

Annual Report & Accounts 2015

ANNUAL REPORT & ACCOUNTS

for the year ended 31 October 2015

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INTRODUCTION TO CIPS

for the year ended 31 October 2015

About CIPS

CIPS is the dynamic champion driving the global procurement and supply management profession

‘One CIPS’ thinking globally, operating locally

The Chartered Institute of Procurement & Supply (CIPS) exists to establish and promote high standards of professional skill, ability and integrity among all those engaged in procurement and supply management, for the public benefit.

CIPS is recognised internationally as a leading body representing the procurement profession. With headquarters in the UK and regional offices in Australia, South Africa, Singapore and the Middle East, we support a global community of 118,000 in over 150 countries, making CIPS the largest procurement association in the world.

Established in 1932, CIPS is seen throughout the world as the authoritative voice of the profession. Our professional qualification is widely acknowledged as the gold standard, and our code of ethics has been adopted by purchasing associations outside the UK as the benchmark for professional conduct. In 1992 the Institute 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. CIPS also operates a linked charity, the CIPS Foundation (Charity No. 1017938-1), which supports those who do not have access to educational opportunities due to economic, geographical, political or social factors.

As a chartered professional body, CIPS serves the public interest by:

Developing the ‘art and science’ of procurement and supply

To be able to maintain our position as the foremost body for the profession, CIPS must continuously develop the body of knowledge. One of our principal roles is to provide access to the most up to date knowledge, tools and resources on procurement and supply. We work with senior practitioners, leading business organisations, governments and academia developing leading edge practice, by harvesting the latest thought leadership and transforming it into practical guidance and services for our members and other stakeholders.

Continually improving the professional standards of practitioners

Central to our remit is the drive to promote and maintain high standards of professional skill, ability and integrity amongst all practitioners engaged in procurement and supply management. We do this through our professional qualifications programme and associated membership standard, and by providing public access training programmes and a comprehensive range of learning resources to enable individuals to continually improve their standards of practice, including an online ethics test. Our members are bound by a code of conduct and are encouraged to make a lifelong commitment to their own professional development.

Promoting excellence in organisations

Helping organisations achieve and maintain the highest standards throughout their procurement and supply management operations contributes significantly to their effectiveness. We support organisations in a number of ways, from educating and training their staff, to improving their performance through the assessment and certification of their procurement and supply policies and procedures, and by the sharing of best practice between peer groups.

INTRODUCTION TO CIPS (continued)

for the year ended 31 October 2015

Representing the interests of the profession

We represent the interests of the profession and the views of our members in many ways. Our global Congress, UK and international branch network, special interest sector groups and online forums provide opportunities to share knowledge and opinions with the wider community. We regularly provide commentary in the media on procurement and related business issues, thereby bringing the profession to the attention of a wider audience. We are also directly involved in helping to shape government policy on procurement, both in the UK and elsewhere.

Through our consultative response process we represent members' views at the highest level.

As a registered charity, CIPS ensures that in working towards the achievement of these objectives it delivers benefits to the public, both directly and indirectly, which are directly related to these aims. These benefits include:

- Making available to the public the global standard in procurement and supply, supported by a comprehensive knowledge resource and guidance on all aspects of the profession. This is made available free of charge via the CIPS website;
- Educating the public about responsible procurement in order to change individual and corporate behaviours and thereby have a positive impact on society and the environment;
- Protecting the public interest by maintaining a register of qualified and ethically-trained members which can be checked by employers and others to verify their professional status and commitment to ethical procurement;
- Helping government to make more efficient use of taxpayers' money to deliver improved services to the general public;
- Providing public access training in procurement and supply and related management functions, such as negotiation techniques;
- Ensuring that no-one is excluded from membership or access to qualifications on the basis of ethnicity, faith, age, gender, disability, geography or social background;
- Ensuring that while those who wish to become professionally qualified will naturally need to meet certain educational criteria, any member of the public may join as an Affiliate Member, regardless of background;
- Adopting a pricing policy for membership and assessment fees which takes into account ability to pay. Discounts are applied for members in developing economies, for those who are unemployed, retired, or taking career breaks, and for those who are studying;
- Awarding bursaries, scholarships and grants through the CIPS Foundation to enable people facing financial hardship to complete their studies and achieve their professional qualification;
- Providing course books free of charge to local libraries in developing economies; and
- Providing free local events for members and non-members worldwide, in addition to webinars and other professional development activities delivered electronically.

INTRODUCTION TO CIPS (continued)

for the year ended 31 October 2015

Further information about CIPS, its activities and services is available through any of the following:

The Chartered Institute of Procurement & Supply
Easton House, Easton on the Hill
Stamford
Lincolnshire PE9 3NZ
T +44 (0)1780 756777

Email: info@cips.org

Website: www.cips.org

TRUSTEES' REPORT

for the year ended 31 October 2015

The Trustees of CIPS present their report for 2014-15. The report begins with a general overview of the Institute's activities as a whole, followed by a more detailed account which looks at noteworthy achievements throughout the year.

Objectives and Management

CIPS top-level objectives as set out in our Charter are described in the About CIPS section. These objectives provide the focus and goals for our global strategy.

Our strategy is translated into a flexible rolling annual business plan working within the parameters of a three year strategy cycle. This flexibility enables CIPS to respond in an agile way to the rapidly evolving global economic, business and educational environment we operate in, to change course if necessary but also to be in a position to seize new opportunities as they arise. Progress against the annual plan is constantly measured and monitored by the senior management team and regularly reported to the governing body, the Global Board of Trustees.

The Global Board of Trustees includes both directly elected and appointed Trustees, drawn from the global membership. The Board includes the three Officers of the Institute: the President and Chairman (both appointed by a Nominations Committee) and the Chairman of Congress (elected by the members of Congress, a representative and advisory body). The Institute's Chief Executive is an ex officio member of the Board. Approximately one third of the trustees are replaced in rotation each year. New members receive induction training on their fiduciary responsibilities and the structure and operations of CIPS Group.

The Board's role is to determine the overall direction of the Institute and ensure it is run in accordance with our Charter and in full compliance with charity law and other applicable regulations. The Board must ensure that the strategy it adopts has the express purpose of meeting our Charter objectives. Authority to implement the strategy is delegated to the permanent staff led by the Chief Executive, supported by the senior management team, whose performance is overseen by the Trustees through a system of regular reporting against a set of agreed key performance indicators.

Decision-making authority within CIPS is specified in the first instance by the Institute's bye-laws, which set out which decisions can (or must) be made by the Board as the senior governing body and those which must be referred to the membership (for example, a decision to amend a bye-law can only be made by the full members voting at a General Meeting). Where the bye-laws permit the delegation of decision-making to a direct or indirect report, the Board has established Regulations for delegation, authorisation of expenditure, monitoring and reporting. These Regulations are underpinned by standard operating procedures to be adhered to by CIPS worldwide, including the international subsidiary offices.

A list of Trustees who held office during 2014-15 can be found on page 36.

Overall Performance in 2014-2015

2014-15 has been a very satisfactory year of continued growth, with record revenues and unrestricted net financial result of £1.8 million. The robust performance of our core membership and professional development activities, and the sustainability of our corporate business, has produced a year-end net financial result which has exceeded the previous year's result. In turn, this has generated a 22% increase in cash transferred to our reserves to fund our projects and investment programme.

Overall, the Institute benefited from the general improvement in the UK and the global economy, which made our existing and new audiences more receptive to our services and products and boosted revenue, whilst also being able to leverage savings through cost management efficiencies.

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

(i) Financial Results

Total group incoming resources increased by 5.1% to a record £24.1 million, generating an additional £1.2 million over the previous year.

Our three principal revenue streams all outperformed last year's results. Income from our professional development activities grew by 10.4% to £6.1 million. Membership revenue grew by 5.8%, the effect of an increase in fees combined with membership growth, with the overall global community expanding by more than 7% to 118,785 by the year end, and full membership growing by 1.9% to 59,170.

Our corporate business saw stable growth, up by 5.0% and contributing 40% (£9.6 million) of total group revenues. The instigation of an Associate delivery model saw an increase in net margin, resulting in a break even position at year end.

Overall, CIPS group returned a net surplus for the year for unrestricted funds of £1.8 million.

International Offices

All of our subsidiary companies produced a positive Net Financial Return (NFR) with the exception of Singapore which is in its development and investment stage. The remedial plan put in place in 2012-13 for our Australasian company began to gain real traction in 2015 and we saw a notable and welcome improvement over the previous year, moving from a deficit in 2014 of almost £300k to a small surplus of £19k.

Results for the Southern Africa subsidiary continued to be undermined by the weakness of the South African Rand against Sterling, but the business performed well achieving a surplus of £69k against a deficit of (£23k) (restated) for the previous year.

As anticipated, our new Singapore subsidiary is taking time to become established and revenues from corporate business continued to be slow to convert during the year. The company returned a deficit for the year of (£94k), compared to a deficit in 2014 of (£188k).

The detailed Accounts for 2014-15 are presented on pages 15 to 35.

(ii) Reserves & Management

CIPS maintains free reserves in order to fund major new initiatives and as a shield against future downturns. The trustees have established a policy of maintaining reserves at a discretionary minimum level, currently equating to three months' operating costs. At the end of the year the actual reserves level was above this minimum.

The reserve levels are monitored regularly with treasury deposits managed internally and the day-to-day management of the equity portfolio being carried out by external investment managers. This ensures that sufficient resources are available to meet the objectives and the needs of Restricted and Designated Funds as well as continuing activities.

As at 31 October 2015 the total group investments and cash deposits amounted to a healthy £5.5 million, an increase of £2.0 million over the previous year.

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

(iii) Risk Management

Risk management is a continuous process embedded throughout the governance structure. While the Trustees focus on the major strategic risks facing the Institute, day to day management of operational risk is the responsibility of the CEO and staff. CIPS maintains a risk register for the group which the Board reviews in full annually. The Register is regularly updated and reported to the Board quarterly on an exceptions basis. Local risk registers maintained by the international subsidiaries feed into the group Register. In addition, each corporate project is subject to a risk assessment at the start and a risk register is maintained throughout its duration. Learning from the risk management of individual projects is shared throughout the Institute.

CIPS maintains a comprehensive business continuity plan which is regularly reviewed and updated. Led by the Institute's Business Continuity Steering Group, the plan is designed to ensure CIPS can continue to operate if its systems or facilities, or those of its strategic service delivery partners, are out of action for any significant length of time due to an unforeseen event.

In March 2015, the Trustees undertook their annual risk review, basing their review on a new group-wide risk register highlighting the potential impact of particular risks on key elements of the business plan and longer term strategy. The register listed current and planned mitigation measures and identified accountable owners for each risk. The Trustees approved the new format subject to both pre- and post-mitigation risk ratings being shown in future iterations, but otherwise were content that the major risks facing the Institute had been identified and that the mitigation measures appeared proportionate. Updates on the major risks were reported to the Trustees via the CEO's quarterly reports for the remainder of the year to enable the Trustees to monitor and respond to any changes in the risk profile. No major incidents occurred during the year that would have had a significant impact.

In 2014 the Trustees agreed as a further risk management measure to put a formal internal audit process in place to document any unexpected internal events that could have an adverse financial or reputational impact. The main purpose was to ensure that all appropriate learning outcomes were captured and used to prevent or mitigate the effects of similar events happening in the future. During 2014-15 Subsidiary internal audits were carried out and reports were delivered to the senior management team, resulting in changes to management and HR practices.

2015 Activities and Achievements

The strategic objectives for 2014-2015 were set out in our operational plan "Sustaining Balanced Growth".

The aim for the year was to consolidate and build on the previous year's growth in our three principal income streams in a well-managed and sustainable way, in order to provide a firm and reliable platform from which CIPS could pursue its public good initiatives, the building blocks towards achieving the longer-term vision of CIPS becoming the "Voice and Standard" of the profession.

Objectives	Achievements
Sustain membership at the 2014 level of 58,000	Membership grew by 1.9% during the year, generating an additional 1,126 members
Continue to grow core revenue streams	Incoming resources grew by £1.2 million, an increase of 5.1% on 2014 levels
Return a net financial return of 6% of revenue	Net financial return was 6.9% of revenue
Increase group cash reserves by £1 million to £4.2 million	Group cash reserves increased by almost £2 million, closing at £5.5 million

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

These activities are described in more detail in the following sections.

Membership and Qualifications

It is estimated that there are between 2.5 million and 3 million people involved in procurement worldwide. CIPS' long-term aspiration is to reach out to a significant proportion of these individuals and bring them into our wider procurement community. In parallel, we aim to continue to grow our core membership to reinforce our credibility as the voice of the profession.

Overall, the total global community reached over 118,000 by the end of the year, an increase of more than 7% compared with 2014. The core membership closed at 59,170, a net increase of 1,126 members equating to a growth rate of 2% and exceeding the target by almost 800 members. After several years of near-flat growth, in 2015 UK membership saw something of an upswing, becoming the top growth region with 808 additional members, a growth rate of 3%. In a reverse of the usual pattern, international growth was a little slower at 1%, the top area being Southern Africa.

January 2015 saw the launch of Chartered Procurement and Supply Professional Status, a new professional designation open to suitably qualified and experienced members. Chartered status represents the next step for those practitioners who wish to continue their professional development and move on to the next level. Whereas MCIPS is a lifetime designation for current CIPS members holding the professional qualification, Chartered status has to be regularly renewed and is dependent on the member being able to demonstrate evidence of continuous professional development and successful completion of the ethics test. By the close of the year the first five members to apply for Chartered status received their award and it is expected that numbers will start to steadily increase from 2016 onwards.

Fellowship continued to flourish in 2015, with numbers reaching over 700 by the year end. The aim for 2016 and beyond is to more than double the number of Fellows to around 2,000, or just over 3% of the total core membership.

At the opposite end of the career arc, CIPS joined with the National Apprenticeship Service and the City of London Corporation to launch the Advanced Apprenticeship in Procurement, as part of our ongoing campaign to bring young people into the profession as a positive career choice. 2015 was also the fourth year for our very successful Negotiation Challenge, a procurement competition for sixth-formers, which we run in conjunction with the Peter Jones Enterprise Academies.

Public Good

The Trustees consider that the charity has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

There were two main pillars to the public good theme in 2015, promotion of the importance of ethics in the supply chain and the next phase of our long-term campaign towards the licensing of the procurement profession, which began with the issue of our conceptual white paper in 2014.

A significant event at the start of the year was the CIPS CEO attending the signing of the Faith Leaders' Universal Declaration Against Slavery at the Vatican, in the presence of the Pope and the Archbishop of Canterbury. CIPS' invitation stemmed from the work we had done in 2014 with the charity WalkFree to help eradicate modern slavery from the supply chain. One of the consequences of CIPS' public support for this initiative and the interest it generated was being asked by the UK government to contribute to the drafting of the supply chain provisions within the new Slavery Bill, which was passed into law in October 2015.

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

In March the CEO attended an anti-corruption event at the White House in Washington DC, and took the opportunity to discuss the licensing concept with business leaders and policymakers, specifically the potential for a regulated procurement profession to reduce corruption and other forms of malpractice. Licensing in the supply chain to protect the public interest is growing in awareness and we were particularly pleased when UNDP (United Nations Development Projects), the largest of the United Nations, publicly announced their support for the concept.

One of the ways professional bodies like CIPS act in the public interest is by requiring its members to sign up to a code of conduct. The CIPS code is binding on members and reinforced through our formal disciplinary process. We also encourage members (and non-members) to develop their understanding of ethical practice and provide online training, successful completion of which leads to the award of the CIPS Ethics Mark. Members holding the Ethics Mark are listed on the public register. Annual completion of the ethics training is mandatory to maintain Chartered Procurement and Supply Professional status.

Disciplinary cases are rare but we encourage members, employer organisations and supply organisations to report any complaints for alleged breaches of the code so that appropriate action can be taken. During the year three complaints were received. One progressed to a formal hearing by the Disciplinary Committee, the outcome being that the member left the Institute. Two other complaints were dismissed by the initial investigation panel as both were determined to have been brought in lieu of legal action as part of a business dispute between the parties and therefore not a matter for the Institute.

Knowledge and Content

CIPS should be the first port of call for procurement and supply practitioners, and indeed anyone else with an interest in the profession, who want to increase their knowledge and understanding of the function, and how to apply that knowledge to the benefit of their organisations.

We provide access to comprehensive and up to date content, some of which is gated for CIPs members only but some that is available to all in support of CIPS public good agenda, that informs and enhances professional practice. Our intention is not to always develop the knowledge ourselves but act as a portal for members to access high quality content provided by a number of expert Knowledge Partners, eight of which joined the programme in 2015. We plan to add to these in 2016 to extend the range of topics. CIPS also works with its members, other institutes and professional associations to publish guidance material. CIPS engages with academia and we are considering how CIPS could help facilitate a knowledge share between academia and business.

CIPS also curates guidance material drawn from various sources in addition to the Knowledge Partners, and during the year added a total of 220 guidance pieces. CIPS develops tools and templates for members to download for practical use in their workplace. Some 63 tools and templates were available on the website as at the end of 2015, with another 28 in the pipeline for 2016. CIPS gathers knowledge from sector-specific member-led groups, with the focus in 2015 moving into 2016 being on construction, facilities management, automotive and the charities sectors.

CIPS' Supply Management magazine and website are the most important media for disseminating content to our members. For this reason, it is essential that these media remain relevant, intuitive for users and full of high quality content. We were therefore delighted at the end of the year to be able to announce Haymarket as our new global partner for the magazine, website and global communications, as well as our global flagship events. The Supply Management website and magazine was integrated into CIPS website and launched in January 2016.

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

International Operations

A major area of focus in 2015 was the **AsiaPac** region, which was re-organised under a single general manager to provide improved coordination and control. This has enabled us to make better use of resources to develop new markets, in particular to support the start-up company in Singapore. Activity there is starting to ramp up, most notably with our first major project in the region, an agreement with the Singapore Ministry of Finance to train all central government procurement staff as part of their public procurement reform programme.

CIPS' presence in **China** has been predominantly in the area of education and as at the end of 2015 some 59,000 Chinese students were engaged in CIPS qualifications as part of their degree programmes. During the year CIPS signed a Memorandum of Understanding with the Chinese Tendering and Bidding Association, the authority for public sector procurement, to allow the association to include CIPS qualifications within its own training programmes.

The **Australasian** subsidiary, which had faced serious challenges in 2012-13, started to show signs of sustainable recovery, due partly to restructuring and improved cost management, but due also to an upturn in corporate revenues.

In Europe, the European Bank for Reconstruction approved CIPS' Primary Certification for use in developing European economies and this will initially be used in projects the EBR is running in Romania. 2015 saw strong membership and corporate business growth in the Middle East, expanding into new territories via our Dubai hub. A successful launch of CIPS in Egypt was very well received by the major organisations that attended and a first branch committee was appointed to start building a CIPS procurement community to continue to raise the profile of procurement and supply.

In **Africa**, education and the public sector remain our main drivers, and during 2015 greater effort was made to raise awareness of CIPS beyond Southern Africa and build our representative role for the profession, such as through the regional Purchasing Managers' Index. We are actively taking our mission into new countries and exploring mutually beneficial relationships with local procurement associations and governments. In South Africa itself, CIPS has contracted with the National Treasury to professionalise procurement personnel across central government departments.

Governance

The Institute's Global Board of Trustees made a number of adjustments to the Regulations over the course of the year to strengthen the governance structure and improve the operational management of the various bodies within it. Chief of these was the creation of a new Audit Committee, reporting directly to the Board, to improve transparency of internal controls. The Audit Committee is responsible primarily for overseeing the group audit and reviewing policy for the management of reserves, investments and foreign exchange.

CIPS depends on committed and appropriately skilled member volunteers on its governing bodies to ensure responsible stewardship of the Institute. Membership of these bodies is regularly refreshed and the level of engagement in the annual round of elections and appointments is therefore a good bellwether of the vitality of these bodies.

The 2015 Congress elections were well contested, with ballots in all nine constituencies where there were vacancies. Voter turn-out was up on the previous year in seven constituencies, although as in 2014 a higher percentage of members voted for the international seats than for the UK seats. The election from Congress to the Global Board of Trustees was also well supported, with ten candidates for the two seats available (up from eight the previous year). The diversity profile of Congress is continuing to evolve. Out of twenty two new members, eight are female and eight are from outside the UK. A third student representative seat was added, with an Australasian representative joining students from the UK and Africa.

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

When making appointments to the Board, the Nominations Committee takes diversity into account and actively seeks to fill sector, gender or ethnicity gaps, although its overriding consideration is always the skillset and commitment of the individual. The 2015 Global Board of Trustees included a second successive non-UK President, three other non-UK nationals, and five women in total. All new Trustees attend an Induction course, prior to commencement of service on the Board.

CIPS Foundation

2015 was the second full year of operation of the CIPS Foundation, a linked charity which evolved from the former CIPS Education Fund and which was launched in March 2013. The Fund's mission is to encourage aspiring procurement and supply professionals to fulfil their potential by offering support to those who have limited access to opportunities for education for economic, social or logistical reasons.

The Foundation awards bursaries to enable students experiencing hardship to start, continue or complete their CIPS qualifications in procurement and supply. Bursaries cover examination fees, course books, e-learning and knowledge products, in addition to CIPS student membership. In 2015 the Foundation awarded 54 bursaries, supporting individuals in developing countries and in the UK.

The Foundation is funded principally through historic bequests, supplemented by an annual donation from CIPS, which in 2015 was £10k. During the year, £12,394 was directly expended on bursaries. The Foundation appointed its first full-time manager in 2015, tasked with reviewing the Foundation's growth strategy and promoting the charity's aims and achievements in order to build long-term sustainability. Part of the strategy is the development of relationships with major organisations in the educational charity field, and in 2015 the CIPS Foundation joined with the Department for International Development (DfID) to create a bespoke bursary programme which will start to be delivered in 2016.

Future Plans

Sustaining growth across the group, promoting the professional licensing agenda and continuing to work to raise the global profile of procurement and supply remain our key objectives for 2016.

The strapline for the FY 2016 operational plan adopted by the Global Board of Trustees is "Raising our Profile" as the voice and standard of the profession. As the final operational plan within the current three year strategy cycle, the plan continues a number of ongoing strategic themes from 2015, together with introducing new and developing themes supporting a central initiative to expand recognition of CIPS beyond our community and even beyond the procurement and supply function itself.

The table below sets out the principal goals for 2016:

PRINCIPAL GOALS FOR 2016
<ul style="list-style-type: none"> • To grow our core membership to 60,000 plus, and sustain our total global community • To develop and launch a new CIPS Supply Chain Audit and Governance Standard • To reinforce our status as the voice of the profession [through increased media coverage and use of our website and magazine] • To achieve balanced revenue growth across the group, and • To generate a surplus for the year to build reserves for the future

TRUSTEES' REPORT (continued)

for the year ended 31 October 2015

The plan assumes a relatively stable economic environment, with moderate inflation returning to our main areas of operation. We remain mindful of political and economic instability in some of our key markets and our projections take account of the impact of falling oil prices on the oil and gas industry, historically one of our strongest sectors.

Our long-term goal is to become the recognised “Standard and Voice of the Profession” worldwide. In 2016 a co-ordinated public relations programme will ramp up communications in support of the licensing initiative. Also underpinning our public good agenda will be a significant development for the CIPS Foundation, the creation of “Foundation Academies” in emerging economies to increase our ability to provide free education in procurement and supply where it is needed most.

This report was approved and authorised by the Board of Trustees and was signed on its behalf on **15th June 2016**.

Tim Richardson FCIPS
Chairman of the Global Board of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 October 2015

The Global Board of Trustees is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Board to prepare financial statements for each financial year, which gives 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 of the group for the year.

In preparing these financial statements, the Global Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 charity will continue in business."

The Board is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and the group and enable it to ensure that the financial statements comply with applicable law and the trust deed. The Board is 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Global Board of Trustees. The Global Board of Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Article 5 of the Royal Charter establishes a Board of Trustees "in which shall be vested the government and control of the Institute and its affairs". Its role, on behalf of all CIPS members, is to establish, review and develop Institute policy such that the Charter objectives are met. The Board is, and must always remain, the main democratic mechanism through which members can express their views and direct the course taken by the Institute.

To ensure focus on Charter objectives and to aid strategy development, the Board has endorsed a Mission Statement against which organisational progress can be monitored.

OUR MISSION

"CIPS is the dynamic champion driving the global procurement and supply management profession

'One CIPS' - thinking globally, operating locally"

INDEPENDENT AUDITORS REPORT

to the TRUSTEES of THE CHARTERED INSTITUTE OF PROCUREMENT AND SUPPLY

We have audited the financial statements of the Chartered Institute of Procurement and Supply for the year ended 31 October 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 October 2015, and of the group's 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 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"
- sufficient accounting records have not been kept; or

INDEPENDENT AUDITORS REPORT (continued)

to the TRUSTEES of THE CHARTERED INSTITUTE OF PROCUREMENT AND SUPPLY

- the parent charity 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.

BDO LLP

Statutory Auditor

London

United Kingdom

Date: 20 June 2016

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31st October 2015

	Notes	Unrestricted Funds £k	Pensions Reserve £k	Restricted Funds £k	Total Funds 2015 £k	Total Funds 2014 £k
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Investment Income	(3)	52	-	-	52	42
Incoming Resources from Charitable Activities						
Membership and Professional Development, Subscriptions & Fees		11,387	-	-	11,387	10,523
Corporate Business		10,863	-	-	10,863	10,776
Publications		1,523	-	-	1,523	1,618
Other Income		317	-	-	317	2
Total Incoming Resources		24,142	-	-	24,142	22,961
Charitable Activity Costs	(5)	21,077	-	12	21,089	21,537
Governance Costs	(6)	467	-	-	467	328
Total Resources Expended		21,544	-	12	21,556	21,865
Net Incoming/(Outgoing) Resources Before Transfers		2,598	-	(12)	2,586	1,096
Transfer between funds	(17)	(851)	841	10	-	-
Net Incoming/(Outgoing) Resources Before Realised Gains		1,747	841	(2)	2,586	1,096
Realised Gains/(Losses) on Investments	(12)	28	-	-	28	21
Surplus for the year		1,775	841	(2)	2,614	1,117
Other Recognised Gains/(Losses)		64	-	-	64	42
Revaluation of Tangible Fixed Assets		811	-	-	811	-
Unrealised (Losses)/Gains on Investments	(12)	(81)	-	-	(81)	2
Pension Scheme Actuarial Gain/(Loss)	(10)	-	196	-	196	(405)
Net Movement in Funds		2,569	1,037	(2)	3,604	756
Balances Brought Forward	(17)	171	(1,016)	122	(723)	(1,479)
Balances Carried Forward including notional Deficit on Pensions Reserve		2,740	21	120	2,881	(723)

All items above derive from continuing operations.

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

The notes on pages 18 to 35 form part of these accounts.

CIPS GROUP BALANCE SHEET

as at 31st October 2015

		Notes	Group		Charity	
			2015 £k	2014 £k	2015 £k	2014 £k
Fixed Assets	Tangible Assets	(11)	1,963	1,004	1,867	885
	Listed Investments	(12)	1,230	1,175	1,230	1,175
Total Fixed Assets			3,193	2,179	3,097	2,060
Current Assets	Stock		53	107	46	67
	Debtors- Short Term	(14)	5,768	4,637	4,236	4,480
	Debtors- Long Term	(14)	-	-	310	361
	Short Term Deposits		2,601	1,879	2,372	1,354
	Cash at Bank		1,684	488	767	409
Total Current Assets			10,106	7,111	7,731	6,671
Current Liabilities	Creditors	(15)	(10,439)	(8,997)	(7,511)	(7,278)
Total Current Liabilities			(10,439)	(8,997)	(7,511)	(7,278)
Net Current (Liabilities)/Assets			(333)	(1,886)	220	(607)
Total Net Assets excluding Pension Scheme			2,860	293	3,317	1,453
Defined Benefit Pension Scheme Asset/(Liability)			(10)	21	(1,016)	21
Total Net Assets/(Liabilities)			2,881	(723)	3,338	437
Represented By	Restricted Funds	(17)	120	122	120	122
	Designated Funds	(17)	40	40	40	40
	Accumulated Funds	(17)	2,700	131	3,157	1,291
	Pension Reserve	(17)	21	(1,016)	21	(1,016)
Total Net Reserves			2,881	(723)	3,338	437

The financial statements were approved and authorised for issue by CIPS Global Board of Trustees and were signed on its behalf on 15th June 2016

Tim Richardson FCIPS
Chairman, Global Board of Trustees

David Noble FCIPS
Group CEO, Global Board of Trustees

The notes on pages 18 to 35 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31st October 2015

	<i>Notes</i>	2015	2014
		£k	£k
Net Cashflow from Operating Activities	<i>(18)</i>	2,572	1,038
Returns on Investments & Servicing of Finance			
Interest Received		27	16
Dividends		25	26
Net Cash Inflow from Returns on Investments		52	42
Investing Activities			
Purchase of Tangible Fixed Assets	<i>(11)</i>	(598)	(316)
Purchase of Investments	<i>(12)</i>	(1,305)	(145)
Sale of Investments	<i>(12)</i>	1,197	123
Net Cash Outflow from Investing Activities		(706)	(338)
Cash transferred (to)/from Short Term Deposits	<i>(18)</i>	(722)	(753)
Net Increase/(Decrease) in Cash	<i>(18)</i>	1,196	(10)

The notes on pages 18 to 35 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st October 2015

1. Constitution

The Chartered Institute was incorporated on 28th September 1992 by Royal Charter. It is also a registered charity, number 1017938.

2. Accounting Policies

(a) Convention

The group's financial statements consolidate the financial statements of the charity and its subsidiaries for the year ended 31st October 2015. 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.

These accounts have been prepared under the historical cost convention modified by the revaluation of Investments and land and buildings, in accordance with applicable accounting standards. In addition the accounts have been drawn up to comply with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 (SORP 2005) and with the Charities Act 2011.

(b) Income

Income represents amounts receivable in the ordinary course of business, and represents goods and services supplied in the period excluding VAT. Membership subscription income is spread over the period during which services are provided to members, whilst income from training activity is released during the month in which the activity occurs.

Publications represent a share of the net profit generated from the membership magazine, the production and distribution of which is outsourced, and from the sale of books from our own bookshop.

(c) Resources Expended

Resources expended are included in the statement of financial activities on an accruals basis, and are allocated between Charitable Activity Costs and Governance Costs according to the actual spend for each category.

(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; Corporate Training and Publications.

(ii) Basis of Cost Allocation

All directly attributable overheads are charged to the appropriate expense category in the SOFA. General overheads are allocated on the basis of turnover. Governance costs are made up of those costs incurred purely for the governance of the Charity, such as Board of Trustees and audit costs.

(d) Liquid Resources

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

(e) Fixed Assets

CIPS Group has adopted a policy of valuation for land and buildings in these financial statements. The impact of this change has been to recognise a revaluation gain of £811k in the year.

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 charity for charitable purposes with a proportional charge for its use of assets being made to the subsidiary undertaking.

(f) Depreciation

Fixed Assets are depreciated so as to write off their cost over their estimated useful lives:

- Fixtures & 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

(g) Stocks

Stocks comprise goods for resale and are valued at the lower of cost and net realisable value.

(h) Operating Lease Rentals

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

(i) Foreign Currency Transactions

The results of the overseas subsidiaries denominated in a foreign currency are translated into sterling at the average rate for the year; assets and liabilities are translated at the rates ruling at the end of the year. Translation differences are dealt with as an adjustment within Other Recognised Gains and Losses.

(j) 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 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. In addition to the retirement 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

(k) Going Concern

With the adoption of FRS17 accounting for pension costs, a strategic plan has been implemented in order to redress any pension reserve shortfall that may arise during annual reviews, over the next 10 years, the increased funding of which has been taken into account in all current financial projections and budgeted for accordingly.

Group Creditors include deferred income of £5.9m, which would not become due for repayment but for the most extreme circumstances, and so would not impact on the group's ability to meet its liabilities as they arise.

(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.

(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 Institute'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.

3. Investment Income

	2015	2014
	£k	£k
Dividends receivable from listed investments	25	26
Interest receivable	27	16
	52	42

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

4. Support Costs

	2015 £k	2014 £k
Staff	2,983	3,171
Depreciation	174	213
Other	3,204	3,355
	6,361	6,739

Support Costs of £6,361k are in respect of the management, IT support, staff recruitment, welfare and training, financial administration and general overheads related to the premises at Easton House, Melbourne Australia, Pretoria South Africa and Dubai UAE.

5. Charitable Activity Costs

	£k	£k	£k	£k	2015 £k	2014 £k
	Staff	Depr'n	Other	Supp & Pen Fin Costs	Total	Total
Membership and Professional Development, Subscriptions & Fees	1,020	-	3,541	3,007	7,568	7,805
Corporate Business	2,916	156	5,861	2,868	11,801	12,214
Publications	54	-	1,050	402	1,506	1,518
Other	36	-	94	84	214	1
	4,026	156	10,546	6,361	21,089	21,537

6. Governance Costs

	£k	£k	£k	2015 £k	2014 £k
	Staff	Depr'n	Other	Total	Total
Allocation of Management Costs	361	-	-	361	277
Trustees Meeting Costs	-	-	32	32	17
Auditors Remuneration-Group-Audit	-	-	44	44	29
Auditors Remuneration-Group-Other	-	-	3	3	-
Audit Remuneration-Subsidiaries	-	-	27	27	5
	361	-	106	467	328

Governance Costs represent the proportion of staff and other costs relating to the strategic direction of the charity. They include audit fees, a proportion of overhead expenses and the costs of trustees meetings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

7. Subsidiary Companies

CIPS Corporate Services Limited

The charity has a wholly owned subsidiary undertaking, CIPS Services Limited, incorporated in England and Wales. The principal business of the subsidiary is providing corporate training and related services to international corporates. The subsidiary has agreed to covenant all its profit to the Institute. All activities have been consolidated on a line by line basis in the SOFA. A summary of its trading result is shown below.

	2015 £k	2014 £k
Revenue	2,183	2,449
Cost Of Sales	(1,326)	(1,378)
Margin	857	1,070
Administrative Expenses	(96)	(77)
Net Profit before transfer	761	993
Deed of Covenant Transfer to Charity	(761)	(993)
Net Profit	-	-
Assets	£93	£93
Liabilities	£(91)	£(91)
Net Assets	£2	£2
Share Capital	£2	£2
Profit & Loss Account	-	-
Net Reserves	£2	£2

CIPS Australia Pty Limited

CIPS Australia Pty Ltd commenced trading in January 2005. Incorporated within Australia it is a wholly owned subsidiary of CIPS. 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 on a line by line basis in the SOFA. A summary of its trading result is shown on page 23.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015

	2015	2014
	£k	£k
Revenue	1,785	1,878
Cost Of Sales	(1,234)	(1,258)
Margin	551	621
Administrative Expenses	(532)	(915)
Net Profit/(Deficit)	19	(295)
Assets	586	629
Liabilities	(1,573)	(1,691)
Net Liabilities	(987)	(1,062)
Share Capital	£1	£1
Designated Funds	-	-
Profit & Loss Account	(987)	(1,062)
Net Reserves	(987)	(1,062)

CIPS Southern Africa Pty Limited

CIPS Southern Africa Pty Ltd commenced trading in April 2010. Incorporated within South Africa it is a majority (74.9%) owned subsidiary of CIPS. 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 on a line by line basis in the SOFA.

A summary of its trading result is shown below. The minority interest has not been accounted for in the year as it is immaterial.

	2015	2014
	£k	£k
Revenue	1,986	2,316
Cost Of Sales	(1,205)	(1,264)
Margin	781	1,052
Administrative Expenses	(712)	(1,075)
Net Profit/(Deficit)	69	(23)
Assets	1,072	1,025
Liabilities	(1,375)	(1,461)
Net Liabilities	(303)	(436)
Share Capital	£6	£6
Designated Funds	-	-
Profit & Loss Account	(303)	(436)
Net Reserves	(303)	(436)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

CIPS Singapore Pte Ltd

CIPS Singapore Pte Ltd was incorporated in Singapore on 9 December 2013 and is a wholly owned subsidiary of CIPS. The principal activities during the financial year following the launch of the company were the provision of corporate training and services relating to procurement and supply. All activities have been consolidated on a line by line basis in the SOFA. A summary of its trading result is shown below.

	2015	2014
	£k	£k
Revenue	409	213
Cost Of Sales	(196)	(156)
Margin	213	57
Administrative Expenses	(307)	(245)
Net Deficit	(94)	(188)
Assets	40	-
Liabilities	(379)	(188)
Net Liabilities	(339)	(188)
Share Capital	£1	£1
Profit & Loss Account	(339)	(188)
Net Reserves	(339)	(188)

CIPS Hong Kong Limited

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. Group Staff Costs

	2015	2014
	£k	£k
Wages & Salaries	7,156	6,914
Employers Social Security Costs	494	465
Defined Benefit Scheme Current Service Cost	134	193
Defined Contribution Scheme	312	280
	8,096	7,852

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

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

	2015	2014
	158	149
Emoluments of Senior Staff	2015	2014
£60,001 - £70,000	6	1
£70,001 - £80,000	5	4
£80,001 - £90,000	1	1
£100,001 - £110,000	-	3
£110,001 - £120,000	5	2
£120,001 - £130,000	1	2
£220,001 - £230,000	1	1

Retirement benefits are accruing to those employees who are members of the Institute's defined benefit pension scheme, at the end of October 2015 there were 11 current members. Employer's contributions in respect of the defined pension benefit scheme were £970k. In addition CIPS also offers a defined contribution plan to which CIPS paid £252k in respect of contributions. At the end of the year there were 133 members of staff with stakeholder plans. CIPS Australia paid £39k and CIPS Southern Africa paid £21k into staff Superannuation schemes.

The members of the Global Board of Trustees received no remuneration for their services during the year, with the exception of the Chief Executive Officer, who received remuneration of £228k and employer's pension contributions of £25k for his services as Chief Executive Officer, as expressly permitted under Article 4(c) of the Institute's Royal Charter. He received no remuneration for his services as Trustee.

Expenses reimbursed to 12 Trustees during 2014-15 were £31k (2013-14 13 Trustees: £15k)

9. Taxation

The Institute is a charity within the meaning of Para 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 UK Subsidiary company make qualifying donations of all taxable profit to the charity. No corporation tax liability on the subsidiaries arises in the accounts.

10. Pension Costs

The Institute operates a pension scheme, which was closed to new entrants on 1 November 2003, providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Institute, being invested with an insurance company. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The last full actuarial valuation of the scheme was carried out by a qualified independent actuary as at 1 November 2012, as at this date the actuarial valuation of the scheme's assets on an ongoing basis was 71% of the value of the benefits accrued to the members after allowing for future increases in earnings. The market value of the Scheme's assets at valuation date 1 November 2012 was £14,244k. The next triennial review is currently in process and will be available later this year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

In arriving at the actuarial valuation the following long term annual rates were used:-

Investment Return	5.5%
Salary Increases	4.1%

On 1 November 2003, the Institute also established a Stakeholder Pension Plan, which is open to new employees. Contributions to the plan by the employer will be equal to twice that paid by the member and will 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 FRS17 basis at 31st October 2015.

Principal Assumptions

The principal actuarial assumptions at the balance sheet date were:

	At 31st Oct 2015	At 31st Oct 2014
Discount Rate	3.80%	3.95%
Expected Return on Plan Assets	4.80%	5.10%
Inflation (RPI)	3.25%	3.25%
Rate of Increase in Salaries	2.00%	3.25%
Rate of Increase in Pensions in Payment	2.35%	2.35%
Mortality	S1PxA Light, CMI 2012 with 1% long term rate of improvement Members assumed to take maximum tax free cash	S1PxA Light, CMI 2012 with 1% long term rate of improvement Members assumed to take maximum tax free cash
Cash Commutation		

Asset Breakdown

The major categories of plan assets as a percentage of total plan assets are as follows:	At 31st Oct 2015	At 31st Oct 2014
Equities	39.3%	38.9%
Gilts	7.0%	7.0%
Corporate Bonds	47.3%	47.1%
Property	6.4%	6.2%
Cash	0.0%	0.8%
Total	100.0%	100.0%

The weighted expected rate of return on assets has been calculated by considering the scheme's specific asset distribution. The expected rate of return on assets has been calculated at 4.8% (2014, 5.1%)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015

Employee Benefit Obligations	At 31st Oct 2015 £k	At 31st Oct 2014 £k
Fair Value of Schemes Assets	14,669	13,302
Actuarial Value of Schemes Liabilities	(14,648)	(14,318)
Pension Asset recognised in Balance Sheet	21	(1,016)

	2015 £k	2014 £k
The total expense recognised in statement of financial activities are as follows:		
Current Service Cost	134	193
Interest On Obligation	559	579
Expected Return on pension scheme assets	(563)	(543)
Total	130	229

	At 31st Oct 2015 £k	At 31st Oct 2014 £k
Changes in the present value of the defined benefit obligation are as follows:		
Opening Value of Scheme Liabilities	14,318	13,100
Service cost	134	193
Contributions by employees	47	57
Interest cost	559	579
Benefits paid	(361)	(456)
Actuarial (Gains)/losses	(49)	845
Closing defined benefit obligation	14,648	14,318

	At 31st Oct 2015 £k	At 31st Oct 2014 £k
Changes in the fair value of plan assets are as follows:		
Opening fair value of schemes assets	13,302	11,653
Expected return	563	543
Actuarial Gains	148	440
Contributions by employer	970	1,065
Contributions by employees	47	57
Benefits paid	(361)	(456)
Closing fair value of plan assets	14,669	13,302
Actual return on plan assets	711	983

In addition to the above, there are some fully insured pension liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015

	At 31st Oct 2015 £k	At 31st Oct 2014 £k	At 31st Oct 2013 £k	At 31st Oct 2012 £k	At 31st Oct 2011 £k
Movements over previous 4-year period					
Scheme Assets	14,669	13,302	11,653	10,124	8,269
Value of Scheme Liabilities	(14,648)	(14,318)	(13,100)	(13,724)	(11,495)
Surplus/(Deficits)	21	(1,016)	(1,447)	(3,600)	(3,226)
Gain/(Loss) arising from experience on scheme liabilities	19	(166)	758	(36)	(175)
Gain/(Loss) arising from changes in the assumptions for valuing the scheme liabilities	30	(679)	167	(1,668)	84
Gain/(Loss) arising from experience on scheme assets	147	440	820	641	1
				At 31st Oct 2015 £k	At 31st Oct 2014 £k
Statement of Total Recognised Gains and Losses					
Actuarial gains and (losses)				196	(405)
Adjustment resulting from the limit on the amount that can be recognised as an asset in the balance sheet				-	-
Cumulative amount of actuarial gains and (losses) recognised in STRGL				(3,229)	(3,425)

Expected contributions for the year 2015-16 are £1,070k.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015
11. Tangible Fixed Assets
Group

	Freehold Land & Buildings £k	Fixtures & Fittings £k	Motor Vehicles £k	Computer Equipment £k	E-Learning & Product Developm't £k	Total £k
Cost/Valuation						
At 1st November 2014	585	645	5	1,511	1,643	4,389
Exchange Adjustment	-	(30)	-	(14)	-	(44)
Additions during the year	69	138	-	391	-	598
Revaluations during the year	615	-	-	-	-	615
Disposals during the year	-	(86)	-	-	-	(86)
At 31st October 2015	1,269	667	5	1,888	1,643	5,472
Accumulated Depreciation						
At 1st November 2014	(197)	(491)	(5)	(1,378)	(1,314)	(3,385)
Exchange Adjustment	-	15	-	10	-	25
Charged during the year	(13)	(147)	-	(110)	(174)	(444)
Writebacks to Revaluations	197	-	-	12	-	209
Disposals during the year	-	86	-	-	-	86
At 31st October 2015	(13)	(537)	(5)	(1,466)	(1,488)	(3,509)
Net Book Value 31st October 2015	1,256	130	-	422	155	1,963
Net Book Value 31st October 2014	388	154	-	133	329	1,004

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

Charity

	Freehold Land & Buildings £k	Fixtures & Fittings £k	Motor Vehicles £k	Computer Equipm't £k	E-Learning & Product Developm't £k	Total £k
Cost/Valuation						
At 1st November 2014	586	497	5	1,385	1,643	4,116
Additions During the year	68	133	-	377	-	578
Revaluations during the year	615	-	-	-	-	615
Disposals during the year	-	-	-	-	-	-
At 31st October 2015	1,269	630	5	1,762	1,643	5,309
Accumulated Depreciation						
At 1st November 2014	(197)	(434)	(5)	(1,281)	(1,314)	(3,231)
Charged During the year	(13)	(133)	-	(100)	(174)	(420)
Writebacks to Revaluations	197	-	-	12	-	209
Disposals during the year	-	-	-	-	-	-
At 31st October 2015	(13)	(567)	(5)	(1,369)	(1,488)	(3,442)
Net Book Value 31st October 2015	1,256	63	-	393	155	1,867
Net Book Value 31st October 2014	389	63	-	104	329	885

Easton House, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ was valued by Savills (UK) Ltd on an existing use value basis of £1.2m as at 31 October 2014. The valuation was conducted in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards January 2014.

12. Listed Investments

	Group 2015 £k	Charity 2015 £k	Group 2014 £k	Charity 2014 £k
Market Value at 1st November 2014	1,175	1,175	1,150	1,150
Sales Proceeds	(1,197)	(1,197)	(123)	(123)
Additions	1,305	1,305	145	145
Net Realised and Unrealised Gains/(Losses)	(53)	(53)	3	3
Market Value at 31st October 2015	1,230	1,230	1,175	1,175
Historical Cost of Investments	1,171	1,171	1,045	1,045

Listed investments are managed by appointed fund managers. The investment strategy is growth oriented with investments being made primarily in low to medium risk UK gilts and equities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

13. Investment in Subsidiary Companies

	2015 £k	2014 £k
Shares in subsidiary undertakings at cost		
At 1st November 2014	8	8
Additions	-	-
At 31st October 2015	8	8

14. Debtors

	Group 2015 £k	Charity 2015 £k	Group 2014 £k	Charity 2014 £k
Trade Debtors	5,270	2,988	3,397	2,814
Other Debtors	30	36	175	43
Prepayments and Accrued Income	468	133	1,065	885
Due from Subsidiary Undertakings due in <1 year	-	1,079	-	738
Due from Subsidiary Undertakings due in >1 year	-	310	-	361
	5,768	4,546	4,637	4,841

At the end of 2015 the value of the Intercompany loans between CIPS and its subsidiaries was £1,389k (2014 £1,099k), split between due in less than 1 year £1,079k and greater than 1 year £310k.

Currently CIPS does not levy an interest charge on the outstanding balances. Whilst there is no formal repayment plan in situ, payments are made on an ad-hoc basis throughout the financial year as available funds allow.

15. Creditors

	Group 2015 £k	Charity 2015 £k	Group 2014 £k	Charity 2014 £k
Trade Creditors	1,898	808	1,782	1,432
Other Creditors including Taxation and Social Security	247	179	404	314
Accruals and Deferred Income	8,294	6,524	6,811	5,532
	10,439	7,511	8,997	7,278
Deferred Income as at 1st November 2014	5,768	4,620	5,535	4,473
Released during the year	(5,768)	(4,620)	(5,535)	(4,473)
Deferred during the year	5,870	4,829	5,768	4,620
Deferred Income as at 31st October 2015	5,870	4,829	5,768	4,620

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015
16. Analysis of Net Assets between funds

	Tangible Assets	Investments	Net Current Liabilities	Pension Scheme	Total 2015 £k	Total 2014 £k
Restricted Funds	-	-	120	-	120	122
Unrestricted Funds	1,963	1,230	(453)	-	2,740	171
Pension Scheme Surplus/ (Deficit)	-	-	-	21	21	(1,016)
	1,963	1,230	(333)	21	2,881	(723)

17. Reserves
(a) Group

	Restricted Funds (Note 17c) £k	Designated Funds £k	Accumulated Funds £k	Pension Reserve £k	Total £k
At 1st November 2014	122	40	131	(1,016)	(723)
Transfers	10	-	(851)	841	-
Actuarial Gain/(Loss)	-	-	-	196	196
Revaluation Reserve	-	-	811	-	811
Surplus/(Deficit) for the year	(12)	-	2,609	-	2,597
At 31st October 2015	120	40	2,700	21	2,881

(b) Charity

	Restricted Funds (Note 17c) £k	Designated Funds £k	Accumulated Funds £k	Pension Reserve £k	Total £k
At 1st November 2014	122	40	1,291	(1,016)	437
Transfers	10	-	(851)	841	-
Actuarial Gain/(Loss)	-	-	-	196	196
Revaluation Reserve	-	-	811	-	811
Surplus/(Deficit) for the year	(12)	-	1,906	-	1,894
At 31st October 2015	120	40	3,157	21	3,338

Designated Funds relates to a Compassionate Fund historically established to benefit Team members who are diagnosed with a Terminal illness whilst in CIPS' employment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2015
(c) Restricted Funds

	(1) CIPS Foundation £k	(2) NOS Project £k	(3) IDEA Project £k	(4) e-Comm Research £k	Total Funds £k
Charity and Group					
At 1st November 2014	94	2	14	12	122
Transfers (to)/from Unrestricted Reserves	10	-	-	-	10
Surplus/(Deficit) for the year	(12)	-	-	-	(12)
At 31st October 2015	92	2	14	12	120

(1) Trust fund for furtherance of education in purchasing matters.

(2) External funding for the development of World Class National Occupational Standards for International Trade and Services and Supply Chain Management

(3) External funding to develop a Certificate of Competence for Local Government Procurement Specialists

(4) External Funding for specific Professional Practice Project.

(d) Pension Reserve

	Charity £k	Subsidiary Companies £k	Total 2015 £k	Total 2014 £k
At 1st November 2014	(1,016)	-	(1,016)	(1,447)
Transfer from Unrestricted Reserves	841	-	841	836
Actuarial Gain/(Loss)	196	-	196	(405)
At 31st October 2015	21	-	21	(1,016)

Transfers during the year have been made to Pension Scheme and CIPS Foundation

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

18. Net Cash Flow from operating activities

	Group 2015 £k	Group 2014 £k
Incoming Resources before gains and losses on investment activities	2,586	1,096
Pension Scheme Finance costs	(4)	36
Pension Scheme Current Service Costs	134	193
Pension Scheme Contributions	(970)	(1,065)
Investment Income and Interest on Deposits	(52)	(42)
Depreciation on Tangible Fixed Assets	444	372
Loss on disposal of Tangible Fixed Assets	-	123
Other recognised gains and losses	64	42
Impact of foreign exchange	5	37
Decrease in Stock	54	25
(Increase)/Decrease in Debtors	(1,131)	479
Increase/(Decrease) in Creditors	1,442	(258)
	2,572	1,038

	1st Nov 2014 £k	Cashflows £k	Forex Movem't £k	31st Oct 2015 £k
Analysis of changes in Net Debt				
Cash at bank	488	1,196	-	1,684
Cash Deposits	1,879	722	-	2,601
	2,368	1,918	-	4,285

The Group net funds at 31st October 2015 comprised term deposits totalling £2,486k and £1,799k cash at bank.

19. Leasing Commitments

	Group 2015 £k	Charity 2015 £k	Group 2014 £k	Charity 2014 £k
Operating Leases which expire :				
Within one year	171	67	132	27
In the second to fifth years inclusive	255	57	107	33
	426	124	239	60

Total leasing costs for the year were £163k.

The leasing commitments detailed above are in respect of the lease of vehicles, office equipment and premises.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 October 2015

20. Related Party Transactions

In accordance with FRS8, transactions or balances with Group entities that are wholly owned subsidiaries and have been eliminated on consolidation are not reported.

During the year, the Charity provided services amounting to £587k (2014: £493k) to CIPS Southern Africa (Pty) Ltd, a 74.9% owned subsidiary.

The amount due from CIPS Southern Africa (Pty) Ltd at the year end was £507k (2014: £543k).

LIST OF TRUSTEES 2014-2015

President	Babs Omatowa FCIPS	(to 31 October 2015)
	Richard Masser FCIPS	(from 1 November 2015)
Chairman	Richard Masser FCIPS	(to 31 October 2015)
	Tim Richardson FCIPS	(from 1 November 2015)
Board Members	David Noble FCIPS	(ex officio)
	Nikki Bell FCIPS	(from 1 November 2013)
	Beverley Tew FCIPS (FCA)	(from 1 November 2013)
	Paul Thorogood	(from 1 November 2013)
	Guy Hubball CIPS	(from 1 November 2014)
	Visna Lampasi FCIPS	(from 1 November 2014)
	Fabienne Lesbros FCIPS)	(from 1 November 2014)
	Sue Moffatt FCIPS	(from 1 November 2014)
	Tim Richardson FCIPS	(to 31 October 2015)
	Grahame Ball FCIPS	(from 1 November 2015)
	Craig Lardner FCIPS	(from 1 November 2015)
	Michelle Wang FCIPS	(from 1 November 2015)
	Roy Ayliffe FCIPS	(to 2 June 2015)
	Waleed Al Saeedi FCIPS	(to 31 October 2015)
	Sam De Silva FCIPS	(to 31 October 2015)
	Adrian Turner FCIPS	(to 31 October 2015)
Audit Committee	Beverley Tew FCIPS (FCA) - Chair	(from 11 March 2015)
	Sue Moffatt FCIPS	(from 11 March 2015)
	Guy Hubball CIPS	(from 1 November 2015)
	Tim Richardson FCIPS	(to 31 October 2015)

PROFESSIONAL ADVISORS 2014-2015

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