & Co Ltd

EPC UK Additives

Essar Oil (UK) Ltd

Evonik Goldschmidt UK

ExxonMobil Chemical Ltd

F

Fine Organics Ltd

FMC Chemicals Ltd

Frutarom

Fujifilm Imaging Colorants

G

GEO Speciality Chemicals

GlaxoSmithKline

Growhow UK Ltd

H

Headland Agrochemicals Ltd

Huntsman Corporation Ltd

I

Ineos ChlorVinyls Ltd

Ineos Europe Ltd

Ineos Nitriles

Infineum International Ltd

Innospec Ltd

Innovia Films Ltd

ISP (GB) Co Ltd

J

James M Brown Ltd

Johnson Matthey Plc

K

Kemira Chemicals (UK) Ltd

Koppers UK Ltd

L

Lanxess Ltd

Lotte Chemicals UK Ltd

Lubrizol Ltd

Lucite International

M

Macfarlan Smith Ltd

MEL Chemicals

Merisol UK Ltd

Mexichem UK Ltd

Momentive Speciality Chemicals

N

Nanoco

Novartis Grimsby Limited

Nufarm Limited

Nynas

P

Pentagon Chemicals Holdings Ltd

Perstorp UK Ltd

Petrochem Carless Ltd

PQ Silicas

R

Red Industries

Rio Tinto Minerals

Robinson Brothers Limited

Rockwood Specialities Ltd

S

SABIC UK Petrochemicals

Shasun Pharma Solutions Ltd

Shell Chemicals UK

SI Group-UK Ltd

Sigma-Aldrich Company Ltd

Silberline

Solutia UK Ltd

Solvay Chemicals Ltd

Solvay Solutions UK

Stepan UK Ltd

Syngenta

Synthomer

T

Tata Chemicals Europe

Tennants Fine Chemicals Ltd

Thomas Swan & Co Ltd

Tradebe Solvent Recycling Ltd

U

UOP Ltd

Urenco Chemplants Ltd

V

Velocys Technologies Ltd

Veolia ES Cleanaway UK Ltd

Versalis UK Ltd

Vertellus Specialities UK Ltd

W

Witton Chemicals Co Ltd

Z

Zeon Chemicals Europe Ltd