

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:

Postcode

Website address (if available)

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

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

 ('X' in appropriate box)

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: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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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
92				92

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Boad Member	Dr TW Bastock		29 January 2020
Boad Member	Mr D Topliffe		01 October 2019
Boad Member		Mr B Watt	11 June 2020
Boad Member		Mr F Rourke	11 June 2020

Summary Sheet

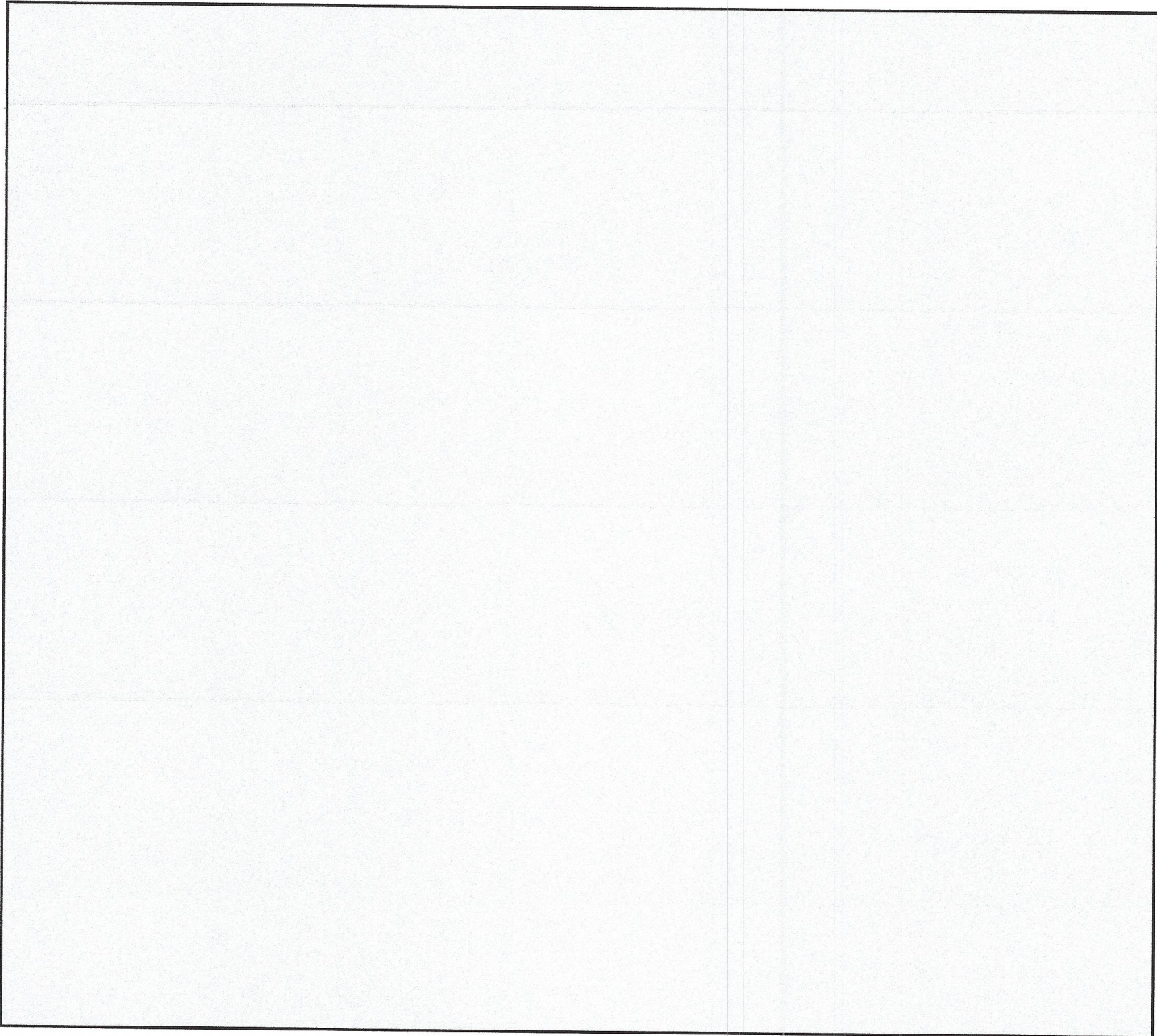
(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	3,459,546	3,459,546
From Investments	8,133	8,133
Other Income (including increases by revaluation of assets)	791,960	791,960
Total Income	4,259,639	4,259,639
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	4,059,243	4,059,243
Funds at beginning of year (including reserves)	1,895,102	1,895,102
Funds at end of year (including reserves)	2,095,498	2,095,498
ASSETS		
Fixed Assets		232,625
Investment Assets		3
Other Assets		6,184,816
Total Assets		6,417,444
Liabilities		
Total Liabilities		4,321,946
Net Assets (Total Assets less Total Liabilities)		2,095,498

Notes to the accounts

(see note 34)

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



Accounting policies

(see notes 35 & 36)


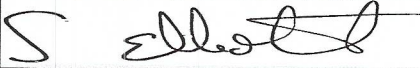
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Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Simon Marsh	Name:	Steve Elliott
Date:	02 December 2020	Date:	02 December 2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

SEE ATTACHED

2. 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)

Please explain in your report overleaf or attached.

SEE ATTACHED

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

SEE ATTACHED REPORT

In our opinion the financial statements :

- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

Signature(s) of auditor or auditors:

Simon Goodridge
KNOX CROPPER LLP

Name(s):

SIMON GOODRIDGE

KNOX CROPPER LLP

Profession(s) or Calling(s):

CHARTERED ACCOUNTANT

Address(es)

65-68 LEADENHALL
STREET
LONDON
EC3A 2AD

Date:

27/11/20

Contact name for enquiries and telephone number:

SIMON GOODRIDGE
020 7332 6400

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

Chemical Industries Association Limited

**Directors' report and financial statements
For the year ended 30 June 2020**

Chemical Industries Association Limited

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Chemical Industries Association Limited

Officers and Board

For the year ended 30 June 2020

The Board consists of a maximum of 10 Directors, comprising the Chief Executive, President of the Association and up to eight 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 focuses on policy issues.

President

Mr T Crotty

Ineos

Other Board Members

Dr M Ashcroft

Tata Chemicals

Dr W Barton OBE

Oxford Biotrans Ltd

Dr T W Bastock OBE

Contract Chemicals

(to January 2020)

Mr S Elliott (Chief Executive)

Chemical Industries Association

Mr A Jones

Dow Chemical Company

Mr F Rourke

Inovyn

(From June 2020)

Mr D Topliffe

Shell Chemicals UK

(to Oct 2019)

Mr B Watt

Innospec Limited

(From June 2020)

Mr M Williams

Sabir Uk Petrochemicals

Secretary (Non member)

Mr S Marsh

Chemical Industries Association

Chemical Industries Association Limited

Report of the Board

For the year ended 30 June 2020

The Board presents the Annual Report and audited financial statements of the Association for the year ended 30 June 2020. This document will be presented to the Board meeting on 4 November 2020.

Officers

Mr T Crotty remained in office as President during the year.

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 2020. 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 up to three times during 2019/20. 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 2020

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 that 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; 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 three.

Staff

On 30 June 2020 the number of staff employed by the Association, including the Chief Executive was:

	<u>2020</u>	<u>2019</u>
Senior Management	4	4
Executives	15	15
Administration	6	6
	<u>25</u>	<u>25</u>

The monthly average number of employees was 25 (2019: 26).

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

	<u>2020</u>	<u>2019</u>
CIA	22.5	22.5
CIABATA	1	1
REACHREADY	1.5	1.5
	<u>25</u>	<u>25</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 2019-20 has been managed on a sound basis with a view to breakeven on core operations and reduce the deficit on the defined benefit pension scheme.

Chemical Industries Association Limited

Report of the Board (Continued)

For the year ended 30 June 2020

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 2020, there were 6 (2019: 7).

Membership

On 30 June 2020 there were 92 (2019: 95) subscription-paying companies (listed on pages 22-23).

Financial review of the year

On the basis of the preliminary estimates of expenditure and trading income for the financial year 2019-20 the Board decided to increase subscriptions by 2.7% for 2019-20.

	<u>2019-20</u>	<u>2018-19</u>
Turnover from subscription	3,459,546	3,650,325
Turnover from other operations	791,960	1,080,130
Interest receivable	8,133	11,146
Gross income	<u>4,259,639</u>	<u>4,741,601</u>
Surplus after tax for the company	<u>595,396</u>	<u>580,029</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. The surplus generated was primarily used to meet pension fund deficit obligations which are reflected in the Statement of Changes in Equity on page 11.

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 COVID-19 on events, tradeshow and member companies
- the impact of Brexit 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.

Auditor

The appointment of the auditor was approved and confirmed by the Board at their meeting on 20 May 2020.

Chemical Industries Association Limited
Report of the Board (Continued)
For the year ended 30 June 2020

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

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

On behalf of the Board
Kings Buildings,
Smith Square,
London
SW1P 3JJ

04 Nov 2020

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 2020 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 2020 and of its surplus for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

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.

Chemical Industries Association Limited

Independent Auditor's Report

to the members of the Chemical Industries Association Limited

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.

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 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 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.

Chemical Industries Association Limited

Independent Auditor's Report

to the members of the Chemical Industries Association Limited

Use of our report

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.

Simon Goodridge

Simon Goodridge
for and on behalf of Knox Cropper LLP,
Statutory Auditor

65/68 Leadenhall Street
EC3A 2AD
London

4/11/20

Chemical Industries Association Limited

Income and Expenditure Account and Statement of Comprehensive Income

For the year ended 30 June 2020

Income and Expenditure Account

	2020 £	2019 £
	<u> </u>	<u> </u>
<i>Note 3</i> Turnover from :Subscriptions	3,459,546	3,650,325
<i>Note 6</i> :Other operations	791,960	1,080,130
Total turnover	<u>4,251,506</u>	<u>4,730,455</u>
<i>Note 8</i> Administration expenses	(3,213,245)	(3,602,280)
<i>Note 9</i> Other operating expenses	<u>(408,926)</u>	<u>(414,100)</u>
Operating Surplus before exceptional items	629,335	714,075
<i>Note 2</i> Exceptional Item		
Past service cost relating to GMP equalisation	-	(94,000)
Operating Surplus	<u>629,335</u>	<u>620,075</u>
Interest receivable	8,133	11,146
<i>Note 19</i> Other finance income/(costs)	<u>(46,000)</u>	<u>(73,000)</u>
<i>Note 7</i> Surplus on ordinary activities before taxation	591,468	558,221
<i>Note 12</i> Taxation credit (charge)	<u>3,928</u>	<u>21,808</u>
Surplus on ordinary activities after taxation	<u>595,396</u>	<u>580,029</u>

Statement of Other Comprehensive Income

	2020 £	2019 £
	<u> </u>	<u> </u>
Retained surplus on ordinary activities	595,396	580,029
<i>Note 19</i> Movement on Deferred Tax asset relating to Defined Benefit Pension	84,920	(261,000)
<i>Note 19</i> Re-measurements of Defined Benefit Pension obligations	<u>(579,000)</u>	<u>(309,000)</u>
Total Comprehensive Income for the year	101,316	10,029
Net Liabilities Brought Forward	<u>(167,298)</u>	<u>(177,327)</u>
Net Liabilities Carried Forward	<u>(65,982)</u>	<u>(167,298)</u>

Chemical Industries Association Limited
Statement of Changes in Equity
For the year ended 30 June 2020

	Pension Deficit	Capital Fund	Total
At 1 July 2018	(2,913,400)	2,736,073	(177,327)
Profit for the year	-	580,029	580,029
Employer contributions	1,588,000	(1,588,000)	-
Past service cost	(94,000)	94,000	-
Net interest	(73,000)	73,000	-
Deferred tax on pension deficit	(261,000)	-	(261,000)
Actuarial gain/(loss)	(309,000)	-	(309,000)
At 30 June 2019	<u>(2,062,400)</u>	<u>1,895,102</u>	<u>(167,298)</u>
Profit for the year	-	595,396	595,396
Employer contributions	441,000	(441,000)	-
Net interest	(46,000)	46,000	-
Deferred tax on pension deficit	84,920	-	84,920
Actuarial gain/(loss)	(579,000)	-	(579,000)
At 30 June 2020	<u>(2,161,480)</u>	<u>2,095,498</u>	<u>(65,982)</u>

Chemical Industries Association Limited
Balance sheet
At 30 June 2020

		2020		2019
	£	£	£	£
		<hr/>		
	FIXED ASSETS			
<i>Note 13</i>	Intangible fixed assets		196,695	273,228
<i>Note 14</i>	Tangible fixed assets		35,930	18,562
<i>Note 15</i>	Fixed asset investments		<u>3</u>	<u>3</u>
			232,628	291,793
	CURRENT ASSETS			
<i>Note 16</i>	Debtors	4,101,300		3,955,563
	Short term deposits	-		502,727
	Cash at bank and in hand	<u>2,083,516</u>		<u>1,049,524</u>
		6,184,816		5,507,814
	CURRENT LIABILITIES			
<i>Note 17</i>	Creditors: Amounts falling due within one year	<u>4,296,476</u>		<u>3,875,107</u>
	NET CURRENT ASSETS		1,888,340	1,632,707
			<hr/>	<hr/>
	NET ASSETS EXCLUDING PENSION PROVISION		2,120,968	1,924,500
<i>Note 18</i>	Deferred tax		(25,470)	(29,398)
<i>Note 19</i>	Defined Benefit Pension Scheme deficit		<u>(2,161,480)</u>	<u>(2,062,400)</u>
	NET LIABILITIES AFTER PENSION SCHEME DEFICIT		<u>(65,982)</u>	<u>(167,298)</u>
	Represented by:			
<i>Note 19</i>	DEFICIT ON DEFINED BENEFIT SCHEME		(2,161,480)	(2,062,400)
	CAPITAL FUND		<u>2,095,498</u>	<u>1,895,102</u>
			<u>(65,982)</u>	<u>(167,298)</u>

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

The financial statements on pages 10 to 21 were approved by the Audit Committee and ratified and authorised for issue by the Board on 4 November 2020.

S Elliott, Chief Executive

T Crotty, Chairman




Company Registration No: 00860702 (England and Wales)

The notes on pages 13 to 21 form part of these financial statements

Chemical Industries Association Limited

Notes to the Financial Statements

For the year ended 30 June 2020

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:

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value over their expected useful economic life as follows:

Fixtures and Fittings 20% SLM

Computer Equipment 33% SLM

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.

Subscription income is recognised equally over the period of the membership.

All other income is recognised at the time the goods or services are provided.

Chemical Industries Association Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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.

Defined benefit pension plan

The Association operates a defined benefit pension for the benefits of its employees, the assets of which are separately held from those of the company in independently administered funds.

Pension scheme assets are measured at fair value in accordance with FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. Annually the company engages independent actuaries to calculate the obligation.

The asset recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

The increase in the present value of liabilities of the Association's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. Past service costs are also charged to operating surplus. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit obligations'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the scheme assets. This cost is recognised in the profit or loss as 'Finance costs'.

Pension scheme deficits are recognised in full and presented within provisions.

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 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

2 Critical accounting judgements and estimation uncertainty (continued)

Key sources of estimation uncertainty

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

3 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.

4 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 2020 there were 92 members of the Association so liable (2019 - 95).

5 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.

6 Turnover from other operations

	2020	2019
	£	£
Fees from affiliates and sector groups	28,957	65,724
Training services & exhibitions	121,633	202,554
Meetings, conferences & events	193,683	354,279
CIABATA	326,998	352,464
REACH	98,904	86,289
Publications	21,785	18,820
	<u>791,960</u>	<u>1,080,130</u>

7 Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging

	2020	2019
	£	£
Auditors remuneration: Audit	9,500	11,747
: Other services	11,208	2,465
Depreciation & Amortisation	122,237	107,895
Lease payments recognised as an expense	219,572	216,857
<u>Exceptional item</u>		
Past service cost relating to GMP equalisation (note 19)		<u>94,000</u>

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

8 Administration expenses

	2020	2019
	£	£
Training services & exhibitions	87,905	166,968
Meetings, conferences & events	142,080	199,076
Charges for associates and sector groups	41,551	66,248
Publications	70,244	77,559
Staff costs <i>Note 10</i>	1,811,981	1,978,218
Consultancy costs	207,167	171,037
Property occupancy	425,268	437,066
Administration costs	152,142	182,026
Depreciation & Amortisation	122,237	107,895
Meetings, travel and other expenses	124,058	185,228
Bank charges	11,374	8,922
Bad debts	17,238	22,037
	<u>3,213,245</u>	<u>3,602,280</u>

9 Other operating expenses

	2020	2019
	£	£
CEFIC :Subscription	283,092	276,127
National Chemical Emergency Centre	1,000	1,000
Confederation of British Industry	24,285	23,785
Energy Intensive Users' Group	23,450	23,450
ECEG	23,135	22,159
Other subscriptions	53,964	67,579
	<u>408,926</u>	<u>414,100</u>

10 Staff costs

The aggregate payroll costs of employees were as follows:

	2020	2019
	£	£
Wages and Salaries : CIA staff, Secondees & NI costs	1,582,978	1,740,323
Pension Costs (excluding contributions to the DB Pension)	137,755	152,102
Other Costs	91,248	85,793
Staff Costs included in administration expenses	1,811,981	1,978,218
Defined benefit past service cost	-	94,000
Total Staff costs	<u>1,811,981</u>	<u>2,072,218</u>

The monthly average number of employees was 25 (2019: 26).

11 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 2020 (2019: £nil) except the Chief Executive.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

12 Taxation

(a) Analysis of charge in the period

	2020	2019
	£	£
UK Corporation tax on surplus for the period	-	15,097
<i>Total current tax</i>	<u>-</u>	<u>15,097</u>
<i>Deferred tax (note 17)</i>		
Origination and reversal of timing differences	<u>3,928</u>	<u>6,711</u>
Tax Credit/(Charge) on surplus on ordinary activities	<u><u>3,928</u></u>	<u><u>21,808</u></u>

(b) Factors affecting tax charge for the period:

	2020	2019
	£	£
Surplus before taxation	591,468	558,221
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	112,379	106,062
Non deductible expenses	2,851	5,945
Other timing differences		-
Prior period adjustments		-
Pension contributions and other items deductible for tax	(89,414)	(180,576)
Other adjustments	(47,917)	(485)
Unutilised losses carried forward	18,173	47,246
	<u><u>(3,928)</u></u>	<u><u>(21,808)</u></u>

13 Intangible Fixed Assets

	<i>Website</i>	<i>CRM</i>	<i>Software</i>	<i>Total</i>
	£	£	£	£
COST:				
Balance at 1 July 2019	164,710	283,964	19,055	467,729
Additions in year	12,998	6,700		19,698
Balance at 30 June 2020	<u>177,708</u>	<u>290,664</u>	<u>19,055</u>	<u>487,427</u>
DEPRECIATION:				
Balance at 1 July 2019	66,039	126,488	1,974	194,501
Charge for the year	35,325	57,320	3,586	96,231
Balance at 30 June 2020	<u>101,364</u>	<u>183,808</u>	<u>5,560</u>	<u>290,732</u>
NET BOOK VALUE at 30 June 2020	<u>76,344</u>	<u>106,856</u>	<u>13,495</u>	<u>196,695</u>
NET BOOK VALUE at 30 June 2019	<u>98,671</u>	<u>157,476</u>	<u>17,081</u>	<u>273,228</u>

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

14 Tangible Fixed Assets

	<i>F&F & Office Refurb</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£
COST:			
Balance at 1 July 2019	203,545	53,079	256,624
Additions in year	2,514	40,861	43,375
Disposals in year	-	-	-
Balance at 30 June 2020	206,059	93,940	299,999
DEPRECIATION:			
Balance at 1 July 2019	191,034	47,028	238,062
Charge for the year	10,943	15,064	26,007
Disposals in year	-	-	-
Balance at 30 June 2020	201,977	62,092	264,069
NET BOOK VALUE at 30 June 2020	4,082	31,848	35,930
NET BOOK VALUE at 30 June 2019	12,511	6,051	18,562

15 Fixed assets investments

	2020	2019
	£	£
Investments in subsidiary undertakings		
Investments	<u>3</u>	<u>3</u>

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.

16 Debtors

	2020	2019
	£	£
Trade debtors	3,643,330	3,442,885
Corporation Tax		15,097
Other debtors	34,977	13,553
Prepayments and accrued income	<u>422,993</u>	<u>484,028</u>
	<u>4,101,300</u>	<u>3,955,563</u>

17 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	317,945	223,571
Other creditors	25,480	60,631
Designated Funds (note 20)	90,725	58,254
Corporation tax	-	0
Taxation and social security	626,813	551,280
Accruals and deferred income	<u>3,235,513</u>	<u>2,981,371</u>
	<u>4,296,476</u>	<u>3,875,107</u>

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

18 Deferred tax (liability)/asset

	2020	2019
	£	£
Accelerated capital allowances	(25,470)	(29,398)
Other	-	-
Deferred tax liability	<u>(25,470)</u>	<u>(29,398)</u>

A further deferred tax asset of £18,159 (2018: £42,273) arises due to tax losses being carried forward where taxable profits are not expected to arise in the immediate future. No provision for these deferred taxation assets has been made in these financial statements.

19 Pensions

The company operates a pensions scheme closed to new members from 1 July 1995 that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme revealed a funding shortfall of £2.1 million as at 30 June 2018. In respect of the deficit in the Scheme as at 30 June 2018, the Association agreed to pay £49,000 per month until 31 March 2020. In addition, the Association paid a one-off lump sum contribution of £1,000,000 in June 2019. Total contributions during the year ended 30 June 2020 amounted to £441,000 (2019: £1,588,000). All contributions were intended to restore the funding level to 100% by 31 March 2020.

The Trustees and Employer also agreed that the Actuary will carry out a funding update as at 30 November 2020 within a month of this effective date. The purpose of this exercise is to confirm that the Scheme is in surplus at this date. If there is a deficit at 30 November 2020, this would trigger a payment of the deficit amount up to a maximum of £500,000 from the Employer. 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.

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 £152,102 (2018: £153,973).

The June 2018 valuation was updated by the actuary on an FRS 102 basis as at 30 June 2020.

The principal assumptions used in this valuation at June 2019 were:

	2020	2019
Rate of salary increase (no members accruing benefits on a final salary basis)	N/A	N/A
Allowance for revaluation of deferred pensions	2.20%	2.50%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10%	3.50%
Discount rate applied to scheme liabilities	1.40%	2.10%
Inflation assumption	3.10%	3.30%

Mortality Assumptions

Mortality post retirement assumptions for the year ended 30 June 2020 were 100% S3PMA, 100% S3PFA CMI 2019 Model with 1.00% improvement (2019: 102% S3PMA, 110% S3PFA CMI 2018 Model with 1.00% improvement).

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.

Chemical Industries Association Limited
Notes to the Financial Statements (Continued)
For the year ended 30 June 2020

19 Pensions (continued)

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.

	2020	2019
	£000	£000
Equities	3,745	4,244
Property	-	-
Bonds	-	-
Cash	388	366
Liability driven investments	3,657	2,534
Div Growth	4,680	4,755
DCF	2,636	2,383
Total asset value	<u>15,106</u>	<u>14,282</u>
Present value of scheme liabilities	(17,774)	(16,766)
Net liability	<u>(2,668)</u>	<u>(2,484)</u>
Less: deferred tax asset at 19% (2019: 17%)	507	422
Net liability	<u>(2,161)</u>	<u>(2,062)</u>

Amounts recognised in profit and loss

	2020	2019
	£000	£000
Interest cost	(46)	(73)
Exceptional Item		
Past service cost relating to GMP equalisation		-
Total	<u>(46)</u>	<u>(73)</u>

Amount recognised in Other Comprehensive Income

Actual return on assets less interest	925	631
Actuarial gain / (loss) on obligations	(1,504)	(940)
Total	<u>(579)</u>	<u>(309)</u>

Changes in fair value of scheme assets

	2020	2019
	£000	£000
Opening fair value of scheme assets	14,282	12,528
Interest income	297	336
Expected return on assets less interest income	925	631
Employer contributions	441	1,588
Benefits paid	(839)	(801)
Administration Expenses	-	-
Closing fair value of scheme assets	<u>15,106</u>	<u>14,282</u>

Chemical Industries Association Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

19 Pensions (continued)

Changes in fair value of defined benefit obligation

	2020 £000	2019 £000
Opening defined benefit obligation	16,766	16,124
Exceptional Item : Past service cost		94
Interest cost	343	409
Actuarial (gain) / loss	1,504	940
Benefits paid	(839)	(801)
Closing defined benefit obligation	17,774	16,766

20 Designated funds

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

21 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:

	2020		2019	
	Land and buildings £	Other £	Land and buildings £	Other £
Commitments falling due:				
Within one year		13,675	205,902	10,877
Two to Five years	-	8,379	0	11,221
	0	22,054	205,902	22,098

22 Related party transactions

During the year the company purchased services totalling £29,518 (2019: £47,358) 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 £0 was due to Mint Events Limited (2019: £31,810).

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:

Knox Cropper LLP

65/68 Leadenhall Street

London, EC3A 2AD

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
AstraZeneca UK Limited
Avara Avlon Pharma Services Ltd
Aqdot

B

Baker Hughes, a GE Company
Bardyke Chemicals Ltd
Basell Polyolefins UK Ltd
BASF Plc
Bitrez Limited
BP Chemicals
Brenntag UK Ltd
Briar Chemicals
BKY Additives Ltd

C

Cabot Carbon
Cabot Norit UK Ltd
Calachem
CF Fertilisers UK Limited
Chemoxy International
Chemviron Carbon Ltd
Citrefine International Ltd
Clariant Services UK Ltd
Contract Chemicals Ltd
Cristal Pigment UK Ltd
Croda International Ltd
Custom Powders Limited

D

Dow Chemical Company Ltd
DSM

E

Eli Lilly & Co Ltd
Elkem Silicones (UK) Limited
Emerald Materials
EPC UK Additives
Essar Oil (UK) Ltd
Esseco UK Ltd
Evonik Goldschmidt UK
Evonik Membrane
Exwold Technology Ltd
ExxonMobil Chemical Ltd

F

Fine Organics Ltd
FMC Chemicals Ltd
Frutarom (UK) Ltd
Fujifilm Imaging Colorants
Futamura Chemical UK Ltd

G

Gantrade Europe Ltd
GEO Speciality Chemicals
GlaxoSmithKline

H

Halterman Carless
Headland Agrochemicals Ltd
Hexion UK Ltd
Huntsman Corporation Ltd

I

Ineos Chemicals Grangemouth Ltd
Ineos Nitriles
Infineum UK Ltd
Innospec Ltd
Inovyn Chlorvinyls Ltd

J

J&W Whewell Ltd
James M Brown Ltd
Johnson Matthey Plc

K

Kemira Chemicals (UK) Ltd

L

Lankem Ltd
Lanxess Ltd
Lotte Chemicals UK Ltd
Lubrizol Ltd
Lucite International

M

Mexichem UK Ltd

N

Nanoco Technologies Limited
Novartis Grimsby Limited
Nufarm Limited

O

Oxford Biotrans

P

Perstorp UK Ltd
PQ Silicas UK Limited

R

Robinson Brothers Limited

S

SABIC UK Petrochemicals

S

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
Venator Pigments UK Limited
Veolia ES Cleanaway UK Ltd
Versalis UK Ltd
VertellusHoldings UK Ltd
Vynova Runcorn Ltd

W

Witton Chemicals Co Ltd
Waterside Colours Ltd