



Company Number: 398046

**THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION
(Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2019



The Cosmetic Toiletry and Perfumery Association Limited

Sackville House, 40 Piccadilly, London, W1J 0DR | tel: 44 (0) 20 7491 8891 | info@ctpa.org.uk | www.ctpa.org.uk | www.thefactsabout.co.uk
Director-General: Dr Emma Meredith | Registered in London No. 398046 | Registered office: as above

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
YEAR ENDED 31 DECEMBER 2019

BOARD OF DIRECTORS

Massimiliano (Max) Costantini	<i>Chair, CTPA – Chief Executive Officer, Mibelle Group</i>
Joanna (Jo) Leonard	<i>Vice-chair, CTPA – Area Regulatory Affairs Director Northern Europe, GSK Consumer Healthcare</i>
Debbie Rix	<i>Vice-chair, CTPA – UK General Manager, Mass, Kao Corporation</i>
Dionne Anderson	<i>Managing Director, H Bronnley & Co UK</i>
Chris Barron	<i>VP Personal Care UKI, Unilever UK</i>
Anna Bartle	<i>Vice President of Corporate Communications, Estée Lauder Companies</i>
Ahmed Basa(3/12/19)	<i>Director of Regulatory Affairs, Northern Europe, Johnson & Johnson</i>
Jacqueline Burchell	<i>Global Marketing and Product Development Director, PZ Cussons Beauty</i>
Philip Durocher	<i>Vice-President & General Manager, Colgate-Palmolive (UK)</i>
Paul Gaff	<i>General Counsel, Chanel</i>
Lee Gelderd	<i>Managing Director, Kariium</i>
Dr Marie Kennedy	<i>Director International Compliance, Revlon International Corporation/Elizabeth Arden (UK)</i>
Dr Amanda Long	<i>Executive Director, APAC & EMEA Regulatory Affairs, Avon Cosmetics</i>
Dr Gillian Marsh	<i>North Europe Global Product Stewardship Leader, Procter & Gamble UK</i>
Nicholas (Nick) Sedgwick	<i>General Manager, Consumer Beauty UK&I, Coty UK</i>
Vismay Sharma	<i>Country Managing Director UK and Ireland, L'Oréal (UK)</i>
Cinzia Vela (4/6/19)	<i>Director Global Safety, Regulatory and Claims, Walgreens Boots Alliance</i>

Where a director was appointed during the year, the date of appointment is given in brackets.

Resignations from the Board during 2019

Dr Gerald (Ged) O'Shea (4/6/19)	<i>Global Innovation Director, Walgreens Boots Alliance</i>
Gillian Peckham (3/12/19)	<i>Director of Regulatory Affairs, Johnson & Johnson</i>
Tim Perman (3/12/19)	<i>CEO, Swallowfield plc</i>

Resignations from the Board since 1 January 2020

Philip Durocher (17/3/20)	<i>Vice-President & General Manager, Colgate-Palmolive (UK)</i>
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Appointments to the Board since 1 January 2020

HONORARY TREASURER

John Harold

EXECUTIVE STAFF

Dr Emma Meredith	Director-General
Deborah (Debbie) A Hunter	Director of Commercial Affairs
Caroline Rainsford	Head of Scientific & Environmental Services
Nicholas (Nico) Shaw Núñez	Head of International Growth & Regulatory Services

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED

(Limited by Guarantee)

YEAR ENDED 31 DECEMBER 2019

SOLICITORS

Norton Rose Fulbright LLP
2 More London Riverside
London SE1 2AQ

AUDITOR

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

BANKERS

Barclays Bank Plc
Level 27
1 Churchill Place
Canary Wharf
London
E14 5HP

REGISTERED OFFICE

Sackville House
40 Piccadilly
London
W1J 0DR

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements of the company no. 398046 for the year ended 31 December 2019. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies including the Financial Reporting Standard 102 ('FRS 102') Section 1A Small Entities.

DIRECTORS

The members of the Board are the directors of the company. The current directors, and the directors who acted at any time during the financial year, appear on page 1.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The principal activities of the Association are to organise, study, protect, promote and further the interests of the cosmetic, toiletry and perfumery industry in the United Kingdom. These remained unchanged during the year under review and all the Association's work came within that general description. In carrying out this work the Association involved itself deeply in the work of the European cosmetic trade association, Cosmetics Europe, and involved itself in dialogue with the Government at all levels in preparation for the UK's exit from the EU in order to promote and protect the ability of the cosmetics industry to trade fairly and competitively across the world. It is the Association's intention to continue to operate within the same general framework.

The Association's financial policy is to match income and expenditure over a period of years, subject to the need to maintain adequate working capital. Subscriptions for 2020 have been set at a level which takes into account the financial position at 31 December 2019.

RISK MANAGEMENT

The Association has identified a number of risks including a potential shortfall in income from member subscriptions, an IT systems failure and/or security breach leading to a break-down in the expected membership service levels, a breach of UK/EU competition law by either our staff or members whilst on Association business/premises and a conflict of interest and/or related party transactions with Board members. Internal controls have been developed to reduce these risks including the alignment of budget with membership renewal levels, the funding of an IT systems business continuity programme, the highlighting of the need for staff and members to conduct themselves according to the CTPA's Competition Guidelines which are re-issued, highlighted and reviewed at appropriate times. These controls are reviewed periodically by the Board of Directors. Regular enquiry is made of Board members to ensure there are no conflicts of interest between CTPA and its Board members.

FINANCIAL STATEMENTS

The financial statements show a surplus for the year after taxation of £142,645 (2018: £36,643 deficit) which, together with the surplus brought forward of £634,435 results in a balance to be carried forward of £777,080.

CHARITABLE CONTRIBUTIONS

The Association set-up the Look Good Feel Better Programme in the UK in 1993 and continues to provide support by offering free meeting facilities to the registered charity Cosmetic, Toiletry and Perfumery Foundation (CTPF) to assist with London-based activities. The CTPA's Director of Commercial Affairs is also a Trustee and Director of CTPF.

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED

(Limited by Guarantee)

DIRECTORS' REPORT (Continued)

YEAR ENDED 31 DECEMBER 2019

GOING CONCERN

The Association has adequate financial resources and is well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The directors believe that there are no material uncertainties that call into doubt the Association's ability to continue. The accounts have therefore been prepared on the basis that the Association is a going concern.

AUDITORS

Insofar as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit report) of which the company's auditors are unaware. Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year and a resolution proposing their reappointment will be submitted to the forthcoming Board Meeting on 17 March 2020.

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each director has taken all of the steps that he or she should have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Dr Emma Meredith
Director-General

16 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION

Opinion

We have audited the financial statements of The Cosmetic, Toiletry and Perfumery Association for the year ended 31 December 2019 which comprise the Income and Expenditure account, Balance Sheet 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- 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.

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 the 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION (Continued)

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company; 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 directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION (Continued)

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 23 June 2020

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
SUBSCRIPTION INCOME	3	2,059,596	2,005,025
Administrative expenses		<u>(1,955,858)</u>	<u>(2,089,581)</u>
		103,738	(84,556)
Income from other member activities and events		80,355	73,279
Associated direct expenses		<u>(45,164)</u>	<u>(26,679)</u>
OPERATING SURPLUS/(DEFICIT)	4	138,929	(37,956)
Other income	8	<u>4,773</u>	<u>2,734</u>
SURPLUS/(DEFICIT) BEFORE TAXATION		143,703	(35,222)
Taxation	9	<u>(1,057)</u>	<u>(1,421)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	5	142,645	(36,643)
Balance at 1 January 2019		634,435	671,078
Surplus/(Deficit) for the year		<u>142,645</u>	<u>(36,643)</u>
BALANCE AT 31 DECEMBER 2019		777,080	634,435

There are no recognised gains or losses in either year other than as disclosed above.
The notes on pages 11 to 14 form part of these financial statements.

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
BALANCE SHEET
AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	10	214,538	257,073
Intangible assets	10	90,150	71,768
		<u>304,688</u>	<u>328,841</u>
CURRENT ASSETS			
Debtors	11	332,570	459,616
Cash at bank and in hand		1,311,185	679,712
		<u>1,643,755</u>	<u>1,139,328</u>
CREDITORS: amounts falling due within one year	13	<u>(1,237,889)</u>	<u>(891,867)</u>
NET CURRENT ASSETS		<u>405,866</u>	<u>247,641</u>
NON-CURRENT ASSETS			
Debtors due within one year	12	67,500	67,500
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>778,054</u>	<u>643,802</u>
NON-CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	14	(974)	(9,367)
NET ASSETS		<u>777,080</u>	<u>634,435</u>
ACCUMULATED SURPLUS		<u>777,080</u>	<u>634,435</u>

Company No: 398046

These accounts are prepared in accordance with the special provisions (of Part 15) of the Companies Act 2006 relating to small entities.

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Board on 16 June 2020 and signed on its behalf:

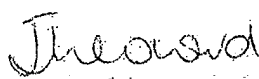
Max Costantini

Chair



Jo Leonard

Vice-chair



Debbie Rix

Vice-chair



John Harold

Honorary Treasurer



THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. STATUS OF COMPANY

The company (Registered Number 398046) was incorporated in England on 23 August 1945 and is limited by the guarantee of its members. The guarantee of each member is restricted to one pound sterling. The address of the registered office is Sackville House, 40 Piccadilly, London, W1J 0DR.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including adoption of Financial Reporting Standard 102 ('FRS 102') Section 1A Small Entities, and with the Companies Act 2006. The financial statements have been prepared on a going-concern basis.

b) Depreciation/amortisation of tangible/intangible fixed assets

The cost of tangible assets is written off on a straight-line basis over their expected useful lives as follows:

Office furniture	-	10 years
Office fixtures	-	over the period of the lease on buildings
Office equipment	-	3 to 5 years
Intangibles	-	3 to 5 years

Assets worth less than £500 are not capitalised.

The carrying values of tangible and intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

c) Subscription income

Subscription income is recognised when received and is allocated to the financial year to which the subscription relates. Subscriptions received in advance are recorded as deferred income.

d) Foreign currencies

All transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the year end rate of exchange. Exchange differences arising from this retranslation are taken to the income and expenditure account.

e) Pension costs

The company provides defined contributions to personal pensions. All new employees are auto enrolled, if eligible, to the CTPA's Group Personal Pension Plan. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the schemes.

f) Operating leases

Rental costs under operating leases are charged to the income and expenditure as they fall due.

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

3. SUBSCRIPTION INCOME

Subscription income comprises subscriptions receivable, exclusive of VAT, in respect of continuing activities.

4. OPERATING SURPLUS/ (DEFICIT)	2019	2018
	£	£
The operating surplus/(deficit) is stated after charging:		
Depreciation of tangible fixed assets	84,898	126,682
Loss on disposal of fixed assets	33,738	40,694
Auditor's Remuneration	15,460	10,900
Rent of leasehold property	184,748	184,748
Office equipment lease rentals	4,986	2,998

5. SURPLUS/ (DEFICIT) FOR THE YEAR

	2019	2018
	£	£
Operating surplus/(deficit)	142,645	(36,643)

6. DIRECTORS' EMOLUMENTS

None of the Board members received any remuneration for their services to the company during the year (2018: Nil).

7. STAFF COSTS	2019	2018
	£	£
Wages and salaries	669,582	700,985
Social security costs	78,675	85,119
Other pension costs	64,767	73,710
	813,024	859,814

The average monthly number of employees during the year was	13	13
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8. OTHER INCOME	2019	2018
	£	£
Exchange rate variance	0	22
Bank interest receivable	4,773	2,711
	4,773	2,734

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

9. TAXATION

The tax charge for the year of £1,057 (2018: £1,421) represents UK corporation tax on the income from bank interest of 19% for the period 1 January 2019 – 31 December 2019.

10. TANGIBLE AND INTANGIBLE FIXED ASSETS

	Intangibles	Office Furniture and fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	134,770	272,111	166,520	573,401
Additions	46,985	1,978	10,675	59,638
Disposals	(29,710)	-	(4,028)	(33,738)
At 31 December 2019	152,045	274,089	173,167	599,301
Depreciation				
At 1 January 2019	63,002	83,091	98,467	244,560
Charge for the year	28,603	26,788	28,400	83,791
Disposals	(29,710)	-	(4,028)	(33,738)
At 31 December 2019	61,895	109,879	122,839	294,613
Net Book Value				
At 31 December 2019	90,150	164,210	50,328	304,688
<i>At 31 December 2018</i>	<i>71,768</i>	<i>189,020</i>	<i>68,053</i>	<i>328,841</i>

11. DEBTORS: amounts falling due within one year

	2019	2018
	£	£
Trade and Other debtors	185,623	324,550
Prepayments	146,947	135,066
	322,569	459,616

12. DEBTORS: amounts falling due after one year

	2019	2018
	£	£
Other debtors – Rent deposit	67,500	67,500
	67,500	67,500

THE COSMETIC, TOILETRY AND PERFUMERY ASSOCIATION LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

	2019	2018
13. CREDITORS: amounts falling due within one year		
	£	£
Trade creditors	77,733	44,476
Corporation tax	1,053	1,416
Deferred income (subscriptions)	792,250	448,838
Other creditors	8,393	8,392
Accruals	50,624	37,246
Other taxes and social security	307,836	351,499
	<u>1,237,889</u>	<u>891,867</u>

14. CREDITORS: amounts falling due after one year	2019	2018
	£	£
Rent free period - lease incentive	974	9,367

15. FINANCIAL COMMITMENTS

The Association moved from Josaron House, 5-7 John Prince's Street, London, W1G 0JN to Sackville House, 40 Piccadilly, London, W1J 0DR on 18 April 2016 on a new 10 year fully repairing lease with a 5 year break clause from signing.

The total future minimum lease payments under operating leases are due as follows:

	Land and buildings		Office equipment	
	2019	2018	2019	2018
	£	£	£	£
Lease expiring:				
In one to five years	£450,660	£450,660	£3,710	£3,710

Rental expenses charged during the year were as follows:

	2019	2018
	£	£
Land and buildings	193,140	193,140
Office equipment	<u>2,968</u>	<u>2,968</u>