

CIPS

Annual Report & Accounts 2012



Leading global excellence in procurement and supply

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Introduction to CIPS

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

CIPS is recognised internationally as a leading body representing the procurement profession. With headquarters in the UK, and regional offices in Australia, South Africa, China and the Middle East, CIPS has a global community of over 93,000 in 150 countries, making it the largest procurement association in the world.

Established in 1932, the Institute is now recognised throughout the world as the authoritative voice of the profession. Our professional qualification is widely acknowledged as the gold standard for procurement around the world, 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 also a registered charity (No. 1017938) dedicated to the promotion of education in procurement and supply.

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

- Developing the 'art and science' of procurement and supply

CIPS' position as the foremost body for the profession depends on continuous development of 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 to develop 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. 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 methods, and by the sharing of best practice between peer groups.

- Representing the interests of the profession

We represent the interests of the profession and the views of our members in many ways. Our UK and international branch network and special interest sector groups provide a mechanism for members to share their views and knowledge with the wider community, either through physical meetings or online. We regularly provide commentary in the media on procurement 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 a comprehensive knowledge resource and guidance on all aspects of procurement and supply. 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.
- 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 examination 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 prizes for educational achievement to promote access to continuing learning opportunities, in particular for those from developing economies.
- Providing course books free of charge to local libraries in developing economies.
- Providing free local events for members and non-members worldwide.

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

Write to: The Chartered Institute of Purchasing & Supply
 Easton House
 Easton on the Hill
 Stamford
 Lincolnshire PE9 3NZ
 United Kingdom

Telephone: +44 (0)1780 756777
 Fax: +44 (0)1780 751610

Email: info@cips.org
 Website: www.cips.org

Trustees' Report 2011-12

The Trustees of CIPS present their report for 2011-12. The report, which follows on pages 8-10, begins with a general overview of the Institute's activities as a whole, followed by a more detailed account which looks at specific achievements throughout the year.

Objectives and Management

The general objectives of the Institute are set out in the Introduction to CIPS section on page 3-4.

The Institute's objectives, as defined in our Charter, provide the focus and goals for our corporate strategy.

Our objectives are translated into rolling three-year corporate plans which define and deliver the Institute's strategy. The year 2011-12 is the second year of the latest three-year plan. From the three-year plan, annual operational plans and associated budgets are developed, against which progress is constantly measured and monitored.

During 2011-12 the Institute's governance structure underwent a fundamental change in order to improve its overall effectiveness and make optimum use of volunteer time and expertise. Following a year-long programme of consultation and development, CIPS members voted overwhelmingly in favour of amending the Charter and Bye-laws to bring in a more streamlined structure. HM The Queen gave her assent to the changes at a meeting of the Privy Council in March 2012 and the new structure came into being the following June.

At that point responsibility for governance and control passed from a large Council to a smaller Board of Trustees. The Trustees' 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 corporate 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 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 served during 2011-12 is to be found on page 25. This list covers both the outgoing Council and the new Global Board of Trustees. 50% of the members of the new Board of Trustees are directly elected by and from amongst the members of Institute's Congress, a new wholly-elected representative and advisory body which came into being in June 2012. The other members of the Board of Trustees are appointed by the Nominations Committee, as are the Institute's President and Chairman.

Membership of the Board of Trustees is regularly refreshed and terms of office are staggered so that only a minority of the membership is replaced each time. This brings the benefit of continuity of knowledge and experience while bringing in new blood. The mix of elected and appointed Trustees enables the Nominations Committee to select Trustees from different backgrounds in order to create a diverse but balanced Board which, as far as is reasonably practicable, reflects the diversity of the global membership.

The Institute aims to have members on its senior governing body who have the appropriate skills and expertise to provide CIPS with the necessary direction and control. Whether elected or appointed, eligible members are assessed against an agreed set of criteria, including a 'person specification' and 'job description'. Once elected or appointed, the performance of the trustees, both individually and collectively, is reviewed annually in order to provide CIPS with the highest calibre of responsible stewardship. Processes are in place to identify, support or, in extreme cases, remove underperforming individuals.

All new members of the Board receive induction training, in particular on their role and responsibilities as Trustees, together with a comprehensive pack of information which gives them an overview of the Institute's activities, finances and current strategy.

CIPS Overall Performance

2011-12 was the second year of the 2010-13 corporate plan and during the year we worked to consolidate the progress made in 2010-11 and continue to build the foundations for sustained growth over the longer term. Achieving our goals turned out to be much more challenging than in the preceding year, due mainly to the global economic environment which caused softening of some of our markets at a time when we had already committed to significant infrastructure investment.

Overall, although some group financial targets were missed, the Institute's performance for the year was satisfactory with strong performances in our heartland of membership and professional development which contributed to overall growth year on year.

(i) Financial Results

Overall total group incoming resources increased by 4.9% generating an additional £0.97 million over the previous year, but falling short of budget by £1.9 million.

While economic conditions remained challenging, particularly in the UK, the majority of our operational areas performed well, recording growth on 2010-11. Revenue from our professional development activities reached £9.8 million, as both qualifications programmes and membership subscriptions remained buoyant, particularly among the international membership. Total membership community numbers grew by over 13%, albeit this was a slower rate of growth than in the previous year.

Performance analysis by international subsidiary reveals a mixed picture. In South Africa overall revenues grew by over 13%. In the Middle East, membership and professional development remained strong and the year-end budget was achieved. Our education programme in China continued to be very strong, with the number of Chinese students exceeding 37,000 by the year end. The one area of concern was our Australian subsidiary where total revenues fell over the previous year. This was mainly due to the loss of two major grant aided contracts. As a consequence, the Australian operation was highlighted for close monitoring and remedial action in 2012/13.

CIPS group returned a net operational result for the year of £291k. After accounting for corporate project expenditure during the year of £769k, a planned top up of the pension fund of the order of £346.5k and other exceptional costs, the net financial result was a negative movement within the net funds of £948k, excluding movement in the pensions reserve.

The detailed accounts for 2011-12 are presented on pages 13 to 24.

(ii) Reserves and Investments

CIPS maintains reserves (listed investments, short-term deposits and cash) in order to fund major new initiatives and as a shield against annual losses. The Trustees have established a policy of maintaining reserves at a discretionary minimum level, currently equating to three months' operating costs.

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.

CIPS invests in low to medium risk UK gilts and equities with a strategy to satisfy both growth and income. In 2011-12 CIPS' investments achieved a level of return better than/in line with the market average.

As at 31 October 2012 the total group investments and cash deposits amounted to £3.2 million. This figure was down on the previous year by just under £970k, due principally to the payment into the pension fund detailed above.

(iii) Risk Management

The Trustees carry out a formal risk review each year, using a risk management process introduced in 2008. While the Trustees focus on the major strategic risks facing the Institute, day to day management of risk is cascaded down through the governance structure. This involves the maintenance by the Trustees of a risk register based on the major risks faced by the Institute and the delegation of the management of all other, principally operational, risks to the Chief Executive and senior management team, subject to regular reporting. In addition, each strategic project is subject to a risk assessment at the start and a risk register is maintained for the lifetime of each project. Learning from the risk management of individual projects is shared throughout the Institute.

As part of the formal review undertaken in February 2012, the Trustees evaluated the major risks faced by CIPS to ensure appropriate steps were being taken to minimise their potential to prevent the Institute achieving its objectives. For each area of major risk identified, the Trustees considered the likelihood and impact and evaluated the effectiveness of the mitigation measures already in place. Having completed their review, the Trustees confirmed they were satisfied that all appropriate steps had been taken and that these were proportionate to the nature of the risks.

Summary

2011-12 has been a year of continued growth, albeit at a slower rate than in the previous year. While some areas have performed strongly, a number of factors have produced a year end result which has fallen short of what was undoubtedly an ambitious target, but still represents a substantial increase in revenue on 2010-11. Additional focus on our corporate business and close management of our cost base has delivered record revenues and membership numbers in difficult market conditions.

Future Plans and Key Objectives

2012-13 will see the culmination of a major three year project to overhaul the complete suite of CIPS qualifications. It is essential that our qualifications remain up to date and relevant, to continue to meet the needs of our members and their employers and to maintain the professional standard. This has been a major undertaking, to review and refresh each qualification in the CIPS ladder, and then update the supporting educational materials, specifically the course books for each qualification. In parallel, we are also further developing our Learning Management System to support online delivery of our qualifications and training programmes. The new qualifications will be launched in April 2013.

The coming year will also see the launch of the CIPS Foundation. From the germ of an idea discussed with the CIPS Council in 2011, the Foundation has been developed as a charitable scheme to provide sustainable financial support for those whose financial circumstances restrict their access to procurement and supply qualifications.

We will continue to expand our support for procurement communities outside the UK through increased local presence. In 2012-13 there will be particular focus on establishing a wider CIPS engagement in China beyond the offering of qualifications, and on expanding the reach of CIPS Southern Africa to be the hub for the procurement profession across the entire sub-Saharan region.

This report was approved and authorised by the Board of Trustees and was signed on its behalf on 12th June 2013.

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David Smith FCIPS
President of the Board of Trustees
CIPS Annual Report 2011-12

Key Aims, Activities and Achievements

2011-12 was the second year of a new approach to strategic planning to enable CIPS to become more agile and adaptive to the pace of change in the modern world. A three year aspirational framework is set, within which only the first year is fully mapped out and costed. The one year plan is updated on a rolling annual basis, allowing CIPS to re-evaluate targets and priorities, respond quickly to new challenges and opportunities and, if necessary, change direction.

The three year aspirational plan is predicated on three goals:

- **one world one standard:** for CIPS to be at the heart of a global procurement and supply community, and for our qualification to be universally recognised as the standard for the profession
- **premier business institute:** for CIPS to be the first port of call for everything to do with procurement and supply, and to be relevant at every stage of a professional's career
- **profession of choice:** for CIPS to be able to attract talent to the profession through advocacy and representation

As we continued to work towards these goals a number of strategic priorities were identified for 2011-2012 which are reported on below.

Highlights of 2011-12

The Institute ended 2011-12 in a strong position, with some major achievements:

- the total global community (including full-time students in China) grew by 13.4%
- the number of education assessments (examinations and other forms of qualification assessments) reached a new record of over 134,000
- CIPS group revenues increased by 4.9% on 2010-2011
- a new governance structure and Regulations were successfully introduced following an overwhelming 'yes' vote by members in November 2011
- we cemented our strategic alliance with the National Institute of Governmental Purchasing in the USA with the joint publication of procurement values, principles and standards for the public sector

In the following sections we review these and other significant achievements in more detail.

Membership and Qualifications

In common with many other professional bodies, CIPS experienced a continued flattening of growth in UK membership during the year. International membership, on the other hand, continued to grow, albeit at a slower rate than the previous year, with the exception of a very large cohort of full time students in China which grew by over 30%. These students register with CIPS in order to take our qualifications which are taught and examined locally in Mandarin. They are included in the total global CIPS community, but are not counted in true membership numbers as they have not signed the CIPS ethical code. However, plans are being developed to establish a regional office in China in 2013 which will provide local support for those studying and encourage them to convert to full membership on completion of their qualifications.

While the overall rate of membership growth slowed somewhat, the number of examinations and other forms of assessment carried out during the year rose from 130,000 in 2010-11 to over 134,000. 2011-12 was also the second year of a three-year project to update the entire suite of CIPS qualifications. It was a year of intense activity, both by the CIPS Professional Development team and the thousands of assessors, employers, educationalists, training providers and member groups who were consulted throughout the development process. At the end of the year the project was on track for the new qualifications to be launched in April 2013.

Although there were good outcomes for membership and qualifications, the slowdown in growth was closely monitored and over the course of the year a number of initiatives were introduced to attract new members and retain existing members, particularly in the UK. In particular, support was increased for the 64 branches and member networks which operate worldwide, and members were given the facility to record CPD points online for attending branch events.

Further analysis of membership trends and benchmarking with other professional bodies was carried out to determine whether the slowdown was related solely to global economic conditions or to deeper underlying issues. The results suggested that CIPS was performing well in comparison with the sector as a whole, but could not be complacent. The development of a new membership transformation strategy was therefore set as a high priority objective for 2012-13.

Learning and Development

Assisting organisations by training their staff and providing guidance on best practice procedures is a primary objective for CIPS as set out in our Charter. CIPS engages with organisations of all types and sizes around the world and our aim is to help them to manage their spend and maximise revenue in a sustainable and responsible way through good procurement.

In addition to public courses which are open access, CIPS delivers in-house programmes for organisations with large numbers of purchasing staff. CIPS Academies offer organisations the ability to customise our training and qualifications programmes to meet their specific needs. In this way, the learning can have direct business benefits, for example through working on live projects. Our Certification product for organisations, which benchmarks procurement practices against the CIPS standard, has consistently produced a return on investment for participating organisations and by the end of the year had been delivered to around 160 private and public sector bodies.

International

By the end of 2011-12 CIPS had well-established operations in Australia, South Africa and the Middle East, and had taken the first steps towards setting up a fourth entity in China.

CIPS Australasia experienced mixed fortunes. Membership grew strongly during the year, but other areas were under pressure, particularly the corporate business which was impacted by the loss of two major grant aided projects. Improving the financial performance was identified as a high priority for 2012-13.

CIPS's second full-service subsidiary, CIPS Southern Africa, was in its third year of operation and continued to make satisfactory progress. All area of the business experienced growth on the preceding year and overall revenues grew by 13%. During the year plans were put in place to prepare to extend the remit of CIPS Southern Africa to become the central service hub for the whole of sub-Saharan Africa.

Following its start-up 2010-11, CIPS MENA (based in Dubai) became an independent business unit as its activities began to gain traction. Both membership and qualifications experienced significant growth over the year, but corporate business was slower to come through.

During the year we appointed a general manager for CIPS in China, with the remit of building CIPS' presence in the country and providing a local focus for member and student support. Work began on plans to establish a formal entity with the aim of having this up and running in 2013.

We also continued to develop our relationship with the United Nations Secretariat, UNOPS and UNDP, to deliver procurement best practice to the developing world.

Knowledge and Representation

Interest in the Purchasing Managers' Indices, the monthly economic indicators sponsored by CIPS, remained extremely high and has given CIPS a platform to speak publicly not only on procurement matters but also on the economy more generally. The PMIs are referenced by the Bank of England and the Treasury and the media coverage these generate is estimated to be in the region of £20 million Advertising Value Equivalent per year. This enables us to extend the reach of our messages far beyond the procurement community to the wider business world and to the general public.

A new index to assist organisations with monitoring and managing supply chain sustainability, the CIPS Sustainability Index, was launched in concept at CIPS UK conference in October 2012 and will be rolled out in the UK during the next year.

During the year, our relationship with the UK Government as a trusted adviser became an even higher priority for CIPS. CIPS became the only non-government member of the government's Procurement Executive Board. Our role is to provide objective, professional advice to assist the government in developing its procurement policy and practices, such that major efficiencies can be achieved on behalf of the taxpayer.

CIPS was also very proud to have been invited to join the Stakeholder Oversight Group which was set up by the London Olympics organising committee to review its supplier complaints procedure during the Olympic and Paralympic Games. The group's final report, which reflected on the lessons learned, was issued as part of London 2012's Learning Legacy for the management of future games.

Governance

During the year the major project to modernise CIPS' governance structure made significant and rapid progress. The aim of the project was to equip CIPS with a governance structure that would be agile and fit for the future. The new structure was designed to be more representative of the global membership and to make a clear distinction between representational and governance remits. The proposed changes to the Charter and Bye-laws were put to a member vote at an Extraordinary General Meeting on 30 November where they were approved by a 92% vote in favour. The formal proposal was subsequently submitted to the Privy Council in December 2011 and HM The Queen gave her assent at a meeting of the Privy Council in March 2012. The change to the new structure was effected as from June 2012. The large governing Council and its smaller executive board were replaced by a Board of Trustees as the senior governing body, and a wholly-elected Congress with a representative and advisory role. New election and appointment processes were introduced and a transitional programme was put in place to ensure continuity of governance during the change period.

Capacity Building

In parallel with the improvements to the governance structure, the programme to make CIPS fit for the future also included a programme to build internal capacity and capability. In addition to team restructuring and a number of key appointments, a comprehensive cultural change programme was rolled out across the whole organisation. CIPS continued to invest in staff development at all levels, to improve individual and collective performance and to introduce process improvements and more efficient working methods. Particular attention was paid to customer service and fostering closer working relationships between the UK office and the subsidiaries.

To ensure CIPS can continue to recruit and retain talented staff, and to support succession planning, a top to bottom pay review was completed and salary grades were revised. A new performance management system was developed, for implementation from the start of the next financial year.

The pilot graduate scheme, introduced the previous year, was completed in May 2012. The success of the scheme meant that some of the graduates were then able to apply for permanent positions, and as at the end of the year a number had secured full time posts.

CIPS was delighted to receive the award of Investors in People Silver status in 2012 in recognition of its investment in staff development.

Statement of Trustees' Responsibilities

The 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 financial statements, giving a true and fair view the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statement of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation

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.

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 AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARTERED INSTITUTE OF PURCHASING AND SUPPLY

We have audited the financial statements of The Chartered Institute of Purchasing and Supply for the year ended 31 October 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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 Auditing Practices Board'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 Financial Reporting Council'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 2012, 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
- 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:

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 2012

	Notes	Unrestricted Funds	Pensions Reserve	Restricted Funds	Total Funds 2012 £k	Total Funds 2011 £k
INCOMING RESOURCES		£k	£k	£k		
Incoming Resources from Generated Funds						
Investment Income	(3)	74	-	-	74	66
Incoming Resources from Charitable Activities						
Subscriptions & Fees	(4)	9,812	-	-	9,812	9,069
Training		9,795	-	-	9,795	9,511
Publications		969	-	-	969	973
Other Income		59	-	-	59	116
Total Incoming Resources		20,709	-	-	20,709	19,735
Pension Scheme Finance Costs	(10)	130	-	-	130	151
COST OF GENERATING FUNDS						
Charitable Activity Costs	(5)	20,454	-	24	20,478	18,761
Governance Costs	(6)	414	-	-	414	392
Total Resources Expended		20,998	-	24	21,022	19,304
Net (Outgoing) / Incoming Resources Before Transfers		(289)	-	(24)	(313)	431
Transfer between funds		(689)	689	-	-	-
Net (Outgoing) / Incoming Resources Before Realised Gains		(978)	689	(24)	(313)	431
Realised Gains on Investments		12	-	-	12	24
(Deficit)/Surplus for the year		(966)	689	(24)	(301)	455
Other Recognised Gains and Losses		(5)	-	-	(5)	(35)
Unrealised Gains/(Losses) on Investments	(12)	43	-	4	47	(70)
Pension Scheme Actuarial Losses	(10)	-	(1,063)	-	(1,063)	(90)
Net Movement in Funds		(928)	(374)	(20)	(1,322)	260
Reconciliation of Funds					-	-
Balances Brought Forward	(18)	409	(3,226)	182	(2,635)	(2,895)
Balances Carried Forward including notional Deficit on Pensions Reserve		(519)	(3,600)	162	(3,957)	(2,635)

All items above derive from continuing operations

Group Balance Sheet
For the Year Ended 31st October 2012

		Notes	Group 2012 £k	2011 £k	Charity 2012 £k	2011 £k
Fixed Assets	Tangible Assets	(11)	1,045	1,027	734	663
	Listed Investments	(12)	1,145	1,125	1,145	1,125
	Subsidiaries	(13)	-	-	-	-
Total Fixed Assets			2,190	2,152	1,879	1,788
Current Assets	Stock		91	143	-	-
	Debtors	(14)	3,994	3,911	4,150	3,876
	Short Term Deposits		1,511	2,688	431	1,606
	Cash at Bank		580	391	383	189
Total Current Assets			6,176	7,133	4,964	5,671
Current Liabilities	Creditors	(15)	(8,723)	(8,694)	(6,850)	(6,817)
Total Current Liabilities			(8,723)	(8,694)	(6,850)	(6,817)
Net Current Liabilities			(2,547)	(1,561)	(1,886)	(1,146)
Total Net (Liabilities)/ Assets Excluding Pension Liability			(357)	591	(7)	642
Defined Benefit Pension Scheme Liability		(10)	(3,600)	(3,226)	(3,600)	(3,226)
Total Net Liabilities Including Pension Liability			(3,957)	(2,635)	(3,607)	(2,584)
Represented By	Restricted Funds	(18)	162	182	162	182
	Designated Funds	(18)	40	45	40	45
	Accumulated Funds	(18)	(559)	364	(209)	415
	Pension Reserve	(18)	(3,600)	(3,226)	(3,600)	(3,226)
Total Net Reserves Including Pension Liability			(3,957)	(2,635)	(3,607)	(2,584)

The financial statements were approved and authorised for issue by Council and were signed on its behalf on 12th June 2013

David Smith FCIPS
President, Board of Trustees

Karen van Vuuren FCIPS
Chairman, Board of Trustees

Group Cash Flow Statement
For the Year Ended 31st October 2012

Notes		2012 £k	2011 £k
Net Cashflow from Operating Activities		(791)	667
Returns on Investments & Servicing of Finance	Interest Received	41	32
	Dividends	33	34
Net Cash Inflow from Returns on Investments		74	66
Investing Activities	(11) Purchase of Tangible Fixed Assets	(266)	(495)
	(12) Purchase of Investments	(277)	(171)
	Sale of Investments	317	164
Net Cash Outflow from Investing Activities		(226)	(502)
Cash Removed / (Added) to Short Term Deposits		1,177	(439)
Net Increase /(Decrease) in Cash		234	(208)

Notes to the Financial Statements

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 2012. 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 certain fixed assets and 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.

(c) Liquid Resources

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

(d) Fixed Assets

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.

(e) Depreciation

Fixed Assets are depreciated so as to write off their cost/valuation 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

(f) Stocks

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

(g) Operating Lease Rentals

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

(h) Foreign Currency Transactions

The results of the overseas subsidiaries denominated in a foreign currency are translated into sterling at the average rate of 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.

(i) 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.

(j) Going Concern

With the adoption of the FRS17 re. accounting for pension costs the overall Institute's reserves have become negative, this however will not prevent the Institute from being able to meet its financial obligations in the future. There is a plan implemented in order to redress the pension reserve shortfall over the next 10 years, the increased funding of which has been taken into account in all current financial projections and budgeted for accordingly. The above notwithstanding, reserves have fallen into deficit by £357k. However, creditors include deferred income of £5.1m, 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.

(k) Investments

Investment income is credited to the accounts as received. Investments are included in the balance sheet at market value. Realised gains and losses arising from the sale of investments are taken to the accounts at the time of sale. Unrealised gains/losses associated with listed investments (being the difference between purchase price and market price as at the balance sheet date) are reflected in the balance sheet valuation.

(l) 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.

(m) 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.

(n) 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 staff numbers and office space. Governance costs are made up of those costs incurred purely for the governance of the Charity, such as Board of Trustees and audit costs.

(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

	2012	2011
	£k	£k
Dividends receivable from listed investments	33	34
Interest receivable	41	32
	74	66

4. Incoming Resources From Charitable Activities

	2012	2011
	£k	£k
Membership & Education	9,812	9,069
Training Activities	9,854	9,627
Publications	969	973
	20,635	19,669

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

5. Charitable Activity Costs

	£k	£k	£k	2012	2011
	Staff	Depreciation	Other	£k	£k
Membership & Education	1,164	12	3,758	4,934	4,438
Training Activities	1,880		5,995	7,875	5,827
Publications	76		696	772	735
Support Costs	3,022	225	3,650	6,897	7,761
	6,142	237	14,099	20,478	18,761

Support Costs of £6,897k 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 and Pretoria South Africa

6. Governance Costs

	£k	£k	2012	2011
	Staff	Other	£k	£k
Allocation of Management Costs	259	15	274	262
Trustees Meeting Costs		98	98	79
Auditor Remuneration- Group		25	25	27
Auditor Remuneration-Subsidiaries		17	17	24
	259	155	414	392

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

7. Subsidiary Companies

CIPS Corporate Services Limited

The charity has a wholly owned subsidiary undertaking, CIPS Corporate Services Limited, incorporated in England and Wales. The principal business of the subsidiary is the sale of books and study guides plus provision of professional recruitment services. 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.

	2012	2011
	£k	£k
Revenue	1,879	1,589
Cost Of Sales	(1,080)	(964)
Margin	799	625
Administrative Expenses	(124)	(162)
Net Profit	675	463
Assets	50	78
Liabilities	50	78
Share Capital	£2	£2
Profit & Loss Account	£91	£91

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 below.

	2012	2011
	£k	£k
Revenue	2,242	2,477
Cost Of Sales	(1,189)	(673)
Margin	1,053	1,804
Administrative Expenses	(1,338)	(1,636)
Net Surplus / (Deficit)	(285)	168
Assets	974	1,119
Liabilities	(1,342)	(1,198)
Net Liabilities	(368)	(79)
Share Capital	£1	£1
Designated Funds	-	-
Profit & Loss Account	(368)	(79)
	(368)	(79)

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.

	2012	2011
	£k	£k
Revenue	2,598	2,302
Cost Of Sales	(1,892)	(1,204)
Margin	706	1,098
Administrative Expenses	(715)	(1,068)
Net (Deficit)/Surplus	(9)	30
Assets	1,379	1,086
Liabilities	(1,362)	(1,057)
Net Assets	17	29
Share Capital	£9	£9
Designated Funds	-	-
Profit & Loss Account	17	29
	17	29

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

	2012	2011
	£k	£k
Wages & Salaries	5,680	4,953
Employers Social Security Costs	406	355
Defined Benefit Scheme Current Service Cost	169	181
Defined Contribution Scheme	272	209
	<hr/> 6,527	<hr/> 5,698

The average number of staff employed and financed by the group throughout the year was :-	137	137
Emoluments of Senior Staff		
£60,001 - £70,000	3	4
£70,001 - £80,000	5	5
£80,001 - £90,000	1	2
£90,001 - £100,000	3	
£100,001 - £110,000	3	2
£110,001 - £120,000	1	1
£170,001 - £180,000	1	1
£200,001 - £210,000		1
£230,001 - £240,000	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 2012 there were 29 current members. Employers contributions in respect of the defined pension benefit scheme were £988k. In addition CIPS also offers a defined contribution plan to which CIPS paid £145k in respect of contributions. At the end of the year there were 31 members of staff with stakeholder plans. CIPS Australia paid £83k and CIPS Southern Africa paid £44k into staff Superannuation schemes.

No Trustees received any remuneration during the year. The expenses reimbursed to trustees during 2012 were: £62k (2011 £16k)

9. Taxation

The company 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.

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 2009, as at this date the actuarial valuation of the scheme's assets on an ongoing basis was 66% 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 this valuation date was £5,952k.

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

Investment Return	4.9%
Salary Increases	3.4%

The contributions made by the employer to this pension scheme over the financial year have been £988k (2011: £618k).

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 2012.

Principal Assumptions

The principal actuarial assumptions at the balance sheet date were:

	At 31st Oct 2012	At 31st Oct 2011
Discount Rate	4.00%	5.00%
Expected Return on Plan Assets	4.90%	5.20%
Inflation	2.60%	2.90%
Rate of Increase in Salaries	3.35%pa	3.65%pa
Rate of Increase in Pensions in Payment	2.60%	2.90%
Mortality	PCxA00 (Yr of Birth) Medium Cohort 1% pa	PCxA00 (Yr of Birth) Medium Cohort 1% pa
Cash Commutation	25%	25%

Asset Breakdown

	At 31st Oct 2012	At 31st Oct 2011
The major categories of plan assets as a percentage of total plan assets are as follows:		
Equities	44.2%	43.5%
Bonds	55.2%	55.9%
Cash	0.6%	0.6%
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 4.9% (2011 5.2%)

Employee Benefit Obligations

	At 31st Oct 2012 £k	At 31st Oct 2011 £k
Defined Benefit Schemes		
Present Value of Funded Obligations	(13,724)	(11,495)
Fair Value of Plan Assets	10,124	8,269
Present Value of Unfunded Obligations	(3,600)	(3,226)
Amounts in the Balance Sheet		
Net Liability	(3,600)	(3,226)

The total expenses recognised in profit or loss are as follows

	2012 £k	2011 £k
Current Service Cost	169	181
Interest On Obligation	580	568
Expected Return on pension scheme assets	(450)	(417)
Total	299	332

	At 31st Oct 2012 £k	At 31st Oct 2011 £k
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	11,495	10,747
Service cost	169	181
Contributions by employees	93	90
Interest cost	580	568
Benefits paid	(317)	(182)
Actuarial losses	1,704	91
Closing defined benefit obligation	13,724	11,495

	At 31st Oct 2012 £k	At 31st Oct 2011 £k
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	8,269	7,325
Expected return	450	417
Actuarial Gains	641	1
Contributions by employer	988	618
Contributions by employee	93	90
Benefits paid	(317)	(182)
Closing fair value of plan assets	10,124	8,269

Actual return on plan assets	1,091	418
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Movements over previous four year period	At 31st Oct 2012 £k	At 31st Oct 2011 £k	At 31st Oct 2010 £k	At 31st Oct 2009 £k	At 31st Oct 2008 £k
Defined benefit obligation	13,724	11,495	10,747	9,021	7,393
Plan assets	10,124	8,269	7,325	5,952	4,686
Deficits	(3,600)	(3,226)	(3,422)	(3,069)	(2,707)
Experience adjustments on plan liabilities	(36)	(175)	(430)	(37)	(105)
Changes in the assumptions underlying the present value of scheme liabilities	(1,668)	84	(751)	(1,231)	680
Experience adjustments on plan assets	641	1	462	625	(1,720)

The comparatives for scheme asset quoted securities for 2007 to date have not been restated from midmarket to bid prices. 90% of fund investments are lodged within Pooled Investment Vehicles managed by Legal & General and Fidelity Investments Ltd.

Expected contributions for the year 2012-2013 are £680k.

11. Tangible Fixed Assets

Group	Freehold Land & Buildings £k	Fixtures & Fittings £k	Motor Vehicles £k	Computer Equipment £k	E-Learning & Product Development £k	Total £k
Cost / Valuation						
At 1st November 2011	529	778	5	1,327	1,144	3,783
Exchange Adjustment	-	(7)	-	(5)	-	(12)
Additions during the year	-	23	-	212	31	266
Disposals during the year	-	-	-	(14)	-	(14)
At 31st October 2012	529	794	5	1,520	1,175	4,023
Accumulated Depreciation						
At 1st November 2011	(164)	(386)	(5)	(1,097)	(1,104)	(2,756)
Exchange Adjustment	-	1	-	3	-	4
Charged during the year	(11)	(78)	-	(130)	(18)	(237)
Disposals during the year	-	-	-	11	-	11
At 31st October 2012	(175)	(463)	(5)	(1,213)	(1,122)	(2,978)
Net Book Value 31st October 2012	354	331	-	307	53	1,045
Net Book Value 31st October 2011	365	392	-	230	40	1,027
Charity	Freehold Land & Buildings £k	Fixtures & Fittings £k	Motor Vehicles £k	Computer Equipment £k	E-Learning & Product Develop £k	Total £k
Cost / Valuation						
At 1st November 2011	529	460	5	1,151	1,144	3,289
Additions During the year	-	6	-	197	31	234
Disposals during the year	-	-	-	-	-	-
At 31st October 2012	529	466	5	1,348	1,175	3,523
Accumulated Depreciation						
At 1st November 2011	(164)	(341)	(5)	(1,012)	(1,104)	(2,626)
Charged During the year	(11)	(38)	-	(96)	(18)	(163)
Disposals during the year	-	-	-	-	-	-
At 31st October 2012	(175)	(379)	(5)	(1,108)	(1,122)	(2,789)
Net Book Value 31st October 2012	354	87	-	240	53	734
Net Book Value 31st October 2011	365	119	-	139	40	663

On 29th September 1995 Easton House was valued by Dickens Watts & Dade (Chartered Surveyors) on an open market valuation at £500,000. The valuation was conducted in accordance with the statement of Assets Valuation Guidance Notes issued by the Royal Institute of Chartered Surveyors. In October 2011, a subsequent valuation was carried out by Gowers Surveyors which suggested that the market value of the property was £900,000. However for prudence the Trustees have not updated the valuation of the freehold land and buildings.

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. Tangible assets purchased with a value of under £300 are not capitalised within the accounts but are written off to the SOFA. Additions to fixed assets in the subsidiaries comprised of furniture and fittings amounting to £17k and computer equipment amounting to £15k, depreciation charges amounted to £74k on the subsidiary companies.

12. Listed Investments	Group	Charity	Group	Charity
	2012	2012	2011	2011
	£k	£k	£k	£k
Market Value at 1st November 2011	1,125	1,125	1,161	1,161
Disposals	(304)	(304)	(137)	(137)
Additions	277	277	171	171
Net Unrealised Gains/(Losses)	47	47	(70)	(70)
Market Value at 31st October 2012	1,145	1,145	1,125	1,125
Historical Cost of Investments	1,150	1,150	1,177	1,177

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.

13. Investment in Subsidiary Companies

Shares in subsidiary undertakings at cost	2012	2011
At 1st November 2011 and 31 st October 2012	£k	£k
	8	8

14. Debtors

14. Debtors	Group	Charity	Group	Charity
	2012	2012	2011	2011
	£k	£k	£k	£k
Trade Debtors	2,868	2,328	3,115	2,516
Other Debtors	194	82	36	36
Prepayments and Accrued Income	932	861	760	554
Due from Subsidiary Undertakings	-	879	-	770
	3,994	4,150	3,911	3,876

15. Creditors

15. Creditors	Group	Charity	Group	Charity
	2012	2012	2011	2011
	£k	£k	£k	£k
Trade Creditors	2,245	1,886	2,020	1,698
Other Creditors including Taxation and Social Security	336	198	318	268
Accruals and Deferred Income	6,142	4,766	6,356	4,851
	8,723	6,850	8,694	6,817
Deferred Income as at 1st November 2011	4,995	3,987	5,059	3,762
Released during the year	(4,995)	(3,987)	(5,059)	(3,762)
Deferred during the year	5,164	3,999	4,995	3,987
Deferred Income as at 31st October 2012	5,164	3,999	4,995	3,987

16. Subsidiary Company Loans

At the end of 2012 the value of the inter company loans between CIPS and its subsidiaries was £879k, (2011 £770k). 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.

17. Analysis of Net Assets between funds

17. Analysis of Net Assets between funds	Tangible Assets	Investments	Current Assets (Net)	Total	Total
	£k	£k	£k	2012	2011
				£k	£k
Restricted Funds			162	162	182
Unrestricted Funds	1,045	1,145	(2,709)	(519)	409
Pension Scheme Deficit				(3,600)	(3,226)
	1,045	1,145	(2,547)	(3,957)	(2,635)

18. Reserves	Restricted Funds (18c)	Designated Funds(5)	Accumulated Funds	Pension Reserve	Total
a) Group	£k	£k	£k	£k	£k
At 1st November 2011	182	45	364	(3,226)	(2,635)
Exchange Adjustment	-	-	(5)	-	(5)
Transfers	-	(5)	(684)	689	-
Actuarial profit/(loss)	-	-	-	(1,063)	(1,063)
Deficit for the year	(20)	-	(234)	-	(254)
At 31st October 2012	162	40	(559)	(3,600)	(3,957)
	Restricted Funds (18c)	Designated Funds (5)	Accumulated Funds	Pension Reserve	Total
b) Charity	£k	£k	£k	£k	£k
At 1st November 2011	182	45	415	(3,226)	(2,584)
Transfers	-	(5)	(684)	689	-
Actuarial profit/(loss)	-	-	-	(1,063)	(1,063)
(Deficit)/Surplus for the year	(20)	-	60	-	40
At 31st October 2012	162	40	(209)	(3,600)	(3,607)
	CIPS Educational Fund (1)	NOS Project (2)	IDEA Project (3)	e' Commerce Research Project (4)	Total
c) Restricted Funds	£k	£k	£k	£k	£k
At 1st November 2011	154	2	14	12	182
Net expenditure for year	(20)	-	-	-	(20)
At 31st October 2012	134	2	14	12	162

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.
- 5 Fund to cover costs associated with long-term staff absence

(d) Pension Reserve	Charity	Subsidiary Companies	Total 2012	Total 2011
	£k	£k	£k	£k
At 1st November 2011	(3,226)		(3,226)	(3,422)
Credit to Statement of Financial Activities	689		689	286
Actuarial Loss	(1,063)		(1,063)	(90)
At 31st October 2012	(3,600)		(3,600)	(3,226)

19. Net Cash Flow from operating activities

	Group 2012	Group 2011
	£k	£k
Incoming / (Outgoing) Resources before gains and losses on investment activities	(313)	431
Pension Scheme Finance costs	130	151
Pension Scheme Current Service Costs	169	181
Pension Scheme Contributions	(988)	(618)
Investment Income and Interest on Deposits	(74)	(66)
Depreciation on Tangible Fixed Assets	237	225
Other recognised gains and losses	-	(19)
Loss on disposal of Tangible Fixed Assets	3	17
Impact of foreign exchange	47	(29)
(Increase) / Decrease in Stock	52	(73)
Decrease / (Increase) in Debtors	(83)	(229)
(Decrease) / Increase in Creditors	29	696
	(791)	667

Analysis of changes in Net Debt

	1st November 2011	Cashflows	Exchange movement	31st October 2012
	£k	£k	£k	£k
Cash at bank	391	234	(45)	580
Deposits	2,688	(1,177)	-	1,511
	<u>3,079</u>	<u>(943)</u>	<u>(45)</u>	<u>2,091</u>

The Group net funds at 2012 comprised of term deposits totalling £1,511k and £580k cash at bank

20. Leasing Commitments

	Group 2012	Charity 2012	Group 2011	Charity 2011
	£k	£k	£k	£k
Operating Leases which expire :				
Within one year	194	16	151	41
In the second to fifth years inclusive	247	56	344	98
	<u>441</u>	<u>72</u>	<u>495</u>	<u>139</u>

Total leasing costs for the year were £221k

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

21. Related Party Transactions

In accordance with FRS 8, 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 £805k (2011: £656k) 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 £345k (2011: £318k).

LIST OF TRUSTEES 2011-2012

COUNCIL (Trustees for the period 1 November 2011 to 22 June 2012)

President	David Smith FCIPS
Vice President	Paula Gildert FCIPS
Chairman	Karen Van Vuuren FCIPS
Deputy Chairman	John Collington FCIPS (to 30.01.12)
Immediate Past President	Vacant
Board Members	Melinda Johnson FCIPS
	Will Parsons FCIPS
	Belinda Prince FCIPS
	Richard Masser FCIPS
	Christina De Luca MCIPS
	Guy Strafford FCIPS
	Gordon Crichton MCIPS (to 15.02.12)

Regional Representatives:

Northern Ireland	Stephen Cowan FCIPS
Scotland	Nikki Bell FCIPS
	Janet Matthews FCIPS
North West	Andrew Croston FCIPS
North East	Richard Masser FCIPS
	Hayley Addison MCIPS
West Central	Peter Nugent MCIPS
	Ian Parkes MCIPS
East Central	Michelle Wang MCIPS
North Thames	Paul Lee MCIPS
	Sam De Silva FCIPS
South East	Clive Corris MCIPS
	Ian Thompson MCIPS
South	Lee Rimmer MCIPS
	Rachel Lee MCIPS
South West	Peter Price MCIPS
Wales	Gail Roberts MCIPS

Business Sector Representatives:

Manufacturing	Learie Attzs MCIPS
Retail	Laura Cook MCIPS
Local Government	Julian Ingram MCIPS
Central Government	Lee Tribe MCIPS
Utilities	Robert Astall MCIPS
Business Services	Graham Ockendon FCIPS
Transport	Steve Morgan FCIPS
Emerging Sectors	Steve Johnson FCIPS
Construction	Julia Fancourt FCIPS
Financial Services	Nigel Sussman FCIPS

International:

Africa	Misheck Kaoma FCIPS
Australasia	Stephen Rowe FCIPS
Rest of World	Ian Cluderay MCIPS
Southern Africa	Thapelo Ntesang MCIPS
Asia	Merry Liu MCIPS
Europe/Middle East	Waleed Al Saeedi FCIPS

Chairman Appointments Board	Shirley Cooper FCIPS
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BOARD OF TRUSTEES (Trustees for the period 22 June 2012 to 31 October 2012)

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Chairman	Karen Van Vuuren FCIPS
Trustee	Paula Gildert FCIPS
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Trustee	Sam De Silva FCIPS
Trustee	Waleed Al Saeedi FCIPS
Trustee	Kath Harmeston FCIPS
Trustee	Adrian Turner FCIPS
Trustee	David Noble FCIPS

Professional Advisors

Bankers

Barclays Bank plc
46/49 Broad Street, Stamford, Lincolnshire PE9 1PZ

Auditor

BDO LLP
Farringdon Place, 20 Farringdon Road, London EC1M 3AP

Solicitors

Buckles Solicitors LLP
45-51 Priestgate, Peterborough PE1 1LB

Investment Managers

Barclays Wealth
1 Colmore Square, Birmingham B4 6ES