

Annual Report

2021/22



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The background of the slide is a solid dark blue. It features several overlapping geometric shapes in various shades of blue. These include large circles and thick, open rings. Some shapes are solid, while others are just outlines. The arrangement is abstract and modern, with the shapes creating a sense of depth and movement. The text is centered within one of the larger, lighter blue circular areas.

Executive Summary

This was a year in which our CIPS employees truly stepped up even more than they have ever had to do before, to support members and customers as we worked through the challenges of our systems upgrade, whilst continuing to advance a series of initiatives across CIPS.

This is an increasingly attractive profession in which to pursue a career, as not only are supply chains now constantly in the news but also, the chance to address climate change and tackle ethical issues including modern-day slavery, are issues that today's young professionals have a real desire to put right.

CIPS grew in FY22, finally getting beyond the negative impact of the pandemic with revenues in line with FY19. Revenues grew 11% from FY21 to FY22, membership over the November to May period showed a consistent growth of between 7% and 8% on the previous year and a record number of exams were sat in FY22.

The upgrade of our IT systems, a critical component to enable CIPS to take a “digital first” approach, has been very challenging.

To ensure that our members and customers could continue to transact with CIPS, we created workarounds. Our employees have been simply outstanding, finding innovative ways to operate, working phenomenal hours to support CIPS and our members.

Members are at the heart of CIPS. We exist to support our members through the different stages of their professional careers, from unqualified students through to leaders in procurement and supply.

CIPS qualifications are very much in demand. During FY22 nearly 100,000 CIPS exams were taken worldwide in a total of over 185 countries. Both the number of exams and the number of countries are new records for CIPS.

Our strategy is to provide the right learning and education experiences and to support our members to deliver greater value for their organisations across a broad procurement and supply agenda. CIPS will be the global voice of the profession and represent the profession at the highest levels.

Trustees' Report



Celebrating 90 years

Introduction

From the Chief Executive Officer

This was a year in which our CIPS employees truly stepped up even more than they have ever had to do before, to support members and customers as we worked through the challenges of our systems upgrade, whilst continuing to advance a series of initiatives across CIPS. As the world started to find a new normal after the Covid-19 pandemic, we were all impacted by the war in Ukraine bringing even more focus on supply chains and the procurement profession, as organisations grappled with further disruption to their sourcing strategies. The context for the procurement and supply profession has never been this positive for CIPS. The need to tackle disrupted supply chains, inflation, energy prices, labour shortages and the existential threat of climate change, all place increased demands on the profession where there is already insufficient resource of the desired capability to meet these challenges. There is a shortage of talent like there has never been before and CIPS should be best placed to support organisations in equipping their procurement teams with the skills that are needed. This is an increasingly attractive profession in which to pursue a career, as not only are supply chains now constantly in the news but also, the chance to address climate change and tackle ethical issues including modern-day slavery, are issues that today's young professionals have a real desire to put right.

CIPS grew in FY22, finally getting beyond the negative impact of the pandemic with revenues in line with FY19. Revenues grew 11% from FY21 to FY22, membership over the November to May period showed a consistent growth of between 7% and 8% on the previous year and a record number of exams were sat in FY22. There continued to be challenges with convincing some organisations to commit to invest in training both due to concerns about economic pressures on budgets, as well as people simply being too busy to be freed up for training as they resolved the issues of disrupted supply arrangements.

In some of our customers, hybrid working has made for slower decision making on discretionary expenditure, yet we also gained a substantial number of new customers during FY22. Our new Digital Academy product has allowed us to support a range of global corporations with whom we have not worked before; we delivered training to several new customers in the UK, in Southern Africa and in MENA – especially in the Kingdom of Saudi Arabia where the modernisation and professionalisation of procurement continues at pace. Both the USA and Australia & New Zealand proved to be more challenging regions for CIPS in FY22.

The upgrade of our IT systems, a critical component to enable CIPS to take a “digital first” approach, has been very challenging. The go-live planned for November 2021, was replanned for March 2022. Further challenges with the build of our core Oracle platform resulted in go-live at the end of June. The following months were extremely difficult for our members, our customers and our employees, especially during September and October as we managed the bookings for the November exam series. The issues – slow website speed, difficulties with logins, payment issues – were not the ones that we were anticipating. Oracle and their systems integration partner have worked hard to correct the issues. To ensure that our members and customers could continue to transact with CIPS, we created workarounds. Our employees have been simply outstanding, finding innovative ways to operate, working phenomenal hours to support CIPS and our members. A programme is now in place to resolve the issues with the platform and to remove all workarounds. However the impacts have been significant with membership, exam bookings, revenue and profits all being negatively impacted. The greatest effects have been to employee morale from the pressure that everyone has experienced and on CIPS reputation with members and customers. We believe that it was the right

Our Purpose

At CIPS, we inspire and power the profession to drive the transformation of supply chains for a more ethical and sustainable society.



decision to upgrade our technology to an Oracle Enterprise Cloud Solution and when the platforms are stabilised, we will be in a stronger position to support members and our growth ambitions.

To best serve the needs of our members, we not only need to have a highly relevant offering which meets their needs and can be accessed in an easy-to-use digital way, we also need a team of highly capable, engaged employees with strong alignment to a common purpose. During FY22 we worked with all our employees and trustees to develop an over-arching purpose for CIPS. "At CIPS, we inspire and power the profession to drive the transformation of supply chains for a more ethical and sustainable society." This was launched across the organisation and will be further embedded in CIPS as we support the profession to improve supply chains for the benefit of society. Along with the four strategic themes and the CIPS values we now have a strong direction – purpose, strategy, values – which will underpin the CIPS culture.

We needed to modernise the external CIPS branding, especially to make it more impactful in the digital environment of today. In FY22 we completed an exercise to refresh the CIPS branding which resulted in a new set of colours, fonts and icons for our logos. We also wished to establish a clear set of guidelines which would be applied consistently throughout the world. These were all launched in readiness for the go-live of our new systems platform as well as the celebration of CIPS 90th Anniversary in June.

Our volunteers are critical to enable CIPS to support our members through branches, specialist interest groups and other volunteering initiatives. Volunteers also have a key part in our governance structure. During FY22 we made several important changes in both how we work with our volunteers, and also in our governance, which came from a series of recommendations that followed the Volunteer Review, and a subsequent



Member Consultation, which were completed in early 2022. We established the Volunteer Engagement Group as the forum for discussing openly with our volunteers ways in which we can both make volunteering more fulfilling and work better with our volunteers to support our members. The Volunteer Engagement Group is not part of our governance structure and as such we can be flexible on the number of people who are involved, the tenure of their involvement and the topics to cover. We have a broad range of volunteers from across the world working with us on the Volunteer Engagement Group and they are already bringing invaluable insights to how we can better support them and our members.

One of the recommendations of the Volunteer Review was the need to better represent the views of members to the Global Board of Trustees. To do this we established a Membership Committee as a sub-committee of GBT. This will be a formal part of our governance structure with representatives from across the regions of the world in which CIPS operates. Any volunteer can apply to fill one of the regional representation roles on the Membership Committee. These roles will be appointed following a selection process undertaken by the Nominations Committee. Two of our trustees will be on the Membership Committee including one as Chair of the Membership Committee. The changes to our governance structure necessitated an update of our regulations and Bye-Laws. This was completed and is now progressing through the Privy Council prior to seeking approval from CIPS members.

Members are at the heart of CIPS. We exist to support our members through the different stages of their professional careers, from unqualified students through to leaders in procurement and supply. We have to remain relevant to our members, and the profession, through providing value propositions for different types of member that meet their needs. During FY22 we undertook an

extensive piece of work involving members, non-members, trustees and a broad range of leaders from across the profession to gain insights into the most important features of what they would like to see CIPS provide to fully qualified members. This identified five themes: (1) Expertise & Intelligence, (2) Support & Guidance, (3) Career Progress & Success, (4) Community & Connection, (5) Credibility & Recognition. Content is being developed for each of these themes and the roll-out of our new Member Value Proposition, utilising our new systems platform, will begin in early 2023. After applying the clean-up of our membership data in preparation for the go-live of the new systems, CIPS had a total of 62,500 members at the start of FY22. This had increased to 64,200 in May which was an increase of 7.6% over the previous May. Then we went live with our new systems. The inability to renew and the inability to send reminders to renew, resulted in a decline in membership numbers to 62,712 at year end. We will run lapsed recovery campaigns to regain these members using the new Oracle Eloqua functionality.

CIPS qualifications are very much in demand. During FY22 nearly 100,000 CIPS exams were taken worldwide in a total of over 185 countries. The use of the remote invigilation technology which we first piloted in 2020 has made CIPS exams far more accessible to our learners with 24% of exams taken this way and in 98 countries exams were "100% remote invigilation". This is one example of how a more digital approach is being taken at CIPS. Equally encouraging for the future is the fact that we had 17% more new students take exams in FY22 compared to FY21 which gives confidence on the exams pipeline.

The Audit of FY21 was completed on time, and the accounts were signed off before the end of March which was the earliest date achieved in memory. Our finance team were consequently able to turn their attention to the preparatory work for the upgrade of our

finance systems. The tender was undertaken and a systems integrator selected, though the implementation has now been delayed until we have both stability in our core IT platform as well as the resources to complete the implementation. The systems workarounds that have been introduced are significantly impacting the finance team and though we will remove many of these workarounds during 2023, others will have to await the implementation of the new finance systems which is now planned for FY24.

Our new in-house Member Services Team was fully operational from January 2022 and in May they achieved an NPS score of +70 which is an outstanding score. This team have borne the brunt of member complaints and resolving the operational issues arising from the systems go-live. Whilst many operational metrics were below target from June onwards, the team have been simply outstanding in terms of their resolve and commitment to help members. By the end of December all metrics were back on target which is a phenomenal achievement given the circumstances.

Strategic direction

We agreed the strategic direction for CIPS in 2019. During FY22 we started the work to update our strategic plan, in particular the actions planned – with a greater focus on being digital first and leveraging the capabilities of our new systems platform – as well as to refresh our numeric goals for the next five years. This will be completed in FY23 as we find the time to complete this work.

CIPS exists for the benefit of the procurement and supply profession, to enhance the capability of both the profession and the professionals who work in it. Our strategy is to provide the right learning and education experiences and to support our members to

deliver greater value for their organisations across a broad procurement and supply agenda. CIPS will be the global voice of the profession and represent the profession at the highest levels. The CIPS purpose aligns fully with this strategy.

The CIPS strategy is grounded in the views of our stakeholders, our members, partners, users and employer organisations who were all consulted extensively before confirming this strategic direction. CIPS will continue to evolve to be relevant to the profession both now and in the future.

There were always two phases to the implementation of the strategic plan. An initial phase of fixing and consolidation, with the focus on existing geographies, followed by a phase of much greater growth and some expansion into selected new geographies. We foresaw strategic investments in the three areas of systems, products and marketing with the investment in systems being the priority.

The right systems, and digital capabilities, are critical to allow CIPS to operate efficiently now and to have the platform with which to grow in future. We knew this before the Covid-19 pandemic and we took the decision to use a proportion of our reserves in both FY20 and in FY21 to fund this investment. The challenges with the go-live in FY22 have seen reserves fall to a lower than acceptable level. We are forecasting good revenue growth in FY23 which will offset the inflationary headwinds we will experience. However some investments will need to be delayed as we rebuild reserves and very strong cost control will continue to be applied. There is no change to our strategic direction. The constraints with resources mean it will take longer to achieve our goals in the short-term, though we now see greater opportunities for growth – through being more relevant to the profession – in the longer term.



Financial performance

CIPS Group turnover in FY22 was £30.2 million with net income of £2.4 million before investments and actuarial movements on the closed defined benefit pension scheme. The turnover was below budget expectations, but still represents an increase 11% above FY21. Despite this shortfall in revenue, very good overall cost control as well as reduction in specific costs linked to the revenue shortfall, resulted in the operating profit being above FY22 budget.

CIPS Group cash position, not including the UK government backed CBIL loan which we have been repaying on a regular basis, was £3.8 million at the end of FY22. This is an increase of £0.5 million compared to the end of FY21. The overspend on our systems upgrade has resulted in below budget cash reserves at end FY22. We plan that cash reserves will rebuild by at least £1 million during FY23 as we delay some investments and control costs. CIPS continues to have sufficient reserves as a going concern.

Future

The procurement and supply profession continues to gain recognition of its importance driven by the impact of the pandemic and the focus on the important ESG agenda. This makes for increasingly exciting times for the profession with the greater focus on ethical sourcing, on ensuring transparency and compliance in supply chains, on taking steps to tackle climate change and on fully embracing the sustainability and social value agendas.

In this context CIPS will support the profession, by enhancing capability through improved provision of learning and training, through supporting our members and the wider profession. We have great times ahead and CIPS has ambitious goals to fulfil. It will take time and resources to achieve these and

we are increasingly doing this from a more solid foundation, despite the headwinds of inflation and the challenges of upgrading our IT systems.

CIPS has a clear strategy with four themes – Supporting our Members, delivering Education & Learning, building capability through CIPS for Business and being the Voice of the Profession. We continued to make progress in all of these during FY22 though we were held back by the systems challenges during the second half of the year with membership being the area most impacted. There is more change to come for CIPS, we will do this from a sound base and our short-term priority will be to resolve all issues and achieve stability of our new Oracle platform.

I have always been passionate about the profession, and I am truly excited about the challenges which are presented to procurement and supply professionals today. Improving disrupted supply chains to make them more resilient, tackling the issues of climate change and sustainability as well as ensuring that ethics remains at the top of the agenda, are all great opportunities for the profession and require more professionals of greater capability. Our role at CIPS is to equip the profession with the skills to meet these challenges and to support our members throughout their careers. I am committed to ensuring that CIPS evolves, remains relevant and I am enjoying the responsibility of leading CIPS.



Malcolm Harrison
Chief Executive Officer

Objectives & Activities

Celebrating 90 years provided an excellent opportunity to take stock and reflect on our purpose as an organisation. As an organisation with a Royal Charter, having a higher order purpose is essential and so we invited all of our colleagues and Trustees to participate in the process which resulted in the creation of our purpose statement which we are all proud of.

Along with our Royal Charter, we now have a strong direction – purpose, strategy, values – which will underpin the CIPS culture.

The Royal Charter objectives:

- 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

At CIPS, we inspire and power the profession to drive the transformation of supply chains for a more ethical and sustainable society.

CIPS' strategy

- Membership
- Education & Learning
- CIPS for Business
- Voice of the Profession

CIPS' values

We have **integrity**; we are ethical and principled

We are **compassionate**; we genuinely care about and respect our colleagues and customers

We are **connected**; we deliver together

We are **dedicated**; we go above and beyond to make a difference

We are **proud**; to promote and support this profession in improving our world





Measurement of success

CIPS primary aims are to meet its Charter objects and deliver public good. These are achieved through the organisational strategy and success is measured with 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

CIPS delivers public benefit through a range of activities. These are agreed by the Trustees having had regard to the guidance issued by the Charity Commission on public benefit

- CIPS promotes ethical behaviour and offers its annual Ethical Procurement and Supply eLearning 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 its 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.

Achievements & Performance



Membership

Membership key metrics:	Target 2022	Achieved 2022
Member population	65,000	62,712
Member retention	79%	76%
Net Promoter Score – NPS	+35	+51
Volunteer run engagement events - global (virtual and physical)	150	135

Membership category	2019	2020	2021	2022	Variance 2021-2022	
Affiliate	4,971	4,209	5,702	6,632	930	16%
Student	37,341	36,563	39,182	39,073	-109	0%
MCIPS	17,811	17,749	17,868	17,007	-861	-5%
Total	60,123	58,521	62,752	62,712	-40	0%

NB: 2021 and 2022 figures reflective of the membership data cleanse.

In preparation for the implementation of the new IT system a review of membership data and thorough cleansing exercise was undertaken. As a consequence, membership numbers were restated to a lower base from the beginning of 2022 and future comparisons will be against this base.

The global population ended the year with a growth at 62,712 members which was largely due to Affiliates. A positive improvement was seen in our net promoter score, which increased to +51.

The first half of the year saw promising growth, despite continuous crises around the globe. Despite this, we saw strong indications through our membership population performance that the profession is continuing to prioritise self-development and engagement with the CIPS global community.

The new systems have impacted our member's experience. From the middle of the year, we saw a change in the usual monthly population movement trend. However, combined efforts across all teams and colleagues helped our monthly trend start to recover at the end of the financial year.

Initiatives such as International Students' Day, Volunteers' Week, International Women's Day, Anti-Slavery Day and Global Ethics Day have all continued to contribute to the awareness, acquisition, and retention of members.

With systems more stable going into our new financial year, we will resurrect usual operational retention and lapse recovery activity and run it alongside other member value engagement campaigns and communications.

The Member Value Proposition (MVP) project was restarted in March 2022. Consultation with key stakeholders was carried out to research the perception and opportunity of the current membership offering. A framework relevant for all grades and career stages was developed along with identification of key products to fill gaps in the offering for fully qualified members. Working with an external copywriter, a messaging matrix was created to inform webpage and collateral updates which will be rolled out in early FY23, as well as supporting the successful implementation of the new MVP across CIPS.

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The contribution of our volunteers has been invaluable to CIPS. We celebrate and thank all our volunteers for their continued support to both CIPS and the wider procurement and supply profession.

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During 2022, we have launched some valuable enhancements for members. We used the mentoring pilot undertaken in the prior year to develop new Mentoring Circles. This was led by a team of Fellows who volunteered to be mentors, as part of the benefits for MCIPS. 14 Mentoring Circles have been created, benefitting 140 members and will run through next year, providing important giving back from Fellows, and value gained by members looking to progress in their careers.

In May 2022, a new Member Regional Connection series was launched in partnership with representatives from the Membership Committee. More than 1800 members registered for these connections, evidencing their desire to connect with colleagues in their local community. High praise and positive feedback was received from attendees with the next series scheduled for early 2023.

In August 2022, a brand-new student orientation session was launched with great engagement and feedback from our new students. These will now be held monthly as part of the welcome and onboarding journey.

135

branch events with over

6,600

attendees in the
past 12 months



CIPS Volunteers

Volunteers across the world

Africa	74	10%
Australia and New Zealand	105	15%
Fellows International	10	1%
Fellows UK	10	1%
MENA	90	13%
Southern Africa	62	9%
UK	261	37%
Europe	39	5%
Asia	64	9%
TOTAL	715	100%

Volunteer networks across the world (Branches)

Africa	10	11%
Americas	2	2%
Asia	6	7%
Australia and New Zealand	9	10.5%
Europe	4	5%
MENA	15	17%
South Africa	9	10.5%
UK	32	37%
TOTAL	87	100%

Volunteer Groups in 2022

Volunteer Group Type	Number of Volunteers
Volunteer Engagement Group	47
Membership Committee	8
Special Interest and Sector Groups	61
Fellows Groups	20
Branch Networks	708

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

During the reporting period, and throughout the challenges of CIPS’ major IT transformation project, our volunteers continue to demonstrate their ability to be agile and adaptable.

Following the requirement to shift to virtual events during the global pandemic, we have seen an increase in, and return to face-to-face events globally, albeit still reduced from previous years. This has been combined with maintaining a portfolio of virtual events which continue to provide opportunities for networking, without geographic boundaries.

The Branch network has coordinated and delivered a combined total of 135 virtual and face-to-face events and attracted audiences from around the globe, demonstrating the value, reach and diversity of the CIPS community.

Give
Gain
Grow



Volunteer review

Following the volunteer review in which we consulted our 650 CIPS volunteers worldwide, we needed to make changes to ensure the voice of the CIPS member is heard more effectively. As a direct result of the volunteer review, we launched a member-wide consultation about proposed changes to how CIPS is run and governed as an outcome of the review.

A new Membership Committee was formed to replace Congress. The new Membership Committee is a formal part of our governance structure as a sub-committee of the Global Board of Trustees (GBT).

The new Membership Committee ensures:

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

The Membership Committee are directly responsible for ensuring the Executive is acting upon the feedback.

A new Volunteer Engagement Group has been created and is made up of our most passionate volunteers. The Group supports the Executive by ensuring CIPS' volunteers are celebrated, recognised, and aligned with CIPS's strategy. The Group advises how CIPS can continually develop a compelling volunteer and volunteer employer value proposition and promote it widely, supporting the development of a strong pipeline of volunteer leaders for the future, and ultimately growing the CIPS volunteer community.

What our volunteers do and what they get back

CIPS volunteers make a positive impact, inspire others, and are part of changing the future of our profession. Volunteers play a significant role within the CIPS membership community, both as strong brand advocates and a key communication channel with our members and customers.

They:

- **Give** back and make a valuable difference within the profession.
- **Gain** a sense of satisfaction and pride.
- **Grow** visibility, profile and skills.

Our principles

1. Celebrate, recognise, and grow volunteering with CIPS.
2. Volunteers are supported and fully aligned with the CIPS strategy.
3. Volunteers help to deliver a key part of the membership value proposition.

There is a strong appetite and willingness among CIPS members to get involved, and by expanding the ways members can volunteer and by raising the profile of volunteering, we will grow our volunteer community and achieve our aims.

Succeeding and measuring impact, what's coming next

Volunteering is a core part of CIPS business as usual, and we are committed to continue to improve and evolve volunteering. Our strategy and actions will retain flexibility to respond to new developments and emerging operational needs for the organisation and volunteer community. All CIPS strategic initiatives, such as developing new markets will include how volunteers can help.

Professional Development

Professional Development Examinations

	2021	2022 Target	2022 Achieved
Examinations	89,847	98,372	96,686

Qualifications and learners

FY22 saw the highest number of exam entries. A record 96,696 which was 1,600 exams (<2%) behind the budgeted number of 98,372.

May 2022 saw the last remaining countries sitting paper based exams, from July 2022 all CIPS qualification exams are now 100% computer based.

Exam entries were received from 185 countries up from 169 during FY21. Examples of countries submitting exam entries for the first time are Djibouti, Laos, Nepal, Benin, Central Africa Republic, Slovakia, Tajikistan, Mali and Somalia. This increase has been because of the introduction of remote invigilation which continues to grow with over 24% of exams entries (23k).

Education and learning

We have seen university partnerships grow from 65 to 75 which has resulted in 116 programmes accredited to MCIPS up 14 on FY22. This includes new programmes in Ghana, Ireland, Singapore and Oman. Universities from Pakistan, Malaysia and Barbados are in the process of having their degree programmes reviewed.

The growth of regulated study centres has been very strong during the year, with 210 approved study centres with another 50 in the pipeline for review.



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Public & Private Sector Customers

Business customers

This year, CIPS continued to respond to the new environment created by the Covid-19 pandemic. A major adaptation of the products and services we offer made us capable of delivery in the virtual environment. The Corporate Award Practitioner Programme and Skills Training Portfolio have been updated and have grown in a positive way. Syndicated Corporate Award Programmes which bring individuals from organisations together who are joining programmes virtually have produced outstanding results. Following the launch of the Digital Academy - a product that CIPS for Business rapidly developed and offered to the market in response to a real need for virtual, flexible learning solutions across the world, CIPS for Business have met the needs of the market and are delivering to a wide range of global clients.

Despite the disruptions, we have maintained strong relationships with all our 53 major long term customer accounts in both the public and private sectors globally. During the year, we delivered education and development programmes to over 150 customers in 42 countries.

CIPS for Business has continued to work with new, global private sector clients, across a large variety of industries and sectors. The dramatic change in ways of working has removed geographical barriers to learning and many of the organisations we work with are feeling the benefit of learning remotely.

CIPS relationships with government procurement organisations continued to grow and develop. The close relationship with the UK Government Commercial Team is still strong as they continue to invest in the commercial capability of their procurement

professionals. CIPS is also working with the government procurement teams in France, UAE, South Africa and Australia where the South Australian Government has continued to grow the relationship with CIPS developing teams for excellence.

CIPS saw a downturn in business activity in Ukraine due to the current war but have continued to maintain support with clients in country and look forward to being able to help the country in the near future.

CIPS Americas

The last 12 months has proved challenging for CIPS in the Americas. The hangover from the Covid-19 pandemic has significantly changed working practices and disrupted the employment market; the resulting volatility has created competition for a shrinking talent pool and an increased employee churn. Combined with a turbulent economy facing rampant inflation, supply shortages, and the impacts from the war in Ukraine, organisations have taken a cautious view on investment to develop their people. Despite this negative environment, CIPS Americas has increased the number of corporate customers it's serving. The need to retain and develop key team members and significantly improve their ability to tackle major challenges has tempted more organisations to try CIPS as a people development partner. The digital products and high-quality, instructor-led training via virtual classrooms that CIPS Americas has delivered is generating repeat business. The launch in November of the Mid-Atlantic members' chapter centred on New York / New Jersey is a significant step towards establishing thriving professional networks at ground level driving membership growth and will be a valuable platform for corporate education and functional transformation programs.



Bill & Melinda Gates Foundation

CIPS concluded the first three-year grant in June 2022, working with national and sub-national healthcare procurement entities in Kenya and Nigeria. The Foundation has now awarded CIPS a further five-year grant which runs to July 2027, to continue and extend the work in Kenya and Nigeria and complete some initial research in Ethiopia. The successful outcomes of the programme include:

- Public health procurement professionals with the relevant, up to date skills and knowledge to carry out agreed roles and responsibilities for maximum effect and benefit.
- Optimal operational standards and capability deployed and used to support the delivery of public health procurement at national, state and domestic levels.
- Donors, national governments and domestic entities working in collaboration within a well-defined strategic framework.
- Improvements in procurement performance indicators, including supply availability, reliability, and value for money and process efficiency.
- Sustainable systems in place for ongoing improvement of procurement professionals and processes managed day to day by the in-country national entities.

There will be an upgrade to the Africa-wide procurement online community platform into a learning platform, providing an avenue to share the solutions and tools more broadly to the regional and continental procurement community via HPA.

This new grant extends beyond medical equipment and pharmaceuticals, and will also include RMNCH (reproductive, maternal, newborn and child health) products as well.



Marketing & Communications

This year we brought together our marketing and communications colleagues into a single directorate in order to drive alignment, innovation and, critically, a greater member and customer experience. The new combined team hit the ground running and have already made a big impact.

CIPS turned 90 with a refreshed brand

To celebrate CIPS' 90th anniversary, we launched a global brand refresh to modernise and evolve the CIPS brand, refreshing our global identity and providing a clear and comprehensive set of Brand Guidelines, a new Brand Hub and a suite of new brand templates and assets for staff and partners to use.

Also marking our 90th anniversary, we celebrated our global volunteer community and sent all volunteers a commemorative pin badge in gratitude for their commitment to CIPS and the profession. News of the "pins" were well received by recipients who proudly shared on social media.

Cementing CIPS' purpose

Celebrating 90 years provided an excellent opportunity to take stock and reflect on our purpose as an organisation. Having a clear and compelling purpose, beyond profit, has become essential for brands wanting to attract and retain talent, inspire current and future members and customers and out-innovate competition. As an organisation with a Royal Charter, having a higher order purpose is essential and so we invited all of our colleagues and Trustees to participate in the process which resulted in the creation of our purpose statement which we are all proud of.

At CIPS, we inspire and power the profession to drive the transformation of supply chains for a more ethical and sustainable society.

Content

In 2022 we laid foundations to bring a more focused approach and alignment to a global content strategy. In response to members' feedback, we will focus on the most pressing issues that our profession faces and create more expert, relevant and digestible content to support procurement professionals at all levels, addressing their differing needs. Taking a campaign-led approach to priority topics such as sustainability, risk and resilience, digitalisation and career progression, we will combine CIPS multi-media content, events, training and resources, with trusted partners and user-generated content through our procurement community.

External Affairs

CIPS achieved more mentions in mainstream media in 2022 than in previous years. In total, almost 14,500 mentions were secured, an increase of 18% on 2021. Coverage was secured across key titles including The FT, The Times, The Telegraph, The Guardian and BBC News online.

Unsurprisingly, as the UK and global economies faced the challenge of sharply rising inflation, driven by the war in Ukraine, CIPS' association with the monthly Purchasing Managers' Surveys has generated significant coverage across the media landscape including international, national, local and trade media.



The interest in economic uncertainty and questions about how procurement and supply chain managers deal with contracting economies led to a hugely successful webinar featuring our UK and US economists. Uncertainty driven by rising prices also formed the basis of research among members to investigate the strategies put in place by procurement and supply chain managers building resilience and flexibility in the face of increasing economic challenges. This generating media coverage in titles with international reach including Bloomberg and Reuters.

In light of political and economic uncertainty, policy issues and policy engagement are becoming increasingly important to CIPS. Consequently, decisions have been taken during 2022 to widen the scope of External

Affairs to ensure CIPS strengthens its position with policymakers, ensure members are better represented and provide information on policy matters to members.

Moving into 2023, External Affairs will seek to build on this joined up approach to policy and communications exploiting new platforms to better engage with key audiences.



Thanks **Malcolm Harrison FCIPS**
my badge arrived
in the mail today.
[#cips](#) [#committee](#)
[#volunteer](#)



Thank you



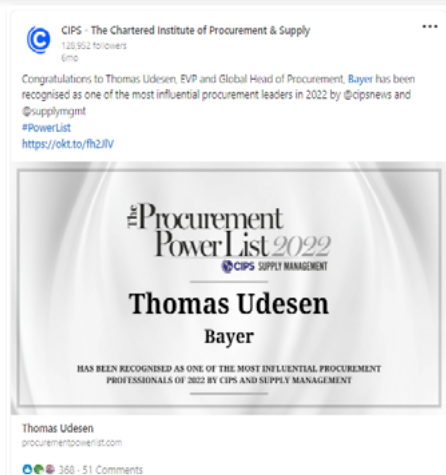
Supply Management

Supply Management has enhanced its offering to CIPS members and the wider professional community this past year. The portfolio consisted of:

- Daily online news for the global community. The quality of news articles was significantly increased through a greater focus on critical analysis and original comment.
- Daily and weekly bulletins which were refreshed to offer a better reader experience.
- A quarterly print magazine for all MCIPS and FCIPS members globally, with a digital version for students. Building on the previous year, the magazines were developed around a key topic for the profession, which was explored through the various formats to ensure breadth of coverage.
- Quarterly digital reports which provided a standalone deep dive into a single key topic. Topics were selected in accordance with CIPS priorities for the year and areas where members would benefit from targeted guides and resources.

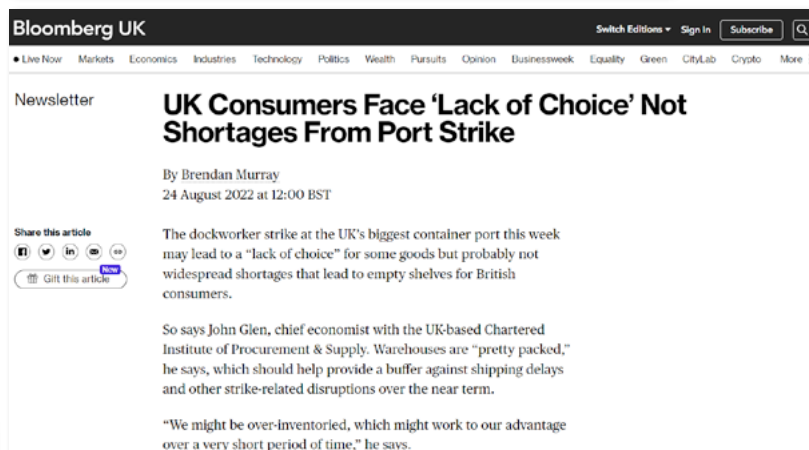
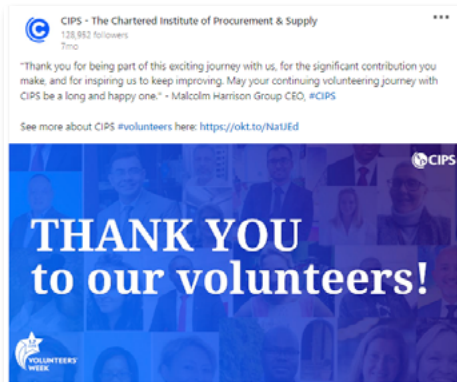
The team has also played an active role in Supply Management and CIPS events this past year. This not only supported the joined-up experience across the two brands, but cross-pollination meant news statistics, report topics and event streams could inform and enhance each other, ultimately improving the relevance and range of content and speakers for members.





CIPS - The Chartered Institute of Procurement & Supply
128,883 followers
3mo

Some highlights from last week's #CIPSAwards, celebrating the best work and teams in the procurement profession. Congratulations to all our shortlisted finalists, highly commended and winners! <https://okt.to/wXavqn>

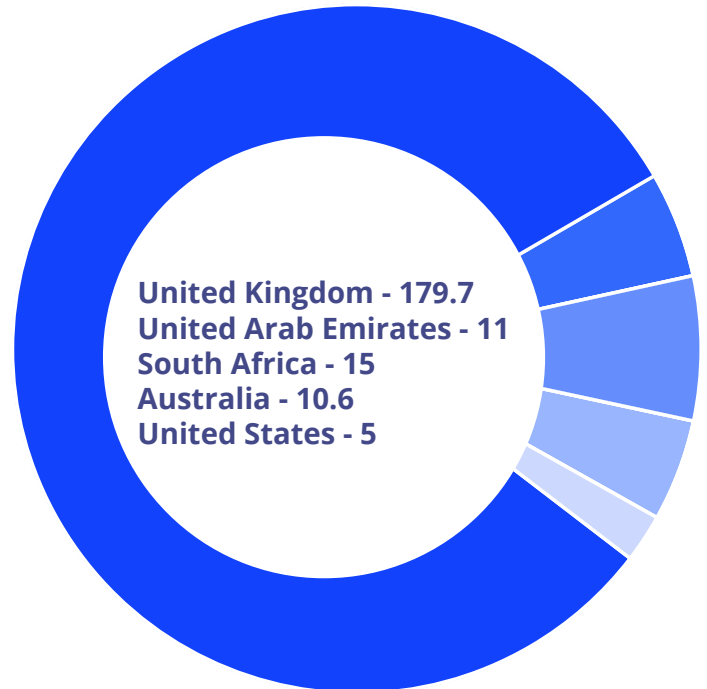


ITN Future of Retail
Discussion

Our people

CIPS' global headcount across the year grew from 213 to 221 employees with a steady entry of new talent into the organisation, despite the predicted shortages of skills.

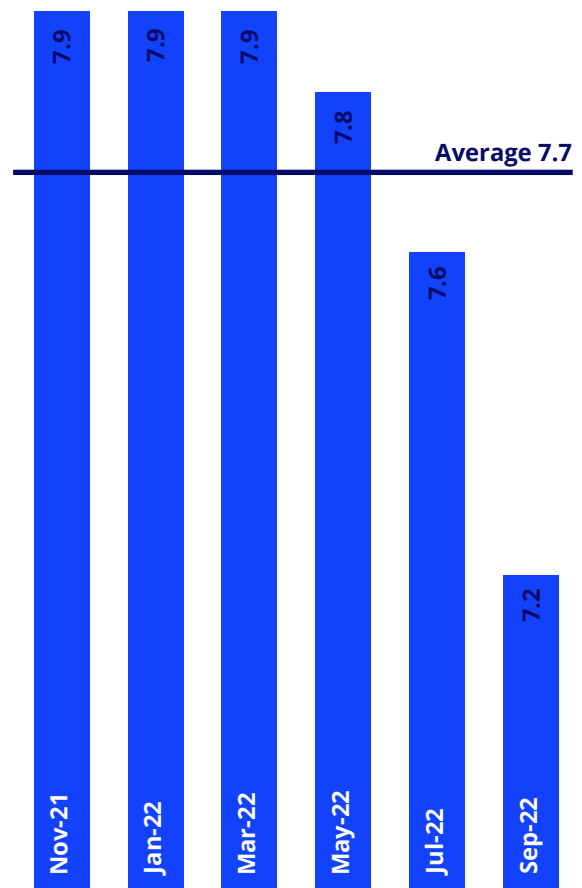
These new employees have been recruited to fill gaps, increase digital capability, and support critical growth across all departments and regions. We have brought in 54 new employees and bid farewell to 46 employees over the year. This represents a global turnover rate of 21% largely due to high churn in our Australia and New Zealand region, where we have experienced turnover of 64%, versus the UK which remains competitive at 16%. While we will continue to keep an eye on the Australia and New Zealand situation, we are confident that legacy issues have been resolved, and the workforce should stabilise.



Workforce split per country

Our internal engagement survey results have seen a drop-off in 2022, from the opening FY21 average of 8.2/10 to 7.7/10.

While this is disappointing, it is not surprising, given that our people have experienced a lot of changes as we have reintroduced office working back post Covid-19, rolled out the platforms transformation project and launched a new HR system. The key impact has been the platforms project which resulted in significant impact on people and processes. As a result, we will keep our targeted Engage score at 8.0/10 for FY23.



Wellbeing

The health and wellbeing of our employees continues to be a key focus area and we have had several interventions during this year to both support our people and increase awareness of the support mechanisms available to them. This has been through the likes of BUPA, MIND and our mental health first aiders who continue to provide this valuable service internally.

This will remain a focus area in the new financial year.

Culture

While CIPS has a well-entrenched culture of collaborative support, we will be focussed on building our change resilience and readiness as we move into the arenas of digital transformation and process improvement. 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.



Future plans

Long Term Plans

CIPS' strategic direction is set and over the next five years this includes:

- Development of member value propositions, focusing on acquisition, retention and lapsed members to remain relevant to all categories of membership.
- Adopting a “digital first” approach which aligns with the ways that our members wish to learn and receive information as well as allowing CIPS to be more efficient.
- Development of the employer value propositions such that we focus on relevance to the employers of our members, and potential future members, as well as the members themselves.
- Continued development of the education offering and CIPS' qualifications ensuring they remain relevant, and are recognised, both at international and local levels.

- Promoting global recognition and acceptance of CIPS' Global Standard.
- Building the profile of the profession and getting procurement recognised on a par with other professions; actively promoting the profession as a good career path.
- Promote Chartered Status as the level which all fully qualified – MCIPS / FCIPS – professionals should aspire to; continued focus on ethics throughout the profession.
- Supporting and facilitating the profession as it evolves and focuses more on ethical sourcing, sustainability and managing supply chains which are resilient, efficient and transparent.
- Strategy for our evolving geographical presence with a focus on implementing appropriate “in country” operating models.
- Thoughts on longer-term opportunities for increased presence in other countries and regions which will be considered in the second half of the strategic plan horizon; the first half will focus on consolidating and growing in those geographies where CIPS already has a presence.

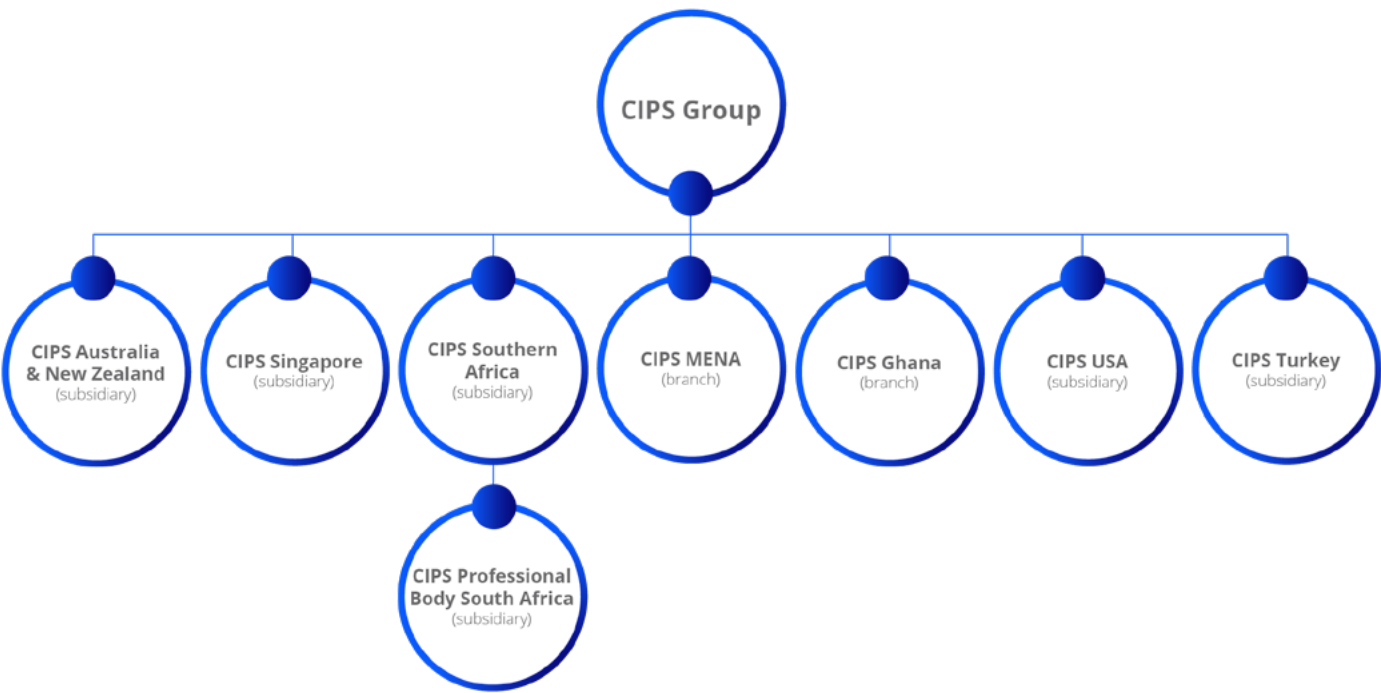
Governance

Our approach to governance is to ensure we have the right structure, processes and people in place. In 2021, we took 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 early 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.

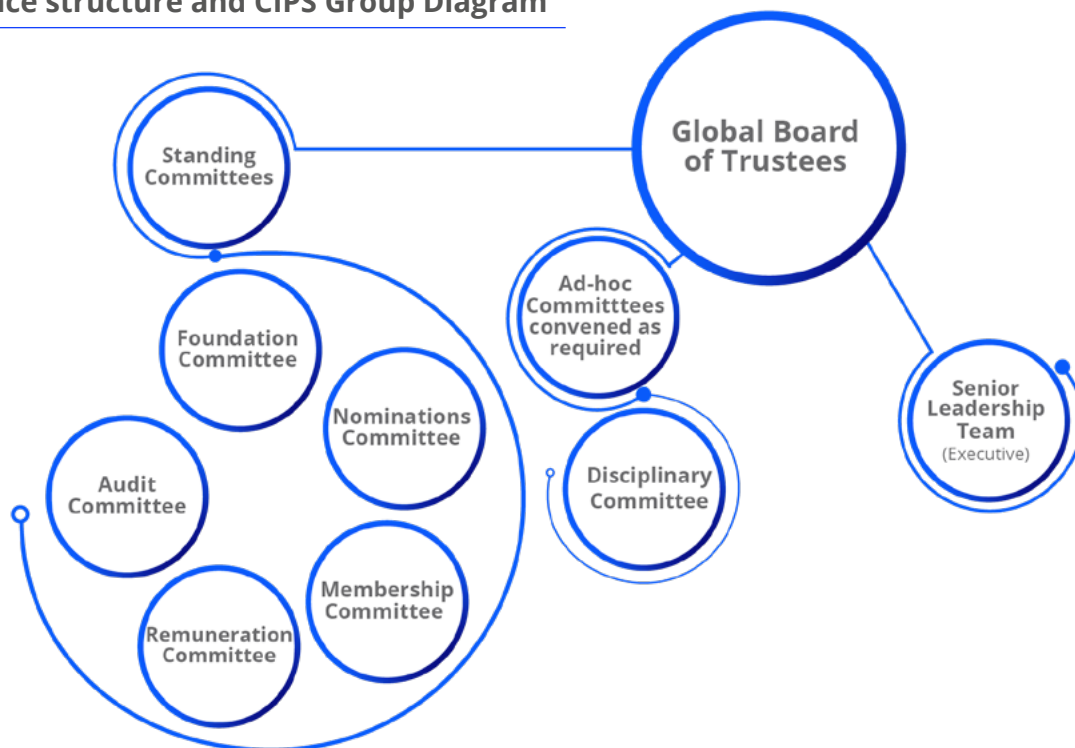
Group structure

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 Bye-laws and within the

provisions of the Charities Act 2011. CIPS is a not-for-profit organisation. CIPS' headquarters are based in the UK with regional subsidiaries globally (see diagram). CIPS also operates a linked charity, the CIPS Foundation (Charity No. 1017938-1), whose mission 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

Following on from the feedback from our members, the new Membership Committee was formed. 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 creates a more agile and responsive mechanism, allowing equal representation of all major locations in which we operate in today.

The Membership Committee ensures:

1. Members' views are heard by GBT and addressed by the Executive.
2. The feedback mechanisms used by the CIPS Executive are working and fit for purpose.

In 2022, we have been busy appointing the members of the Committee from our existing volunteer community who meet the new role profile and who wish to be part of the new Committee.

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 of Trustees to agree the selection criteria. This year, this was shared with members, and they were invited to apply for the vacant seats. Candidates who best match the selection criteria are interviewed by the Nominations Committee with input from the Chair of the Global Board of Trustees. Successful candidates are offered a seat on the Board.

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

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

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

The Global Board of Trustees and the Senior Leadership 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. During 2022, no related party transactions were declared.



Risk Management

Risk Management Framework

In 2021, an independent review was undertaken of the risk management framework. The review focused on ensuring that there was effective alignment between the Senior Leadership Team and the Global Board of Trustees, and that the mechanisms for risk identification and assessment were robust.

Workshops were held with stakeholders. In these workshops, participants discussed their views on CIPS' key risks, which informed the updates made to the risk register. These workshops also provided insights into the high-level risk identification and assessment process, including the role of the Senior Leadership Team and involvement from the Global Board of Trustees.

The concept of risk acceptance has now been introduced. This means that CIPS may 'risk accept' some risks from time to time and therefore will not undertake actions to reduce the risk exposure further (e.g. due to financial limitations). However, the Trustees will monitor and re-assess this periodically.

How we manage risk

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 Senior Leadership 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

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 Senior Leadership 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 Senior Leadership Team is ultimately accountable to the Audit Committee and the Global Board of Trustees for the delivery of the risk framework.

Key principles

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

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 highly probable likelihood of occurring.

Description of the principal risks and uncertainties

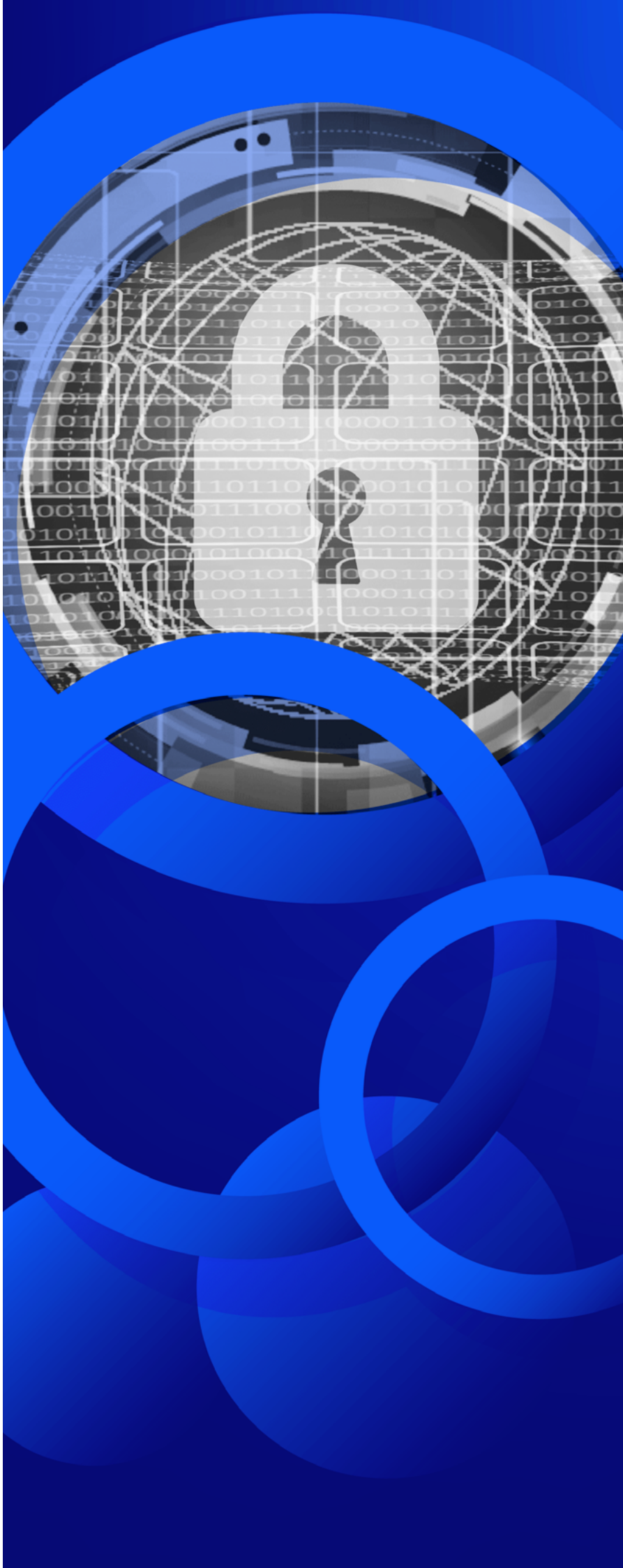
RISK	PRINCIPAL MITIGATION
<p>The risk of loss in CIPS' perceived value and credibility among the Profession, members and businesses globally. This could result in CIPS failing to grow or retain the number of members as the accreditation is not sought after by individuals or businesses.</p>	<ul style="list-style-type: none"> • Membership Value Proposition project to deliver enhancements of the MVP, this will include all member grades but will prioritise the fully qualified members. • Create and leverage a meaningful proposition for employers on the value of CIPS qualifications and membership. • Tier pricing model to ensure affordability in all geographies • Regular updates to content and delivery methods utilising multiple digital channels, to meet customer needs in target markets • Annual review of CIPS Global Standard by international professional stakeholder community • Geographic priorities to focus resources on key areas • 5-year cycles to review and refresh qualifications, globally.
<p>Failure to keep pace with the speed of external technological change impacting CIPS' ability to achieve strategic objectives.</p> <p>With the ongoing fast paced global technological developments there is a risk that CIPS' technological capabilities will hinder the ability to effectively achieve its growth strategy.</p>	<ul style="list-style-type: none"> • CIPS now has an Oracle cloud hosted, integrated solution, subject to regular version updates to ensure up to date and fully supported software is in place; there is a need to stabilise platform performance during 2023. • Plans will be developed to ensure enhancements are delivered, the platform is maximised, and partnerships are developed with appropriate third parties to achieve both technological and business improvements. • There is ongoing annual investment in CIPS' platform. The investments will ensure that CIPS 'systems continue to provide the right capability to operate in a digitally enabled world. • CIPS will buy technology, rather than build bespoke solutions, to ensure that systems remain current
<p>Failure to prevent Cyber-attacks and confidential data breaches</p>	<ul style="list-style-type: none"> • Cyber risks are being addressed as part of the IT risk mitigation plans; cyber insurance is also in place. • Processes are in place to safeguard against data breaches and appropriate training is delivered to employees across CIPS • CIPS has good up to date technical security systems in place protecting the network and our client computers and servers.
<p>Failure to deliver the new IT systems and operational changes within timescales and these do not provide the expected benefits</p>	<ul style="list-style-type: none"> • New platforms were launched in June 2022 however there have been significant challenges with the stability of the systems and functionality, these are being addressed with the third parties involved • The next phases of the programme will focus on delivering the new Learning management system and communities' platform. A new finance platform will be launched during 2024.



Other areas of risk

During 2021/22, the risks associated with the Covid-19 pandemic were the focus of the Senior Leadership Team and the Global Board of Trustees. The risk was categorised as extremely high impact with a potentially catastrophic effect on the CIPS business model, including 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. Global Board of Trustees and the Senior Leadership Team managed and monitored the situation. Costs were controlled and non-essential spends and projects were paused. Government schemes for financial support were utilised where appropriate. Remote working was proven to be effective, and levels of resources were managed across the organisation. This risk has now reduced particularly given the success of remote invigilation and the increase in virtual delivery of products.

The implications of the UK leaving the European Union were considered by the Senior Leadership Team and the Global Board of Trustees as part of the risk review process. CIPS Groups had relatively few members and customers in the EU, not including the UK, and Brexit has not had a significant impact on CIPS' business model.





“

This was a very tough year, but it was great hearing about the amazing work of our charitable partners. There were new challenges to be faced but the work of ActionAid endured and show just how much these projects change lives.

”

Paul Thorogood
Chair of the Foundation
Committee

CIPS Foundation

(charity number 1017938 – 1)

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

CIPS Foundation – Our Mission: 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 Global Board of Trustees by:

- Developing and recommending the Foundation Strategy.
- Monitoring and delivering the strategy.
- Ensuring compliance with relevant legislation.
- Ensuring financial stability for the charitable activities.

CIPS Foundation Committee Report

Throughout the year the Foundation continued to support ActionAid in Zimbabwe. This project focussed on developing new supply chains and improving existing ones; to benefit those that rely upon these chains for food, employment and sustainable development programmes.

ActionAid – Zimbabwe

The team in Zimbabwe have provided the Committee with updates and stories about how small hold farmers can improve local networks and penetrate the meat supply chains. There is a shortage of food in Zimbabwe and despite a high demand for meat the farmers often struggle with feed prices, vet fees and access to markets.

The team headed up by Newton Chari in Zimbabwe has been training farmers and creating a hub of knowledge sharing so that farmer networks can benefit from collaboration on animal medicines and info sharing for alternative feeds and breeding stocks.

The team in Zimbabwe continued to make excellent progress this year despite the challenges created by the pandemic and the unstable economic environment in Zimbabwe. New supply chains were developed to overcome issues across borders and new processes were developed to accommodate the changing procurement world. Whilst maintaining safety protocols and social distancing practices, the team worked through the pandemic and achieved amazing results.

CIPS Foundation is proud of the great progress towards the goal of transforming Zimbabwe's livestock and meat industry value chains.

Impact and reporting

CIPS Foundation has seen a year of reflection and review. As part of our ongoing assessment of impact we will continue to review all activities with a view of reaching more people and improving more supply chains for our surrounding communities. Work will continue into the next year with our bursary students and engagement opportunities for our members, staff and CIPS community.

Financial Review

Review of CIPS' financial performance and position for the period ended 31 October 2022

CIPS group

The year to 31 October 2022 was positive in terms of financial performance with the CIPS Group reporting total Group Income of £30.2 million (2021: £27.3 million). Although revenues were below budget expectations this still reflected a growth of 11% compared to the previous year. Furthermore, Net surplus before investments was in line with expectation at £2.4 million (2021: £2.4 million).

Despite the profitable performance from charitable activities, the net movement in funds shows as negative £0.74 million (2021: Positive £4.8 million) due to significant unrealised losses on investments and actuarial losses on the defined benefit pension scheme. The volatility in corporate bonds which make up a significant portion of the CIPS asset portfolios, and sharp increases in inflation during the year, heavily impacted the value of these assets at the end of the financial year.

Membership and Professional Development revenue accounted for 45.5% of total income and increased by 11% to £13.7 million (2021: £12.4 million) driven by a strong performance on exams that saw us achieve a new record number of exams delivered in the year. Delays to the launch of the new systems, and subsequent challenges faced, directly impacted on membership in the year. As a result, membership revenue growth was minimal and fell short of Budget expectations.

Corporate business income increased by 8% to £12.8 million (2021: £11.8 million) and accounts for 42.4 % of total income. Revenue growth was lower than budgeted as we continue to operate in a challenged economic environment, but the future continues to look positive with a very strong pipeline of opportunities for the year ahead. The CIPS for Business offering has continued to develop, with a focus on digital delivery and flexible learning solutions to meet the needs and

demands of the market, and the launch of the Digital Academy product provides an exciting direction for the future. CIPS also continues to be proud of the work it does with the Bill & Melinda Gates Foundation and was pleased to be awarded a further five-year grant to continue and expand upon the positive work already being undertaken in Kenya and Nigeria.

In comparison to the revenue growth of 11%, expenditure on charitable activities increased by 12% to £27.9 million (2021: £24.9 million), with an increase in Direct costs and Staff costs. The increase in spend was expected, and costs were below Budget for the year. CIPS has continued to strategically invest in its team and Direct costs now also include the amortisation costs of the newly implemented systems; both people and systems are key to the delivery of CIPS future strategy.

At 31 October 2022 the group cash position is £5.2 million (2021: £5.2 million), comprising of cash at bank and short term deposits. Cash held at bank has continued to be sufficient to fund all activities, including the significant investment during the period into the IT system upgrades and repayment of the CBILS loan, which 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 £24.4 million (2021: £22.0 million) and Net income before investment gains or losses of £2.1 million (2021: £1.8 million) represents 81% and 90% respectively, of CIPS group results.

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 decreased by 9% to £1.1 million (2021: £1.2 million) due to lower levels of activity on eLearning in the year. A new Learning Management System is being implemented in early 2023 and will be a key feature to proactively marketing this product.

Profit for the year was £0.8 million (2021: £0.9 million) which was distributed to the parent charity as a transfer of taxable profit under Gift Aid.

International offices

Most of the companies forming the CIPS Group continued to contribute positively towards CIPS Group profitability this year, except for CIPS USA where losses were incurred. Net profit by entity has been recorded as follows:

	2022 Net Profit (£'000)	2021 Net Profit (£'000)
CIPS Australia and New Zealand Pty Limited	64	60
CIPS Southern Africa Pty Limited	81	213
CIPS Professional Body Southern Africa Proprietary Ltd	137	104
CIPS Singapore Pte Ltd	156	166
CIPS Satinalma Tedarik Egit. Hizm. Ltd. Sti	17	125
CIPS USA Inc	(236)	(23)

CIPS saw positive performance in the Australian and Southern African regions this year, with Revenue growth of 18% and 25% respectively, whilst CIPS Turkey and CIPS USA both recorded a fall in revenue and were impacted by the volatile economic environment.

The USA market continues to be a challenge. Rising inflation, disrupted supply chains and

impacts from the war in Ukraine, alongside the continued longer-term impacts of Covid-19 on the employment market, means there remains a high level of caution for companies with regards to investment in people and training. We have continued to build upon our number of corporate customers, but many clients have continued to defer on decision making, and in some cases the delivery of planned programmes, whilst they focused internally on addressing their own business challenges.

Reserves policy statement

As at 31 October 2022 the total of group investments, short-term deposits and cash at bank amounted to £9.7 million (2021: £10.1 million). The total funds of the group, including the pension reserve surplus, are £9.8 million (2021: £10.5 million) of which £0.4 million is restricted, £6.7 million is unrestricted and £2.7 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.

At 31 October 2020, the Trustees reviewed the CIPS reserves policy and noted 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 £2.8 million (2021: £2.4 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.

	2022	2021
	£000	£000
Total funds as per group balance sheet	9,767	10,510
Less restricted funds	(383)	(383)
Less tangible fixed assets	(1,253)	(1,282)
Less intangible fixed assets	(7,236)	(4,948)
Less pension scheme asset	(2,682)	(4,816)
Free reserves	(1,787)	(919)
Anticipated surplus on deferred revenue funds held	2,753	2,388
Adjusted operating reserves	966	1,469

At the end of the year the target adjusted operating reserves level was £3.6 million. A shortfall against the targeted levels was anticipated due to the strategic investment in IT system upgrades, a significant three

year program funded from reserves. This investment is giving rise to an intangible fixed asset which 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, which spanned the financial years ending 31 October 2020 to 31 October 2022. As a result of delays to the planned go-live date and subsequent challenges faced with the build of the new systems the total investment required has exceeded the original Budget. The expectation is that future levels of investment will be less significant and CIPS therefore expects to begin to see recovery of the reserves position during the financial year ending 31 October 2023.

Investment performance

Investments are held in a managed portfolio. During the year, the portfolio generated dividend income from listed investments of £124k and generated an investment loss of £459k.

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. Whilst investment losses were suffered in the year, compared to the industry average the investment portfolio outperformed its benchmark by 0.3%.



Reference & administration

Global board of Trustees

- Alison Barto (Chair from November 2022)
- Julia Brown
- Marc Hutchinson
- Michael Kennedy
- Ken Jones (from November 2022)
- Henrik Larsen (from July 2022)
- Rachael Legg (from July 2022)
- Angela Qu (from July 2022)
- Alan Raleigh (to October 2022)
- Tracy Staines (from November 2022)
- Beverley Tew (to October 2022))
- Paul Thorogood (to October 2022)
- Nick Welby
- Richard Wilding

Senior leadership team

Responsible for the day to day management of CIPS

- Kate Barratt, Finance Director (from February 2022)
- Amanda Boustred, Professional Development Director
- Duncan Brock, Customer Relations Director (to August 2022)
- Doug Green, HR Director (to March 2022)
- Louise Gulliver, Marketing Director
- Malcolm Harrison, CEO
- Liz Lees, Membership Director
- David Taylor, Chief Operating Officer (from January 2023)
- Kate Tomlinson, Business Services Director/Company Secretary
- Simon Vinter, Finance Director (to February 2022)

Secretary and registered office

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

Name of organisation

Chartered Institute of Procurement and Supply (CIPS)

Company registration number

RC000876

Charity registration number

1017938

Auditors

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

Bankers

- 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

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

Solicitors

- 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 30 March 2023 and was signed on its behalf by the Chair of the Global board of Trustees:

Alison Barto
Global Board of Trustees

Independent auditors report

to the Trustees of the Chartered Institute of Procurement & Supply

Opinion

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 2022, 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 2022 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

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

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 the cost of living crisis 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

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

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' Annual 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

As explained more fully in the Trustees' Responsibilities Statement set out on page 45, 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

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.

Independent **auditors report** to the Trustees of the Chartered Institute of Procurement & Supply *continued*

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.
- 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. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants London

Date

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 2022

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

All items above derive from continuing operations.

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

The notes on pages 54 to 81 form part of these accounts.



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

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

All items above derive from continuing operations.

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

The notes on pages 54 to 81 form part of these accounts.

Consolidated and parent company balance sheet as at 31 October 2022

			Group		Charity		
			Notes	2022	2021	2022	2021
				£000	£000	£000	£000
Fixed assets	Tangible assets	11	1,253	1,282	1,220	1,241	
	Intangible assets	11	7,236	4,948	7,236	4,948	
	Listed investments	12	4,540	4,928	4,540	4,928	
	Investments in subsidiary companies	13	-	-	-	-	
Total fixed assets			13,029	11,158	12,996	11,117	
Current assets	Stock		79	42	-	-	
	Debtors	14	6,376	4,216	6,515	4,110	
	Short term deposits		678	427	-	-	
	Cash at bank		4,484	4,760	2,479	2,302	
Total current assets			11,617	9,445	8,994	6,412	
Current liabilities	Creditors: Amounts falling due within 1 year	15	(16,678)	(13,529)	(15,392)	(11,865)	
Total current liabilities			(16,678)	(13,529)	(15,392)	(11,865)	
Net current liabilities			(5,061)	(4,084)	(6,398)	(5,453)	
Total assets less current liabilities			7,968	7,074	6,598	5,664	
Creditors: Amounts falling due after more than 1 year		15	(883)	(1,380)	(883)	(1,380)	
Defined benefit pension scheme asset		10	2,682	4,816	2,682	4,816	
Total net assets			9,767	10,510	8,397	9,100	
Represented by	Restricted funds	17	383	383	383	383	
	Unrestricted funds	17					
	- Charitable		6,520	5,129	5,332	3,901	
	- Trading		182	182	-	-	
	Pension Reserve	17	2,682	4,816	2,682	4,816	
Total net reserves			9,767	10,510	8,397	9,100	

The financial statements were approved and authorised for issue by CIPS Global Board of Trustees on 30 March 2023 and were signed on its behalf on 31 March 2023.

Alison Barto
Chair, Global Board of Trustees

Michael Kennedy
Global Board of Trustees

The notes on pages 54 to 81 form part of these accounts.



Group cash flow statement for the year ended 31 October 2022

	2022	2021
	£000	£000
Net cash flow provided by operating activities	3,026	2,376
Cash flows from investing activities		
Dividends, interest and rents from investments	197	155
Purchase of tangible fixed assets	(27)	(44)
Purchase of intangible fixed assets	(2,650)	(3,374)
Purchase of investments	(71)	(95)
Proceeds from sale of investments	-	50
Net cash provided by investing activities	(2,551)	(3,308)
Cash flows from financing activities		
Repayment of borrowing	(500)	(125)
Net cash provided by financing activities	(500)	(125)
Change in cash and cash equivalents in the reporting period	(25)	(1,057)
	2022	2021
	£000	£000
Cash and cash equivalents at the beginning of the reporting period	5,187	6,244
Change in cash and cash equivalents in the reporting period	(25)	(1,057)
Cash and cash equivalents at the end of the reporting period	5,162	5,187

Net cash flow from operating activities

	Group	Group
	2022	2021
	£000	£000
Net income for the reporting period	1,891	3,150
Losses/(gains) on Investments	459	(745)
Dividends, interest and rents from investments	(197)	(155)
Depreciation charges	56	62
Amortisation charges	362	-
Losses/(gains) on disposal of fixed assets	-	22
Impact of foreign exchange	(66)	(35)
(Increase)/decrease in Stock	(37)	8
(Increase)/decrease in Debtors	(2,160)	107
Increase in Creditors	3,152	296
Net pension expense	(434)	(334)
	3,026	2,376

Analysis of changes in net debt

	1 November 2021	Cashflows	31 October 2022
	£000	£000	£000
Cash	4,760	(276)	4,484
Cash equivalents	427	251	678
	5,187	(25)	5,162
Loans falling due within one year	(500)	-	(500)
Loans falling due after more than one year	(1,380)	497	(883)
Total	3,307	472	3,779

The notes on pages 54 to 81 form part of these accounts.

Notes to the financial statements

for the year ended **31 October 2022**

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. 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.

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 2024. The financial modelling included a base case model; reflecting expected performance, 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. The Group completed a major step in the implementation of new systems during the year; a key enabler to further develop and grow the business and its value proposition to all customers. Strategic investments during the year ahead will continue but at significantly lower levels, supporting the company's objective to rebuild its cash and free reserves.



Key risks impacting the macro-economic environment have been taken into consideration, including the longer-term impacts for companies following the Covid-19 pandemic, increasing interest rates, rising inflation, and the growing concerns over cost of living because of rising costs.

Risks specific to the company, as captured on the Register of principal risks and uncertainties have also been considered. The risk of loss in CIPS' perceived value and credibility has the potential to significantly impact on revenue, particularly when considering the current cost of living and economic pressures on both individuals and companies. Risks with regards to effective technology and systems are also of great focus and particularly relevant given the challenges faced during the year following the new systems implementations.

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

- A 25% shortfall in sales in the event key risks are not successfully mitigated, coupled with a reduction in the value of investments held, and offset by;
- 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 the required shortfall in revenue to leave insufficient cash for continued operation was 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.

Amounts received under the UK coronavirus job retention scheme (furlough) are recognised in the month to which they relate, and restricted to the payroll expenditure they are offsetting.

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

(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 Australasia Pty Limited

CIPS Australasia 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 2022 the net assets of the scheme were £2,682k (2021 - £4,816k). 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.
- 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 (£1,253k - 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 (£7,236k - 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 (£5,297k - 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 (£1,535k 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 (£13,255k - 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	Charity	Group	Charity
	2022	2022	2021	2021
	£000	£000	£000	£000
Dividends receivable from listed investments	124	124	103	103
Interest receivable	73	22	52	14
Total	197	146	155	117

4. Charitable activity costs

(a) Group

	Staff costs	Direct charitable costs	Support costs	Total unrestricted funds	Restricted funds	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000	£000
Membership and professional development, subscriptions and fees	4,620	3,319	1,019	8,958	-	8,958	8,164
Corporate business	7,914	4,151	1,505	13,570	749	14,319	13,029
Magazine, conferences and sponsorship	138	3,011	925	4,074	-	4,074	3,661
Other	-	384	118	502	-	502	15
Total	12,672	10,865	3,567	27,104	749	27,853	24,869

(b) Charity

	Staff costs	Direct charitable costs	Support costs	Total unrestricted funds	Restricted funds	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000	£000
Membership and professional development, subscriptions and fees	4,215	2,506	679	7,400	-	7,400	6,770
Corporate business	6,095	3,145	1,052	10,292	749	11,041	10,090
Magazine, conferences and sponsorship	142	2,551	691	3,384	-	3,384	3,277
Other	-	383	104	487	-	487	15
Total	10,452	8,585	2,526	21,563	749	22,312	20,152

5. Support costs

(a) Group

	Membership and professional development, subscriptions and fees	Corporate business	Magazine, conferences and sponsorship	Other	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000
Finance	295	436	267	34	1,032	1,033
Marketing	82	121	74	9	286	650
Facilities	187	276	170	22	655	629
IT	264	390	240	31	925	634
HR	116	172	105	13	406	324
Governance	75	110	69	9	263	198
Total	1,019	1,505	925	118	3,567	3,468

(b) Charity

	Membership and professional development, subscriptions and fees	Corporate business	Magazine, conferences and sponsorship	Other	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000
Finance	186	287	188	28	689	692
Marketing	46	71	47	7	171	616
Facilities	114	177	116	17	424	483
IT	199	309	203	30	741	569
HR	85	132	87	14	318	288
Governance	49	76	50	8	183	177
Total	679	1,052	691	104	2,526	2,825



6. Net expenditure/income

	2022 £000	2021 £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 - 2022	117	-
Audit of the charity's annual accounts - 2021	-	90
Tax compliance	6	6
Fees payable to affiliate firms of the charity's auditors for:		
Audit of subsidiary companies' accounts	51	35
Non-audit services (preparation of company's accounts)	3	3
Depreciation (see note 11)	56	62
Amortisation (see note 11)	362	-
Operating lease rentals	13	19

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 e-learning. 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.

	2022 £000	2021 £000
Revenue	1,108	1,220
Cost of sales	(238)	(226)
Margin	870	994
Administrative expenses	(25)	(60)
Net profit before transfer	845	934
Deed of covenant transfer to charity	(845)	(934)
Net profit	-	-
Assets	100	100
Liabilities	(100)	(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.

	2022	2021
	£000	£000
Revenue	1,695	1,442
Cost of sales	(481)	(433)
Margin	1,214	1,009
Administrative expenses	(1,150)	(949)
Net profit	64	60
Assets	1,091	1,388
Liabilities	(1,650)	(1,947)
Net liabilities	(559)	(559)
Share capital	-	-
Profit and loss account	(559)	(559)
Net reserves	(559)	(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.

	2022	2021
	£000	£000
Revenue	2,172	1,667
Cost of sales	(723)	(504)
Margin	1,449	1,163
Administrative expenses	(1,368)	(950)
Net profit	81	213
Assets	3,312	2,418
Liabilities	(1,776)	(944)
Net assets	1,536	1,474
Share capital	-	-
Designated funds	-	-
Profit and loss account	1,536	1,474
Net reserves	1,536	1,474

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



CIPS Professional Body Southern Africa Proprietary Ltd

2016/045398/07

CIPS Professional Body Southern Africa Proprietary Ltd commenced trading in 2018. Incorporated in South Africa in 2016, it is a wholly owned subsidiary of CIPS Southern Africa Pty Limited. 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.

	2022	2021
	£000	£000
Revenue	478	450
Cost of sales	(223)	(226)
Margin	255	224
Administrative expenses	(118)	(120)
Net profit	137	104
Assets	1,041	737
Liabilities	(942)	(775)
Net assets/(liabilities)	99	(38)
Share capital	-	-
Profit and loss account	99	(38)
Net reserves	99	(38)

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.

	2022	2021
	£000	£000
Revenue	265	311
Cost of sales	(50)	(117)
Margin	215	194
Administrative expenses	(59)	(28)
Net profit	156	166
Assets	459	521
Liabilities	(527)	(719)
Net liabilities	(68)	(198)
Share capital	-	-
Profit and loss account	(68)	(198)
Net reserves	(68)	(198)

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 2022 is shown below.

	2022	2021
	£000	£000
Revenue	164	325
Cost of sales	(129)	(190)
Margin	35	135
Administrative expenses	(18)	(10)
Net profit	17	125
Assets	139	131
Liabilities	(45)	(7)
Net assets	94	124
Share capital	-	-
Profit and loss account	94	124
Net reserves	94	124

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.

	2022	2021
	£000	£000
Revenue	770	881
Cost of sales	(118)	(228)
Margin	652	653
Administrative expenses	(888)	(676)
Net loss	(236)	(23)
Assets	379	629
Liabilities	(1,521)	(1,391)
Net liabilities	(1,142)	(762)
Share capital	-	-
Profit and loss account	(1,142)	(762)
Net reserves	(1,142)	(762)



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\$

8. Staff costs

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
Wages and salaries	11,312	9,227	10,122	8,410
Employer's social security costs	947	896	908	862
Defined contribution pension scheme	692	608	680	603
Total staff costs	12,951	10,731	11,710	9,875
Payroll costs capitalised (see below)	(279)	(279)	(442)	(442)
Restricted payroll costs (see below)	-	-	(16)	(16)
Staff costs per note 4	12,672	10,452	11,252	9,417

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

Restricted payroll costs: Staff costs which were offset by income received under the UK Coronavirus Job Retention Scheme are included within restricted funds rather than staff costs in note 4.

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

	2022	2021
	221	208

Emoluments of senior staff	2022	2021
£60,000 - £69,999	17	15
£70,000 - £79,999	8	8
£80,000 - £89,999	2	2
£90,000 - £99,999	3	3
£100,000 - £109,999	4	3
£110,000 - £119,999	1	1
£120,000 - £129,999	2	4
£130,000 - £139,999	-	-
£140,000 - £149,999	1	1
£150,000 - £159,999	1	1
£170,000 - £179,999	1	-
£260,000 - £269,999	1	-
£270,000 - £279,999	-	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 £608k (2021: £603k) of employer contributions in the year. At the end of the year, there were 176 members of staff with stakeholder plans. CIPS Australia paid £65k (2021: £58k) and CIPS USA paid £19k (2021: £20k) 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 £12,839 (2021: £307) were reimbursed to or paid on behalf of 6 (2021: 2) trustees during the year. These expenses included travel, accommodation, subsistence and incidental costs in connection with attendance at meetings of the Board of Trustees.

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 £1,363k (2021: £1,302k).



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:

	2022	2021
	£000	£000
Current taxation		
South Africa – current year	77	163
Singapore withholding tax	-	2
Turkey	24	-
	101	165
Deferred taxation		
South Africa – current year	79	60
Total tax charge for the year	79	60

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 2022, 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. The disclosures set out below are based on calculations carried out as at 31 October 2022 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 2022.

Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

	2022	2021
Discount rate	4.90%	1.80%
Aggregate long-term expected rate of return on assets (net of expenses)	4.90%	1.80%
Retail Prices Index (RPI) inflation	3.20%	3.45%
Consumer Prices Index (CPI) inflation	2.40%	2.65%
Future increases in deferred pensions	2.40%	2.65%
Rate of increase in salaries	2.40%	2.65%
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%	3.35%
Post-retirement mortality	100% of S3PA tables with future improvements in line with the CMI2021 projection model with w2020 = 0%, 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 CMI2020 projection model with 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	22.2	22.1
Life expectancy of male aged 65 in 20 years from balance sheet date	23.5	23.4
Life expectancy of female aged 65 at balance sheet date	24.5	24.5
Life expectancy of female aged 65 in 20 years from balance sheet date	25.9	25.9

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:

	2022	2021
Overseas equities	0.00%	5.20%
Diversified growth funds	16.00%	0.00%
UK corporate bonds	45.70%	32.00%
LDI	29.10%	16.10%
Property	0.00%	4.80%
Cash	0.70%	0.30%
Insurance policies	8.50%	4.50%
Other (including diversified growth funds)	0.00%	37.10%
Total	100.00%	100.00%

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

	2022	2021
	£000	£000
Fair value of scheme assets	15,937	25,181
Present value of defined benefit obligation	(13,255)	(20,365)
Defined benefit asset recognised in balance sheet	2,682	4,816

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

	2022	2021
	£000	£000
Current service cost	-	-
Administration expenses	280	286
Past service costs including curtailment	-	-
Recognised in arriving at net income	280	286
Interest on the net defined benefit liability	(89)	(45)
Total	191	241

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

	2022	2021
	£000	£000
Actual return on scheme assets	(7,847)	1,170
Less: amounts included in net interest on the net defined benefit liability	(440)	(368)
Remeasurement gains and (losses) - return on scheme assets excluding interest income	(8,287)	802
Remeasurement gains and (losses) - actuarial gains and (losses)	5,719	840
Total	(2,568)	1,642

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

	2022	2021
	£000	£000
Present value of defined benefit obligation at beginning of period	20,365	21,642
Benefits paid including expenses	(2,022)	(1,046)
Administration costs	280	286
Interest cost	351	323
Remeasurement (gains) and losses - actuarial (gains) and losses	(5,719)	(840)
Present value of defined benefit obligation at end of period	13,255	20,365

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

	2022	2021
	£000	£000
Fair value of scheme assets at beginning of period	25,181	24,482
Interest income	440	368
Remeasurement gains and (losses) - return on scheme assets excluding interest income	(8,287)	802
Contributions by employer	625	575
Benefits paid including expenses	(2,022)	(1,046)
Fair value of scheme assets at end of period	15,937	25,181

Movements over 5 year period

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Fair value of scheme assets	15,937	25,181	24,482	23,232	20,687
Present value of defined benefit obligation	(13,255)	(20,365)	(21,642)	(20,973)	(18,612)
Surplus	2,682	4,816	2,840	2,259	2,075
Gain/(Loss) arising from experience on scheme obligations	-	-	-	-	-
Gain/(Loss) arising from changes in the assumptions for valuing the scheme obligations	5,719	840	1,037	(2,486)	1,727
Gain/(Loss) arising from experience on scheme assets	(8,287)	802	1,166	1,485	(481)



11. Fixed assets

Tangible fixed assets

(a) Group

	Freehold land and buildings £000	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost / Valuation					
At 1 November 2021	1,318	44	278	277	1,917
Disposals during the year	-	-	(65)	(127)	(192)
Additions during the year	-	-	8	19	27
At 31 October 2022	1,318	44	221	169	1,752
Accumulated depreciation					
At 1 November 2021	(113)	(30)	(228)	(264)	(635)
Disposals during the year	-	-	65	127	192
Charged during the year	(17)	(9)	(21)	(9)	(56)
At 31 October 2022	(130)	(39)	(184)	(146)	(499)
Net book value 31 October 2022	1,188	5	37	23	1,253
Net book value 31 October 2021	1,205	14	50	13	1,282

(b) Charity

	Freehold land and buildings £000	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost / Valuation					
At 1 November 2021	1,318	-	174	156	1,648
Disposals during the year	-	-	(1)	(55)	(56)
Additions during the year	-	-	8	7	15
Exchange difference	-	-	-	1	1
At 31 October 2022	1,318	-	181	109	1,608
Accumulated depreciation					
At 1 November 2021	(113)	-	(139)	(155)	(407)
Disposals during the year	-	-	-	55	55
Charged during the year	(17)	-	(17)	(2)	(36)
Exchange difference	-	-	-	-	-
At 31 October 2022	(130)	-	(156)	(102)	(388)
Net book value 31 October 2022	1,188	-	25	7	1,220
Net book value 31 October 2021	1,205	-	35	1	1,241

Intangible fixed assets

(a) Group

	Assets under development	Software	Total
	£000	£000	£000
Cost			
At 1 November 2021	4,948	330	5,278
Additions during the year	-	2,650	2,650
Assets under development brought into use	(4,948)	4,948	-
At 31 October 2022	-	7,928	7,928
Amortisation			
At 1 November 2021	-	(330)	(330)
Charged during the year	-	(362)	(362)
At 31 October 2022	-	(692)	(692)
Net book value 31 October 2022	-	7,236	7,236
Net book value 31 October 2021	4,948	-	4,948

(b) Charity

	Assets under development	Software	Total
	£000	£000	£000
Cost			
At 1 November 2021	4,948	328	5,276
Additions during the year	-	2,650	2,650
Assets under development brought into use	(4,948)	4,948	-
At 31 October 2022	-	7,926	7,926
Amortisation			
At 1 November 2021	-	(328)	(328)
At 31 October 2022	-	(690)	(690)
Net book value 31 October 2022	-	7,236	7,236
Net book value 31 October 2021	4,948	-	4,948



12. Listed investments

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
Market value at 1 November	4,928	4,928	4,138	4,138
Additions	71	71	95	95
Disposals	-	-	(50)	(50)
Net realised and unrealised (losses)/gains	(459)	(459)	745	745
Market value at 31 October	4,540	4,540	4,928	4,928
Historical cost of investments	3,875	3,875	3,804	3,804

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 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
Barclays Charity Distribution Fund	4,393	4,393	4,797	4,797
Charities Property Fund	146	146	130	130
Market value at 31 October	4,539	4,539	4,927	4,927

13. Investment in subsidiary companies

	2022 £	2021 £
Shares in subsidiary undertakings at cost		
At 1 November 2021 and 31 October 2022	8	8

14. Debtors

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
Trade debtors	5,297	4,081	3,114	2,237
Other debtors	76	11	18	7
Deferred taxation	79	-	60	-
Prepayments and accrued income	924	888	1,024	873
Due from subsidiary undertakings	-	1,535	-	993
	6,376	6,515	4,216	4,110

Included in amounts due from subsidiary undertakings is an amount of £155k (2021: £144k) 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.

The group's Singapore subsidiary has an unrecognised deferred tax asset of £87k (2021: £87k). This has not been recognised in the financial statements due to the unpredictability of local taxable profit streams.

15. Creditors

Amounts falling due in less than 1 year

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£000	£000	£000	£000
Trade creditors	1,619	1,499	1,622	1,462
Bank loans	500	500	500	500
Other creditors including taxation and social security	617	464	341	271
Accruals and deferred income	13,942	11,566	11,066	8,643
Amounts due to subsidiary undertakings in <1 year	-	1,363	-	989
	16,678	15,392	13,529	11,865
Deferred income as at 1 November 2021	9,511	7,427	8,730	7,198
Released during the year	(9,511)	(7,427)	(8,730)	(7,198)
Deferred during the year	11,171	9,188	9,511	7,427
Deferred income as at 31 October 2022	11,171	9,188	9,511	7,427

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
	2022	2022	2021	2021
	£000	£000	£000	£000
Bank loans	883	883	1,380	1,380
	883	883	1,380	1,380

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
	2022	2022	2021	2021
	£000	£000	£000	£000
Under 1 year	500	500	500	500
Between 1 - 2 years	500	500	500	500
Between 2 - 5 years	383	383	880	880
	1,383	1,383	1,880	1,880



16. Analysis of net assets between funds

(a) Group

						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
Funds at 31 October 2022	8,489	4,540	(5,061)	(883)	2,682	9,767

						2021
	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	6,230	4,928	(4,467)	(1,380)	-	5,311
Pension scheme surplus	-	-	-	-	4,816	4,816
Funds at 31 October 2021	6,230	4,928	(4,084)	(1,380)	4,816	10,510

(b) Charity

						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
Funds at 31 October 2022	8,456	4,540	(6,398)	(883)	2,682	8,397

						2021
	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	6,189	4,928	(5,836)	(1,380)	-	3,901
Pension scheme surplus	-	-	-	-	4,816	4,816
Funds at 31 October 2021	6,189	4,928	(5,453)	(1,380)	4,816	9,100

17. Reserves

Group

	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
At 31 October 2022	383	6,702	2,682	9,767

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2020	382	2,533	2,840	5,755
Transfers	-	(334)	334	-
Actuarial gain	-	-	1,642	1,642
Foreign currency translation gain	-	(37)	-	(37)
Net income for the year	1	3,149	-	3,150
At 31 October 2021	383	5,311	4,816	10,510

Unrestricted funds include the currency translation reserve of £461k (2021: £527k) 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 2021	383	3,901	4,816	9,100
Transfers	-	(434)	434	-
Actuarial loss	-	-	(2,568)	(2,568)
Foreign currency translation loss	-	200	-	200
Net income for the year	-	1,665	-	1,665
At 31 October 2022	383	5,332	2,682	8,397

	Restricted funds	Unrestricted funds	Pension reserve	Total
	£000	£000	£000	£000
At 1 November 2020	382	1,674	2,840	4,896
Transfers	-	(334)	334	-
Actuarial gain	-	-	1,642	1,642
Foreign currency translation gain	-	1	-	1
Net income for the year	1	2,560	-	2,561
At 31 October 2021	383	3,901	4,816	9,100

Unrestricted funds include the currency translation reserve of £15k (2021: £14k) 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	Coronavirus job retention scheme	Total Funds
Charity and Group	£000	£000	£000	£000	£000	£000	£000
At 1 November 2021	355	-	2	14	12	-	383
Transfers from unrestricted reserves	-	-	-	-	-	-	-
Incoming funds	-	749	-	-	-	-	749
Outgoing funds	-	(749)	-	-	-	-	(749)
At 31 October 2022	355	-	2	14	12	-	383

	CIPS Foundation	CIPS Health Procurement Africa	NOS Project	IDEA Project	e-Comm research	Coronavirus job retention scheme	Total Funds
Charity and Group	£000	£000	£000	£000	£000	£000	£000
At 1 November 2020	354	-	2	14	12	-	382
Transfers from unrestricted reserves	-	-	-	-	-	-	-
Incoming funds	1	982	-	-	-	16	999
Outgoing funds	-	(982)	-	-	-	(16)	(998)
At 31 October 2021	355	-	2	14	12	-	383

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.

Coronavirus job retention scheme - UK government funding to offset payroll costs for employees placed on furlough during Covid-19 pandemic

All of the above funds are restricted income funds.

(b) Pension reserve

Charity and group	2022	2021
	£000	£000
At 1 November 2021	4,816	2,840
Transfer from unrestricted reserves	434	334
Actuarial gain	(2,568)	1,642
At 31 October 2022	2,682	4,816

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 2022 the group's and the charity's future minimum lease payments under non-cancellable operating leases were as follows:

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£000	£000	£000	£000
Amounts due within one year	9	9	13	13
Amounts due between one and five years	5	5	14	14
	14	14	27	27

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 £260k (2021: £286k) to CIPS Corporate Services Ltd, a wholly owned subsidiary.

The amount due from CIPS Corporate Services Ltd at the end of the year was £127k (2021: £84k due to CIPS Corporate Services Ltd).

During the year, the charity provided services amounting to £412k (2021: £293k) 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 £374k (2021: £763k).

During the year, the charity provided services amounting to £234k (2021: £225k) to CIPS Professional Body South Africa Proprietary Ltd, an indirect subsidiary.

The amount due from CIPS Professional Body South Africa Proprietary Ltd at the year-end was £127k (2021: £407k).

During the year, the charity provided services amounting to £88k (2021: £127k) 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 £617k (2021: £941k). A provision of £559k (2021: £658k) is included in the charity accounts against the debt due from Australia.

During the year, the charity provided services amounting to £49k (2021: £61k) to CIPS Singapore (Pty) Ltd, a wholly owned subsidiary.

The amount due from CIPS Singapore Pty Ltd at the end of the year was £30k (2021: £136k due to CIPS Singapore).

During the year, the charity provided services amounting to £22k (2021: £32k) to CIPS USA Inc, a wholly owned subsidiary.

The amount due from CIPS USA Inc at the end of the year was £1,197k (2021: £1,088k). A provision of £900k (2021: £780k) 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
	2022	2022	2021	2021
	£000	£000	£000	£000
Financial assets				
Financial assets measured at fair value through profit or loss	4,540	4,540	4,928	4,928
Financial assets that are debt instruments measured at amortised cost	10,693	8,106	8,421	5,539
Financial liabilities				
Financial liabilities measured at amortised cost	3,002	4,245	3,502	4,331

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 2021

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds	Total funds
		£000	£000	£000	2021 £000	2020 £000
Income from:						
Charitable activities						
Membership and professional development, subscriptions and fees		12,398	-	-	12,398	10,811
Corporate business		10,778	982	-	11,760	10,832
Magazine, conferences and sponsorship		2,907	-	-	2,907	2,442
Coronavirus job retention scheme		-	16	-	16	246
Other		37	1	-	38	70
Investments	3	155	-	-	155	177
Total income		26,275	999	-	27,274	24,578
Expenditure on:						
Charitable activities	4	23,871	998	-	24,869	24,732
Total expenditure		23,871	998	-	24,869	24,732
Net income/(expenditure) before investment gains		2,404	1	-	2,405	(154)
Net gains/(losses) on investments	12	745	-	-	745	(288)
Transfers between funds	17	(334)	-	334	-	-
Net income/(expenditure)		2,815	1	334	3,150	(442)
Other recognised gains and losses						
Pension scheme actuarial gain	10	-	-	1,642	1,642	129
Foreign currency translation (loss)/gain		(37)	-	-	(37)	32
Net movement in funds		2,778	1	1,976	4,755	(281)
Reconciliation of funds						
Funds brought forward		2,533	382	2,840	5,755	6,036
Balance carried forward		5,311	383	4,816	10,510	5,755



Parent charity statement of financial activities for the year ended 31 October 2021

	Notes	Unrestricted funds	Restricted funds	Pension reserve	Total funds	Total funds
		£000	£000	£000	Total funds 2021 £000	2020 £000
Income from:						
Charitable activities						
Membership and professional development, subscriptions and fees		10,329	-	-	10,329	8,950
Corporate business		7,839	982	-	8,821	8,466
Magazine, conferences and sponsorship		1,741	-	-	1,741	1,175
Coronavirus job retention scheme		-	16	-	16	246
Income from subsidiaries		934	-	-	934	994
Other		9	1	-	10	22
Investments	3	117	-	-	117	132
Total income		20,969	999	-	21,968	19,985
Expenditure on:						
Charitable activities	4	19,154	998	-	20,152	20,535
Total expenditure		19,154	998	-	20,152	20,535
Net income/(expenditure) before investment gains		1,815	1	-	1,816	(550)
Net gains/(losses) on investments	12	745	-	-	745	(288)
Transfers between funds	17	(334)	-	334	-	-
Net income/(expenditure)		2,226	1	334	2,561	(838)
Other recognised gains and losses						
Pension scheme actuarial gain	10	-	-	1,642	1,642	129
Foreign currency translation gain/(loss)		1	-	-	1	(1)
Net movement in funds		2,227	1	1,976	4,204	(710)
Reconciliation of funds						
Funds brought forward as previously stated		1,674	382	2,840	4,896	5,606
Balance carried forward		3,901	383	4,816	9,100	4,896

All items above derive from continuing operations.

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

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