

# Annual Report

2022/23



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# **Trustees' report**

# Introduction

## From the Chair of our Global Board of Trustees

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Last year in this report, we spoke about the impact of Covid-19 on supply chains and of the post-pandemic 'new normal.' We also spoke of geo-political issues, in particular the war in Ukraine bringing even more focus on supply chains and the procurement and supply profession, as organisations grappled with further disruption to their sourcing strategies.

Headlines relating to procurement and supply continue to dominate the global news agenda. Supply chain disruption, conflict, inflation, energy prices, labour shortages, modern day slavery and human trafficking, AI and the existential threat of climate change are all issues that mean attracting, retaining and building the capabilities of procurement and supply professionals continues to be an issue, not only to the profession, but an issue and risk discussed by Boards of organisations – public and private, local and global, large and small.

Looking to next year, we believe that AI and sustainability will have a major influence on the profession and how we operate within it. As the people who manage supplier relationships, procurement and supply professionals pull the levers that can shift the world towards a more sustainable future.

COP28 marked the start of the phasing out of fossil fuels and an increase in climate financing and collaboration. CIPS is committed to guiding our members through this important agenda and our **COP28 call to action** identified just some of the ways in which we and the profession can help. Procurement and supply is a field in which efficiency and speed are critical and automation and digitisation is expected to provide significant benefits to both productivity and to our professions ability to contribute insightful analysis and influence decision making. Sustainability will therefore continue to be firmly on our agenda in 2024, along with AI, with even more insights and tools to help the profession.

With this backdrop, CIPS has a key role to play, not only in capability building within the profession but through the work of the CIPS Foundation and in championing the importance of professional and ethical procurement and supply chain management. Quite simply, this profession can and does have a positive impact on society.

CIPS is very proud to have awarded Boryspil International Airport in Ukraine with the Procurement Excellence Primary Award, as a result of a project funded by the CIPS Foundation. Oleksandr Kubrakov, Deputy Prime Minister and Minister of Reconstruction for Ukraine, accepted the award which recognises the impact of procurement excellence in such a critical infrastructure hub.

FY23 saw revenue growth of 13%, compared with 11% growth in the prior year and particularly strong revenue performances were achieved in our CIPS for Business portfolio in the UK and MENA regions. The CIPS Corporate Award programme continues to be in high demand with both the public and private sectors, with corporate clients looking to invest in the development of their procurement and supply chain functions. Our skills training offering has also been exceptionally well received, and virtual delivery has been a key enabler to meet demand in a flexible way, ensuring accessibility for all. Disappointingly, continued systems challenges, along with a challenging global economic environment saw a decline in membership numbers during the year of 4.5%. Exam entries also fell short of budget expectations in the first half of the financial year, although we saw recovery in the second half of the year with exam numbers for the September series far exceeding expectation. Encouragingly the number of new students this year was higher than has been seen in recent years – an important leading indicator for future exams and, ultimately qualified procurement and supply professionals.



In 2023 we critically assessed our content provision, seeking to ensure the content we produce is serving the needs of our members. This assessment included a member survey to which more than 2,000 people responded telling us the issues they faced and how CIPS, as the go-to for all involved in the global procurement and supply profession, can help address them. Throughout 2024 we will be releasing lots of new thought leading content, as well as flagship events and opportunities to connect the profession to learn and grow from the rich experience across our global community.

## Financial performance

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CIPS Group total income in FY23 was £34.2 million with net loss of £0.2 million before investments and actuarial movements on the closed defined benefit pension scheme. Income increased by a positive 13% on FY22 but was below FY23 budget expectations and resultingly operating profit also fell below plan. Whilst FY23 expenditure increased substantially compared to prior year (which includes amortisation and depreciation of £1.1m) all spend has been carefully scrutinised and controlled throughout the year, and the shortfalls in income mitigated insofar as possible. It has been considered important to also ensure strategic investment continued to support the future growth of the company. CIPS Group cash position, net of the balance owed on the UK government backed CBIL loan which we have been repaying on a regular basis, was £5.2 million at the end of FY23. This is an increase of £1.4 million compared to the cash position at the end of FY22, exceeding our target to rebuild cash reserves by at least £1 million during the year.

## CIPS' technology platforms

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Over the past year we have focused on stabilising our core technology platforms to support our customers. In early 2023 we made significant performance improvements to our purchasing and fulfilment services and our overall website experience. We also invested in our support functions to ensure all technology updates undergo rigorous and robust testing, enabling a "fix right and fix once" approach. In 2024 we will upgrade the underlying code base of the website which is a necessary upgrade from Oracle. This will allow us to further improve the purchase journey, proving a better customer experience.

We will also procure and implement a new content management system on the CIPS website in 2024 to enrich the visitor experience when searching for valuable content on the CIPS Knowledge and Insight Hub.

2024 will be a busy year within our digital technology estate and as we continue to pursue a digital first strategy for CIPS.

## Leadership updates

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After four and a half years as CIPS Chief Executive Officer, Malcolm Harrison left the organisation in March 2023. Malcolm was succeeded by Nick Welby who, due to unforeseen personal circumstances, stepped down from his role as CEO in November 2023.

Matt Howell has been appointed as interim CEO and will remain in post until a permanent CEO has been recruited. At the time of signing these accounts the role is being actively advertised, and applications have been invited from both members and non-members who

meet the criteria. The advert is published on the CIPS website and other channels, with a close date of 12 April 2024.

While the changes of CEO have been challenging, the CIPS Executive Team continued to run the organisation on a daily basis and the entire employee base stepped up again in 2023 to support members and customers as we continued to work through the challenges of our systems upgrade, whilst advancing a series of initiatives across CIPS.

### **Future strategic direction**

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The future for the procurement and supply profession is bright and dynamic. CIPS' role in such a rapidly changing environment is to continue to support our members and the global community of procurement and supply professionals to tackle head on the opportunities and challenges they face. We will do this in a variety of ways, from building capability through the provision of an innovative and ever evolving programme of learning and development opportunities, to advocating for the profession as a great career path, to producing thought leading and proprietary data and analysis and facilitating the sharing of knowledge and best practice across the global community.

To achieve our ambitions, to ensure CIPS remains relevant and inclusive, and to work towards the delivery of our purpose, a significant programme of work was carried out in 2023 to fully review CIPS' strategy. Many members have contributed to the process so far and we are excited to finalise, communicate and start to deliver the strategy in 2024.

CIPS is transforming to be fit for the future. We want to connect even more with our members and ensure they continue to contribute to the CIPS evolution. Members remain at the heart of our organisation and facilitating connections between members to create a global CIPS community is critical to our success.

And finally, having completed my first financial year as Chair of CIPS I am grateful for the support I have received from CIPS members and employees alike and I look forward to another exciting year ahead for this incredibly important profession.



**Alison Barto**

Chair, CIPS Global Board of Trustees

# Objectives and activities

CIPS exists for the public good, for the benefit of, and to enhance the capability of, the procurement and supply profession and those who work in it. This is achieved by establishing standards and qualifications, creating and delivering education and training, as well as promoting the role of the profession and the value that it brings to the public sector, business and society. CIPS offers essential procurement and supply resources directly to individuals and for the enhancement of teams, through knowledge and content creation; the Global Standard is also freely available to everyone offering a comprehensive competency framework. CIPS is a professional membership body and as such supports the professional needs of our members as they progress from students to fully qualified professionals and then to leaders in procurement and supply.

## **CIPS' Royal Charter Objects are to:**

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Promote and develop for the public benefit the art and science of procurement and supply and likewise to encourage the promotion and development of improved methods of procurement and supply in all organisations

Promote and maintain for the benefit of the public, high standards of professional skill, ability and integrity among persons engaged in procurement and supply

Educate persons engaged in the practice of procurement and supply and by means of examination and other methods of assessment to test the skill and knowledge of persons desiring to enter the Institute

## **CIPS' purpose**

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To educate, empower, and inspire the procurement and supply profession to create a more ethical and sustainable society.

## **Measurement of success**

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CIPS' primary aims are to meet its Charter objects and deliver public good. These are achieved through the organisational strategy and success is measured through a range of targets and metrics, agreed by the Global Board of Trustees and monitored by the Board throughout the year.

At the start of the year the Group CEO sets objectives and Key Performance Indicators (KPIs) against the strategy for the period; these are assigned to the directorates as part of the annual planning process. The Board is updated on progress against targets, and they receive detailed reports from the directors periodically with particular focus on any challenges that could impact on CIPS' performance.

At the end of the year, the Global Board of Trustees reviews the year-end position of CIPS against the annual targets and ensures that lessons learnt, and insights gained throughout the period are incorporated into the planning process for the year ahead.



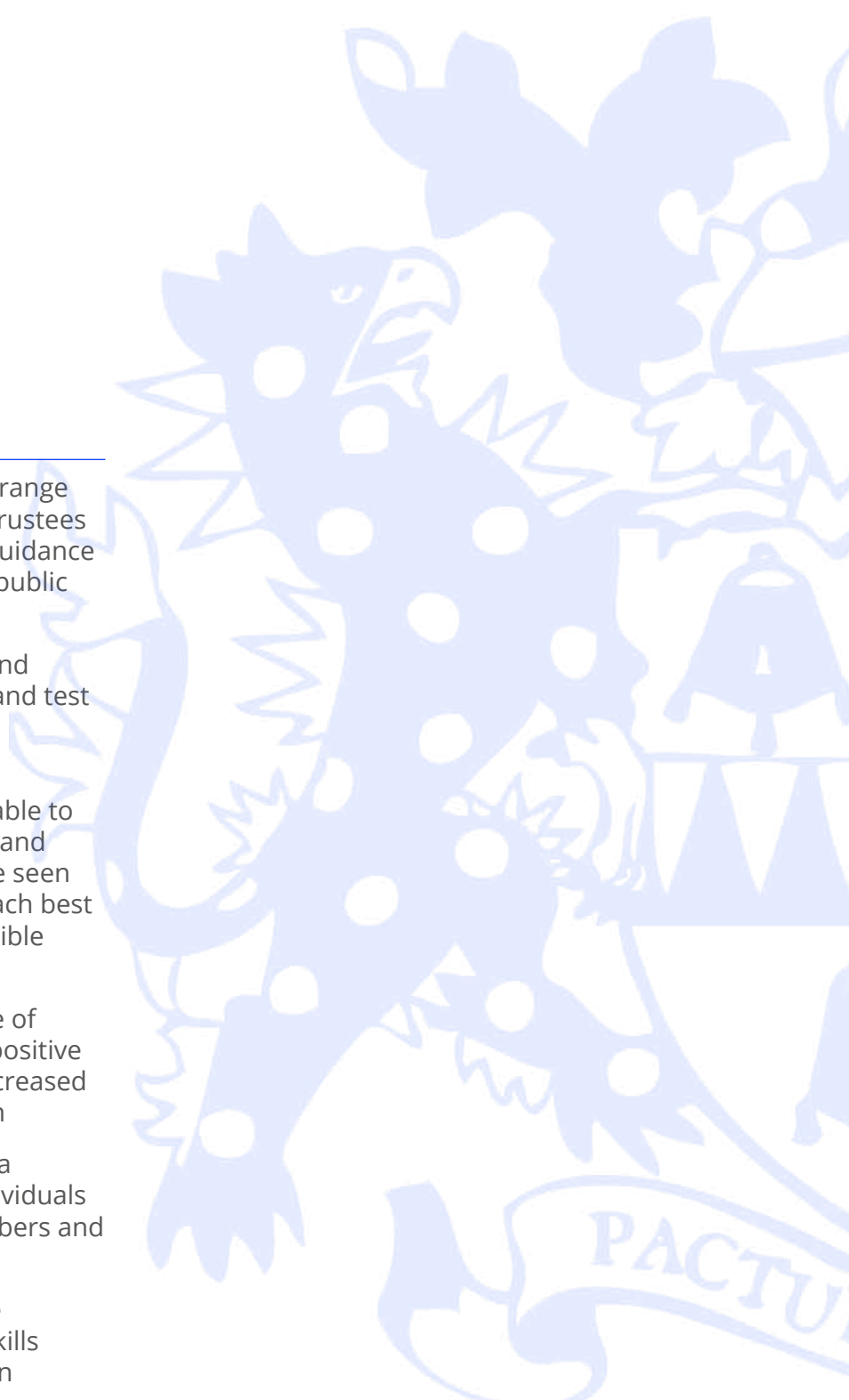


## Public benefit

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CIPS delivers public benefit through a range of activities; these are agreed by the Trustees and considered in the context of the guidance issued by the Charity Commission on public benefit:

- CIPS promotes ethical behaviour and offers its annual ethics e-learning and test to its members free of charge
- CIPS' guidance on responsible and ethical procurement is freely available to members and non-members alike and CIPS' guides on modern slavery are seen as key resources on how to approach best practice for an ethical and responsible procurement strategy
- CIPS' members sign up to the Code of Conduct annually. This promotes positive behaviours that, in turn, lead to increased public confidence in the profession
- CIPS provides its Global Standard, a comprehensive framework for individuals at all levels, free of charge to members and non-members alike
- CIPS provides access to knowledge that promotes high standards of skills and ability among those engaged in procurement and supply.



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# **Achievements & performance**

# Membership

Membership key metrics:	Target 2023	Achieved 2023
Member population	64,000	59,909
Member retention	74%+	68.8%
Net Promotor Score (NPS)	35+	51
Member engagement and volunteer led events - global	Almost 300 events with over 20,000 attendees	

Membership category	2020	2021	2022	2023	Variance 2022-2023	
Affiliate	4,209	5,702	6,632	6,273	-359	-5.4%
Student	36,563	39,182	39,073	36,654	-2,419	-6.2%
MCIPS, fully qualified	17,749	17,868	17,007	16,982	-25	-0.1%
<b>Total</b>	<b>58,521</b>	<b>62,752</b>	<b>62,712</b>	<b>59,909</b>	<b>-2,803</b>	<b>-4.5%</b>

NB: figures for 2021 onwards are reflective of the membership data cleanse.

Despite a focus on our member growth and retention, we finished FY23 with a population of just below 60,000 which is a decrease of 4.5% compared with 2022.

The greatest contributor to this net decline was our student and part qualified population which decreased by 2,419. Although it is encouraging to note that 7,910 new students enrolled with CIPS, this is the highest number in recent years.

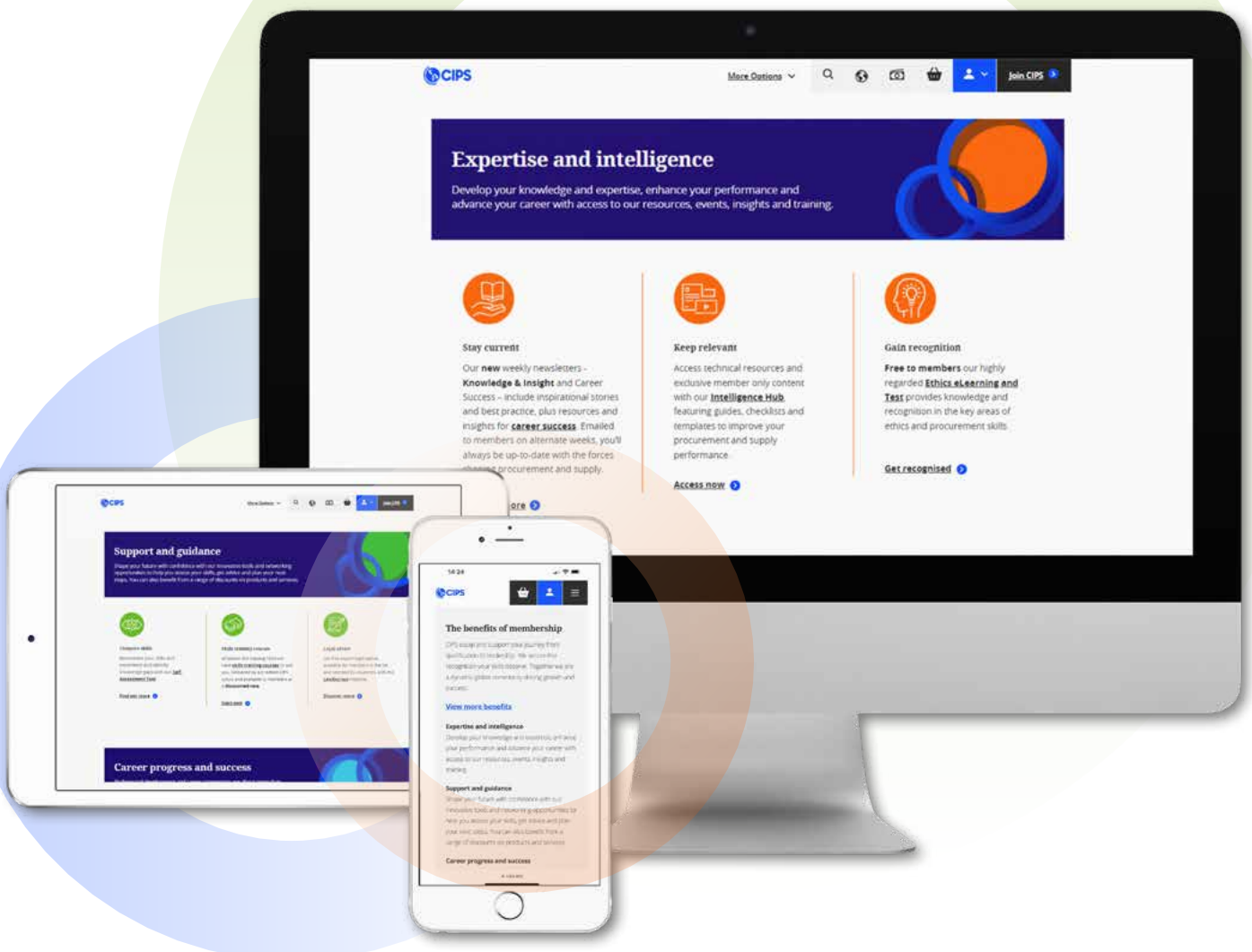
The combined impact of global economic turbulence and a sub optimal member experience due to continuing systems issues have impacted our global member population, and we have seen a higher number of leavers along with low renewals and reinstatements.

As a direct result of the increased focus and campaigns implemented through the year, we have started to recover our renewals and re-joiners to where they were in previous years as we approached the end of the financial year.

Our new 'Value of Membership' framework was completed. CIPS membership; everything you need, at every stage of your career, to realise your professional potential.

The implementation of this included new look member benefits webpages and toolkits for all CIPS departments and for our volunteer community to use. Our new value of membership video featured some of our brilliant volunteers sharing their stories of how much they have gained from CIPS membership and how much it has supported them to progress through their careers. We have ensured that we have based our value proposition on what our members need from CIPS. The work on the new digital first CIPS content programme which launches at the start of FY24 will focus on the member value pillars, and we'll continue to develop benefits that strengthen each pillar.

Our new look member benefits webpages



With our global community of Fellows, we launched and ran a pilot of Mentoring Circles as a new member benefit. We ran 14 circles on a variety of topics aimed at our MCIPS community to help drive connections and shape career roadmaps for members. The intention is that mentoring will become a central proposition to member value in future years as we expand the programme for the benefit of all members.

In August we completed the first year of running monthly student orientation sessions, they continue to have great engagement and feedback from our new students as they help them to understand what's on offer to them as a CIPS member – supporting their studies and beyond. These will continue be held monthly

as part of the engagement and welcome journey. We have begun mapping out a similar onboarding journey for MCIPS and FCIPS.

We celebrated international initiatives including International Students' Day, Volunteers' Week, International Women's Day, Anti-Slavery Day and Global Ethics Day which helped to promote the amazing work our members and volunteers do in support of these important causes.

Given the challenges some of our members have faced this year both with our own systems and against the backdrop of a global cost of living crisis, the decision was taken to freeze membership prices moving into the new financial year.

The CIPS Membership Committee continues to help CIPS respond to the needs of our members. During September, the Committee, supported by CIPS leadership and the membership team, ran seven virtual open member drop-in sessions for each region around the world to capture member voice and inputs into CIPS' future strategy. Almost 500 members (275 Attendees and a further 193 registering their interest) shared their thoughts in the sessions and in the post event survey. In the sessions, 88% said they feel the CIPS strategy is fairly or very important to them. The feedback on the session format was extremely positive and showed a strong appetite for similar future member input sessions. Members appreciated the invitation to participate, and the sessions confirmed that the member value proposition framework rolled out earlier in the year, has the correct proposition and pillars.

The Membership Committee will continue these in 2024 to ensure there is an ongoing mechanism for CIPS strategy and direction to be shared and discussed with members across the world.

“

It's so important for me to be able to acknowledge the work that you, our volunteers do, and the difference you make to the profession and also to CIPS. We truly appreciate what you do - the time and expertise that you give to help support CIPS to achieve our goals - you really are essential to our future plans.”

**Nick Welby**  
**CIPS CEO**

(March 23 - November 23)



# 665

**global volunteers  
provide invaluable  
support in enabling  
CIPS to achieve its  
strategic aims and  
fulfill its Charter  
objectives.**

## **CIPS' volunteers**

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Our amazing global volunteers supported CIPS throughout the year by giving their time and energy, helping to promote the profession and providing a vibrant and connected community. We awarded 46 of our volunteers with long service awards, equating to a total of 465 years of generously giving back to CIPS and the profession through volunteering, with six of the recipients being awarded for 20 years of volunteering.

When asked what motivates them, the highest response is to support and inspire others and promote our profession.

We thanked and celebrated our volunteers again during Volunteers' Week, where we saw increased engagement across our social media channels and content and page views were more than double from last year. We held a fantastic personal development virtual learning session exclusively for our volunteers as a thank you with an award-winning author and expert in persuasive communication.

We have started regional collaboration between branches for their event and activity planning for the ASEAN region and for the UK, where Branch Chairs have started working together with CIPS on a collaborative programme of events and activities for 2024. We will coordinate further regional branch plan collaboration in 2024 with other regions including Africa, Americas and Europe, building on the successful approach already in place with ANZ and MENA.

We developed new format volunteer monthly drop-in sessions combining topical presentations on key CIPS initiatives and a surgery.



Our volunteer groups continue to deliver impactful activity for our members and future members. Our education group has been collaborating with universities and presenting at school and career fairs – helping to showcase the amazing opportunities a career in procurement and supply provides. They helped us to create a new career of choice leaflet and presentation for use at career fairs and other events to inspire people to choose a career in procurement and supply.

The Volunteer Engagement Group met throughout the year and contributed to various initiatives, providing great support to CIPS and our members.

Our volunteer network has coordinated and delivered a combined total of almost 300 virtual and face to face events and attracted audiences from around the globe totalling almost 20,000, demonstrating the value, reach and diversity of the CIPS community.

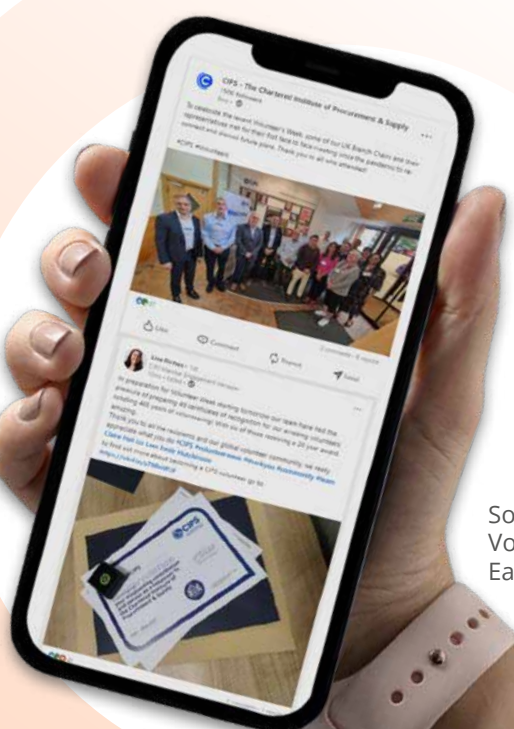
665 global volunteers provide invaluable support in enabling CIPS to achieve its strategic aims and fulfil its Charter objectives.

## Volunteers across the world FY23

Africa	64	10%
Asia	49	7%
Australia and New Zealand	79	12%
Europe	38	6%
Fellows International	10	2%
Fellows UK	9	1%
MENA	90	14%
Southern Africa	55	8%
UK	271	41%
<b>TOTAL</b>	<b>665</b>	<b>100%</b>

## Volunteer networks across the world (Branches)

Africa	9	11%
Americas	1	1%
Asia	4	5%
Australia and New Zealand	9	11%
Europe	4	5%
MENA	14	17%
South Africa	9	11%
UK	33	40%
<b>TOTAL</b>	<b>83</b>	<b>100%</b>



Social media posts to celebrate Volunteers week - the first visit to Easton House for two years.

# Professional Development

Professional Development Examinations	2022	2023 Target	2023 Actual
Global examinations	106,947	107,600	101,457

Note: The 2022 figure above is restated to include examinations taken in Chinese languages, which had previously been excluded. Figures stated now represent all CIPS qualification examinations taken globally.

## Qualifications and learners

The first half of 2023 saw a disappointing dip in the number of exam entries versus budget. This was due to challenges with the online systems to book exams and the payment process for membership. The latter half of the year picked up with the September exam numbers tripled versus budget.

The positive news for 2023 was the increase in new students.

Year	Active Students	New Students
2020	19,337	6,765
2021	21,139	6,649
2022	22,418	7,533
2023	21,435	7,910

## Education and learning

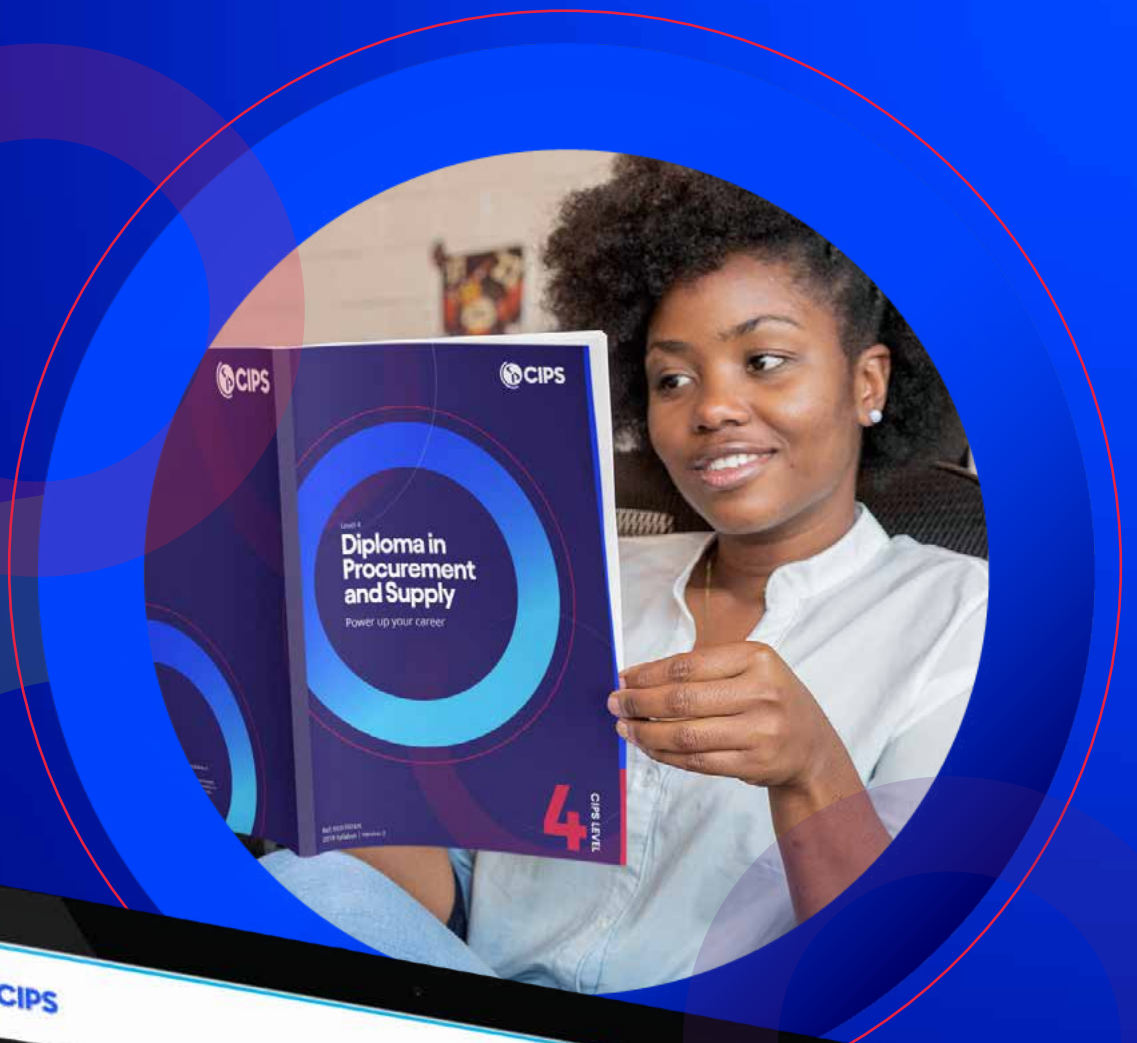
2023 saw the launch of our new Learning Management System (LMS) which is the perfect tool to support the CIPS 'Digital First' strategy.

During 2023, the Level 4 syllabus was reviewed with a small percentage of changes made to the content, specifically around Environmental Social and Governance (ESG).

All eight Level 4 study guides were also reviewed and updated to include new syllabus content along with new case studies and an easier to use format. The books were also rebranded before being relaunched in July 2023.

Both University and Study Centre partnerships grew in 2023 and this is expected to result in more students qualifying to MCIPS via qualifications and accredited degree programmes.

*To reflect best practice CIPS has an independent Board of experts who give strategic direction and oversight of the CIPS Awarding Board. This group of experts is call CABB (CIPS Awarding Body Board) which also has someone from the GBT as a member. They are very active is providing oversight and monitoring of the Awarding Body function to ensure that it remains compliant with all regulators.*



Our new look Learning Management System (LMS), launched in 2023

# Public and private sector customers

## Business customers

CIPS performed very well in the corporate market in 2023. Delivery in a virtual environment has enabled growth with multinational clients, creating an excellent learning environment where peer to peer learning is thriving with geographical boundaries being removed.

The Skills Training portfolio was updated with new courses including a sustainability course that has been very well received. Syndicated Corporate Award programmes, which bring individuals from organisations together to join programmes virtually, have continued to produce outstanding results with applied learning using assignments as verification of learning proving to be very popular in the market. Digital Academy is a product that was rapidly developed and offered to the market in response to a real need for virtual, flexible learning solutions across the world to meet the needs of the market and are delivering to a wide range of global clients.



The reputation and trust of strategic partners depends on the transparent operation of the airport in procurement. CIPS certification confirms this and will enable us to attract international investment for infrastructure projects and facilitate the way to the resumption of flights.”

**Oleksiy Dubrevskyy**

Kyiv Boryspil International Airport CEO.

CIPS for Business has continued to work with new, global private sector clients, across a large variety of industries and sectors.

Long term relationships, where CIPS has worked for more than two years with large organisations has grown 23% year on year and over the course of the year CIPS for Business worked with 194 new clients, 58% year on year growth. This demonstrates that the products being offered are being well received in the market.

CIPS notably awarded Boryspil International Airport in Ukraine with the Primary Procurement Excellence award, this was funded through the CIPS Foundation and proved to be an incredible project, ensuring procurement organisational excellence in a key infrastructure hub in Ukraine. CIPS was very proud to work this client and the award was made to Oleksandr Kubrakov (Deputy Prime Minister – Minister of Reconstruction of Ukraine). This work will lead to other key infrastructure projects in Ukraine.





BORYSPIL



## Airport aims high with CIPS assessment

Kyiv Boryspil Airport was making good progress modernising procurement when it was damaged by a Russian attack and closed in 2022.

Determined to keep moving forward, procurement worked with CIPS to discover if it was on the right path and how to drive a more strategic and structured transformation.

The function is now confident it can hit the ground running from day one after the war - and meet the requirements of potential reconstruction funding partners.

“

The reputation and trust of strategic partners depends on the transparent operation of the airport in procurement. CIPS certification confirms this and will enable us to attract international investment for infrastructure projects and facilitate the way to the resumption of flights.”

Oleksiy Dubrevskyy  
Kyiv Boryspil International Airport CEO

CASE STUDY  
PROCUREMENT  
EXCELLENCE PRIMARY  
AWARD



Over the course of the year CIPS for Business worked with

**194 new clients**

**58%**  
year on year  
growth



## Sustainable Procurement Skills

14HRS

### Is it right for me?

Sustainability in the supply chain affects every one of us. Every moment we delay taking action to ensure our supply chain is sustainable means we will need to do more in the future - so the future starts now. Organisations have a key role in playing their part to create a sustainable future and to do this they need procurement and supply teams who have the right knowledge and expertise.

The Sustainable Procurement Skills course will show you how to bring sustainability to the core of your procurement planning and how to create strategies to deliver long term sustainability.

### What will I learn?

As part of this course, you will have access to pre and post work activities to help you prepare and reflect on your training. The course will help procurement and supply teams deliver positive outcomes against environmental, social and economic goals and challenges. You'll learn how to ensure sustainability runs throughout your procurement plans and how to bring term strategies for delivering sustainable value for money.

### What are the learning objectives?

By the end of this course you will be able to:

- Apply sustainable objectives at each stage of the procurement cycle.
- Understand and align your strategic aims to the UN Sustainable Development Goals (SDGs)
- Understand how to embed or encourage a culture of sustainability through effective leadership.
- Utilise sustainability models such as life cycle costing and circular economy (reuse versus recycle)
- Manage incentivising suppliers effectively to operate within a circular economy.
- Look for and avoid the unintended consequences of sustainability.
- Embed sustainability into your selection and evaluation processes.
- Learn about accessibility, inclusivity, and supplier diversity and how this enables sustainable supply
- Manage the practicalities of sustainability once contracts are live.
- Plan for a more sustainable future.

TRAINING PORTFOLIO



## Procurement Skills Training Portfolio 2024

DELIVERED BY CIPS  
FOR BUSINESS



# Marketing and communications

## New content strategy for CIPS members

During 2023, we undertook a full market review and retendered our out-sourced contract publishing and events provision, and formed a partnership with a new agency to support our content goals which are to:

- support members and customers of CIPS at every stage of their careers
- support the acquisition of non-members/customers
- promote CIPS as the 'go to' organisation for all involved in the procurement and supply profession
- reinforce/create CIPS' position as the voice of the profession.

Additionally, and in support of the emerging corporate strategy for CIPS, our ambition is to move away from a publishing and event management contract, badged under a sub-brand, to a digital-first, data-driven, personalised, CIPS branded, always-on, content-led strategy – grounded in what our members want and need. All of this will become central to CIPS' member/customer value propositions and therefore our relevance and accessibility as an organisation.

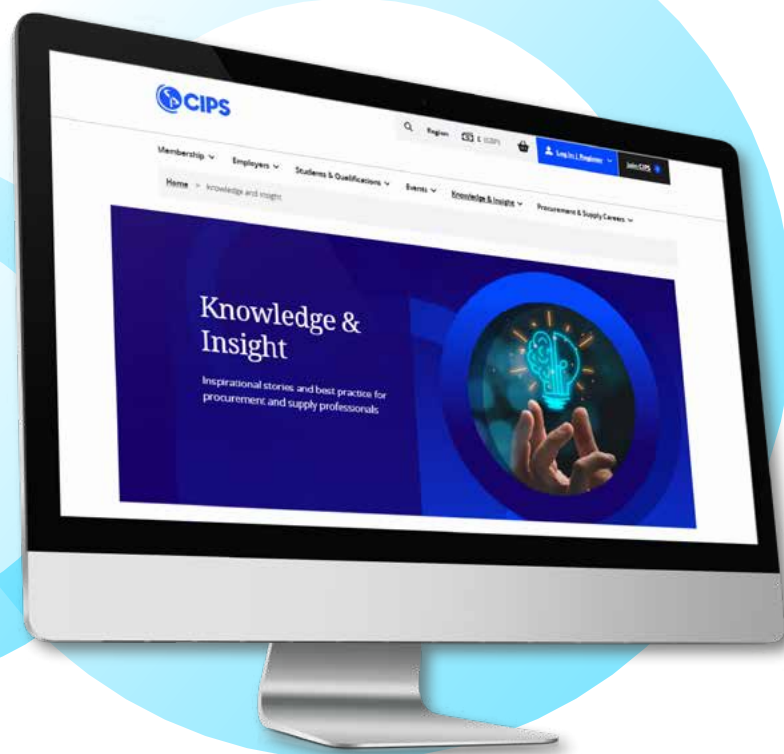
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It was highly interesting and somewhat overwhelming to understand the work that needs to be completed to meet scope 3, but very reassuring to know that we are not alone and that others are in the same position.”

As part of the transition to our new partner, we undertook a 'discovery phase,' during which we surveyed and held interviews with existing members and customers as well as non-members/customers. Over 2,000 CIPS members supported the research undertaken during the discovery phase.

The new programme has been developed with these insights in mind and will be developed and start to roll out in early 2024.

**One important change:** as part of this new strategy, all of our content will be produced digitally and will be instantly available to all members online. As a result, we have retired the Supply Management magazine, in print and online, and the Supply Management news feed. Relevant content will be migrated to CIPS.org where we will increase the richness, variety and frequency of content in response to what members have told us and in a way that is more relevant to supercharge the careers of our members.







## Other highlights

**Love to Shop** promotional material developed for CIPS' volunteers to use in their outreach work with young people entering the world of work, highlighting procurement and supply as a great career choice.

**Events and productions** – we ran a series of flagship events again in 2023, attracting audiences in person and online:

**February, Procurement Futures Conference**, London, over 400 attendees with a range of content themes and sessions for attendees to immerse themselves.

**June, UK Graduation** –Peterborough Cathedral, over 200 students celebrated achieving our MCIPS qualification.

**June, Sustainable Procurement Summit**, London, the second CIPS Sustainable Procurement Summit saw almost 300 attendees convene at London's Kia Oval to discuss a multiplicity of topics related to sustainability and the important role procurement and supply has to play.

**July, Procurement Power List** unveiled recognising and celebrating procurement leaders who are driving procurement and supply chain forward in their organisations and the wider profession. This year we created a Procurement Power List alumni, inviting members on the day the List was revealed to a series of round-table discussions hosted by CIPS and Warwick University to discuss issues of supply chain risk and resilience.



### **September, CIPS Excellence in Procurement Awards**

were again held in London with the highest number of entries in the past five years. Attendance on the night was also the highest in the past five years at over 1,000. In support of our focus on sustainability we added two new awards categories – Best Commitment to Carbon Reduction and Sustainable Procurement Champion, both very well received. Entries to the Sustainable Procurement Category were voted on by members and over 2,200 votes were received.

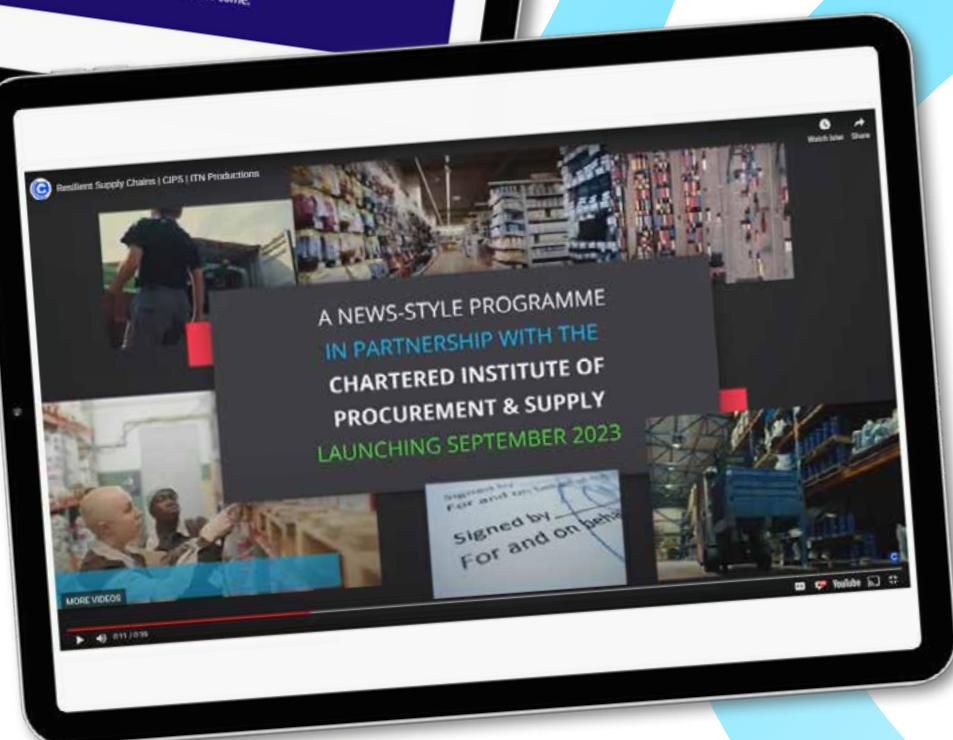
**June, CIPS 2023 Salary Guide** – launch webinar for the CIPS UK Salary Guide took place, followed by launches of the regional Salary Guides in July. The UK launch event attracted over 900 registrations with almost 400 viewing live on the day.

**October, CIPS Symposium** – hosted by Warwick Manufacturing Group, part of the University of Warwick, the event welcomed over 180-in person and 250 virtual attendees from students of our accredited degree programmes.

**September, Resilient Supply Chains** – CIPS continued its partnership with ITN in 2023, producing a groundbreaking news-style programme and digital campaign, 'Resilient Supply Chains' to illuminate the indispensable role of procurement and supply chain management in today's dynamic business landscape. As part of the series of programmes, there was an exclusive studio interview with Alison Barto, Chair of CIPS, discussing how the profession has successfully navigated change in recent years and how it is contributing to the development of ethical and sustainable supply chains, putting people and planet at the centre of procurement practice.







“  
Disruption to supply chains is here to stay and we hope our programme will provide a platform to help organisations mitigate risks and identify areas of vulnerability to get control of what’s ahead in 2023.”

**Nina Harrison-Bell**  
Head of ITN Business

# Our people

## Movements

CIPS' global headcount across the year grew from **221** to **234** with a selective entry of new talent into the organisation. These new employees have been recruited to fill gaps, increase digital capability, and support critical growth across all departments and regions. We have brought in **49** new employees and bid farewell to **36** employees over the year. In 2022 our turnover globally was **21%** with the UK at **16%**. In 2023 we have reduced that to a competitive **13%**, against a UK average of 15%. This shows that the view we took in late 2022, that our workforce was stabilising after the previous two years of disruption, was correct.

We have reduced our reliance on recruitment agencies by **66%** in 2023 versus 2022 and delivered a further 42% savings on the 2023 recruitment budget by streamlining recruitment processes, better networking, and time management. At the same time, we have filled 75% of our vacancies within 12 weeks of the role becoming vacant, which indicates that our ability to attract suitable candidates has not been compromised.

## Engage survey

Our internal engagement survey results have seen a consistent improvement over the course of the year, from a starting point of 7.7/10 to 7.9/10 in the final survey of the year. We developed action plans to ensure that concerns raised in the survey were addressed at a departmental, regional and organisational level, and this has contributed to increased confidence in the leadership of CIPS.

The action planning activity has resulted in 77 actions being captured, ranging from workload to individual development and collaboration challenges. Many of these require ongoing action, however we have resolved 50% of the issues raised and will aim to increase the resolution rate in FY24.

## Remuneration and benefits

With the support of our Remuneration Committee, we took a slightly different approach to annual salary increases in FY23, awarding a sliding scale of increases to assist lower income earners. This was extremely well received, as were the additional benefits we introduced in 2023 including additional leave in the form of a wellness day, enhanced maternity leave for some regions and buying and selling of leave.

We have commenced work on our Employee Value Proposition (EVP) and will be finalising and rolling this out in early 2024. We expect this to support our objectives of attracting and retaining talent, especially as we move into the competitive arena of more digital ways of working.

## Wellbeing

The health and wellbeing of our employees remains central to our people strategy, and we continued with various interventions in 2023 to both support our people and increase awareness of the support mechanisms available to them, through the likes of BUPA, MIND and our mental health first aiders who continue to provide this valuable service internally.



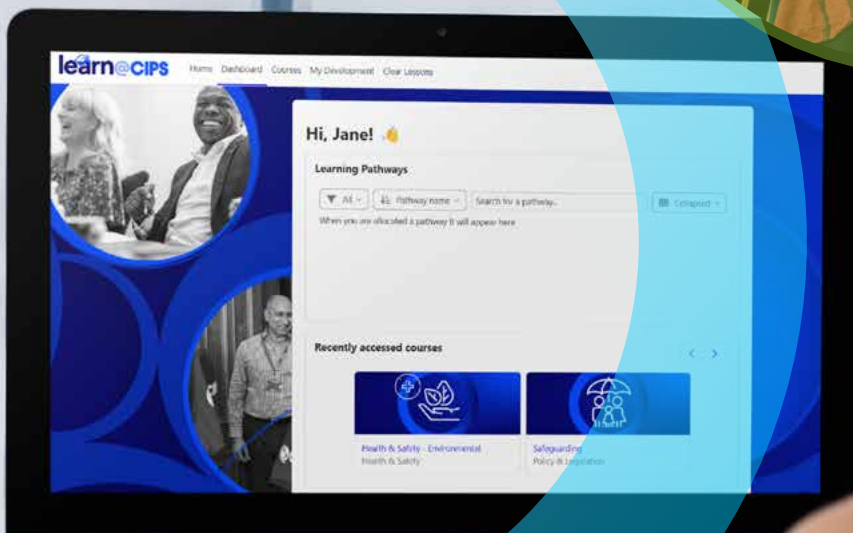
## Culture

Our focus in 2023 was on building our change resilience and readiness as we move into the arenas of digital transformation and process improvement to enable CIPS to be fit for the future. It is vital that we enable our people to cope with ongoing change and to embrace the opportunities that result from improved systems and processes, create excitement for the change journeys to come and enable our people to learn new skills and contribute in different ways.

With this in mind we successfully launched our internal learning platform in 2023 which provides access to a wide range of learning materials which our employees can access at will and has allowed us to deliver our mandatory training for FY23.

We also launched our refreshed and updated CIPS intranet and internal newsletter, which provides a forum for our employees across the globe to share their stories and experiences.

This focus on continuous learning and improvement of employee services will continue into FY24, with the addition of a new performance appraisal process and a formal linkage of reward to achievement.





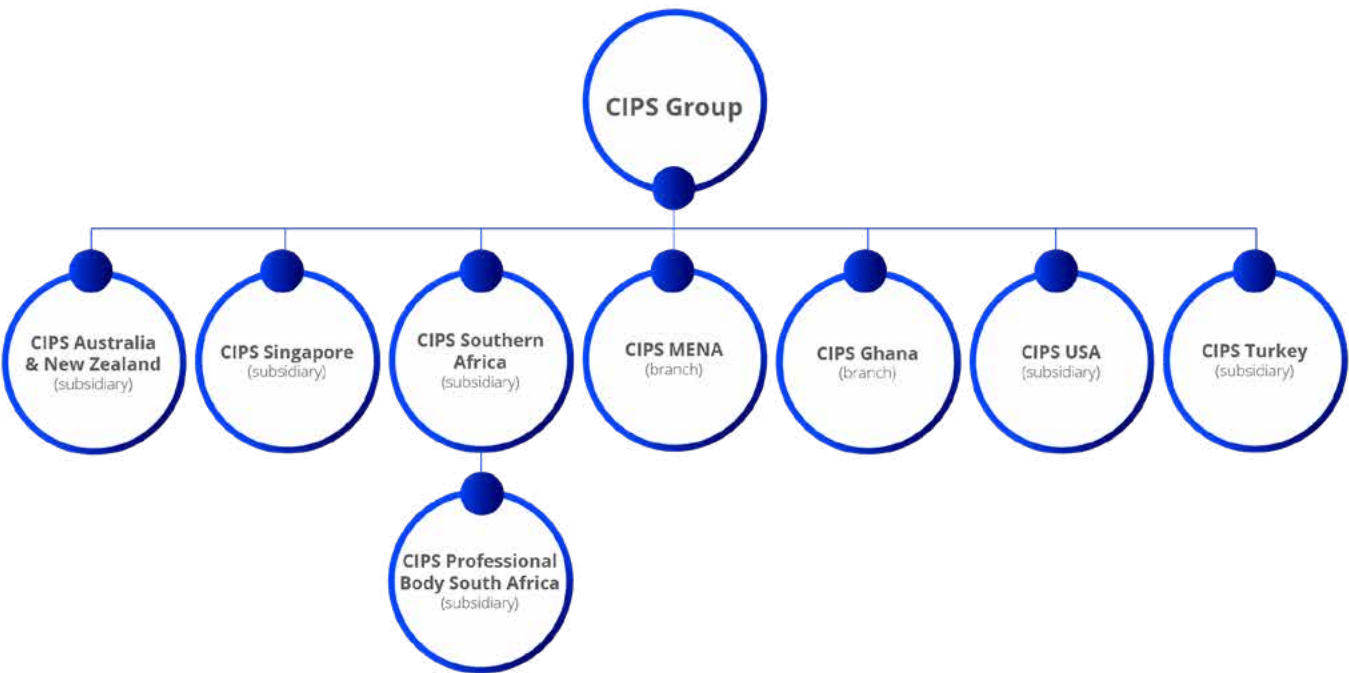
# Governance

Our approach to governance is to ensure we have the right structure, processes and people in place. In 2021, we undertook a significant review of CIPS governance, with the aim to modernise the structure and associated practices, to ensure they are fit for purpose and to support us now and into the future. In 2022, surveys and focus groups involving volunteers were completed and members were consulted to obtain their views on different options for the future governance of CIPS. We seek to engage with our members globally and appeal to future members, whilst ensuring that good practices in governance are enshrined in our operating model. Following member approval at the AGM in July 2023, the Privy Council ratified the amended Charter and Byelaws in December 2023; these governing documents reflect the modernised governance structure and will support with the delivery of the strategy.

## Group structure

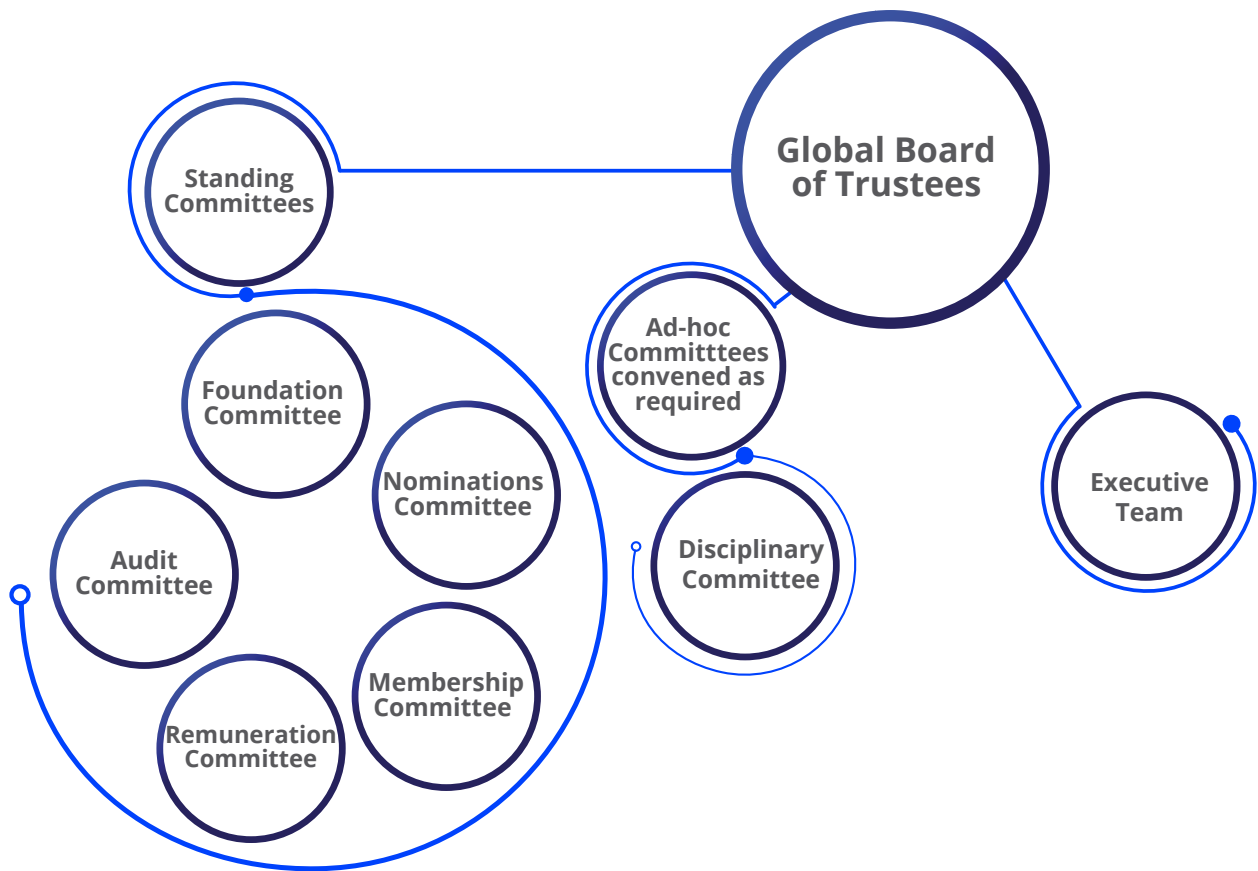
CIPS was established in 1932. In 1992, CIPS was awarded a Royal Charter in recognition of its status as the leading body for the profession. CIPS is a registered charity (Charity No. 1017938) dedicated to the promotion of education in procurement and supply. As a professional body incorporated under Royal Charter, CIPS operates in accordance with its Charter and Byelaws and within the provisions

of the Charities Act 2011. CIPS is a not-for-profit organisation. CIPS’ headquarters is in the UK with regional subsidiaries globally (see diagram). CIPS also operates a linked charity, the CIPS Foundation (Charity No. 1017938-1), whose purpose is to improve lives through better supply chains. CIPS has a physical presence at the following subsidiaries and branches:





## Governance structure and CIPS Group Diagram



### Membership Committee

The Membership Committee is a sub-committee of the Global Board of Trustees and allows us to listen to our members more effectively. Hearing the voice of members as directly as possible, helps set the direction of CIPS and ensures members are at the heart of the decisions we make. The Membership Committee is an agile and responsive mechanism, allowing equal representation of all major locations in which we operate in today.

The Membership Committee ensures:

- Members' views are heard by GBT and addressed by the Executive
- The feedback mechanisms used by the CIPS Executive work and are fit for purpose

### Global Board of Trustees' composition and selection

The Trustees serve in a non-executive capacity. They commit their time and expertise to CIPS without remuneration, providing leadership in fulfilment of CIPS' Charter and charitable objectives, and ensuring the delivery of the organisational strategy. Although unpaid, Trustees nevertheless assume fiduciary responsibilities on taking office and are expected to exercise responsible stewardship of both CIPS' resources and its reputation throughout their term of office.

The Global Board of Trustees has up to 15 seats. The majority of Trustees are MCIPS or FCIPS with the exception of those selected for their expert knowledge such as accounting and finance. Each year the Nominations Committee works with the Board to agree the selection criteria. The vacancies are then advertised by an executive search agency, with both members and non-members encouraged

to apply. Candidates who best match the selection criteria are interviewed by the Nominations Committee with input from the Chair of the Global Board of Trustees and the CEO. Previously, successful candidates were appointed by the Board, however, following the amendment of the Byelaws, the final approval of the appointments will be made by members at a general meeting.

Key topics discussed by the Global Board of Trustees include:

- strategy
- risk management
- budget control and financial performance
- improvements to CIPS' governance
- membership.

### **Trustee induction and training**

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All Trustees are required to attend an induction and are given supporting materials to help them in their role. The induction includes details of CIPS and its activities, the governance structure and the Trustees' legal duties and responsibilities under Charity Law.

Trustees are encouraged to undertake continuing professional development to ensure that they maintain and enhance their skills and knowledge. They sign an annual agreement which sets out their obligations including a commitment to take responsibility for understanding their role and acquiring sufficient knowledge about CIPS and its operations to be able to make informed decisions.

CIPS supports Trustees by updating an online portal with information as applicable; the Trustees also have access to the Company Secretary, who provides support as required. The Global Board of Trustees meets at least four times each year, meetings are held physically, virtually and hybrid.

### **Remuneration**

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The Trustees do not receive remuneration for their services on the Board. The salaries across the Group including the Group CEO's remuneration are the responsibility of the Remuneration Committee. The Remuneration Committee consists of three members (the Chair of the Global Board of Trustees and two Trustees). Each year, the Committee reviews and approves CIPS' pay and bonus policy for the forthcoming year for its relevance and appropriateness. The Committee considers external expert advice including benchmarking data.

### **Related parties' transactions**

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The Global Board of Trustees and the Executive Team are required to declare all parties connected with them that may be classified as related parties. All transactions with related parties must be disclosed; forms are completed annually.

# Risk management

## How we manage risk

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Risks are defined as any potential event which could prevent the achievement of the Charter objects, strategic or other departmental objectives.

CIPS' policy is to identify, assess and respond appropriately to all risks. The effectiveness of risk management and the resultant controls are reported to the Executive team and Audit Committee quarterly via the Risk Group for appropriate review and challenge. The risk register is shared with the Global Board of Trustees at each of the quarterly Board meetings and Trustees offer their external perspective on the risks.

## Responsibilities

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The Risk Group is chaired by the Company Secretary and implements all elements of the Risk Management Framework across CIPS Group. The Risk Group monitors and reviews the Organisational Risk Register and provides upward reporting to the Executive Team on these risks. The Risk Group is supported by various third-party assurance providers in terms of stated controls and mitigations to enable the links between the relevant inputs, outputs and interactions. The Executive Team is accountable to the Audit Committee and the Global Board of Trustees for the delivery of the risk framework.

## Key principles

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It is good business practice to ensure that risks are considered and managed across CIPS Group.

Risk management is integral to the strategic planning process, business decision making and day-to-day operations.

Risk mitigations must be appropriately devised to address the specific circumstances.

The Risk Group must regularly assess the status of risks, mitigations and controls.

Compliance with this framework must be monitored and reported where necessary.

## Risk statement

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Overall, the Global Board of Trustees is satisfied that the major risks have been reviewed and mitigation plans are in place. Major risks are defined as high impact and a high likelihood of occurring.

## Other areas of risk

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Previously, the risks associated with the Covid-19 pandemic were the focus of the Executive Team and the Global Board of Trustees. The risk was categorised as extremely high impact with a potentially catastrophic effect on CIPS' business model, including a decrease in revenue due to lack of demand for CIPS' services, cancellation of exams, employees unable to work due to illness and closure of offices globally. However, CIPS' Global Board of Trustees and the Executive managed and monitored the situation, controlled costs and non-essential spends and projects.

Given the success of remote working and mitigations implemented across the organisation, including remote invigilation and virtual delivery of products, this risk has significantly reduced.

## Description of the principal risks and uncertainties

Risk	Principal mitigation
CIPS strategy has not kept pace with change and the risk is the strategy is out of date	<ul style="list-style-type: none"> <li>CIPS new strategy has been developed and is being finalised</li> <li>In a digital-first world the CIPS strategy needs to consider where to play, how to play and the products being offered. The current strategy needs reviewing to ensure it is relevant for the future</li> <li>Strategy revision for CIPS to ensure a digital first approach</li> <li>Ongoing research and work to ensure CIPS is 'keeping up' with major trends</li> </ul>
Impact of digital disruption on CIPS business model, CIPS fails to keep up with Digital disruption and loses relevance with customers and stakeholders	<ul style="list-style-type: none"> <li>Stabilise the platform and enable future upgrades</li> <li>Ensure upgrades are implemented correctly to allow re-engineering of customer journeys</li> <li>Use the development of the new strategy to plan a digital roadmap of offerings, implementations and upgrades, using external insight, member input and challenge</li> </ul>
Failure to prevent Cyber-attacks and confidential data breaches	<ul style="list-style-type: none"> <li>Cyber risks are being addressed as part of the IT risk mitigation plans; cyber insurance is also in place</li> <li>Processes are in place to safeguard against data breaches</li> <li>CIPS has good up to date technical security systems in place protecting the network and our client computers and servers</li> </ul>
Failure to retain members because of a lack of value proposition	<ul style="list-style-type: none"> <li>A clear value proposition is being developed</li> <li>Work is underway to understand the decline in membership and identify action plans</li> <li>Payment options are being reviewed so members have more flexible ways of transacting with CIPS</li> </ul>
Failure to understand the gaps in capability (People), and failure to have the right people, culture and organisation to grow	<ul style="list-style-type: none"> <li>There is a risk that we cannot effectively manage the business without understanding the capabilities (and gaps) in the organisation. We need the right skills with the right mindset in the right culture</li> <li>Baseline work being undertaken as part of a HR programme</li> <li>This area needs to be included in the strategy</li> <li>Analysis of gaps and identification of remedial measures</li> <li>Build the talent map and implement necessary actions to remedy</li> </ul>
The delivered digital platform does not deliver a stabilised platform to support members or to support growth	<ul style="list-style-type: none"> <li>The new platforms are not working as effectively as desired which could lead to reputational risks as customers become increasingly frustrated</li> <li>The outstanding issues are being addressed with the supplier and prioritised by Executive</li> <li>Workarounds have been developed and will be in place until all activities can be undertaken on-system.</li> <li>Updated framework implementation will be undertaken during 2024, this will mitigate the majority of challenges with the current platforms, the implementation will also include improvements to user journeys</li> </ul>





# CIPS Foundation

(charity number 1017938 – 1)

**The Foundation is a linked charity to CIPS and focuses on charitable grants and partnerships.**

**The purpose of the CIPS Foundation is to improve people's lives through better supply chains.**

## Foundation Committee

The Foundation Committee is a sub-committee of the Global Board of Trustees and supports the Board by:

- developing and recommending the Foundation Strategy
- monitoring and delivering the strategy
- ensuring compliance with relevant legislation
- ensuring financial stability for the charitable activities.

## Bill & Melinda Gates Foundation

CIPS continues to work closely with the Foundation on the following projects:

- **Gates Foundation bursaries** – 60 recipients across the Health Procurement Africa regions are studying for CIPS Level 4 qualification.
- **Gates Foundation bursaries** – 5 high performing students across the Health Procurement Africa regions are undertaking Level 5 and 6 qualifications.

## ActionAid Zimbabwe

The Foundation continued to support ActionAid in Zimbabwe. This project focusses on developing new supply chains and improving existing ones; to benefit those that rely upon these chains for food, employment and sustainable development programmes. This project is taking place in 20 districts in Mashonaland, Manicaland and Matabeleland North and South provinces – 12 districts under the goat value chain and eight under the pork value chain.

- **224 young and female farmers** are now doing piggery production
- **6,421 farmers** are benefitting from new private sector partnerships
- **40 pig farmers** have received **\$168,000** of capital financing from formal banks
- **more than \$147,650** has been raised through the Direct Meat Marketing Initiative.

## Procurement Excellence Programme

- Through funding from the Foundation, Kyiv Boryspil airport were able to achieve their Procurement Excellence Primary award.





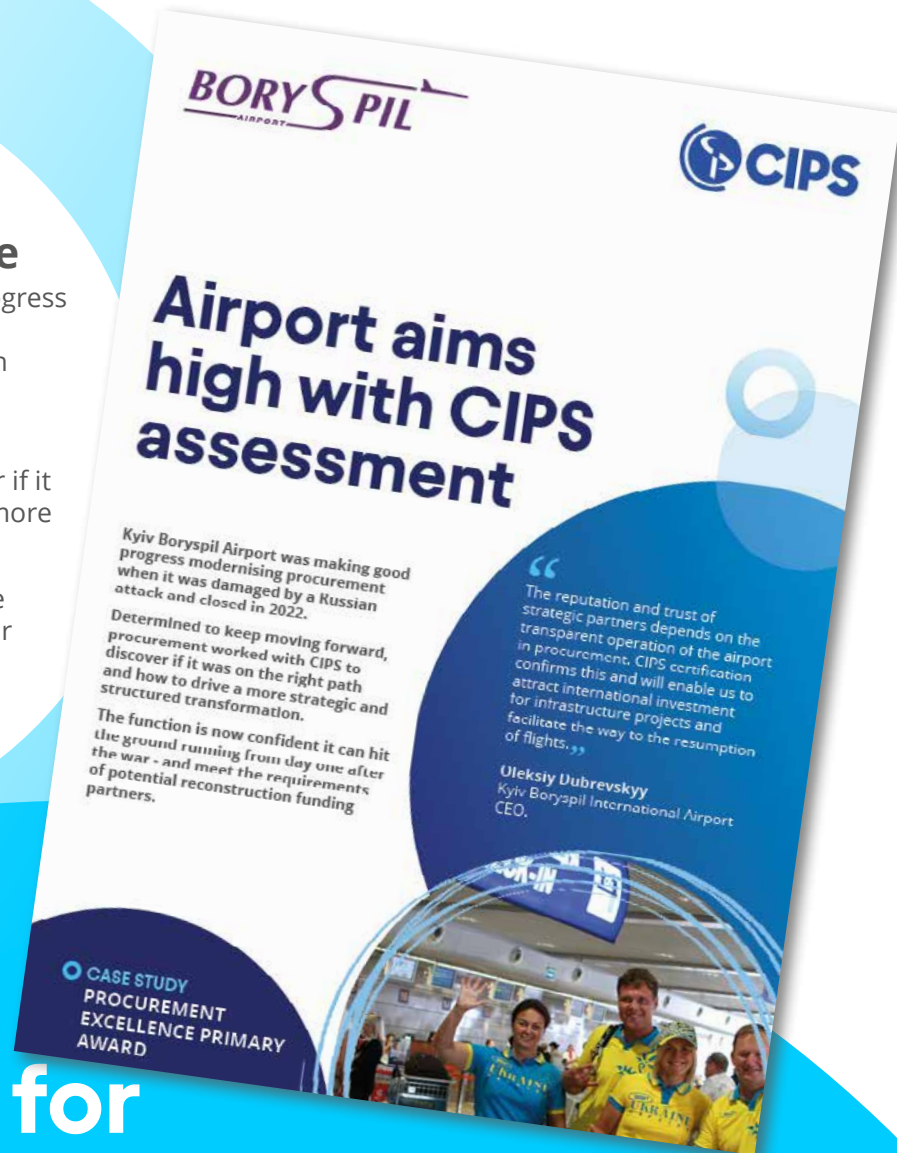
## CASE STUDY:

### Boryspil Airport - Ukraine

Kyiv Boryspil Airport was making good progress modernising procurement when it was damaged by a Russian attack and closed in 2022.

Determined to keep moving forward, procurement worked with CIPS to discover if it was on the right path and how to drive a more strategic and structured transformation.

The function is now confident it can hit the ground running from day one after the war - and meet the requirements of potential reconstruction funding partners.



# The benefits for Kyiv Boryspil Airport

The organisation describes the Performance Excellence Primary Award process and certification as vital to its growth now and its long-term strategy by enabling it to:

- Demonstrate that procurement activities comply with the highest international and ethical standards and national legislation
- Meet the standards of efficiency and transparency required by The World Bank, EBRD, IMF and other potential funding partners
- Evidence that procurement conducts its work with discipline, consistency and efficiency
- Define a vision for the function and a strategy for procurement that will guide decision making, resource allocation and response to future opportunities and challenges
- Increase respect for procurement as a value provider within the organisation
- Make cost savings by reviewing and refining processes in terms of the economic rationale for procurement
- Raise morale and motivation among the procurement team
- Improve cross-functional working and awareness of how the end-to-end procurement process is managed
- Become a benchmark for what is possible for other Ukrainian airports.

# Financial review

**Review of CIPS' financial performance and position for the period ended 31 October 2023.**

## CIPS group

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The year to 31 October 2023 was positive in terms of Revenue with the CIPS Group reporting total group income of £34.2 million (2022: £30.2 million). Although revenues were below budget expectations this still reflected a growth of 13% in total income compared to the previous year, including a £4.3m increase in corporate business revenue.

CIPS has continued to strategically invest in its team and technology with both being seen as key enablers in the delivery of CIPS future strategy and which has resulted in a higher cost base in 2023. All spend has been carefully scrutinised and controlled throughout the year, and costs overall were within budget. However, the lack of growth in Professional Development Revenue and the decline in membership meant that the overall revenue growth achieved was not sufficient to cover the increased cost base in year as planned. Resultingly, a net loss before investments of £0.3m is reported (2022: Net gain of £2.4 million).

Compounding the losses from charitable activities, a further £0.8m of actuarial losses on the defined benefit pension scheme resulted in a net movement in funds position of negative £1.1 million (2022: negative £0.7 million). This worsening in position of the pension scheme asset was as a result of inflationary increases being higher than expected, and asset performance being below expectation.

Corporate business income has increased substantially by 34% to £17.1 million (2022: £12.8 million) and accounts for 50% of total income. We have seen significant

growth in demand for our Corporate Award Programmes, particularly in the UK and Middle East, and delivery in a virtual environment has made our products and training even more accessible to our global clients. The future continues to look positive, with further growth expectations supported by a very strong pipeline of opportunities for the year ahead. CIPS also continues to be very proud of the work it is doing with the Bill & Melinda Gates Foundation focused in Kenya and Nigeria, as well as the work done this year with Boryspil International Airport in Ukraine which was funded through the CIPS Foundation.

Membership and Professional Development revenue accounted for 38.9% of total income and decreased by 3% to £13.3 million (2022: £13.7 million) with the decline reflecting a slight reduction in membership population. A combination of the economic and cost of living pressures being faced by many, as well as our own system issues impacting upon customer experience has resulted in member population falling from 62,752 at October 2021 to 59,909 at October 2023. Maintaining relevance, ensuring a highly attractive value proposition for members, and growing our member community are key priorities for CIPS. Our new "Value of Membership" framework was completed during the year, and we are excited by the many initiatives planned that will enable us to better engage with our members and to provide greater value and support to them throughout their career.

In comparison to the Revenue growth of 13%, expenditure on charitable activities increased by 24% to £34.4 million (2022: £27.9 million). This higher proportionate expenditure is driven by an uplift in IT

support costs and includes a £0.7m increase relating to amortisation costs of the systems implemented during 2022. Furthermore, as CIPS continues to strategically move towards becoming more digitally enabled, IT support costs have increased significantly and include costs incurred during the year to address system performance and functionality issues, ongoing costs associated with maintaining our platforms, and continuous improvement investments into developing technological capabilities.

At 31 October 2023 the group cash position was £6.1 million (2022: £5.2 million) and comprised of cash at bank and short term deposits. Repayment of the CBILS loan has continued as planned.

### CIPS charity

CIPS charity performance in the year is the primary contributor to the performance of the Group, as described above. The charity's Total income of £28.4 million (2022: £24.4 million) represents 83% of CIPS group results. The charity has contributed net income before investment gains or losses of £44k (2022: £2.1 million).

### CIPS Corporate Services Limited

CIPS Corporate Services sells and distributes books, e-books and e-learning related to the training and examinations set and administered by the CIPS group. The company's turnover increased by 6% to £1.2 million (2022: £1.1 million) as a result of increased bookshop sales and showed recovery against the decline seen in the prior year.

Profit for the year was £0.9 million (2022: £0.8 million) which was distributed to the parent charity as a transfer of taxable profit under Gift Aid.

### International offices

The companies forming the CIPS Group have seen a mixed performance this year. Net profit/(loss) by entity has been recorded as follows:

	2023 Net Profit (£'000)	2022 Net Profit (£'000)
CIPS Australia and New Zealand Pty Limited	(87)	64
CIPS Southern Africa Pty Limited	343	81
CIPS Professional Body Southern Africa NPC	(125)	137
CIPS Singapore Pte Ltd	77	156
CIPS Satinalma Tedarik Egit. Hizm. Ltd. Sti	43	17
CIPS USA Inc	(287)	(236)

Whilst CIPS Professional Body saw a decline in Revenue, CIPS South Africa Pty's Revenue increased by £346k (16% growth over prior year) driven by corporate revenue. On consolidation the two entities delivered Revenue Growth of 8% and Net Profit was in line with the Prior Year, showing the benefit of CIPS diversification in products, customer base, and supported geographies. The Net Profit position of CIPS Professional Body South Africa NPC was negatively affected in 2023 by one off impacts totalling £160k as a result of corrective actions taken to address legacy compliance matters relating to VAT, which are now fully resolved.

CIPS Turkey also showed some recovery in 2023; a positive sign following a challenging year in 2022 impacted by the volatile economic environment.

CIPS Australia and New Zealand had a difficult year suffering a decline in Revenue and a small net loss. Revenue has been impacted by internal challenges with employee churn, but with new talent successfully recruited and onboarded at the start of FY24 who are focused on corporate business development, both stabilisation and growth is expected for the year ahead.

CIPS USA experienced another difficult year and although we have continued to maintain positive customer relationships and build upon our number of corporate customer contacts, we have been unsuccessful to date in achieving a significant impact in this market. We continue to see clients defer on decision making and a reluctance to invest, whilst they focus internally on addressing their own business challenges arising from the many volatile external factors impacting the Americas today. In the short term the loss-making position of the entity needs to be addressed and actions have been taken to reduce the cost base of the entity whilst we continue to deliver excellence to our customers and actively explore business development opportunities. CIPS recognises that we need to strategically reposition ourselves to deliver upon the potential in this market and are focussed on developing our product offering and strategic approach for the future.

### Reserves policy statement

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As at 31 October 2023 the total of group investments, short-term deposits and cash at bank amounted to £10.5 million (2022: £9.7 million). The total funds of the group, including the pension reserve surplus, are £8.6 million (2022: £9.8 million) of which £0.4 million is restricted, £6.2 million is unrestricted and £2.0 million is the pension reserve.

CIPS maintains reserves to fund major new initiatives and as a shield against future downturns. The Global Board of Trustees has established a policy, reviewed annually, of maintaining reserves at a discretionary minimum level.

Free reserves are those funds freely available to be used for the purposes of the charity. To this end, CIPS excludes certain elements of its funds from free reserves where they are not considered freely available. This includes tangible and intangible fixed assets, restricted funds, and the asset or liability related to the defined benefit pension scheme.

The Trustees note that CIPS holds significant deferred revenue balances until services are delivered and receipts are recognised as revenue. This deferred revenue is effectively offsetting cash reserves which are available for CIPS to use as long as it operates as a going concern.

CIPS therefore calculates an adjusted operating reserves figure in addition to calculating free reserves. Those elements of deferred revenue which represent a surplus over the anticipated costs of delivery amount to approximately £3.4 million (2022: £2.8 million) and are presented below as an adjustment to provide a better representation of the funds the organisation has on hand to use in its operations.



The Trustees have set a targeted level of adjusted operating reserves equal to 3 months of operating expenses, based on the actual expenditure in the previous financial year.

	2023	2022
	£000	£000
Total funds as per group balance sheet	8,626	9,767
Less restricted funds	(383)	(383)
Less tangible fixed assets	(1,291)	(1,253)
Less intangible fixed assets	(6,155)	(7,236)
Less pension scheme asset	(2,075)	(2,682)
<b>Free reserves</b>	<b>(1,278)</b>	<b>(1,787)</b>
Anticipated surplus on deferred revenue funds held	3,254	2,753
<b>Adjusted operating reserves</b>	<b>1,976</b>	<b>966</b>

At the end of the year the target adjusted operating reserves level was £4.5 million (FY22: £3.6 million). A continued shortfall against the targeted levels was anticipated due to the strategic investment in IT system upgrades during the financial years ending 31 October 2020 to 31 October 2022, which gave rise to an intangible fixed asset that is excluded from the reserves calculation.

The investment was agreed, despite the pressures created by Covid-19, due to its importance for the future of CIPS through enabling future growth and delivery of strategic goals. The Trustees accepted that this would deplete reserves during the period of investment.

During this financial year we have successfully contributed £0.5m to Free reserves and £1m to Adjusted operating reserves. Further recovery of the reserves position is expected during the financial year ending 31 October 2024 and balancing strategic investment for the future with our objective to rebuild the Free reserves position was a key consideration when establishing the FY24 Budget.

## Investment performance

Investments are held in a managed portfolio. During the year, the portfolio generated dividend income from listed investments of £147k and generated an investment gain of £30k.

Investment performance is measured against a representative and independent benchmark, which collates data from charity investment managers in the UK and creates an average return for the peer group. Compared to the industry average the investment portfolio outperformed its benchmark by 3.7%.

## Going concern

In undertaking a going concern review, management have reviewed financial projections and cashflows models to 30 April 2025. The financial modelling included a base case model; reflecting expected performance and a stress case model; reflecting what was deemed to be the most severe but possible scenario that could arise.

The base case model shows cash liquidity improving over the period, with the expected surplus from operational performance positively contributing. At its lowest point CIPS Group accessible funds, including cash in bank and investments, are forecast to be £7.1m. The outlook for the year ahead is positive with FY24 Budget showing expected growth in both Revenue and Trading Profit, and whilst investments into technology and product development are planned for the year ahead, these have been strategically selected to ensure all planned activities support the company's objective to continue to rebuild its cash and free reserves.

For all cashflow modelling key risks impacting the global macro-economic and external environment along with those more specific to the company, as captured on the Register of principal risks and uncertainties have been considered.

The risk of decline in CIPS' perceived value and credibility is a theme across several of the key risks identified and has the potential to significantly impact if we are unsuccessful in keeping pace with changes in digital advancement, or if we fail to ensure a relevant and attractive value proposition to our members and customers. This risk is further heightened when considering the current cost of living and economic pressures on both individuals and companies. Specific scenarios have also been considered; for example the risk that unexpected external factors could lead to restricting operations in a specific country, though as a global company we have a well-diversified portfolio that helps with mitigating this risk.

The stress case model factored in a combination of what was deemed to be the most severe impacts that could arise as a result of the above risks, with assumptions as follows;

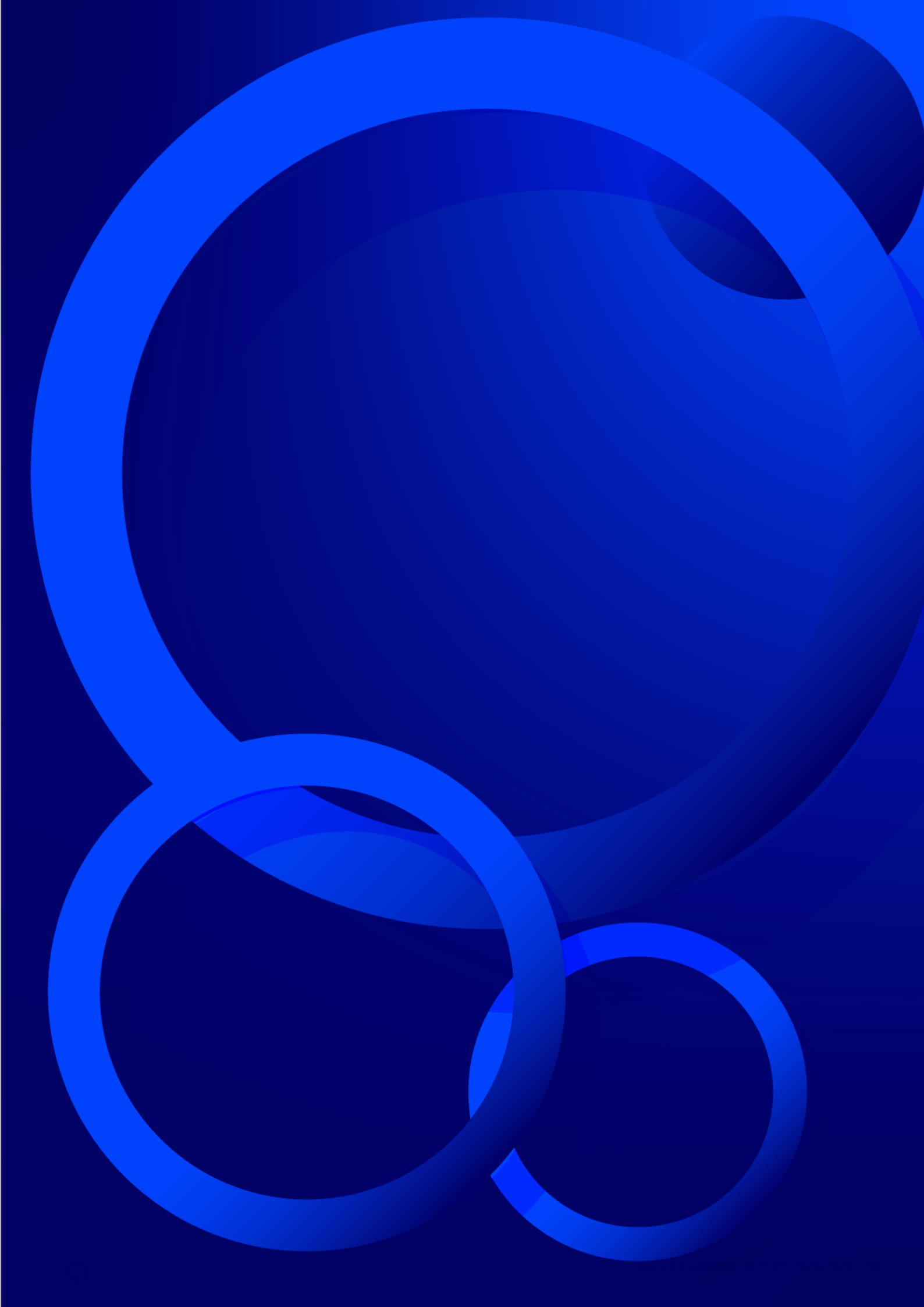
- A shortfall in sales in the event key risks are not successfully mitigated, with a range of 20% to 25% applied accordingly to each income stream based on the relevant risks, coupled with;
- A reduction in the value of investments held plus an increase in costs should there be a need to respond to unplanned events, with impact mitigations of;
- A reduction in Direct costs in line with revised revenue assumptions, plus;
- Further reductions in variable overhead costs and planned investments to the extent that was deemed reasonable, whilst ensuring CIPS is still able to operate successfully and effectively.

The results showed that CIPS would have sufficient cash for continued operation even if future income deteriorates significantly from the base case scenario.

The final model reviewed was a reverse stress test, which demonstrated that beyond the severe impacts already factored into the stress case model, a further £2m of negative impacts could be absorbed before CIPS reaches the point of having insufficient cash for continued operations. Such impacts were outside of any scenario that was deemed to be plausible.

Based on the evidence of current operational activity, the level of financial reserves available, and the financial modelling performed, the Trustees have a reasonable expectation that the parent and Group have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.





# Reference & administration

## Global board of Trustees

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- Alison Barto (Chair from November 2022)
- Julia Brown
- Marc Hutchinson
- Michael Kennedy (to October 2023)
- Kenneth Jones (from November 2022)
- Henrik Larsen
- Rachael Legg
- Garry Mansell
- Angela Qu (to June 2023)
- Juliet Sotnick (from January 2024)
- Tracy Staines (from November 2022)
- Nick Welby (to June 2023)
- Richard Wilding
- Suzanne Wise (from January 2024)

## Executive team

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Responsible for the day to day management of CIPS

- Kate Barratt, Chief Financial Officer
- Amanda Boustred, Professional Development Director
- Richard Francis, Chief Information Officer
- Debbie Kemp HR Director
- Louise Gulliver, Marketing Director
- Malcolm Harrison, CEO (to April 2023)
- Matthew Howell, CEO (from February 2024)
- Liz Lees, Membership Director
- David Taylor, Chief Operating Officer (from January 2023 to December 2023)
- Kate Tomlinson, Business Services Director/Company Secretary
- Nick Welby (from April 2023 to November 2023)

## Secretary and registered office

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Kate Tomlinson ACIS  
CIPS  
Easton House  
Easton on the Hill  
Stamford  
Lincolnshire PE9 3NZ

## Name of organisation

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Chartered Institute of Procurement and Supply (CIPS)

## Company registration number

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RC000876

## Charity registration number

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1017938

## Auditors

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Grant Thornton UK LLP, 30 Finsbury Square,  
London EC2A 1AG, UK

## Bankers

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- Australia & New Zealand Bank, 388 Collins Street, Melbourne, Australia
- Barclays Bank PLC, 46/49 Broad Street, Stamford, Lincolnshire PE9 1PZ, UK
- First National, 5th Floor FNB Building, 87 Frikkie de Beer Street, Menlyn, Gauteng, South Africa
- JP Morgan Chase, 919 N Market Street STE 950, Wilmington, DE 19801-3036, USA
- OCBC, 65 Chulia Street, OCBC Centre, Singapore 49513
- AKBank, Ust Bostani Subesi, Kobi Musterilliskileri Yon Yard, Sehit M Faith Ongul Sok Hasan, Bagdatli Is Merkezi Kozyatagi, Istanbul, Turkey

## Actuaries

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- Capita Employee Solutions, 65 Gresham Street, London EC2V 7NQ, UK
- Hymans Robertson LLP, One London Wall, London EC2Y 5EA, UK

## Solicitors

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- Buckles Solicitors LLP, Grant House, 101 Bourges Boulevard, Peterborough PE1 1NG, UK
- Gowling WLG (UK) LLP, 4 More, London Riverside, London SE1 2AU, UK
- Hewitsons LLP, Elgin House, Billing Road, Northampton NN1 5AU, UK
- Keystone Law Ltd, 48 Chancery Lane, London WC2A 1JF, UK



# Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees 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 charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report was approved and authorised by the Global board of Trustees on 11 April 2024 and was signed on its behalf by the Chair of the Global board of Trustees:

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**Alison Barto**  
**Global Board of Trustees**





# Independent auditors report

to the Trustees of the Chartered Institute of Procurement & Supply

## Opinion

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We have audited the financial statements of The Chartered Institute of Procurement and Supply (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2023, which comprise the consolidated statement of financial activities, the parent charity statement of financial activities, the consolidated and parent charity balance sheet, the group cash flow statement 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 charity 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

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We are responsible for concluding on the appropriateness of the trustees' 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as increases to the cost of living, inflation and other macro-economic circumstances relevant to the charity we assessed and challenged the reasonableness of estimates made by the trustees and the

related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

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The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. 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.

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 themselves. 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.

## Matters on which we are required to report by exception

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We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

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As explained more fully in the Statement of Trustees' Responsibilities set out on page 42, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities Act 2011, Charities (Accounts and Reports) Regulations 2008.
- We understood how the parent charity is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual

or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.

- We assessed the susceptibility of the parent charity's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the certain controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management in its significant accounting policies;
  - Identifying and testing journal entries;
  - Identifying and testing related party transactions;
  - Inspecting the board minutes; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud that were indicators of material misstatement.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The parent charity's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
  - The parent charity's control environment, including:
    - Management's knowledge of relevant laws and regulations and

how the parent charity is complying with those laws and regulations

- The adequacy of procedures for authorisation of transactions and review of management accounts, and
- Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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## Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants London

**11 April 2024**

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Consolidated statement of financial activities for the year ended 31 October 2023

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds 2023 £000	Total funds 2022 £000
		£000	£000	£000		
<b>Income from:</b>						
<b>Charitable activities</b>						
Membership and professional development, subscriptions and fees		13,301	-	-	<b>13,301</b>	13,737
Corporate business		15,384	1,727	-	<b>17,111</b>	12,808
Magazine, conferences and sponsorship		3,498	-	-	<b>3,498</b>	3,433
Other		30	-	-	<b>30</b>	28
Investments	3	266	-	-	<b>266</b>	197
<b>Total income</b>		<b>32,479</b>	<b>1,727</b>	<b>-</b>	<b>34,206</b>	30,203
<b>Expenditure on:</b>						
Charitable activities	4	32,715	1,727	-	<b>34,442</b>	27,853
<b>Total expenditure</b>		<b>32,715</b>	<b>1,727</b>	<b>-</b>	<b>34,442</b>	27,853
Net (expenditure)/income before investment gains		(190)	(46)	-	<b>(236)</b>	2,350
Net gains/(losses) on investments	12	30	-	-	<b>30</b>	(459)
Transfers between funds	17	(206)	-	206	<b>-</b>	-
<b>Net (expenditure)/income</b>		<b>(366)</b>	<b>(46)</b>	<b>206</b>	<b>(206)</b>	1,891
<b>Other recognised gains and losses</b>						
Pension scheme actuarial (loss)	10	-	-	(813)	<b>(813)</b>	(2,568)
Foreign currency translation (loss)		(122)	-	-	<b>(122)</b>	(66)
<b>Net movement in funds</b>		<b>(534)</b>	<b>-</b>	<b>(607)</b>	<b>(1,141)</b>	(743)
<b>Reconciliation of funds</b>						
Funds brought forward		6,702	383	2,682	<b>9,767</b>	10,510
<b>Balance carried forward</b>		<b>6,214</b>	<b>337</b>	<b>2,075</b>	<b>8,626</b>	9,767

All items above derive from continuing operations.

There are no recognised gains or losses other than those stated above.

The notes on pages 52 to 79 form part of these accounts.

## Parent charity statement of financial activities for the year ended 31 October 2023

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds 2023 £000	Total funds 2022 £000
		£000	£000	£000		
<b>Income from:</b>						
<b>Charitable activities</b>						
Membership and professional development, subscriptions and fees		11,323	-	-	<b>11,323</b>	11,366
Corporate business		11,938	1,727	-	<b>13,665</b>	9,938
Magazine, conferences and sponsorship		2,347	-	-	<b>2,347</b>	2,083
Income from subsidiaries		865	-	-	<b>865</b>	880
Other		24	-	-	<b>24</b>	23
<b>Investments</b>	3	167	-	-	<b>167</b>	146
<b>Total income</b>		26,664	1,727	-	<b>28,391</b>	24,436
<b>Expenditure on:</b>						
Charitable activities	4	26,620	1,727	-	<b>28,347</b>	22,312
<b>Total expenditure</b>		26,620	1,727	-	<b>28,347</b>	22,312
Net income before investment gains		90	(46)	-	<b>44</b>	2,124
Net gains/(losses) on investments	12	30	-	-	<b>30</b>	(459)
Transfers between funds	17	(206)		206	<b>-</b>	-
<b>Net income</b>		(86)	(46)	206	<b>74</b>	1,665
<b>Other recognised gains and losses</b>						
Pension scheme actuarial (loss)	10	-	-	(813)	<b>(813)</b>	(2,568)
Foreign currency translation (loss)/gain		(124)	-	-	<b>(124)</b>	200
<b>Net movement in funds</b>		(256)	-	(607)	<b>(863)</b>	(703)
<b>Reconciliation of funds</b>						
Funds brought forward as previously stated		5,332	383	2,682	<b>8,397</b>	9,100
<b>Balance carried forward</b>		5,122	337	2,075	<b>7,534</b>	8,397

All items above derive from continuing operations.

There are no recognised gains or losses other than those stated above.

The notes on pages 52 to 79 form part of these accounts.

## Consolidated and parent company balance sheet as at 31 October 2023

			Group		Charity	
			2023	2022	2023	2022
			£000	£000	£000	£000
Fixed assets	Tangible assets	11	1,291	1,253	1,251	1,220
	Intangible assets	11	6,155	7,236	6,155	7,236
	Listed investments	12	4,461	4,540	4,461	4,540
	Investments in subsidiary companies	13	-	-	-	-
Total fixed assets			11,907	13,029	11,867	12,996
Current assets	Stock		67	79	-	-
	Debtors	14	7,876	6,376	8,810	6,515
	Short term deposits		474	678	-	-
	Cash at bank		5,587	4,484	3,848	2,479
Total current assets			14,004	11,617	12,658	8,994
Current liabilities	Creditors: Amounts falling due within 1 year	15	(18,977)	(16,678)	(18,683)	(15,392)
Total current liabilities			(18,977)	(16,678)	(18,683)	(15,392)
Net current liabilities			(4,973)	(5,061)	(6,025)	(6,398)
Total assets less current liabilities			6,934	7,968	5,842	6,598
Creditors: Amounts falling due after more than 1 year		15	(383)	(883)	(383)	(883)
Defined benefit pension scheme asset		10	2,075	2,682	2,075	2,682
Total net assets			8,626	9,767	7,534	8,397
Represented by	Restricted funds	17	337	383	337	383
	Unrestricted funds	17				
	- Charitable		6,032	6,520	5,122	5,332
	- Trading		182	182	-	-
	Pension Reserve	17	2,075	2,682	2,075	2,682
Total net reserves			8,626	9,767	7,534	8,397

The financial statements were approved and authorised for issue by CIPS Global Board of Trustees and were signed on its behalf on 11 April 2024

**Alison Barto**  
Chair, Global Board of Trustees

**Kenneth Jones**  
Global Board of Trustees

The notes on pages 52 to 79 form part of these accounts.



## Group cash flow statement for the year ended 31 October 2023

	2023	2022
	£000	£000
<b>Net cash flow provided by operating activities</b>	<b>1,179</b>	<b>3,026</b>
Cash flows from investing activities		
Dividends, interest and rents from investments	266	197
Purchase of tangible fixed assets	(147)	(27)
Purchase of intangible fixed assets	(4)	(2,650)
Purchase of investments	(138)	(71)
Proceeds from sale of investments	247	-
<b>Net cash provided by investing activities</b>	<b>224</b>	<b>(2,551)</b>
Cash flows from financing activities		
Repayment of borrowing	(500)	(500)
<b>Net cash provided by financing activities</b>	<b>(500)</b>	<b>(500)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>903</b>	<b>(25)</b>
	2023	2022
	£000	£000
Cash and cash equivalents at the beginning of the reporting period	5,162	5,187
Change in cash and cash equivalents in the reporting period	903	(25)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6,065</b>	<b>5,162</b>

## Net cash flow from operating activities

	Group	Group
	2023	2022
	£000	£000
<b>Net (expenditure)/income for the reporting period</b>	<b>(206)</b>	<b>1,891</b>
Unrealised (gains)/losses on investments	(30)	459
Realised gains on disposal of investments	53	-
Dividends, interest and rents from investments	(266)	(197)
Depreciation charges	56	56
Amortisation charges	1,085	362
Losses on disposal of fixed assets	2	-
Impact of foreign exchange	(120)	(66)
Decrease/(increase) in Stock	12	(37)
Increase in Debtors	(1,500)	(2,160)
Increase in Creditors	2,299	3,152
Net pension expense	(206)	(434)
	<b>1,179</b>	<b>3,026</b>

## Analysis of changes in net debt

	1 November 2022	Cashflows	31 October 2023
	£000	£000	£000
Cash	4,484	1,103	5,587
Cash equivalents	678	(204)	474
	5,162	899	6,061
Loans falling due within one year	(500)	-	(500)
Loans falling due after more than one year	(883)	500	(383)
<b>Total</b>	<b>3,779</b>	<b>1,399</b>	<b>5,178</b>

# Notes to the financial statements

for the year ended **31 October 2023**

## **1. Constitution**

The Chartered Institute of Procurement and Supply ("CIPS") was incorporated on 28th September 1992 by Royal Charter. It is also a registered charity, number 1017938.

## **2. Accounting Policies**

### **(a) Basis of preparation**

The annual report and accounts are prepared in accordance with the rules of CIPS, in compliance with the Charities Act 2011, the Statement of Recommended Practice – Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with FRS 102 ('the Charities SORP (FRS 102)') and with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The accounts are consolidated on a line by line basis and cover the consolidated financial position and transactions of companies controlled by CIPS, which are detailed in note 7.

All of the group's subsidiary companies are wholly owned, with the exception of CIPS Southern Africa Pty Limited and CIPS Professional Body South Africa NPC. The group directly owns 49% of the issued share capital of CIPS Southern Africa Pty Limited, the remaining 51% being owned by CIPS SA BBBEE Trust. Due to the Founder relationship between CIPS Southern Africa and the Trust, and the fact that control of the Trust rests with CIPS Southern Africa, the Group considers CIPS Southern Africa to be part of the CIPS Group and consolidates its results in these financial statements. CIPS Professional Body South Africa NPC was converted to a not-for-profit entity with members (voting and non-voting) in November 2022, and the purpose and objects of the NPC are similar to those of CIPS Group. The voting member is CIPS UK, with the power to exercise any or all of the voting rights pertaining to the Company on any matter, at any time, without notice or compliance with any other internal formalities. As the entity is wholly controlled by CIPS Group its results are consolidated in these financial statements.

All of the group's branches and subsidiary companies have an accounting year-end of 31 October, except CIPS Satinalma Tedarik Egit. Hizm. Ltd in Turkey, which makes up its accounts to 31 December.

The financial statements have been prepared under the historical cost convention. The presentation and functional currency is sterling (£).

## Going concern

In undertaking a going concern review, management have reviewed financial projections and cashflows models to 30 April 2025. The financial modelling included a base case model; reflecting expected performance and a stress case model; reflecting what was deemed to be the most severe but possible scenario that could arise.

The base case model shows cash liquidity improving over the period, with the expected surplus from operational performance positively contributing. At its lowest point CIPS Group accessible funds, including cash in bank and investments, are forecast to be £7.1m. The outlook for the year ahead is positive with FY24 Budget showing expected growth in both Revenue and Trading Profit, and whilst investments into technology and product development are planned for the year ahead, these have been strategically selected to ensure all planned activities support the company's objective to continue to rebuild its cash and free reserves.

For all cashflow modelling key risks impacting the global macro-economic and external environment along with those more specific to the company, as captured on the Register of principal risks and uncertainties have been considered.

The risk of decline in CIPS' perceived value and credibility is a theme across several of the key risks identified and has the potential to significantly impact if we are unsuccessful in keeping pace with changes in digital advancement, or if we fail to ensure a relevant and attractive value proposition to our members and customers. This risk is further heightened when considering the current cost of living and economic pressures on both individuals and companies. Specific scenarios have also been considered; for example the risk that unexpected external factors could lead to restricting operations in a specific country, though as a global company we have a well-diversified portfolio that helps with mitigating this risk.

The stress case model factored in a combination of what was deemed to be the most severe impacts that could arise as a result of the above risks, with assumptions as follows;

- A shortfall in sales in the event key risks are not successfully mitigated, with a range of 20% to 25% applied accordingly to each income stream based on the relevant risks, coupled with;
- A reduction in the value of investments held plus an increase in costs should there be a need to respond to unplanned events, with impact mitigations of;
- A reduction in Direct costs in line with revised revenue assumptions, plus;
- Further reductions in variable overhead costs and planned investments to the extent that was deemed reasonable, whilst ensuring CIPS is still able to operate successfully and effectively.

The results showed that CIPS would have sufficient cash for continued operation even if future income deteriorates significantly from the base case scenario.

The final model reviewed was a reverse stress test, which demonstrated that beyond the severe impacts already factored into the stress case model, a further £2m of negative impacts could be absorbed before CIPS reaches the point of having insufficient cash for continued operations. Such impacts were outside of any scenario that was deemed to be plausible.

Based on the evidence of current operational activity, the level of financial reserves available, and the financial modelling performed, the Trustees have a reasonable expectation that the parent and Group have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### (b) Income

Income represents amounts receivable in the ordinary course of business, and represents goods and services supplied in the period excluding VAT.

Corporate business income is recognised when the delivery of the relevant services is provided.

Membership and subscription income is spread over the period during which services are provided to members.

Professional development training activity revenue is released during the month in which the training is delivered.

Magazine and book sales revenue is recognised during the month in which the publication is shipped.

Revenues from issuing licenses for access to e-Learning facilities are spread over the period during which the facilities are expected to be accessed by the licensees.

Income from subsidiaries consists of amounts paid to the charity from its UK subsidiary by means of corporate Gift Aid.

The value of services provided by volunteers is not incorporated into these financial statements.

### **(c) Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis. Where they relate to activities for which VAT is not recoverable, gross amounts are stated. Where VAT is recoverable, amounts are stated net of VAT.

#### **(i) Charitable activity costs**

Charitable activity costs are those directly related to the objects of the charity and are reflected in these accounts under the following headings: Membership and professional development, subscriptions and fees; Corporate business; Magazine, conferences and sponsorship; and Other.

#### **(ii) Staff costs**

Short-term employee benefits are those expected to be settled wholly within 12 months of the end of the annual reporting period during which the employees services are provided. They include wages, salaries and any other benefits paid to current employees, and are recognised in the period in which they are incurred. Post-employment benefits, representing employer contributions to defined contribution plans, are recognised as expenses in the period in which the services resulting in the contribution are provided. The assets of the scheme are held separately from the charity. Termination benefits are recognised when the charity can no longer withdraw the offer of those benefits.

#### **(iii) Basis of cost allocation**

All directly attributable overheads are charged to the appropriate expense category in the SOFA. Indirect support costs are allocated by activity in proportion to direct costs. Governance costs are made up of those costs incurred purely for the governance of the charity, such as the Global Board of Trustees and audit costs.

### **(d) Taxation**

#### **(i) The charity and UK subsidiary**

The UK parent is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. As a result, no tax charge is applied in the financial statements. The UK subsidiary company makes qualifying donations of all taxable profit to the charity. No corporation tax liability on this subsidiary arises in the accounts.



## **(ii) CIPS Australia and New Zealand Pty Limited**

CIPS Australia and New Zealand Pty Limited is registered as a not-for-profit organisation in Australia. No tax liability is provided in the accounts.

## **(iii) Other foreign subsidiaries**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## **(e) Liquid resources**

Liquid resources are those items that are readily convertible into cash at or close to their carrying values.

## **(f) Fixed assets**

The freehold land and buildings at Easton on the Hill were valued at 31 October 2014 on an existing use basis by Savills (UK) Ltd and the valuation report was signed by Nick Heath MA FRICS. This valuation was frozen on transition to FRS102 and has been applied as the deemed cost of the freehold land and buildings in these financial statements.

A review for impairment of fixed assets is carried out whenever events or changes in circumstances indicate that the carrying amount of individual fixed assets may not be recoverable. All tangible assets are held by the group for charitable purposes.

Tangible fixed assets are capitalised when they are brought into use if they have a fair value in excess of £5,000.

Internally generated intangible fixed assets have been recognised at the point they were brought into use.

## **(g) Depreciation and amortisation**

Tangible fixed assets are depreciated so as to write off their cost over their estimated useful lives:

- Fixtures and fittings - 4 to 7 years straight line
- Freehold buildings - 50 years straight line
- Computer equipment - 4 years straight line
- Motor vehicles - 25% reducing balance
- e-Learning development - 3 years straight line

Intangible fixed assets are amortised over their estimated useful lives:

- Software - 7 years straight line

#### **(h) Stocks**

Stocks comprise goods for resale and are valued at the lower of cost and net realisable value. They primarily comprise books and other education materials. The value of stock is reviewed regularly for impairment.

#### **(i) Operating Lease Rentals**

Rentals payable in respect of operating leases are charged to the Statement of Financial Activities as incurred.

#### **(j) Foreign currency transactions**

The results of the overseas subsidiaries denominated in a foreign currency are translated into sterling at rates prevailing during the year (average rate); assets and liabilities are translated at the rates ruling at the end of the year. Translation differences are dealt with through Other Comprehensive Income within the Statement of Financial Activities.

#### **(k) Pensions**

The Group operates a defined benefit pension scheme which is closed to new entrants. Any increase in the present value of the liabilities of the scheme expected to arise from the current service of employees in the year is charged to the pension reserve from the current year surplus or deficit attributable to unrestricted funds within the Statement of Financial Activities. The expected return on the scheme's assets and the expected increase during the year in the present value of the scheme's liabilities are included in pension scheme finance costs. Actuarial gains and losses are recognised in the pension reserve within the Statement of Financial Activities after the surplus or deficit for the year. Pension scheme assets, to the extent they are considered recoverable, and pension scheme liabilities, are recognised in the Balance Sheet and represent the difference between the market value of scheme assets and the present value of scheme liabilities. Pension scheme liabilities are determined on an actuarial basis using the projected unit method and are discounted at a rate using the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

At 31 October 2023 the net assets of the scheme were £2,075k (2022 - £2,682k). This surplus has been recognised in the parent charity and group balance sheets on the grounds that it is recoverable under the rules of the scheme.

In addition to the defined benefit scheme CIPS also make contributions to a stakeholder pension plan. Contributions are charged to the Statement of Financial Activities in the period in which they fall due.

#### **(l) Investments**

Realised gains and losses on investments are calculated as the difference between sales proceeds and their cost, and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year-end.

In the charity balance sheet, investments are measured at market value at the balance sheet date, based on the quoted price at which they can be traded.

#### **(m) Restricted funds**

Where funds are received for purposes specified by a donor, the income is shown as restricted in the Statement of Financial Activities. Expenditure of the funds for the purposes specified is applied against such income or any balance brought forward. Any unexpended amount at the Balance Sheet date is carried forward as part of restricted funds.

## **(n) Designated funds**

The group's Board of Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the Board of Trustees decides that such funds are no longer required for the purposes intended, they may be released by transfer to general unrestricted funds.

## **(o) Liabilities**

Liabilities are recognised when there is a present obligation arising from a past event that will require the transfer of economic benefit to settle the obligation.

## **(p) Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Trustees 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 those estimates and underlying assumptions are continually reviewed.

The following are critical judgements that the Trustees have made in the process of applying the accounting policies:

- Determining the degree of control that the group is entitled to exercise over its entities in South Africa. The Charity directly owns 49% of the share capital of CIPS Southern Africa Proprietary Limited. This decision therefore depends on an assessment of the ownership and controlling relationships of the entities and the CIPS SA BBBEE Trust, which owns the other 51%. Due to the Founder relationship between CIPS Southern Africa and the trust, and the fact that CIPS Southern Africa manages and administers the trust, the Charity considers that it effectively has 100% control. CIPS Professional Body South Africa NPC is a not-for-profit entity with members (voting and non-voting), and the purpose and objects of the NPC are in keeping with those of CIPS Group. The voting member is CIPS UK, with the power to exercise any or all of the voting rights pertaining to the Company on any matter, at any time, without notice or compliance with any other internal formalities, and as such the Charity considers that it effectively has 100% control.
- Determining whether the net assets of the defined benefit pension scheme should be recognised in the balance sheet of the charity as a recoverable surplus. This decision depends upon an assessment of the rules of the pension scheme. The charity considers that any surplus on the scheme is repayable to the charity on winding up, and it therefore has an unconditional right to the refund of the surplus.

Other key sources of estimation uncertainty:

- Tangible fixed assets (£1,291k - see note 11). Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and project disposal values.
- Intangible fixed assets (£6,155k - see note 11). Intangible fixed assets are amortised over their useful lives taking into account residual values where appropriate. They are reviewed annually for impairment. Residual value assessments consider issues such as the remaining life of the asset and project disposal values.

- Trade debtors (£5,915k - see note 14). At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Financial Activities. In particular, significant outstanding aged debts relating to the MENA region have been fully reviewed to assess their recoverability in light of their age.
- Amounts due from subsidiary undertakings (£3,028k in charity only - see note 14). The charity assesses intercompany balances for recoverability at the end of each financial year. As noted in the financial review, provisions have been made against certain intercompany balances as a result of estimations of recoverability.
- Pension liability and gains or losses (£11,802k - see note 10). The defined benefit pension scheme obligations are based on actuarial assumptions such as discount rate, the expected rate of return on scheme assets, and mortality rates, which are extensively detailed in note 10.

### 3. Investment income

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
Dividends receivable from listed investments	147	147	124	124
Interest receivable	119	20	73	22
<b>Total</b>	<b>266</b>	<b>167</b>	<b>197</b>	<b>146</b>

### 4. Charitable activity costs

#### (a) Group

	Staff costs	Direct charitable costs	Support costs	Total unrestricted funds	Restricted funds	2023 Total £000	2022 Total £000
	£000	£000	£000	£000	£000	£000	£000
Membership and professional development, subscriptions and fees	4,844	2,731	1,427	9,002	-	9,002	8,958
Corporate business	9,720	5,232	3,636	18,588	1,727	20,315	14,319
Magazine, conferences and sponsorship	94	3,273	1,712	5,079	-	5,079	4,074
Other	-	-	-	-	46	46	502
<b>Total</b>	<b>14,658</b>	<b>11,236</b>	<b>6,775</b>	<b>32,669</b>	<b>1,773</b>	<b>34,442</b>	<b>27,853</b>

#### (b) Charity

	Staff costs	Direct charitable costs	Support costs	Total unrestricted funds	Restricted funds	2023 Total £000	2022 Total £000
	£000	£000	£000	£000	£000	£000	£000
Membership and professional development, subscriptions and fees	4,587	2,025	1,039	7,651	-	7,651	7,400
Corporate business	8,064	3,708	2,788	14,560	1,727	16,287	11,041
Magazine, conferences and sponsorship	93	2,822	1,448	4,363	-	4,363	3,384
Other	-	-	-	-	46	46	487
<b>Total</b>	<b>12,744</b>	<b>8,555</b>	<b>5,275</b>	<b>26,574</b>	<b>1,773</b>	<b>28,347</b>	<b>22,312</b>



## 5. Support costs

### (a) Group

				2023	2022 Restated
	Membership and professional development, subscriptions and fees	Corporate business	Magazine, conferences and sponsorship	Total	Total
	£000	£000	£000	£000	£000
Finance	207	526	249	982	1,032
Marketing	140	357	168	665	286
Facilities	144	368	173	685	655
IT	764	1,947	916	3,627	1,287
HR	88	224	105	417	406
Governance	84	214	101	399	263
<b>Total</b>	<b>1,427</b>	<b>3,636</b>	<b>1,712</b>	<b>6,775</b>	<b>3,929</b>

### (b) Charity

				2023	2022 Restated
	Membership and professional development, subscriptions and fees	Corporate business	Magazine, conferences and sponsorship	Total	Total
	£000	£000	£000	£000	£000
Finance	136	364	189	689	689
Marketing	101	270	140	511	171
Facilities	88	238	123	449	424
IT	597	1,603	833	3,033	1,103
HR	56	150	78	284	318
Governance	61	163	85	309	183
<b>Total</b>	<b>1,039</b>	<b>2,788</b>	<b>1,448</b>	<b>5,275</b>	<b>2,888</b>

The 2022 comparatives above have been restated to reclassify amortisation costs totalling £362k from direct costs to IT support costs.

## 6. Net expenditure / income

	2023	2022
	£000	£000
Net expenditure/income for the year is stated after charging/(crediting):		
Fees payable to the charity's auditors for:		
Audit of the charity's annual accounts - 2023	118	-
Audit of the charity's annual accounts - 2022	-	117
Tax compliance	6	6
Fees payable to affiliate firms of the charity's auditors for:		
Audit of subsidiary companies' accounts - 2023	54	-
Audit of subsidiary companies' accounts - 2022	6	51
Non-audit services (preparation of company's accounts)	3	3
Depreciation (see note 11)	56	56
Amortisation (see note 11)	1,085	362
Operating lease rentals	9	13

## 7. Subsidiary companies

### CIPS Corporate Services Limited

02610367

The charity has a wholly owned subsidiary undertaking, CIPS Corporate Services Limited, incorporated in England and Wales. The principal business of the subsidiary is the sale of books and the provision of corporate training and related services to international corporates. The subsidiary has agreed to covenant all its profit to the charity. All activities have been consolidated into the group statement of financial activities. A summary of the subsidiary's trading result is shown below.

	2023 £000	2022 £000
Revenue	1,174	1,108
Cost of sales	(256)	(238)
Margin	918	870
Administrative expenses	(53)	(25)
Net profit before transfer	865	845
Deed of covenant transfer to charity	(865)	(845)
Net profit	-	-
Assets	187	100
Liabilities	(187)	(100)
Net assets	-	-
Share capital	-	-
Profit and loss account	-	-
Net reserves	-	-

The company has issued share capital of 2 ordinary shares of £1 each.

### CIPS Australia and New Zealand Pty Limited

ABN 32 111 330 262

CIPS Australia and New Zealand Pty Limited commenced trading in January 2005. Incorporated within Australia, it is a wholly owned subsidiary of the charity. The principal activities during the financial year were facilitating the servicing of membership for existing CIPS members situated in Australia and New Zealand, providing Australian businesses with company training related to procurement, and providing a programme of continuous improvement in professional standards. All activities have been consolidated into the group statement of financial activities. A summary of the subsidiary's trading result is shown below.

	2023 £000	2022 £000
Revenue	1,403	1,695
Cost of sales	(317)	(481)
Margin	1,086	1,214
Administrative expenses	(1,173)	(1,150)
Net (loss)/profit	(87)	64
Assets	732	1,091
Liabilities	(1,315)	(1,650)
Net liabilities	(583)	(559)
Share capital	-	-
Profit and loss account	(583)	(559)
Net reserves	(583)	(559)

The company has issued share capital of 2 ordinary shares of AUD\$1 each.

**CIPS Southern Africa Pty Limited**

2009/022052/07

CIPS Southern Africa Pty Limited commenced trading in April 2010. Incorporated within South Africa, 49% is directly owned by the charity and the remaining 51% is owned by CIPS SA BBBEE Trust. Due to the Founder relationship between CIPS Southern Africa and the Trust, and the fact that control of the Trust rests with CIPS Southern Africa, the charity considers CIPS Southern Africa to be a part of the CIPS group. The principal activities during the financial year were facilitating the servicing of membership for existing CIPS members situated in Southern Africa, and providing South African businesses and individuals with company training related to procurement and providing a programme of continuous improvement in professional standards. All activities have been consolidated into the group statement of financial activities. A summary of the company's trading result is shown below.

	<b>2023</b>	2022
	<b>£000</b>	£000
Revenue	<b>2,518</b>	2,172
Cost of sales	<b>(703)</b>	(723)
Margin	<b>1,815</b>	1,449
Administrative expenses	<b>(1,472)</b>	(1,368)
Net profit	<b>343</b>	81
Assets	<b>3,401</b>	3,312
Liabilities	<b>(1,621)</b>	(1,776)
Net assets	<b>1,780</b>	1,536
Share capital	-	-
Designated funds	-	-
Profit and loss account	<b>1,780</b>	1,536
Net reserves	<b>1,780</b>	1,536

The company has issued share capital of 100 ordinary shares of ZAR 1 each.

**CIPS Professional Body South Africa NPC**

2016/045398/08

CIPS Professional Body South Africa NPC commenced trading in 2018. Incorporated in South Africa in 2016 as CIPS Professional Body Southern Africa Pty Ltd, it was a wholly owned subsidiary of CIPS Southern Africa Pty Limited. The Private Company was converted to an NPC on 16 November 2022. Its principal activity is serving individuals in South Africa to meet the requirements of the South African Qualifications Authority. A summary of the company's trading result is shown below.

	<b>2023</b>	2022
	<b>£000</b>	£000
Revenue	<b>339</b>	478
Cost of sales	<b>(134)</b>	(223)
Margin	<b>205</b>	255
Administrative expenses	<b>(330)</b>	(118)
Net (loss)/profit	<b>(125)</b>	137
Assets	<b>1,956</b>	1,041
Liabilities	<b>(1,995)</b>	(942)
Net (liabilities)/assets	<b>(39)</b>	99
Share capital	-	-
Designated funds	-	-
Profit and loss account	<b>(39)</b>	99
Net reserves	<b>(39)</b>	99

The company has issued share capital of 100 ordinary shares of ZAR 1 each.



**CIPS Singapore Pte Ltd**

201333047E

CIPS Singapore Pte Ltd was incorporated in Singapore on 9 December 2013 and is a wholly owned subsidiary of CIPS. Its principal activities during the financial year were the provision of corporate training and services relating to procurement and supply. All activities have been consolidated into the group statement of financial activities. A summary of the subsidiary's trading result is shown below.

	<b>2023</b>	2022
	<b>£000</b>	£000
Revenue	<b>249</b>	265
Cost of sales	<b>(48)</b>	(50)
Margin	<b>201</b>	215
Administrative expenses	<b>(124)</b>	(59)
Net profit	<b>77</b>	156
Assets	<b>694</b>	459
Liabilities	<b>(684)</b>	(527)
Net assets/(liabilities)	<b>10</b>	(68)
Share capital	-	-
Profit and loss account	<b>10</b>	(68)
Net reserves	<b>10</b>	(68)

The company has issued share capital of 1 ordinary share of £1 each.

**CIPS Satinalma Tedarik Egit. Hizm. Ltd. Sti**

CIPS Satinalma Tedarik Egit. Hizm. Ltd. Sti is incorporated in Turkey and is a wholly owned subsidiary of CIPS and has an accounting year-end of 31 December. The principal activities of the company are the provision of corporate training and services relating to procurement and supply. All activities have been consolidated into the group statement of financial activities. A summary of the subsidiary's unaudited trading result for the year to 31 October 2023 is shown below.

	<b>2023</b>	2022
	<b>£000</b>	£000
Revenue	<b>311</b>	164
Cost of sales	<b>(259)</b>	(129)
Margin	<b>52</b>	35
Administrative expenses	<b>(9)</b>	(18)
Net profit	<b>43</b>	17
Assets	<b>254</b>	139
Liabilities	<b>(153)</b>	(45)
Net assets	<b>101</b>	94
Share capital		
Profit and loss account	<b>101</b>	94
Net reserves	<b>101</b>	94

## CIPS USA Inc

CIPS USA was incorporated in the United States of America in 2017 and commenced trading during the previous financial year. It is a wholly owned subsidiary of CIPS. The principal activities of the company are the provision of corporate training and services relating to procurement and supply. All activities have been consolidated into the group statement of financial activities. A summary of the subsidiary's trading result is shown below.

	2023	2022
	£000	£000
Revenue	681	770
Cost of sales	(163)	(118)
Margin	518	652
Administrative expenses	(805)	(888)
Net loss	(287)	(236)
Assets	298	379
Liabilities	(1,668)	(1,521)
Net liabilities	(1,370)	(1,142)
Share capital	-	-
Profit and loss account	(1,370)	(1,142)
Net reserves	(1,370)	(1,142)

## CIPS Hong Kong Limited

75 29 58

The charity has a wholly owned subsidiary undertaking, CIPS Hong Kong Limited. It does not trade but is merely a vehicle for Hong Kong members to hold branch meetings. CIPS Hong Kong Ltd has been excluded from the consolidation on the grounds that it is immaterial in the context of the group as a whole.

Company name	CIPS Hong Kong Limited
Nature of business	Members Branch
Country of incorporation	Hong Kong
Nominal value of share held	10,000 HK\$

## CIPS West Africa Ltd

7120866

CIPS West Africa Ltd was incorporated in Nigeria in September 2023. It had not commenced trading at 31 October 2023.

Company name	CIPS West Africa Ltd
Nature of business	Dormant
Country of incorporation	Nigeria
Nominal value of share held	10,000,000 Naira





## 8. Staff costs

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Wages and salaries	12,689	10,901	11,312	9,227
Employer's social security costs	1,153	1,099	947	896
Defined contribution pension scheme	816	744	692	608
Total staff costs	14,658	12,744	12,951	10,731
Payroll costs capitalised (see below)	-	-	(279)	(279)
Staff costs per note 4	14,658	12,744	12,672	10,452

Note: The total staff costs include £0 (2022: £279,105) of payroll costs which were capitalised in the year as part of the development work for the IT systems project.

The average number of staff employed by the group throughout the year was:

	2023	2022
	230	221

Emoluments of senior staff	2023	2022
£60,000 - £69,999	8	17
£70,000 - £79,999	20	8
£80,000 - £89,999	7	2
£90,000 - £99,999	-	3
£100,000 - £109,999	3	4
£110,000 - £119,999	2	1
£120,000 - £129,999	1	2
£130,000 - £139,999	2	-
£140,000 - £149,999	3	1
£150,000 - £159,999	1	1
£160,000 - £169,999	2	-
£170,000 - £179,999	-	1
£220,000 - £229,999	1	-
£260,000 - £269,999	-	1
£280,000 - £289,999	1	-

The group's defined benefit pension scheme closed to future members on 1 November 2003. CIPS offers a defined contribution plan into which it paid £744k (2022: £608k) of employer contributions in the year. At the end of the year, there were 192 (2022:176) members of staff with stakeholder plans. CIPS Australia paid £52k (2022: £65k) and CIPS USA paid £19k (2022: £19k) into staff defined contribution superannuation schemes.

The members of the Global Board of Trustees were not remunerated for their services during the year. Expenses of £19,655 (2022: £12,839) were reimbursed to or paid on behalf of 11 (2022: 6) trustees during the year. These expenses included travel, accommodation, subsistence and incidental costs in connection with attendance at meetings of the Board of Trustees.

During the period 3 April 2023 to 1 June 2023 one of the trustees assumed the position of interim Chief Executive Officer. During this period and in relation to the responsibilities undertaken in this temporary additional capacity the trustee received remuneration of £40,633 and expenses of £1,737 were reimbursed to or paid on behalf of the trustee.

The group considers its key management personnel to comprise the Chief Executive and the Senior Leadership Team. The total employment benefits of these individuals, including employer pension contributions, were £1,557k (2022: £1,363k).

## 9. Taxation

CIPS is a charity within the meaning of paragraph 1, Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. As a result, no tax charge arose in the period. The group's UK subsidiary company makes qualifying donations of all taxable profit to the charity. No corporation tax liability on this subsidiary arises in the accounts.

CIPS Australasia Pty Limited is registered as a not for profit organisation in Australia. No tax liability on this subsidiary arises in the accounts.

CIPS Singapore Pte Ltd, CIPS Southern Africa Pty Limited, CIPS Professional Body South Africa Proprietary Ltd and CIPS Satinalma Tedarik Egit. Hizm. Ltd. Sti are subject to local company taxation. The following tax charge arises:

	2023 £000	2022 £000
<b>Current taxation</b>		
South Africa – current year	159	77
Singapore withholding tax	-	-
Turkey	8	24
	<b>167</b>	101
<b>Deferred taxation</b>		
South Africa – current year	79	79
<b>Total tax charge for the year</b>	<b>79</b>	79

## 10. Pension costs

The charity is the sponsoring employer of a funded defined benefit pension scheme in the UK, which provides retirement benefits based on members' salary when leaving Pensionable Service. The assets of the scheme are held in a separately administered fund and the scheme is administered by a trustee body (independent of CIPS) who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations. The liabilities set out in this note have been calculated based on the results of the full Scheme Funding Assessment, as at 31 October 2021, updated to 31 October 2023, allowing for interest and benefits paid. The present value of the defined benefit obligation and any past service costs were measured using the projected unit credit method. CIPS has agreed a funding plan with the trustee body, whereby contributions are made into the scheme to pay operating expenses and additional contributions to reduce the funding deficit where necessary. Funding has been agreed at £400k per year until 31st August 2025, and is subject to ongoing monitoring by CIPS and the pension scheme trustees to ensure contribution levels remain appropriate. The disclosures set out below are based on calculations carried out as at 31 October 2023 by an independent qualified actuary. The results of the calculations and the assumptions adopted are shown below.

On 1 November 2003, the charity also established a stakeholder pension plan, which is open to new employees. Contributions to the plan by the employer are equal to twice that paid by the member and vary between 6% and a maximum of 12% dependent upon the age of the member.

The following information relates to the scheme's valuation on an FRS102 section 28 basis at 31 October 2023.

### Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

	2023	2022
Discount rate	5.60%	4.90%
Aggregate long-term expected rate of return on assets (net of expenses)	5.60%	4.90%
Retail Prices Index (RPI) inflation	3.35%	3.20%
Consumer Prices Index (CPI) inflation	2.55%	2.40%
Future increases in deferred pensions	2.55%	2.40%
Rate of increase in salaries	2.55%	2.40%
Rate of increase to pensions in payment:		
Fixed increases	In line with scheme rules	In line with scheme rules
RPI subject to max 5% p.a.	3.15%	3.15%
Post-retirement mortality	100% of S3PA tables with future improvements in line with the CMI_2022 projection model with Core weightings, Sk = 7.0, IAMI = 0.25% and a long term improvement rate of 1.25% p.a.	100% of S3PA tables with future improvements in line with the CMI_2021 projection model with 0% weightings, Sk = 7.0, IAMI = 0.25% and a long term improvement rate of 1.25% p.a.
Cash commutation	75% maximum tax free cash	75% maximum tax free cash
Proportion married	80.00%	80.00%
Life expectancy of male aged 65 at balance sheet date	24.4	25
Life expectancy of male aged 65 in 20 years from balance sheet date	25.8	26.4
Life expectancy of female aged 65 at balance sheet date	27	27.4
Life expectancy of female aged 65 in 20 years from balance sheet date	28.4	28.9

Note: The calculations are based on the full corporate bond and inflation yield curves, with the rates quoted here being single equivalent rates. For the avoidance of doubt the above assumptions are in absolute terms. For the assumptions which apply to pensions in payment, allowances for any minimum and maximum increases have been made using the Black Scholes option pricing model.

## Asset breakdown

The major categories of scheme assets as a percentage of total scheme assets are:

	2023	2022
Diversified growth funds	19.10%	16.00%
UK corporate bonds	50.80%	45.70%
LDI	20.60%	29.10%
Cash	1.90%	0.70%
Insurance policies	7.60%	8.50%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The pension scheme has not invested in any of CIPS's own financial instruments, nor in properties or other assets used by CIPS.

The assets are all quoted in an active market with the exception of the insured pensions.

## Net defined benefit asset

	2023	2022
	£000	£000
Fair value of scheme assets	13,877	15,937
Present value of defined benefit obligation	(11,802)	(13,255)
<b>Defined benefit asset recognised in balance sheet</b>	<b>2,075</b>	<b>2,682</b>

The total expense recognised in the statement of financial activities is as follows:

	2023	2022
	£000	£000
Current service cost	-	-
Administration expenses	345	280
Past service costs including curtailment	-	-
Recognised in arriving at net income/(expenditure)	345	280
Interest on the net defined benefit liability	(134)	(89)
<b>Total</b>	<b>211</b>	<b>191</b>

The total amounts taken to other recognised gains and losses are as follows:

	2023	2022
	£000	£000
Actual return on scheme assets	(1,108)	(7,847)
Less: amounts included in net interest on the net defined benefit liability	(758)	(440)
Remeasurement gains and (losses) - return on scheme assets excluding interest income	(1,866)	(8,287)
Remeasurement gains and (losses) - actuarial gains and (losses)	1,053	5,719
<b>Total</b>	<b>(813)</b>	<b>(2,568)</b>

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
	£000	£000
Present value of defined benefit obligation at beginning of period	13,255	20,365
Benefits paid including expenses	(1,369)	(2,022)
Administration costs	345	280
Interest cost	624	351
Remeasurement (gains) and losses - actuarial (gains) and losses	(1,053)	(5,719)
<b>Present value of defined benefit obligation at end of period</b>	<b>11,802</b>	<b>13,255</b>

Changes in the fair value of plan assets are as follows:

	2023	2022
	£000	£000
Fair value of scheme assets at beginning of period	15,937	25,181
Interest income	758	440
Remeasurement gains and (losses) - return on scheme assets excluding interest income	(1,866)	(8,287)
Contributions by employer	417	625
Benefits paid including expenses	(1,369)	(2,022)
<b>Fair value of scheme assets at end of period</b>	<b>13,877</b>	<b>15,937</b>

#### Movements over 5 year period

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Fair value of scheme assets	13,877	15,937	25,181	24,482	23,232
Present value of defined benefit obligation	(11,802)	(13,255)	(20,365)	(21,642)	(20,973)
Surplus	2,075	2,682	4,816	2,840	2,259
Gain/(Loss) arising from experience on scheme obligations	-	-	-	-	-
Gain/(Loss) arising from changes in the assumptions for valuing the scheme obligations	1,053	5,719	840	1,037	(2,486)
Gain/(Loss) arising from experience on scheme assets	(1,866)	(8,287)	802	1,166	1,485



## 11. Fixed assets

### Tangible fixed assets

#### (a) Group

	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost / Valuation					
At 1 November 2022	1,318	44	221	169	1,752
Disposals during the year	-	(67)	(38)	(43)	(148)
Additions during the year	-	35	110	2	147
Exchange difference	-	(3)	(4)	(4)	(11)
<b>At 31 October 2023</b>	<b>1,318</b>	<b>9</b>	<b>289</b>	<b>124</b>	<b>1,740</b>
Accumulated depreciation					
At 1 November 2022	(130)	(39)	(184)	(146)	(499)
Disposals during the year	-	44	12	41	97
Charged during the year	(17)	(9)	(21)	(9)	(56)
Exchange difference	-	3	3	3	9
<b>At 31 October 2023</b>	<b>(147)</b>	<b>(1)</b>	<b>(190)</b>	<b>(111)</b>	<b>(449)</b>
<b>Net book value 31 October 2023</b>	<b>1,171</b>	<b>8</b>	<b>99</b>	<b>13</b>	<b>1,291</b>
<b>Net book value 31 October 2022</b>	<b>1,188</b>	<b>5</b>	<b>37</b>	<b>23</b>	<b>1,253</b>

#### (b) Charity

	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost / Valuation					
At 1 November 2022	1,318	-	181	109	1,608
Disposals during the year	-	-	(24)	(37)	(61)
Additions during the year	-	-	87	-	87
Exchange difference	-	-	1	1	2
<b>At 31 October 2023</b>	<b>1,318</b>	<b>-</b>	<b>245</b>	<b>73</b>	<b>1,636</b>
Accumulated depreciation					
At 1 November 2022	(130)	-	(156)	(102)	(388)
Disposals during the year	-	-	3	37	40
Charged during the year	(17)	-	(17)	(2)	(36)
Exchange difference	-	-	-	(1)	(1)
<b>At 31 October 2023</b>	<b>(147)</b>	<b>-</b>	<b>(170)</b>	<b>(68)</b>	<b>(385)</b>
<b>Net book value 31 October 2023</b>	<b>1,171</b>	<b>-</b>	<b>75</b>	<b>5</b>	<b>1,251</b>
<b>Net book value 31 October 2022</b>	<b>1,188</b>	<b>-</b>	<b>25</b>	<b>7</b>	<b>1,220</b>

**Intangible fixed assets****(a) Group**

	<b>Software £000</b>	<b>Total £000</b>
Cost / Valuation		
At 1 November 2022	7,928	7,928
Disposals during the year	(2)	(2)
Additions during the year	4	4
<b>At 31 October 2023</b>	<b>7,930</b>	<b>7,930</b>
Amortisation		
At 1 November 2022	(692)	(692)
Disposals during the year	2	2
Charged during the year	(1,085)	(1,085)
<b>At 31 October 2023</b>	<b>(1,775)</b>	<b>(1,775)</b>
<b>Net book value 31 October 2023</b>	<b>6,155</b>	<b>6,155</b>
<b>Net book value 31 October 2022</b>	<b>7,236</b>	<b>7,236</b>

**(b) Charity**

	<b>Software £000</b>	<b>Total £000</b>
<b>Cost / Valuation</b>		
At 1 November 2022	7,926	7,926
Additions during the year	4	4
<b>At 31 October 2023</b>	<b>7,930</b>	<b>7,930</b>
<b>Amortisation</b>		
At 1 November 2022	(690)	(690)
Charged during the year	(1,085)	(1,085)
<b>At 31 October 2023</b>	<b>(1,775)</b>	<b>(1,775)</b>
<b>Net book value 31 October 2023</b>	<b>6,155</b>	<b>6,155</b>
Net book value 31 October 2022	7,236	7,236

## 12. Listed investments

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Market value at 1 November	4,540	4,540	4,928	4,928
Additions	138	138	71	71
Disposals	(247)	(247)	-	-
Net unrealised gains/(losses)	30	30	(459)	(459)
<b>Market value at 31 October</b>	<b>4,461</b>	<b>4,461</b>	4,540	4,540
<b>Historical cost of investments</b>	<b>3,766</b>	<b>3,766</b>	3,875	3,875

Listed investments are managed by appointed fund managers. The investment strategy is growth oriented with investments being held in the Barclays Charity Distribution Fund and the Charities Property Fund with a balance held in cash as follows:

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Barclays Charity Distribution Fund	4,337	4,337	4,393	4,393
Charities Property Fund	123	123	146	146
<b>Market value at 31 October</b>	<b>4,460</b>	<b>4,460</b>	4,539	4,539

## 13. Investment in subsidiary companies

	2023	2022
	£	£
Shares in subsidiary undertakings at cost		
<b>At 1 November 2022 and 31 October 2023</b>	<b>8</b>	<b>8</b>

## 14. Debtors

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Trade debtors	5,945	4,219	5,297	4,081
Other debtors	175	8	76	11
Deferred taxation	79	-	79	-
Prepayments and accrued income	1,677	1,555	924	888
Due from subsidiary undertakings	-	3,028	-	1,535
	<b>7,876</b>	<b>8,810</b>	6,376	6,515

Included in amounts due from subsidiary undertakings is an amount of 145k (2022: £155k) which represents a loan from the charity to CIPS Australia and New Zealand Pty Limited. Currently the charity does not levy an interest charge on the loan. There is no formal repayment plan in situ, payments are made on an ad hoc basis as available funds allow.

Deferred taxation arises on timing differences and losses carried forward in the group's South African subsidiaries.

## 15. Creditors

Amounts falling due in less than 1 year

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Trade creditors	2,554	2,456	1,619	1,499
Bank loans	500	500	500	500
Other creditors including taxation and social security	720	410	617	464
Accruals and deferred income	15,203	12,681	13,942	11,566
Amounts due to subsidiary undertakings in <1 year	-	2,636	-	1,363
	<b>18,977</b>	<b>18,683</b>	16,678	15,392
Deferred income as at 1 November 2022	11,171	9,188	9,511	7,427
Released during the year	(11,171)	(9,188)	(9,511)	(7,427)
Deferred during the year	12,552	10,482	11,171	9,188
<b>Deferred income as at 31 October 2023</b>	<b>12,552</b>	<b>10,482</b>	11,171	9,188

Income is deferred where payment is received in advance for contracted services that have yet to be provided.

Amounts falling due in more than 1 year

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Bank loans	383	383	883	883
	<b>383</b>	<b>383</b>	883	883

CBILS loan

CIPS entered into a loan from Barclays Bank under the UK government Coronavirus Business Interruption Loan Scheme (CBILS) on 14 April 2020. The balance is repayable in 16 instalments over 4 years, following a 1 year capital repayment holiday, and accrues interest at the Bank of England rate, or a minimum of 1.79%.

The loans are repayable as follows:

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
Under 1 year	500	500	500	500
Between 1 - 2 years	383	383	500	500
Between 2 - 5 years	-	-	383	383
	<b>883</b>	<b>883</b>	1,383	1,383

## 16. Analysis of net assets between funds

### (a) Group

						2023
	Tangible and intangible assets	Listed investments	Net current liabilities	Non- current liabilities	Pension scheme	Total
	£000	£000	£000	£000	£000	£000
Restricted funds	-	-	337	-	-	337
Unrestricted funds	7,446	4,461	(5,310)	(383)	-	6,214
Pension scheme surplus	-	-	-	-	2,075	2,075
<b>Funds at 31 October 2023</b>	<b>7,446</b>	<b>4,461</b>	<b>(4,973)</b>	<b>(383)</b>	<b>2,075</b>	<b>8,626</b>

						2022
	Tangible and intangible assets	Listed investments	Net current liabilities	Non- current liabilities	Pension scheme	Total
	£000	£000	£000	£000	£000	£000
Restricted funds	-	-	383	-	-	383
Unrestricted funds	8,489	4,540	(5,444)	(883)	-	6,702
Pension scheme surplus	-	-	-	-	2,682	2,682
<b>Funds at 31 October 2022</b>	<b>8,489</b>	<b>4,540</b>	<b>(5,061)</b>	<b>(883)</b>	<b>2,682</b>	<b>9,767</b>

### (b) Charity

						2023
	Tangible and intangible assets	Listed investments and investments in subsidiary companies	Net current liabilities	Non- current liabilities	Pension scheme	Total
	£000	£000	£000	£000	£000	£000
Restricted funds	-	-	337	-	-	337
Unrestricted funds	7,406	4,461	(6,362)	(383)	-	5,122
Pension scheme surplus	-	-	-	-	2,075	2,075
<b>Funds at 31 October 2023</b>	<b>7,406</b>	<b>4,461</b>	<b>(6,025)</b>	<b>(383)</b>	<b>2,075</b>	<b>7,534</b>

						2022
	Tangible and intangible assets	Listed investments and investments in subsidiary companies	Net current liabilities	Non- current liabilities	Pension scheme	Total
	£000	£000	£000	£000	£000	£000
Restricted funds	-	-	383	-	-	383
Unrestricted funds	8,456	4,540	(6,781)	(883)	-	5,332
Pension scheme surplus	-	-	-	-	2,682	2,682
<b>Funds at 31 October 2022</b>	<b>8,456</b>	<b>4,540</b>	<b>(6,398)</b>	<b>(883)</b>	<b>2,682</b>	<b>8,397</b>



## 17. Reserves

### Group

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2022	383	6,702	2,682	9,767
Transfers	-	(206)	206	-
Actuarial gain	-	-	(813)	(813)
Foreign currency translation loss	-	(122)	-	(122)
Net loss for the year	(46)	(160)	-	(206)
<b>At 31 October 2023</b>	<b>337</b>	<b>6,214</b>	<b>2,075</b>	<b>8,626</b>

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2021	383	5,311	4,816	10,510
Transfers	-	(434)	434	-
Actuarial gain	-	-	(2,568)	(2,568)
Foreign currency translation loss	-	(66)	-	(66)
Net income for the year	-	1,891	-	1,891
<b>At 31 October 2022</b>	<b>383</b>	<b>6,702</b>	<b>2,682</b>	<b>9,767</b>

Unrestricted funds include the currency translation reserve of £339k (2022: £461k) which is used to recognise exchange differences arising from translation of the financial statements of foreign operations to sterling.

### Charity

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2022	383	5,332	2,682	8,397
Transfers	-	(206)	206	-
Actuarial loss	-	-	(813)	(813)
Foreign currency translation loss	-	(124)	-	(124)
Net (loss)/income for the year	(46)	120	-	74
<b>At 31 October 2023</b>	<b>337</b>	<b>5,122</b>	<b>2,075</b>	<b>7,534</b>

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2021	383	3,901	4,816	9,100
Transfers	-	(434)	434	-
Actuarial loss	-	-	(2,568)	(2,568)
Foreign currency translation gain	-	200	-	200
Net income for the year	-	1,665	-	1,665
<b>At 31 October 2022</b>	<b>383</b>	<b>5,332</b>	<b>2,682</b>	<b>8,397</b>

Unrestricted funds include the currency translation reserve of £91k (2022: £15k) which is used to recognise exchange differences arising from translation of the financial statements of foreign operations to sterling.

**(a) Restricted funds**

	CIPS Foundation	CIPS Health Procurement Africa	NOS Project	IDEA Project	e-Comm research	<b>Total Funds</b>
<b>Charity and Group</b>	£000	£000	£000	£000	£000	<b>£000</b>
At 1 November 2022	355	-	2	14	12	<b>383</b>
Transfers from unrestricted reserves	-	-	-	-	-	<b>-</b>
Incoming funds	-	1,727	-	-	-	<b>1,727</b>
Outgoing funds	(46)	(1,727)	-	-	-	<b>(1,773)</b>
<b>At 31 October 2023</b>	<b>309</b>	<b>-</b>	<b>2</b>	<b>14</b>	<b>12</b>	<b>337</b>

	CIPS Foundation	CIPS Health Procurement Africa	NOS Project	IDEA Project	e-Comm research	<b>Total Funds</b>
<b>Charity and Group</b>	£000	£000	£000	£000	£000	<b>£000</b>
At 1 November 2021	355	-	2	14	12	<b>383</b>
Transfers from unrestricted reserves	-	-	-	-	-	<b>-</b>
Incoming funds	-	749	-	-	-	<b>749</b>
Outgoing funds	-	(749)	-	-	-	<b>(749)</b>
<b>At 31 October 2022</b>	<b>355</b>	<b>-</b>	<b>2</b>	<b>14</b>	<b>12</b>	<b>383</b>

CIPS Foundation - a trust fund for furtherance of education in purchasing matters

CIPS Health Procurement Africa - external funding to strengthen health procurement processes in Africa

NOS Project - external funding for the development of world class National Occupational Standards for International Trade and Services and Supply Chain Management.

IDEA Project - external funding to develop a certificate of competence for local government procurement specialists.

e-Comm research - external funding for a specific professional practice project.

All of the above funds are restricted income funds.

**(b) Pension reserve****Charity and group**

	<b>2023</b>	2022
	<b>£000</b>	£000
At 1 November 2022	<b>2,682</b>	4,816
Transfer from unrestricted reserves	<b>206</b>	434
Actuarial gain	<b>(813)</b>	(2,568)
<b>At 31 October 2023</b>	<b>2,075</b>	2,682

Transfers during the year comprise employer contributions to the pension scheme in excess of the service and administration costs and the net of expected returns over interest cost.

## 18. Leasing commitments

At 31 October 2023 the group's and the charity's future minimum lease payments under non-cancellable operating leases were as follows:

	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
Amounts due within one year	<b>5</b>	<b>5</b>	9	9
Amounts due between one and five years	-	-	5	5
	<b>5</b>	<b>5</b>	14	14

Total leasing costs for the year were £13k. The leasing commitments detailed above are in respect of the lease of vehicles and office equipment.

## 19. Related party transactions

During the year the charity provided services amounting to £57k (2022: £260k) to CIPS Corporate Services Ltd, a wholly owned subsidiary.

The amount from CIPS Corporate Services Ltd at the end of the year was £54k (2022: £127k).

During the year, the charity provided services amounting to £452k (2022: £412k) to CIPS Southern Africa (Pty) Ltd, a 49% owned subsidiary, whereby the remaining 51% is controlled by CIPS.

The amount due to CIPS Southern Africa (Pty) Ltd at the year-end was £107k (2022: £374k).

During the year, the charity provided services amounting to £114k (2022: £234k) to CIPS Professional Body South Africa Proprietary Ltd, a not for profit entity with members controlled by CIPS.

The amount due from CIPS Professional Body South Africa Proprietary Ltd at the year-end was £184k (2022: £127k).

During the year, the charity provided services amounting to £106k (2022: £88k) to CIPS Australia and New Zealand Pty Ltd, a wholly owned subsidiary.

The amount due from CIPS Australia and New Zealand Pty Ltd, at the end of the year was £244k (2022: £617k). A provision of £185k (2022: £559k) is included in the charity accounts against the debt due from Australia.

During the year, the charity provided services amounting to £41k (2022: £49k) to CIPS Singapore (Pty) Ltd, a wholly owned subsidiary.

The amount due to CIPS Singapore Pty Ltd at the end of the year was £129k (2022: £30k due from CIPS Singapore Pty Ltd).

During the year, the charity provided services amounting to £28k (2022: £22k) to CIPS USA Inc, a wholly owned subsidiary.

The amount due from CIPS USA Inc at the end of the year was £1,320k (2022: £1,197k). A provision of £1,020k (2022: £900k) has been made in the charity accounts against the debt due from the USA.

## 20. Financial instruments

The group's and charity's financial instruments may be analysed as follows:

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000	£000	£000	£000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	4,461	4,461	4,540	4,540
Financial assets that are debt instruments measured at amortised cost	12,248	11,103	10,693	8,106
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	3,437	5,975	3,002	4,245

Financial assets measured at fair value through profit or loss comprise fixed asset investments in units in investment funds designed for use by charities.

Financial assets measured at amortised cost comprise stocks, cash, trade debtors, other debtors and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, loans and amounts due to group undertakings.

## 21. Post balance sheet events

None.

## 22. Prior year statement of financial activities

### Consolidated statement of financial activities for the year ended 31 October 2022

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>						
<b>Charitable activities</b>						
Membership and professional development, subscriptions and fees		13,737	-	-	<b>13,737</b>	12,398
Corporate business		12,059	749	-	<b>12,808</b>	11,760
Magazine, conferences and sponsorship		3,433	-	-	<b>3,433</b>	2,907
Coronavirus job retention scheme		-	-	-	<b>-</b>	16
Other		28	-	-	<b>28</b>	38
<b>Investments</b>	3	197	-	-	<b>197</b>	155
<b>Total income</b>		29,454	749	-	<b>30,203</b>	27,274
<b>Expenditure on:</b>						
Charitable activities	4	27,104	749	-	<b>27,853</b>	24,869
<b>Total expenditure</b>		27,104	749	-	<b>27,853</b>	24,869
Net (expenditure)/income before investment gains		2,350	-	-	<b>2,350</b>	2,405
Net (losses)/gains on investments	12	(459)	-	-	<b>(459)</b>	745
Transfers between funds	17	(434)	-	434	<b>-</b>	-
<b>Net (expenditure)/income</b>		1,457	-	434	<b>1,891</b>	3,150
<b>Other recognised gains and losses</b>						
Pension scheme actuarial gain/(loss)	10	-	-	(2,568)	<b>(2,568)</b>	1,642
Foreign currency translation gain/(loss)		(66)	-	-	<b>(66)</b>	(37)
<b>Net movement in funds</b>		1,391	-	(2,134)	<b>(743)</b>	4,755
<b>Reconciliation of funds</b>						
Funds brought forward		5,311	383	4,816	<b>10,510</b>	5,755
<b>Balance carried forward</b>		6,702	383	2,682	<b>9,767</b>	10,510



## Parent charity statement of financial activities for the year ended 31 October 2022

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds 2022 £000	Total funds 2021 £000
		£000	£000	£000	£000	£000
<b>Income from:</b>						
<b>Charitable activities</b>						
Membership and professional development, subscriptions and fees		11,366	-	-	<b>11,366</b>	10,329
Corporate business		9,189	749	-	<b>9,938</b>	8,821
Magazine, conferences and sponsorship		2,083	-	-	<b>2,083</b>	1,741
Coronavirus job retention scheme		-	-	-	<b>-</b>	16
Income from subsidiaries		880	-	-	<b>880</b>	934
Other		23	-	-	<b>23</b>	10
<b>Investments</b>	3	146	-	-	<b>146</b>	117
<b>Total income</b>		<b>23,687</b>	<b>749</b>	<b>-</b>	<b>24,436</b>	<b>21,968</b>
<b>Expenditure on:</b>						
Charitable activities	4	21,563	749	-	<b>22,312</b>	20,152
<b>Total expenditure</b>		<b>21,563</b>	<b>749</b>	<b>-</b>	<b>22,312</b>	<b>20,152</b>
Net (expenditure) before investment gains		2,124	-	-	<b>2,124</b>	1,816
Net (losses)/gains on investments	12	(459)	-	-	<b>(459)</b>	745
Transfers between funds	17	(434)	-	434	<b>-</b>	-
<b>Net (expenditure)</b>		<b>1,231</b>	<b>-</b>	<b>434</b>	<b>1,665</b>	<b>2,561</b>
<b>Other recognised gains and losses</b>						
Pension scheme actuarial gain/(loss)	10	-	-	(2,568)	<b>(2,568)</b>	1,642
Foreign currency translation gain/(loss)		200	-	-	<b>200</b>	1
<b>Net movement in funds</b>		<b>1,431</b>	<b>-</b>	<b>(2,134)</b>	<b>(703)</b>	<b>4,204</b>
<b>Reconciliation of funds</b>						
Funds brought forward as previously stated		3,901	383	4,816	<b>9,100</b>	4,896
<b>Balance carried forward</b>		<b>5,332</b>	<b>383</b>	<b>2,682</b>	<b>8,397</b>	<b>9,100</b>

All items above derive from continuing operations.

There are no recognised gains or losses other than those stated above.

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