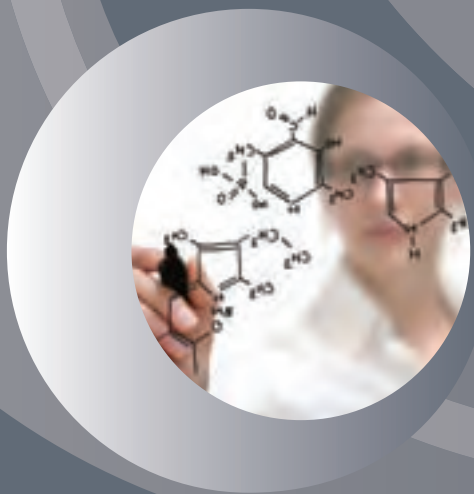
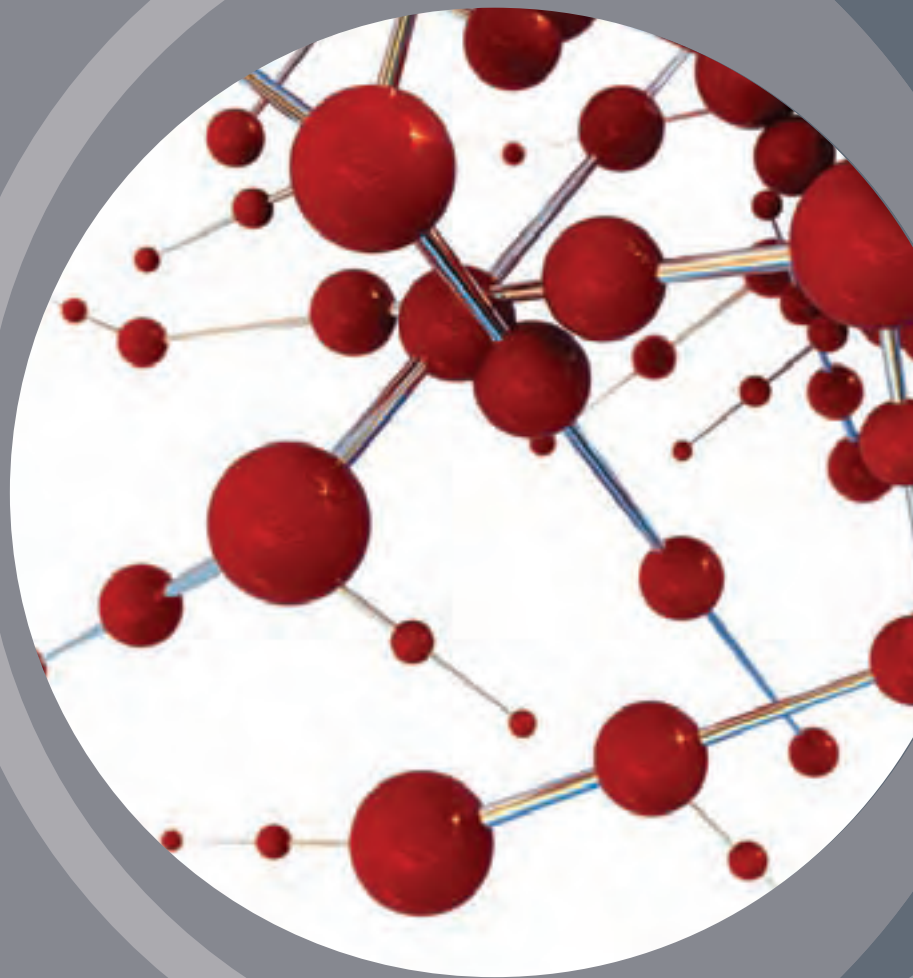


Annual Review 09



Future Trends of the Chemical Industry

Statement from the Honorary President - Dr Stephanie Burns



For more than 125 years, the Society of Chemical Industry has brought together the best minds in science and business to advance chemistry and related sciences for the good of the world.

SCI sets the standards for what an international non-profit institution should be: *collaborative; diverse; accountable; independent; and open to all*. And in many ways because of our values, our passion, our network, and our expertise it leaves us better equipped to make an impact than other organisations.

We have a responsibility to use our resources and knowledge of sustainable science to take on the great opportunities of our day: climate change; urbanisation;

"There simply is no end to the human capacity to innovate..."



renewable energy; health and improving quality of life. Chemistry will never be able to solve all of the world's problems, but there is a role for chemistry in solving many of them.

One of the keys is to encourage more young men and women to pursue maths and science-based education. Our work must show them that they can unleash the vast potential of science. There simply is no end to the human capacity to innovate; there is so much more to discover.

As members of the science and business community, we can lead by example and show young people how to deal with seemingly insurmountable challenges with scientific rigour, poise and empathy, cautious optimism, and a dedication to innovation and sustainability, the likes of which the world has never seen.

Keeping Focussed

Chairman's Commentary

Membership

SCI's role in knowledge transfer and scientific application derives from, and is enhanced by, its Membership, working through the technical, regional and business groups that are at the heart of the Society. Active Members, either as practicing scientists or those involved in scientific applications, are vital in enabling SCI to speak to, and for all those engaged in the business of science. Accordingly, the Trustees remain committed to supporting Group activities as well as providing channels for members to participate in governmental and industrial expert panels and interest groups. Despite the present difficult economic climate, support for Membership and Member-led activities must be enhanced both financially and logistically. Such membership support must be given the necessary priority to enable Members to benefit from and contribute to the range of SCI activities.

International Perspectives

SCI's international credentials benefit Members through networks and knowledge transfer. It has been especially valuable for SCI to have Dr Stephanie Burns as Honorary President. Dr Burns not only leads Dow Corning Corporation as its Chair, CEO and President, but also provides leadership within the chemical industry with valuable opinions and insight. We are grateful to Stephanie for her thoughts (above) and we look forward to her participation in future activities. The further developments of our relationship with the American Chemical Society is likewise valued, and reciprocal member benefits will be announced this year.

The Future

The SCI Board of Trustees has continued with its regular reviews of the Society's strategy, and during the course of 2009, established several Board-led working groups to evaluate the Society's future business model and how to action Members' proposals emerging from the annual Members' Forums. Further strategic planning activity early in 2010 will complete this current exercise and will be reported to Members.

I believe that SCI's governance, management, sound financial health and clear objectives will ensure that opportunities can be seized, the Society's voice heard by more people, and opinion-formers more greatly influenced. During the coming months, a new Executive Director will be appointed to lead the SCI staff team, and we look forward to welcoming the new appointee. I would like to conclude by thanking the executive team for the dedication and hard work during a challenging past year and express my appreciation to the retiring CEO, Andrew Ladds, for his many important contributions to SCI.

Jack Melling

Chairman of the SCI Board of Trustees



CEO's Commentary

Lower Cost Business Model

SCI began 2009 by responding to the deteriorating economic environment and modified its operations to ensure a balanced budget would be achieved. The financial report overleaf will show that this prudent approach paid off, and whilst fewer staff remained with the Society, service levels and outputs were maintained to the satisfaction of Members and users. The on-going investment in information technology, particularly the new SCI website, was an enabling resource towards the modified business model, and will be pivotal to the Society's future delivery mechanisms.

Collaboration and Reach

The Society has long recognised the value of collaborative work and in addition to the continuation of joint technical meetings held with kindred organisations during the year, the Board of Trustees approved the establishment of a Collaborative Alliance with the American Chemical Society (ACS), and a tripartite Collaborative Alliance with the Society of Dyers and Colourists and the Oil and Colour Chemists Association.

The new journal *Biofpr* (*Biofuels, Bioproducts and Biorefining*) had an excellent initial commercial year and achieved a debut impact factor of 2.9. This new journal is a further joint venture collaboration with our publishing partner, Wiley. The Society's participation with the Sustainable Chemistry Alliance UK has continued, and looking forward, the 'sustainability' imperative in chemical and bio-industries will become even more important.

Engaging the Business Community

SCI's interface with industry and business needs to balance the Society's strong technical platform. The new Science and Enterprise Group became well established during 2009 and is poised for growth through its excellent meetings during the year ahead.

Global Summit

The successful Global Summit held in Syracuse in May 2009 for business leaders, adopted a different model from former events, and its relevance and value to the business community was firmly acknowledged.

....And finally

This will be my final commentary to SCI Members and Stakeholders as Chief Executive, as I complete my contract in March. I must finish by thanking the Society's staff for their dedication and tremendous efforts and to the Trustees and Members for their support and valued contributions.

Andrew Ladds

Chief Executive Officer



Maintaining SCI on a Steady Course

Finance Review 2009 from the Honorary Treasurer - John Brown

In 2009, the Society reported total net outgoing resources of £260k (2008; £182k). This difference was primarily due to final pension wind-up costs. Development projects were curbed in 2009, except for the new journal *Biofuels Bioproducts and Biorefining*. The capital expenditure in 2009 was £168k.

The total Fund balances at 31 December 2009 stood at £11,816k (2008; £11,646k). The balance on the General fund was £7,994k on 31 December 2009. The summary audited accounts are presented.

Early in 2009, SCI retrenched by 25% and reduced overhead expenditure in order to rein in the operating deficit. The Society had an unsustainable cost structure following a period of expansion over the past few years. The forecast revenues did not materialise, which resulted in the depletion of reserves. The Society is now on a sound footing, however the Trustees are reviewing the strategy and all options are under consideration for the future business model.

Investments are now actively managed by the newly-appointed advisers. The portfolio performance in 2009 was a gain of 15.03% compared to the benchmark gain of 13.58%.

The budget for 2010 shows a forecast deficit of £222k. The capital expenditure budget is £375k. The Society has not made any commitments for development activities. It will be determined on the outcome of the strategy review in progress during 2010.

Finally, I would like to thank all colleagues, Members and supporters for their contribution during a challenging 2009. My special thanks to the staff who have performed brilliantly under difficult circumstances.



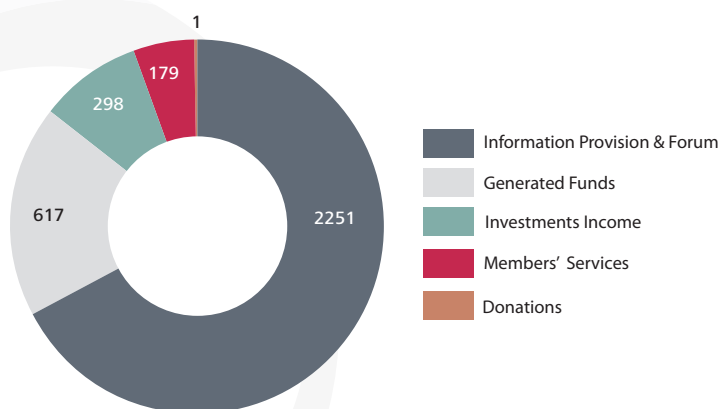
John Brown
Honorary Treasurer

Consolidated Statement of Financial Activities for the year ended 31 December 2009

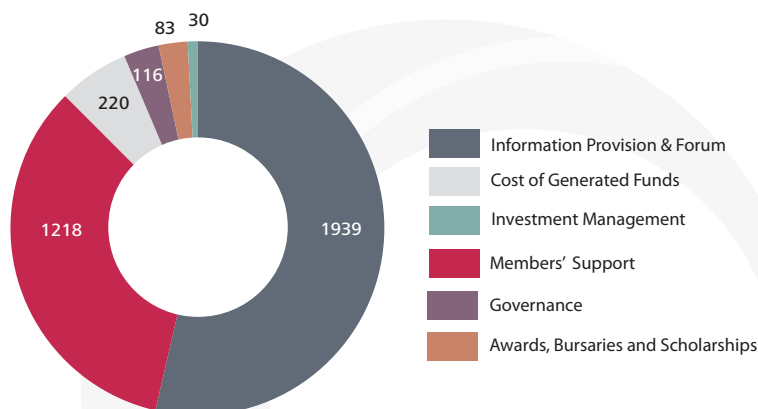
Income and Expenditure	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2009 £'000	Total 2008 £'000
Incoming resources	2739	577	30	3346	3428
Resources expended	3139	420	47	3606	3610
Net (outgoing)/incoming resources before transfers	(400)	157	(17)	(260)	(182)
Transfers	183	(183)	–	–	–
Net (outgoing)/incoming resources after transfers	(217)	(26)	(17)	(260)	(182)
Unrealised (losses)/gains on revaluation of investments	440	–	49	489	(1402)
Realised gain/(loss)	(53)	–	(6)	(59)	(70)
Actuarial (losses)/gain on pension scheme	–	–	–	–	(9)
Net movements in funds for the year	170	(26)	26	170	(1663)
Fund balances brought forward	7824	2951	871	11646	13309
Fund balances carried forward	7994	2925	897	11816	11646

Summary Consolidated Balance Sheet as at 31 December 2009					
Fixed assets	869	2925	–	3794	3805
Investment	7161	–	897	8058	5572
Net current asset	462	–	–	462	2866
Long term liabilities	(498)	–	–	(498)	(597)
	7994	2925	897	11816	11646

2009 INCOME £'000



2009 EXPENDITURE £'000



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SOCIETY OF CHEMICAL INDUSTRY

International Headquarters, 14/15 Belgrave Square, London SW1X 8PS, UK T: +44(0) 20 7598 1500 F: +44(0) 20 7598 1545 E: secretariat@soci.org