

Financial Statement 2016

Financial Statement

The International Chemical Secretariat (ChemSec)
802412-7717

The board of Directors of the International Chemical Secretariat (ChemSec) hereby presents its annual accounts for the financial year 2016-01-01 – 2016-12-31.

The currency is in Swedish crowns (SEK)

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Directors Note

The board of Directors of the International Chemical Secretariat (ChemSec) hereby submits its annual report for the financial year 2016.

ANNUAL REPORT

ADVOCACY

ChemSec's advocacy work on chemical policy has as usual been given priority and played a prominent role in the activities of the secretariat.

The main focus has been on meetings and conferences related to the mandatory five-year review of REACH. This review was also closely linked with the EU Commission's programme to evaluate around 40 pieces of chemicals legislation, REFIT, which also took up much of ChemSec's time over the year. ChemSec's activities during the year include our detailed reply to the EU Commission's consultation on the REACH review. Our reply to the consultation was drafted in such a way that it could easily be re-used by companies wishing to take part in the consultation. We shared this freely with our corporate contacts, with the aim of spreading our views to stakeholders whose replies would then also support ours. We also met with DG Grow and the General Secretariat of the Commission, among others, in order to discuss the review.

It is clear to ChemSec that both the review and REFIT will continue to be our most important policy activities during 2017. It is within the scope of these two projects that we see the greatest threats – and opportunities – for progressive chemicals legislation in Europe.

In consultation with three other organisations (EEB, Ipen and Client Earth) we decided after summer to demand an internal review of the Commission's decision to authorise the use of lead chromates, since we believe that the Commission's decision contravenes European law. The first step is an internal review, before this issue can be brought before the European Court of Justice.

The court case is the culmination of ChemSec's active efforts with the Committee for Socio-economic Analysis (SEAC) to produce proposals for improving the authorisation process, in which the issue of lead chromates has become something of a political drama. We have also been involved on a variety of other policy committees during the year, particularly MSC and Caracal.

Because political decisions on whether a chemical should be prohibited or not often depend on whether there are safe alternatives, ChemSec has been working with several producers of alternatives. As a result of our involvement they now intend to write to both ECHA and the Commission to make it clear that they feel their economic interests are not being taken into account in the authorisation process.

PUBLICATIONS

ChemSec has produced two publications during the year: The Bigger picture – which attracted a great deal of attention in the industry media at the start of the year, and an information folder on how hazard-based and risk-based approaches should be applied in chemicals legislation. The hazard and risk folder will be published in spring 2017.

ENDOCRINE DISRUPTORS

Following the European Court's ruling in December 2015 and widespread criticism from several member countries, the European Commission announced that it would present proposed criteria for endocrine-disrupting chemicals (EDCs) by summer 2016. The original plan was to present them in 2017. We decided that we would focus special attention on EDCs in spring 2016 until the proposed criteria were presented. Several companies in our network got involved. IKEA, H&M, Skanska, Kingfisher, the Swedish Construction Federation and COOP Denmark wrote a joint letter to the Commission, pointing out that the lack of criteria were hampering their operations. In summer the EU Commission presented its proposed criteria, which did not contain any references to potency, so this was a partial victory for us.

PARTNERSHIPS

ChemSec's annual meeting with the Business Group took place in November. H&M, which became a member in 2016, hosted the meeting in Stockholm.

Due to the growing number of companies in the group there were many delegates at the meeting. This is entirely in line with ChemSec's goal: to make contact with several representatives at each company and build support for the Business Group. There were lively and worthwhile discussions on REACH and polyfluorinated substances.

ChemSec expanded its SIN (Substitute it Now!) Producers List – our investor-focused list of companies that produce or import SIN substances – to include details of producers in the USA. We gave a presentation at TBLI, the leading Nordic industry conference for ethical investors; produced a new brochure and held various webinars for investors.

TOOLS

At the end of spring 2016, ChemSec began work on the new Marketplace tool. We developed a prototype, conducted a customer survey, gathered suggestions and established a test group of companies. The final version of Marketplace is currently being created with the help of this information. We have also enlisted a salesperson to contact companies that may be interested in marketing their products in Marketplace. Marketplace will also be supplemented by network meetings where producers of safer alternatives for a certain group of chemicals will be able to present their products to downstream users. The first network meeting takes place in Q2 2017.

In the first months of the year we concluded the marketing campaign for our Textile Guide, which began in mid-2015. In 2016 we arranged several webinars and presented the tool at major textile fairs in Paris and New York. There is still strong interest in the Textile Guide among large and small companies.

The SIN List and SINilarity were both given important updates, including an updated admin interface.

ORGANISATION

In May 2016 we launched our new website and completed the work on our new graphic profile, which includes new logos for our tools, a modern PowerPoint template, and a consistent style for presenting our organisation. In parallel with the website launch we introduced a number of technical solutions to simplify the process of establishing links with people who are interested in ChemSec's issues. For example, the number of people who read our newsletter has more than doubled in 2016 (over 2,000 subscribers) as a result of these efforts.

During the year ChemSec also presented a number of in-depth media analyses on chemical issues, produced by Anne-Sofie Andersson. These articles gained widespread coverage and were read by many people.

Efforts to raise funding continue, and in the second half of the year we hired a consultant to assist in clarifying the presentation of our work and identifying new donors.

During the year we have been six employees and two long term consultants.

Result of the year was SEK 162 318 and the year-end equity of the organisation was SEK 753 305 and will be allocated as reserve capital. The organisation's results and financial position are shown in the following income statement and balance sheet, with supplementary information.

Finance Statement

	Note	2016-01-01 2016-12-31	2015-01-01 2015-12-31
OPERATING INCOME			
Operating Income	1	6 371 431	6 844 300
TOTAL OPERATING INCOME		6 371 431	6 844 300
OPERATING EXPENSES			
Operating expenses	2	-6 292 848	-7 401 551
TOTAL OPERATING EXPENSES		-6 292 848	-7 401 551
OPERATING RESULT		78 583	-557 251
FINANCIAL POSTS			
Interest income		20	24
Exchange rate fluctuations		84 810	19 786
Interest expenses		-1 095	-457
Change in value fund		2 511	14 099
Other financial expenses		-	2 511
TOTAL FINANCIAL POSTS		83 735	21 864
RESULT AFTER FINANCIAL POSTS		162 318	-535 387
RESULT BEFORE TAX		162 318	-535 387
RESULT OF THE YEAR		162 318	-535 387

Balance Sheet

	Note	2016-12-31	2015-12-31
ASSETS			
Fixed assets			
Tangible assets			
Equipment		0	0
Total tangible assets		0	0
Financial assets			
Other long-term receivables		85 800	85 800
Total financial assets		85 800	85 800
TOTAL FIXED ASSETS		85 800	85 800
Current assets			
Current receivables			
Account Receivables		108 165	162 826
Other current receivables		- 4 770	-9 648
Interim claims		79 615	77 690
TOTAL CURRENT RECEIVABLES		183 010	230 868
Cash and bank			
Cash and bank	3	2 131 244	1 496 869
TOTAL CASH AND BANK		2 131 244	1 496 869
TOTAL CURRENT ASSETS		2 314 254	1 727 737
TOTAL ASSETS		2 400 054	1 813 537

	Note	2016-12-31	2015-12-31
EQUITY AND LIABILITIES			
Equity			
Retained earnings		1 126 371	1 748 922
Result from previous year		-535 387	-622 550
Result of the year		162 318	-535 387
TOTAL EQUITY		753 302	590 985
Current liabilities			
Accounts payable-trade		175 392	345 536
Employee withholding taxes		68 516	66 555
Accrued social security charges		74 264	83 751
Accrued special salary taxes		122 239	142 073
Other current liabilities		105 636	100 938
Accrued expenses and deferred income	4	1 100 705	483 699
TOTAL CURRENT LIABILITIES		1 646 752	1 222 552
TOTAL EQUITY AND LIABILITIES		2 400 054	1 813 537

Supplementary Disclosures

			2016
NOTE 1	OPERATING INCOME		
	The Swedish Chemicals Agency	-	5 000 000
	The John Merck Fund (USA)	-	242 660
	European Environmental Health Initiative	-	461 385
	Clean Production Action (USA)	-	96 306
	Marisla Foundation (USA)	-	421 930
	German Federal Ministry of Education and Research	-	99 484
	Other remuneration (reimbursement etc)	-	49 078
		-	6 371 430
NOTE 2	OPERATING EXPENSES		
	Salaries and other staff costs	-	4 689 683
	Non-project related travel expenses	-	68 412
	Expenses for consultants and organisation fees	-	168 756
	Expenses for board	-	68 825
	Premises (rent, phone, internet etc)	-	392 592
	Program: Tools development	-	265 143
	Policy: REACH and hormon disruptors	-	400 788
	Business and investors	-	141 710
	General communications	-	96 939
		-	6 292 848
NOTE 3	CASH AND BANK		
	Cash and bank	-	492 972
	USD-account	-	1 364 842
	EUR-account	-	221 613
	Savings capital	-	51 817
		-	2 131 244
NOTE 4	OTHER INTERIM LIABILITIES		
	John Merck Fund, awarded grants project work 2017, paid 2016	-	635 000
	Other interim liabilities	-	465 705
		-	1 100 705