

CIPFA

The Chartered Institute of
Public Finance & Accountancy

annual report and accounts 2015

A review of the year



This report

Since 2013 CIPFA has been on a path towards Integrated Reporting. New strategic measures to demonstrate the value that the Institute creates beyond financial results, such as championing the public sector finance profession and improving our environmental impact, have been introduced. In doing so, we have been able to present a clearer picture of our achievements and strengthen the case for bespoke support for finance professionals working in the public sector.

CIPFA remains the world's only professional body dedicated to public finance and accountancy. Our purpose is as focused and unique as the members we represent. In the UK, against a backdrop of major funding cuts, we are encouraging greater appreciation of finance professionals who are equipped to deal with the shifts of democratic decision making as well as market forces. Internationally, we are experiencing a surge of interest in our services as more governments seek to offer their citizens a sustainable and effective public sector.

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president's introduction



John Matheson
President

CIPFA has delivered some impressive results in a very challenging environment. We have continued to enjoy rapid growth in overseas markets and seen our investment in thought leadership deliver greater influence for the finance profession in policy matters. We have modernised support for members to make sure the Institute is geared to meet their needs and aspirations. As a result, I am heartened to report that in 2015 CIPFA's membership grew for the first time in several years.

My term as President has seen the introduction of more streamlined, fit-for-purpose governance arrangements. Already, we are seeing stronger strategic direction and rapid practical reform, generating better support for our members and inspiring the next generation of public finance leaders.

It has been my aim as President of CIPFA to secure a renewed focus on attracting the brightest young people into public finance. It is for all of us who have enjoyed successful and rewarding careers in public finance to tell our stories and to inspire the next generation of leaders. I am proud of the great strides CIPFA has taken to offer more flexible qualifications, reflecting the reality of careers today and into the future.

The initial cohort of students studying the CIPFA and ICAS (Institute of Chartered Accountants of Scotland) Integrated Qualification in Audit took their first set of exams 2015. The new qualification reflects a world in which public services are increasingly provided through private contracts and offers greater portability for those wishing to move between sectors.

We have also developed a new qualification in finance business partnering. I believe this model will be central to our future profession as we seek to add value in more ways. Too often, finance and accountancy has been viewed as purely operational. That view is wrong. Finance must be at heart of decision making. Collaborating with others, from the

board room to the front-line, accountants can make a powerful contribution to delivering improvements. That's why I am determined that CIPFA continues to enhance finance business partnering, as a professional standard.

CIPFA has continued to modernise and extend its support to students and members wherever they are. Landmark agreements were signed with six international bodies. Our exams can, for the first time, be taken online – opening up our world-class qualifications to thousands more. We have taken important steps to professionalise counter fraud services and developed our professional qualification to reflect changing priorities.

We have continued to invest in our services in 2015. It is therefore, extremely pleasing to be able to report that, whilst investing to strengthen the future of our Institute, CIPFA has ended the year with a positive balance sheet for the first time since 2005.

Reduced public spending in the UK continues to create difficult conditions in our traditional market but if ever there was a time to see opportunity in adversity it is now. CIPFA's expertise in public financial management means that public bodies are looking to us help maximise value for money. There are still challenges for our Institute to overcome. But, our successes prove that we are up for those challenges, both now and in the future.

CEO's overview



A handwritten signature in black ink that reads "Rob Whiteman". The signature is stylized and cursive.

Rob Whiteman FCPFA
CEO

It is pleasing to report that in 2015 our four main numbers all went in the right direction: student intake was up; membership increased; turnover was over £1m higher; and our balance sheet net worth is both positive and improved by £10m.

So our journey of continuous modernisation and reform is progressing well to ensure that as a charity we add value to members and their organisations and build on our respected, collaborative and trusted brand to work in the public interest.

Most of all we are proud to serve the public and not-for-profit sector and speak for the public financial management profession. Our values of professional excellence and pride in public service drive our work to enhance the specific and unique additional skills needed by accountants and auditors to ensure the public and decision-makers are well served.

And we are ambitious to build on successes in 2016 and beyond by investing in our services to members and their organisations. Through our six faculties we have listened to members, asked for their active engagement and involvement to develop our expert voice and support.

As stronger public financial management and governance is needed around the world, our vision is for countries to have strong local institutions and professions, and we are proud that our model to support rather

than compete with colleague professional accountancy organisations now sees a large number of joint agreements and training arrangements.

Here in the UK for example, our students and members have options to dual qualify with ICAS, whilst we see half our students outside the UK and sitting examination in 80 countries and a growing number of transnational bodies, for example 14 UN agencies.

We provide unrivalled thought leadership on public financial management, set the pace on strong global and UK accounting standards, and through our staff, provide hundreds of CPD events every year, complemented by the best journals and online materials on public sector issues of any accountancy body in the world. Our team at CIPFA is now stronger and better resourced than ever before. We listen closely to our members and champion their advice, both publicly and behind the scenes.

In the UK we have redoubled our efforts in the NHS, and to support public service integration. Public services face continued

As stronger public financial management and governance is needed around the world, our vision is for countries to have strong local institutions and professions.

In the UK we have redoubled our efforts in the NHS, and to support public service integration. Public services face continued and unparalleled fiscal pressure that will not be addressed by incremental change, but require a new generation of skills, tools and approaches.

and unparalleled fiscal pressure that will not be addressed by incremental change, but require a new generation of skills, tools and approaches. Our assessments of the Autumn Statement, NHS demand pressures and devolution have highlighted the importance of good financial management. We will continue to speak on behalf of our members across all areas of public service.

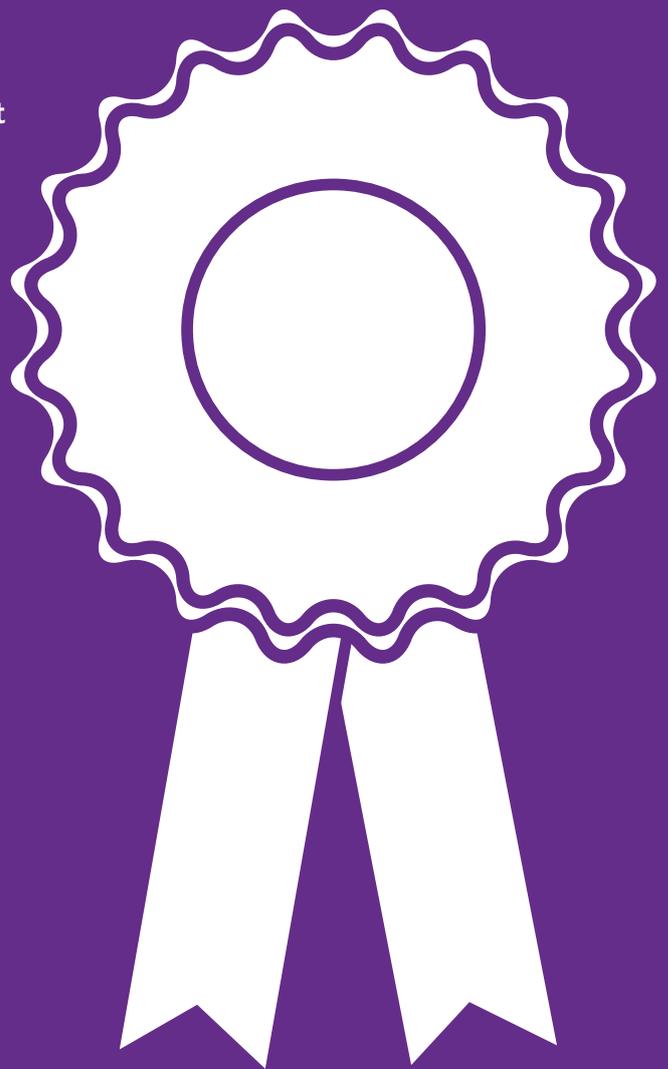
Globally, we support capacity building initiatives in all continents and regions and we are excited to see our offer to share tools, materials and experience so widely used.

Change for our institute continues apace, for example professionally accredited counter fraud practitioners can join a chartered institute through a new category of membership. But at our heart we remain a body that relies on active membership, volunteers contributing to our faculties and regions, and dedication and pride to service the public. It is of course pleasing and

welcome that our commercial services are growing and generating resources covenanted to our charitable objectives, whilst our prime directive remains to speak truth unto power and act in the public interest. Modern and innovative we will always, as determined by our forebears in 1885 and still reflected in our arms, faithfully keep the public purse, *fiscum serva fideliter*.

key achievements

- Membership returned to growth up by over 400 to 13,960
- Student numbers up by nearly 400 to 4,092
- Ended the year with a positive balance sheet
- Agreements signed with six international partners
- First ever professional body membership for counter fraud practitioners
- Landmark joint membership deal with ICAS
- Online exams introduced
- Governance structure streamlined
- ISO 14001 environmental management certificate achieved



about CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for finance experts in the public sector.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that’s why the CPFA designation is widely recognised as the benchmark qualification for public service finance.

Founded in Manchester in 1885, as the Corporate Treasurers and Accountants Institute, CIPFA has helped shape Britain’s leading public sector.

CIPFA is the world’s only professional accountancy body to specialise in public services. Our suite of training and qualifications are sought after and highly respected around the world.

We champion high performance with information and guidance, courses and conferences, property and asset management solutions, advisory and recruitment services for a range of public sector clients.

our mission and values

CIPFA's Mission is to be a leader in public financial management within public services both in the UK and around the world. We will achieve this by:

- giving active support to CIPFA members and other public service leaders by providing information, insight, advice and training
- supporting our members throughout their careers and in adding value to the organisations they work within
- championing and supporting improvement in standards of public financial management and governance both in the UK and around the world
- leading the debate, domestically and globally, on good public financial management and governance
- increasing the public good by ensuring the proper management of public resources.

achievements and performance

CIPFA is a charity that exists to promote public benefit and create public value by:

1. advancing public finance and promoting best practice
2. regulation and supporting members
3. educating and training student members.

Our achievements and performance are set out against each objective.

1. Advancing public finance and promoting best practice

CIPFA offers training, advice, data and expertise to governments, the public sector and public finance professionals within the UK and internationally.

We run a comprehensive series of conferences and events across the year. In 2015, over a thousand people attended the CIPFA annual conference, which examined key issues around public service integration.

Through our CIPFA Thinks initiative, we published a series of briefings and reports on a wide range of public

finance issues including the Autumn Statement; health financing; right to buy and contract management.

The CIPFA General Election manifesto helped to ensure that the professional voice was at the heart of the debate. It called for:

- substantial reform to governance systems and public financial management
- necessary decisions on taxes, spending and personal responsibility to be taken
- honesty from politicians about what the future holds and the actions needed.

Welsh council mergers 'could cost £268m', accountants say

BBC

Council tax freeze 'hits services'

DAILY MAIL

Businesses and councils call for rates devolution

FT

NHS patients may face widescale charges, warns financial thinktank

THE GUARDIAN

England's councils 'on cliff-edge' owing to cuts'

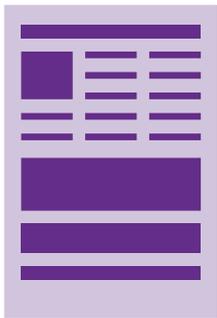
BBC

MPs 'trusted less by voters who live farthest from Westminster'

STV

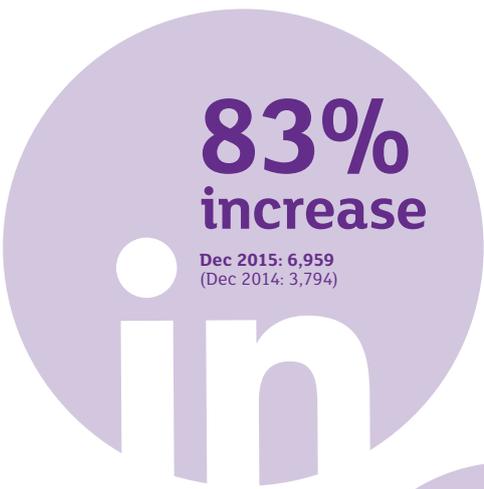
Library usage falls significantly as services shrink

THE GUARDIAN



38%
increase in media
mentions in 2015

2015: 2,818 (2014: 1,722)



CIPFAstats worked on issues as varied as income generation, fire and rescue, and police objective analysis. Our annual survey provides the definitive account of Britain's public libraries. In 2015, the Department for Culture, Media and Sport funded extended analysis. In addition, our annual council tax survey informs tax payers in England and Wales about changes they should expect.

CIPFA acts as a trusted media commentator, cutting through the complexities to explain public finances to broad audiences.

Achievements in the UK

CIPFA and the National Association of School Business Management collaborated to introduce new standards for the school business management profession providing a framework for the development of qualifications and other professional recognition and to meet the needs of a sector in rapid change.

In 2015, CIPFA commenced work as the sole provider of finance training for the NHS leadership. CIPFA actively supported the NHS Future Focused Finance project which equips finance staff with skills to work with patients, clinicians and communities.

Our apprentice scheme continued to offer young people experience in a variety of public sector settings while studying for an Association of Accounting Technicians Level 4 Diploma.

The CIPFA Academies Hub has been developed to provide free financial and business guidance for those managing academies.

The first cohort of students completed the CIPFA Counter Fraud Centre specialist qualification in countering fraud and corruption in public services.

In 2015, we established a new strategic partnership with BAE Systems Applied Intelligence to develop counter fraud and cyber security services and solutions for public services.



The 2015 Conference for the Regions took place at Warwick University. It explored the changing role of regions in a global structure.

Conferences were held in the Scotland, Wales and Northern Ireland as well as English regions. At the CIPFA Scotland Public Finance Conference, John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth and Deputy First Minister of Scotland, was awarded an honorary CIPFA membership.

CIPFA Scotland was accredited by the Association of Accounting Technicians as an approved training centre enabling delivery of a new apprenticeship programme.

CIPFA and Capita Asset Services collaborated on an innovative scheme to increase financial management and scrutiny skills of elected councillors in Scottish local government.

CIPFA also launched the first ever balance sheet for Northern Ireland's public sector, a comprehensive study of the net financial position of devolved public sector services.

In partnership with CAF Bank and Cornwall Community Accountancy Service, CIPFA South West, held the first charities conference in Cornwall for trustees and finance staff. It addressed developments in accounting, pensions and Gift Aid.

Progress internationally

CIPFA is proud to be aligned with professional accountancy organisations around the world, helping to promote strong public financial management.

In 2015, we forged strong links to improve capability and capacity in public finances with organisations

based in countries around the world. Memorandum of understandings (MoUs) were signed with:

- the Institute of Chartered Accountants Sri Lanka (CA)
- the Institute of Chartered Accountants of Nigeria (ICAN)
- the Institute of Chartered Accountants Ghana (ICAG)
- the Pakistan Institute of Public Finance Accountants (PIPFA)

And a tripartite MoU signed with:

- the Malaysian Institute of Accountants (MIA)
- the Malaysian Institute of Certified Public Accountants (MICPA)

We teamed up with accredited training partners in Botswana, Hong Kong and Mozambique, as well as undertaking training partnerships with four universities in Somalia to instruct up to 200 students doing International Public Financial Management exams. This new programme adds to the ongoing training partnerships in Bangladesh, Lesotho and Nigeria.

CIPFA is proud to be aligned with professional accountancy organisations around the world, helping to promote strong public financial management.

2. Regulation and supporting members

In 2015, CIPFA's membership returned to growth. This is a pivotal milestone for the Institute. It bears testament to the determination, professionalism and enthusiasm of our staff, volunteers and members, and all those who recognise the value of maintaining the highest standards in public financial management.

Members



Codes of practice and technical guidance provide core professional support. Publications cover local authority accounting and pensions, transport asset management, treasury management, governance and audit.

Journals and newsletters keep professionals up to date. Our membership magazine Spreadsheet helps bring together the professional community. Public Money and Management is an authoritative academic journal. And our professional magazine, Public Finance, which has an audited circulation of about 15,700, offers news, analysis and opinion to professionals across the public sector.

CIPFA Networks are subscription-based services designed to keep organisations up-to-date with legislative and technical developments. Twenty-two networks, specialising in subjects ranging from alternative service delivery to health and social care, support nearly 1,000 subscribers.

CIPFA's Counter Fraud Centre has taken significant steps towards professionalising counter fraud operations. The introduction of affiliate membership, enables counter fraud practitioners to access the support of a professional institute for the first time.

CIPFA plays an active role in setting standards. At the end of 2015, 89 members and staff were serving on standard-setting bodies or advising governments and regulatory bodies.

At an international level representatives include:

Chris Austin

Chair IFAC – International Accounting Education Standards Board

Ian Carruthers

Member of International Public Sector Accounting Standards Board (IPSASB) (Chair from January 2016)

Alan Edwards

Member of IFAC's Professional Accountancy Organisations' Development Committee and Deputy Chairman, FEE Public Sector Committee

Caroline Gardner

Member of the International Ethics Standards Board for Accountants

Alison Scott

Technical Adviser, FEE Public Sector Committee

Protecting the integrity and high-standing of our membership is paramount. We investigate allegations of malpractice and apply disciplinary sanctions where necessary. In 2015, five cases were completed with two resulting in expulsion.

Achievements in the UK

CIPFA's Counter Fraud Centre has taken significant steps towards professionalising counter fraud operations. The introduction of affiliate membership enables counter fraud practitioners to access the support of a professional institute for the first time.

A new e-learning course on whistleblowing was also developed in partnership with Mazars and Public Concern at Work. The course provides local authorities and charities with a foundation for building a culture that confronts fraud and corruption.

We boosted digital services, offering new e-learning resources, as an accredited trainer on the Government's 'Better Business Cases' initiative. A range of e-learning courses are now available to support finance professionals in areas such as tax in local authorities.

TISonline, our technical information service, launched three new information streams, extending the coverage of the service to other sectors: Charity accounting and financial management; Academies; and Public health. The service helps over 500 organisations across the UK.

CIPFA's Aligning Local Public Services (ALPS) project was launched at the annual conference. It aims to equip and empower public service leaders with the knowledge they need to use resources in the most effective way possible.

This year, CIPFA Recruitment Services forged an exciting partnership with Penna, the global people management firm. CIPFA-Penna forms a market leading business for sourcing executive interim and permanent finance leaders for the public sector.

A new financial management framework for self-directed support, commissioned by the Scottish Government, was launched. It provides local authority and third sector social care providers with free support and was backed with a series of events.

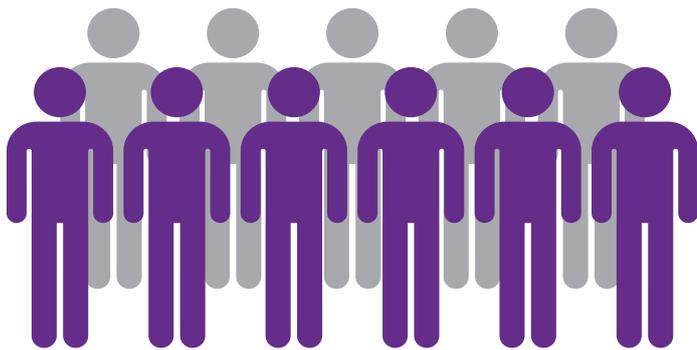
Achievements internationally

CIPFA was announced as the first official global media partner for the African Congress of Accountants (ACOA) held in Mauritius.

We have continued to advocate the International Public Sector Accounting Standards and CIPFA's Executive Director, Ian Carruthers, was appointed chair of the International Public Sector Accounting Standards Board.

We worked with CPA Australia, one of the world's largest accounting bodies, to roll out the CIPFA Financial Management Model, which has already helped over 300 organisations in the UK, and is licensed to the New Zealand Treasury and Government Finance Officers Association of America.

CIPFA was invited by the Department of Public Expenditure & Reform to develop corporate governance standards for central government departments in the Republic of Ireland. This is a key action of the Civil Service Renewal Plan.

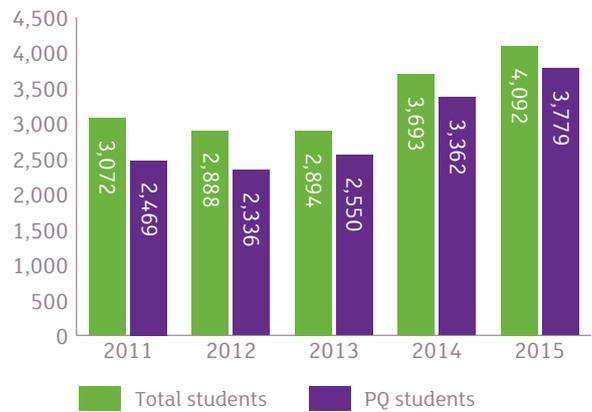


705
international members
(2014: 493)

3. Educating and training student members

CIPFA provides world-class education and training for student members. In 2015, major improvements were made to ensure we offer first-rate modern facilities for those studying with the Institute.

Students



CIPFA is supported by a strong network of volunteers. As well as promoting best practice and supporting members, volunteers play a vital role in educating and training student members and inspiring the next generation of public finance professionals.

Volunteers are involved in regional engagement and organising regional society activity. For example, volunteers in the Midlands ran a series of management team games for sixth-form students. The students acted out management roles in a fictional borough council.

Members also volunteered as CIPFA Ambassadors, sharing their experiences of studying and working in public finance with students and young people at events across the country.

Achievements in the UK

The new CIPFA Professional Qualification (PQ) has been phased in over the year. It offers a much stronger focus on commercial skills, essential for public finance professionals managing a variety of delivery models for public services.

In December 2015, our exams went online for the first time. The new service, delivered in partnership with Calibrand offers greater accessibility for CIPFA students around the world.

CIPFA and ICAS introduced a groundbreaking new joint qualification in both public and corporate sector audit. The qualification combines the expertise and standing of both institutes to meet the needs of the public and corporate sectors.

A new office in was opened in Edinburgh in July. It includes three new suites that are now the base for modern learning and development products.

CIPFA won a contract with the NHS Wales Finance Academy to provide tuition to graduates on the NHS Graduate Finance Training Scheme. As part of the three-year contract, CIPFA provides rigorous training for eight graduates who are placed across different NHS organisations in Wales.

Achievements internationally

The World Health Organisation enrolled its first students on the certificate course of CIPFA's International Public Financial Management programme.

Working with the United Nations, CIPFA supported financial training and certification to 167 countries. We also piloted an innovative mentoring programme to support students in countries receiving support from the United Nations Development Programme.

We expanded our business in the Balkans, working with the Centre of Excellence and Finance (CEF) in Slovenia to provide certification programmes, particularly for countries applying for European Union accession. CIPFA and CEF initiated two new qualification programmes in Macedonia.

The World Bank and Government of Nepal invited CIPFA to make proposals for implementing a suite of international public financial management qualifications and to provide training.



1,834

international students

(2014: 1,350)



89%

agree CIPFA are the experts on public financial management

(2014: 95%)



88%

agree CIPFA staff are professional

(2014: 87%)



85%

agree CIPFA is an authoritative voice

(2014: 85%)



staff and environment

Staff

CIPFA aims to support its staff to do the best they can. Our success was recognised by Investors in People in November 2015, when the CIPFA group was reaccredited. In 2015, 70% of staff engaged in professional development and sickness absence remained low and below the target: 1.8% average working time lost per year (target 2.5%).

Environment

In 2015, CIPFA made positive steps to limit its environmental impact. Our new Mansell Street HQ has achieved the ISO 14001 environmental management certificate. This recognises that CIPFA has efficiently reduced the amount of waste produced by the organisation.

Recyclable materials

The total number of mixed materials recycled by CIPFA's Mansell Street office is 3,529kg in 2015. The office has also recycled 54kg of glass bottles and composted 1,667kg of food.

Recycling paper

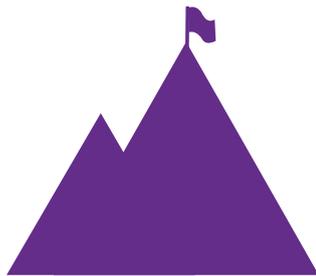
The total weight of paper recycled by CIPFA in 2015 was 1,890kg. This means that the Mansell Street office saved 32.1 trees, 56,700 litres of water and 2,457 tonnes of carbon dioxide. Recycling this quantity of paper also saved 6,615 kWh of electricity.

Landfill and energy recovery

The total weight of potential waste saved from being deposited in landfill sites is 11,161kg. This has saved the UK 23.2m² of landfill space. This means that CIPFA has prevented 3,348m³ of landfill gas from being released into the environment. As a result, 7,829 kWh of energy have been recovered.

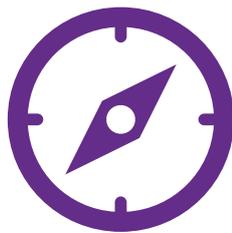
94%

of staff said they were willing to go the extra mile



89%

agree they understand CIPFA's purpose and direction



how we are governed

Name and nature of the charity

The full name of the charity is The Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number is 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA is managed and regulated in accordance with its Charter and Bye-Laws.

The charitable objects are:

- to advance the science of public finance and of accountancy and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies; and to promote public education therein
- to promote and to publish the results of studies and research work therein and in related subjects
- to advance and promote co-operation between accountancy bodies in any way
- to advance and promote any scheme or schemes (howsoever constituted), having as one or more of their objects the review or regulation in the public interest of the establishment of standards by, and the training, regulatory and disciplinary activities and procedures of, any one or more accountancy bodies.

Public benefit

The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. The work of CIPFA, in pursuit of its objectives is detailed in Performance and Achievements.

Within the charity are a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

CIPFA has one active wholly-owned subsidiary company: CIPFA Business Ltd, Companies House registration number 2376684.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted Board of Directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis. All our work aims to benefit the general public through improved public service performance.

Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

The Institute Council (Board of Trustees)

The President chairs the Institute Council. In addition to four honorary officers, Council is made up of 21 elected members of CIPFA, eight representatives of CIPFA regions selected by the regional committees, and eight co-opted members. The majority of Council members are elected or appointed to serve for two-year terms.

The Council approves the co-options, taking into consideration the skills, experience and knowledge required. It evaluates these against an agreed set of criteria and aims to ensure a balanced Council reflecting the sectors, geographical coverage and general make-up of the Institute membership.

All Council members play a non-executive role. A programme of induction is provided for new Council members and mentors arranged from the cohort of more experienced Council members.

The role of the Institute Council

Council is responsible for the strategic direction of CIPFA and approving major developments. It also approves the terms of reference and delegated powers of its Committees and Boards. Through delegation to the CIPFA Board, it is responsible for the effective oversight of the operations of CIPFA and its subsidiary company. The Council normally meets four times a year.

Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity's website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- follow applicable UK Accounting Standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees must disclose with reasonable accuracy at any time, the financial position of the charity and the group, and ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law. This

includes taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governance structure

In 2015, CIPFA launched a major review of its governance structure. Institute members were consulted on proposals developed through a Governance Review Working Party and given a formal vote on appropriate proposals. Bye-law changes were approved by the Privy Council.

The changes strengthen our governance structure in line with the international framework, to improve transparency and help us better manage risks and performance. Key reforms include:

- greater strategic focus for Council
- Council reconstituted with predominantly elected members representing regions (including international), rather than employment sector
- establishing the CIPFA Board, chaired by the President and replacing the Corporate Management Board, Group Board and CIPFA Business Board
- replacing the Board for the Regions with Regional Forums
- abolishing the International Strategy Board, reflecting that international operations are now a core part of our work
- ending the role of Treasurer, as we are a large charity with a professional Chief Financial Officer
- creating a new Junior Vice-President position
- introducing electronic voting as standard.

Changes to the Council will be phased in over 2016 and fully implemented in 2017.

Having set the strategy for the organisation, Council delegates oversight of CIPFA's business to the CIPFA Board which implements the approach through other Boards and Committees.

The CIPFA Board comprises the four Honorary Officers of the Institute and the four non-executive members of the CIPFA Business Ltd (see below), and the Chief



Executive. The CIPFA Board also fulfils the governance responsibilities of the CIPFA Business Ltd.

All Boards and Committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

A summary of the key individuals with responsibility for the Boards and Committees at the core of the Institute is given below.

Audit Committee
Chair: Carolyn Williamson
Vice Chair: Lee Yale Helms

CIPFA Board
Chair: John Matheson
Vice Chair: Paul Woolston

Policy and Standards Board
Chair: Andy Burns
Vice Chair: Mike Suarez

Students and Members Board
Chair: Sarah Howard
Vice Chair: Janet Senior

Remuneration Committee
Chair: Paul Woolston
Vice Chair: Jane Cuthbertson

Nominations Committee
Chair: Jaki Meekings Davis

CIPFA Business Ltd

CIPFA Business Ltd is the professional services business of the Chartered Institute of Public Finance and Accountancy (CIPFA).

During 2015, we continued to provide cutting-edge advice and services to help public bodies improve financial management and efficiency in the face of contracting budgets.

The Directors of CIPFA Business Ltd are all experienced in business or the markets that it serves. Brief details of their background and experience are included below.

John Matheson*#° (Chair)

John is CIPFA President and a member of CIPFA Council. John joined NHS Scotland as a National Finance Trainee in 1976 and by 2008 had risen to become Director of Finance for NHS Scotland. He has a long-standing commitment to CIPFA, he was Chair of the Scottish Branch in 1999, served as a Council member six years and chaired the International Strategy Board from 2011-2014. John has undertaken non-executive roles across the Public and Private Sectors and has an MBA from Edinburgh University. John was awarded a CBE for services to health care in the 2015 Queen's Birthday Honours List.

Paul Woolston*#° (Vice Chair)

Paul graduated with a Politics degree from Warwick University, has a Master of Business Science from Manchester Business School and is a Lay Canon of Newcastle Cathedral. Paul previously worked at PwC, HMRC and the Audit Commission.

Andrew Flanagan°**

Andrew currently serves as Commissioner at the Civil Service Commission. Andrew is Chair of the Scottish Police Authority and also serves as non-executive director at the NHS Business Services Authority, Criminal Injuries Compensation Authority and the North & East London Commissioning Support Group. His previous roles include Chief Executive of NSPCC, Chairman of Heritage House Media Ltd and Chief Executive of SMG plc.

Dawn Johnson°**

Formerly Managing Director of Woolwich IFA Services Limited and a director at Barclays Bank plc. Now an established non-executive with current roles at organisations including the Northern Ireland Office, Frimley Health Foundation NHS Trust, and Trinity House.

Mike Owen*°

Mike is Chief Executive of Bury Council a CIPFA Past President and member of CIPFA Council. He began his career as an NHS Finance Trainee in 1979 but soon moved into local government serving first at Trafford

Council and later Bury Council. A CIPFA Council member since 2004, Mike first volunteered as a Students Services Officer in the 1980's, served as Chair of the Northern Section and in 2009 became the Society's President. Mike served as CIPFA President in 2014.

Brian Roberts*°

Brian is CIPFA Vice President and a member of CIPFA Council. Brian is the Director of Corporate Resources and Deputy Chief Executive at Leicestershire County Council. Brian qualified as an accountant in 1980. He was a member and past President of the Society of County Treasurers and has also been an LGA Core Finance Advisor and past President of the Association of Local Government Treasurers. Brian is currently a trustee of the Centre for Public Scrutiny.

Martin Sinclair*#°

Martin is CIPFA Group Honorary Treasurer and a member of CIPFA Council. He was until recently a long-standing member of the National Audit Office Leadership Team, contributing to the overall strategic development and direction. He had a very varied career leading both financial and value for money audits of UK Departments, and many international public sector bodies including the United Nations.

Mark Thomson*°

Mark is Director General of the H.M. Passport Office. Formerly Managing Director of International at Royal Mail, Mark has run large scale multi billion pound divisions, employing thousands of people, as well as smaller strategy programmes and businesses. He has sat on executive committees and boards as both a business unit managing director and in non-executive capacities. Mark previously served as Media Director at Royal Mail plc, and as a Director of Camelot Group plc.

Rob Whiteman*

CIPFA Chief Executive. Formerly held senior civil servant as the Chief Executive of the UK Border Agency and led the Improvement & Development Agency. Rob has also worked in local government as Chief Executive of the London Borough of Barking and Dagenham and Director of Resources at the London Borough of Lewisham.

* indicates non-executive director

indicates member of the CIPFA Group Remuneration Committee

+ indicates member of the CIPFA Group Audit Committee

° indicates member of CIPFA Board

Key management personnel remuneration

The trustees consider the CIPFA Management Board, which includes the Chief Executive, as comprising the key management personnel of the charity.

The CIPFA Management Board is made up of the Executive Directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, and running and operating, the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

The Remuneration Committee has full delegated responsibility for decision making in relation to the pay and conditions of senior management including the Chief Executive in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- Bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

The pay of the CIPFA Management Board is reviewed annually and is informed by any general pay award within the Institute. In the case of the Chief Executive, any changes to current salary, terms and conditions, bonus awards etc. are considered on advice from the Honorary Officers, and on receipt of recommendations from the Chair of the Remuneration Committee.

The Institute provides a single discretionary group bonus scheme applicable to all eligible staff including the CIPFA Management Board which has clear trigger points and also allows for investment in the organisation's future growth.

The trigger point and target surplus is reviewed and agreed as part of the annual business planning process by the trustees. The trigger and the split between bonus scheme pot and investment may vary. The bonus scheme is triggered when CIPFA generates a trading surplus above the approved business plan. All bonus awards are subject to the overall value of the bonus pot and based on assessment of individual in year performance.

In the case of the CIPFA Management Board, the Chief Executive recommends any bonus awards to the Remuneration Committee. In the case of the Chief Executive, any bonus award is considered on advice from the Honorary Officers, and on receipt of recommendations from the Chair of the Remuneration Committee.

The Committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisers may attend meetings as necessary.

Equal opportunities

CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer.

Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of gender, marital status, sexual orientation, ethnic origin, religion, age, disability, or any other grounds that are unjustifiable in terms of equality of opportunities for all.

The CIPFA Group was reaccredited by Investors in People in November 2015.

The Nominations Committee embraces CIPFA's commitment to equal opportunities. Its role includes

identifying candidates to stand for CIPFA Council from a wide variety of backgrounds. It also recommends to Council candidates for co-opted as well as Chair and

Vice Chair roles on major Boards and Committees. Again diversity is a major factor in its considerations.

Council Members and attendance chart

	Member 2015/16	Member 2014/15	Attendance 2015	Audit Comm 2015/16	Co-opted 2015/16	Regional Rep 2015/16
Jonathan Adams			1/2			
Bob Alexander			0/2			
Ann Beasley†			1/1			
John Bloomer			2/2			
Andrew Burns			4/4			
George Clark			2/2			
Jane Cuthbertson			1/4			
Paul Dransfield			4/4			
Mike Driver			2/2			
Christina Earls			2/4			
Ken Finch†			1/1			
Rosanne Fleming			2/2			
Angela George			2/2			
Claire Gravi**			0/4			
Richard Harbord			2/2			
Andy Hardy			1/2			
Keith Hayes			2/2			
Michael Hearty			4/4			
Sue Higgins			0/2			
Nigel Hiller			4/4			
Gillian Houston			0/2			
Sarah Howard			3/4			
Professor Toshihiko Ishihara			1/2			
Alison Jarrett			1/2			
Suzanne Jones			4/4			
Dr Peter Kane			2/2			
Karen Kelly			4/4			
Anna Klonowski			1/2			
Gill Lewis			2/4			
Henry Lovegrove			2/2			

	Member 2015/16	Member 2014/15	Attendance 2015	Audit Comm 2015/16	Co-opted 2015/16	Regional Rep 2015/16
John Matheson			4/4			
Christine McLaughlin			1/2			
Alastair McMillen			2/2			
Carole Mills*			0/4			
Leslie Milne			4/4			
Steven O'Donoghue			3/4			
Mike Owen			2/4			
Suresh Patel			2/2			
Sean Pearce			1/2			
Barry Pemberton			1/2			
Caroline Russell			0/2			
Brian Roberts			2/4			
Laura Rowley			0/2			
Mohammed Sajid			2/2			
Jaki Salisbury			2/2			
Renaud Seligmann			2/2			
Janet Senior			1/4			
Bill Shields			1/2			
Martin Sinclair			4/4			
Jayne Stephenson			3/4			
Mike Suarez			3/4			
Alison Sweeting††			1/3			
Jon Thompson*			1/3			
John Thornton			2/2			
Hardev Virdee			0/2			
Carolyn Williamson			3/4			
Tim Willis			1/2			
Lee Yale Helms			3/4			

† co-opted in 2016 following two resignations †† resigned April 2015
* resigned in October 2015 ** maternity leave until Dec 2015

opportunities and risks

Opportunities

While presenting clear challenges, reduced public spending brings opportunity. Public bodies are focused on reform that, with its long record in helping public services to boost productivity and efficiency, CIPFA is well placed to support.

Our trusted reputation, established over many years of successfully guiding public bodies through the toughest challenges, makes CIPFA the first choice for chief finance officers looking for advice and support when the stakes are high.

We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support.

As the world's only public sector accountancy body there is strong demand for our expertise overseas. Globally, demand for public services is growing. By investing in our overseas capability, CIPFA is able to help governments establish sound financial management and train the professionals needed to deliver high-quality services.

The challenges of recruiting to the public sector have led to partnership working with ICAS. We aim to offer a clear route for the members of both institutes to move between the public and private sectors. In 2015, the first cross-over exams took place for auditors and plans to introduce the same for management accountancy are moving forward. Together, CIPFA and ICAS can claim to offer the most flexible and prestigious qualifications for finance professionals.

Risks

CIPFA remains alert to the medium- to long-term risk that our core market, the UK public sector, is shrinking. The worsening economic outlook will add further pressure as tax revenues will likely be reduced. We have adapted by developing products to help public services to deliver better value for money and by developing markets overseas. While international growth offers a substantial opportunity, it also exposes the Institute to the risks associated with global economic instability. It is therefore, prudent to continue investing in products and maintaining a strong base in the UK.

Perceptions that opportunity and reward in the public sector are falling behind the private sector, increase the risk that other accrediting bodies are seen as the default option for anyone seeking a career in finance. We are increasing the portability of our qualifications between sectors and promoting the benefits of public sector careers.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute and annually by the CIPFA Board and the Audit Committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and appropriate Board or Committee.

The Council and its Audit Committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. The CIPFA Management Board review Key Performance Indicators monthly revise forecasts as necessary quarterly, and performance is reported to every CIPFA Board meeting.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including: whistle-blowing, data protection, health and safety, complaints handling, code of conduct and register of interests for Council members, non-executive directors and senior staff.

The Audit Committee reviews, on behalf of the Council, CIPFA's accounting and financial reporting practices. Internal audit reviews are prioritised using a risk-based approach. Recommendations are systematically followed up.

financial summary

CIPFA ended the year with a positive balance sheet of £7m, for the first time since 2005 when it became a requirement to include pension liabilities on the balance sheet. The statement of financial activities shows a favourable net movement of £9.39m for the year.

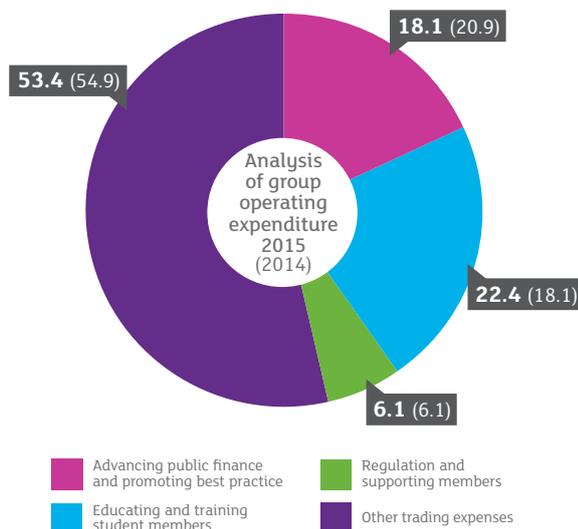
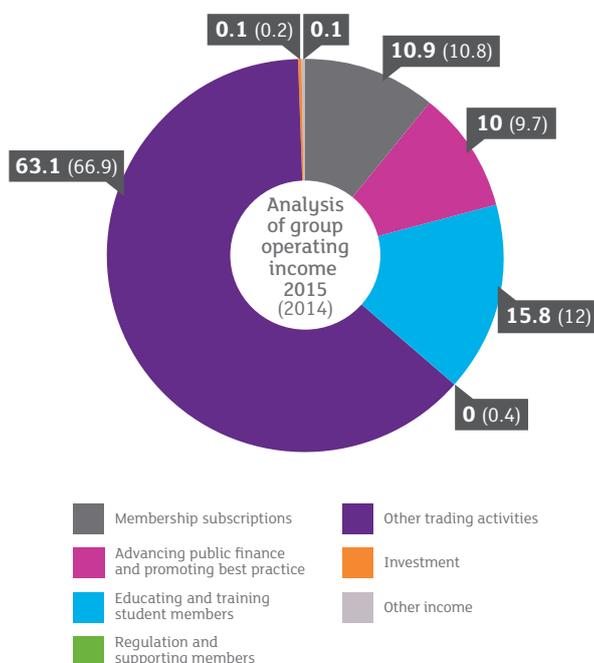
The welcomed improvement in the balance sheet is due to a £6m reduction in the FRS102 pension reserve and a £4.4m gain from the revaluation of our Mansell Street property. It should be noted however, that the pension reserves valuation under FRS102 is only a snapshot in time and will likely fluctuate year on year. This was demonstrated by the significant change between the 2014 and 2015 reserve value that was primarily the result of the change in the AA corporate bonds yield. The full triennial valuation, using the projected unit method shows our true liability and is therefore the one that CIPFA Council continues to monitor closely.

Reduced public spending in the UK produced challenging conditions in our traditional market. 2015 saw our operating income reduce marginally by 1.2%. At the same time, we have continued to invest £0.71m in the three strategic priorities:

- building CIPFA's influence and profile in the profession, media and public policy arenas
- increasing our student and membership globally and in the UK
- growing and diversifying our income streams to secure CIPFA's financial stability.

CIPFA group income statement	2015 £000	2014 £000
Income (excluding property and recruitment services)	24,024	22,939
Recruitment services	3,115	4,533
Income per the statement of financial activities	27,139	27,472

CIPFA group operating statement	2015 £000	2014 £000
Income	27,139	27,472
Costs	(28,119)	(27,937)
Operating (Loss)	(980)	(465)
Property income	–	8,825
Property costs	–	(846)
FRS102 pension (charge)/credit	(65)	72
Net income/(expenditure)	(1,045)	7,586
Gains on property valuations	4,435	1,298
Actuarial gain/(loss) on pension scheme	6,000	(5,041)
Net movement in funds	9,390	3,843



Consequently, we returned an operating loss, in line with budget, of £0.98m for the year (before non-cash FRS102 pension and property adjustments).

The 2015 financial statements are the first to be produced under the new Financial Reporting Standard (FRS) 102. The transitional impact of the adoption of the FRS is detailed in note 28.

Financial review and related policies

The total income for the CIPFA Group was £27.14m (2014: £27.47m prior to property transactions) a reduction of £0.33m (1.2%). The marginal reduction in operating income reflects the decision taken to transfer under license the CIPFA recruitment services business to Penna.

The CIPFA-Penna recruitment services agreement brings necessary investment and expertise to ensure the long-term growth of the business activity. The agreement

is made on a royalty basis which resulted in an initial £1.42m reduction in operating income but had no impact on the profit from the business activity in the year and offers substantial opportunities to grow service range and market share in future years.

The net movement in funds showed an improvement of £9,390,000 (2014: £3,843,000 increase).

Detailed analysis of group operating income and expenditure shows some variations between 2014 and 2015. CIPFA's international business activities, particularly in the educating and training student members, were the main drivers of increased income. Operational spending increased in line with income and the additional investment in strategic priorities.

CIPFA continues to benefit from profits generated by its trading subsidiary despite a fall in income in 2015 of £685,000, due to the recruitment services transfer referred to earlier. The before-tax profit from the

trading subsidiary was £2,000,000 (2014: £3,057,000). The after-tax profits are transferred to CIPFA by Gift Aid. These results illustrate how well the commercial subsidiary has performed in the highly competitive trading conditions for the supply of professional services to the UK public sector.

Pension schemes

CIPFA operates two schemes: a funded defined benefit pension scheme and a defined contribution group personal pension plan that has been offered to new members of staff since 1 January 2007.

The defined benefit scheme reflects CIPFA's status as an admitted body within the Wiltshire Local Authority Pension Scheme. The scheme underwent a triennial revaluation as at 31 March 2013 using the projected unit method. This calculated a scheme deficit to be £22.0m (2010: £14.6m deficit). However, FRS102 rules require inclusion of the year end valuation calculated on the basis defined in that standard. The deficit, using this method of calculation, at the end of 2015 was a deficit of £18.6m (2014: £24.5m). Note 8 to the financial statements gives further details.

Although the pension fund deficit poses a long-term issue for CIPFA, the Council recognises that FRS102 does not, of itself, affect cash flows because CIPFA makes employer contributions to the pension fund on the basis of advice from the scheme actuary as part of their report on the triennial valuation.

Following the 2013 triennial revaluation the employer contribution rates will increase over the three year valuation period from April 2014 by 3.0%, phased in over that period. The objective is to fund the deficit over a total of 14 years. The cost implications have been built into our business plans going forward. The Council will continue to closely monitor any further upward pressure on the contribution rate.

Reserves policy

The CIPFA Board, on behalf of Council, reviews its reserves annually. Despite the improvement in CIPFA performance in recent years its view of CIPFA's overall position remains cautious. It recognises that CIPFA remains vulnerable to economic downturns given its heavy dependence on commercial income and the public sector market.

It considers that CIPFA needs to hold reserves to protect core activities (which means being able to fund obligations, including employer pension contributions, but ideally not at the cost of charitable activities) in the event of income shortfall and to enable balanced long-term strategic planning. The approved reserves policy recognises that measuring total unrestricted funds, is only one indicator and includes fixed assets that could not easily be converted to cash. Hence, the CIPFA Council focuses much of its effort on monitoring the Group cash and current asset/liability position.

In recognition of this focus the Board defined two key financial targets.

1. The Group should have available cash or cash equivalent resources of in excess of £2m, being broadly one month's cash requirement.
2. The Group should hold a level of other charitable funds equivalent to two months of CIPFA Group expenditure. Other charitable funds excludes CIPFA's property assets which are treated as designated funds and revaluation reserves.

During 2015 the CIPFA Group operated for no working days (five working days in 2014) with less than its target cash availability. In relation to its reserves target the level of other charitable funds at the year-end of £4,197,000 represents 89.4% (111.0% in 2014) of the target of £4.7m. Whilst this is small reduction on the 2014 position, that was achieved entirely due to the sale and purchase of London properties concluded towards the end of the year.

The CIPFA Board recognises that continued investment is required to deliver CIPFA's strategy and ensure that it thrives despite the challenging environment. As a consequence, the current reserves position for the Group may not be sustained. The emphasis on cash management and maintaining a strong current asset position will therefore, remain a feature for 2016 and beyond.

Going concern

The accounts have been prepared on the basis that the Group is a going concern. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future, and believe that there are no material uncertainties that call into doubt CIPFA's ability to continue as a going concern.

The review of financial performance and the reserves position is set out in the paragraphs above. CIPFA has adequate financial resources and has demonstrated its ability to manage its business risks. Our robust planning process, including financial projections, has taken into consideration the current economic climate and the potential impact on the various sources of income and planned expenditure. Our business plan recognises that CIPFA continues to face a pension fund deficit.

The Group has demonstrated its ability to respond flexibly to tough trading conditions, with a restructure in 2011 delivering four years of stability and, primarily property transactions in 2014, delivering a strengthened balance sheet.

Looking ahead, we have a clear strategy to recover the pension fund deficit over the next 14 years and have planned and modeled our cash flows on that basis. During 2016 and beyond we have identified a range of development opportunities both in the UK and internationally to increase income and continue growing our membership.

Investment policy

Byelaw 59 details the extensive investment powers that are bestowed upon the Council. Given the annual cycle of fluctuation in cash balances held, the current investment policy is limited to depositing surplus funds with a range of approved institutions in tranches with a range of maturity dates. The policy focuses on low risk and readily realisable investment forms. Within these confines, we seek to obtain the best interest rates possible.



John Matheson
President

CIPFA's strategy

In 2016, CIPFA will continue to develop its footprint around the world supporting governments in their financial management capacity building, audit and assurance. To do so we will be putting in place detailed country specific plans, building alliances and partnerships with government accounting and audit bodies, local professional accountancy organisations, and accredited training providers for learning delivery.

In key strategic global territories CIPFA will deploy focused resources in order to grow its profile and brand awareness, better support local branch development and nurture its relationships with customers.

CIPFA will refresh the delivery of its suite of global public financial management qualifications in support of countries in transition from cash to accruals based accounting and those adopting International Public Sector Accounting Standards. In the UK the Institute will provide training and services across sectors to meet the demands of public services addressing major transformational challenges such as fiscal consolidation, business rate retention, devolution, and integrated services.

As well as delivering practical training and business solutions for the global fight against government fraud and corruption through a programme of stakeholder engagement, events and published outputs – we will promote higher professional accounting standards,

good governance and transparency. We will grow the CIPFA Counter Fraud Centre's membership offer to be the professional body of choice for counter fraud practitioners.

2016 will be the first full year of new governance arrangements in the Institute and we will also strengthen the capacity and insight of our six faculties by introducing the development of supporting boards.

In terms of developing the capability of the Institute itself, following on from the reorganisation of our senior management team, we will progress our transformation programme to ensure we are aligned with the needs of target markets; focused in our priorities and have the skills; and have business processes and digital platforms to continue delivering the highest quality services and customer care in person and online.

CIPFA will refresh the delivery of its suite of global public financial management qualifications in support of countries in transition from cash to accruals based accounting and those adopting International Public Sector Accounting Standards.

administrative information

The full name of the charity is The Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number is 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA Management Board

Chief Executive, Rob Whiteman

Education and Training Director, Adrian Pulham

Policy and Technical Director, Ian Carruthers

Commercial and Operations Director, Andy Perrin

Public Affairs Director, Drew Cullen

Strategy and Development Director, Giles Orr

Chief Financial Officer, Peter Woodman

Chief People Officer, Jenny King

Principal Office

77 Mansell Street,
London E1 8AN

Principal Advisers

Bankers

Lloyds TSB Bank Plc
22-24 Southampton Street
London WC2E 7JB

Insurers

Zurich Municipal
Community Insurance Centre
Mountbatten House
Grosvenor Square
Southampton SO15 2RP

Bartlett and Company Limited
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)

DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Steeles (Law) LLP
Bedford House
21a John Street
London WC1N 2BF

Auditors

Crowe Clark Whitehill LLP
St. Bride's House
10 Salisbury Square
London EC4Y 8EH

Consolidated statement of financial activities for the group

Year ended 31 December 2015

	Note	2015 £000	2014 £000
Income			
<i>Income from charitable activities:</i>			
Membership subscriptions		2,953	2,966
Advancing public finance and promoting best practice		2,719	2,673
Educating and training student members		4,293	3,305
Regulation and supporting members		2	106
		9,967	9,050
<i>Other trading activities:</i>			
Income from information, advisory and property services	3	17,107	18,374
<i>Investments:</i>			
Interest received		31	48
<i>Other income:</i>			
Property sales and rentals	4	34	8,825
Total income		27,139	36,297
Expenditure			
<i>Expenditure on charitable activities:</i>			
Advancing public finance and promoting best practice		5,087	5,809
Educating and training student members		6,323	5,052
Regulation and supporting members		1,713	1,696
		13,123	12,557
<i>Other expenditure:</i>			
Expenditure from information, advisory and property services	3	15,061	15,308
Property sales and rentals		–	846
Total expenditure	5	28,184	28,711
Net (expenditure)/income		(1,045)	7,586
<i>Other recognised gains/losses:</i>			
Gains on revaluation of fixed assets	21	4,435	1,298
Actuarial gain/(loss) on defined benefit pension scheme	8	6,000	(5,041)
Net movement in funds		9,390	3,843
Reconciliation of funds			
Fund balances brought forward at 1 January		(2,357)	(6,200)
Fund balances carried forward at 31 December		7,033	(2,357)

The results set out above all relate to continuing operations.

The Recruitment Services business was restructured during the year, with undertaking of the activity moving from a directly provided service to a service provided our partner Penna Plc.

There are no other gains or losses, other than those recognised above and therefore no separate statement of total recognised gains and losses has been presented.

The statement of financial activities includes restricted fund income and expenditure of £nil (2014: £4,000 income). Further analysis can be found in note 21. The notes on pages 31 to 48 form part of these financial statements

Consolidated balance sheets

as at 31 December 2015

	Note	2015 £000	Group 2014 £000	2015 £000	CIPFA 2014 £000
Fixed assets					
Intangible assets	9	153	–	153	–
Tangible assets	10	18,941	18,120	18,852	17,932
Investment property	11	3,480	–	3,480	–
Investments	12,13	9	9	409	409
		22,583	18,129	22,894	18,341
Current assets					
Stocks and work in progress	15	293	352	4	34
Debtors	16	3,508	4,622	2,358	2,340
Cash at bank and in hand		4,952	5,244	2,880	4,121
		8,753	10,218	5,242	6,495
Creditors: amounts falling due within one year	17	(5,667)	(6,013)	(2,467)	(2,502)
Net current asset		3,086	4,205	2,775	3,993
Total assets less current liabilities		25,669	22,334	25,669	22,334
Long-term liabilities					
Creditors: amounts falling due after more than one year:					
Property provisions	20	(28)	(148)	(28)	(148)
Net assets excluding pension liability		25,641	22,186	25,641	22,186
Defined benefit pension scheme liability	8	(18,608)	(24,543)	(18,608)	(24,543)
Net assets/(liabilities) including pension liability		7,033	(2,357)	7,033	(2,357)
Funds					
Restricted funds	21	44	44	9	9
Unrestricted funds					
Designated funds		15,667	15,872	15,667	15,872
Revaluation reserve		5,733	1,298	5,733	1,298
Other charitable funds		4,197	4,972	4,232	5,007
Total funds excluding pension liability		25,641	22,186	25,641	22,186
Pension reserve	8	(18,608)	(24,543)	(18,608)	(24,543)
Total funds including pension liability		7,033	(2,357)	7,033	(2,357)

Approved and authorised for issue by the Council on 21 April 2016 and signed on its behalf by


President


Honorary Treasurer


Chief Executive

The notes on pages 31 to 48 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Net cash provided by/(used in) operating activities	A		391		(668)
Cash flows from investing activities					
Interest received		31		45	
Interest paid		–		(5)	
Purchase of intangible assets		(153)		–	
Purchase of tangible fixed assets		(561)		(16,607)	
Proceeds from sale of tangible fixed assets		–		21,280	
Net cash (used in)/provided by investing activities			(683)		4,713
Cash flows from financing activities					
Repayment of borrowing		–		(360)	
Net cash (used in) financing activities		–		(360)	
Net increase/(decrease) in cash and cash equivalents			(292)		3,685

Notes to the cash flow statement

A Net cash provided by/(used in) operating activities	2015 £000	2014 £000
Net (expenditure)/incoming resources	(1,045)	7,586
Current year pension charge/(credit)	65	(72)
Interest receivable	(31)	(48)
Interest payable	–	5
Taxation payable	–	–
Depreciation and amortisation	695	604
Profit on disposal of fixed assets	–	(8,316)
(Increase)/decrease in stocks and work in progress	59	(67)
Decrease/(increase) in debtors	1,114	(1,315)
(Decrease)/increase in creditors	(466)	955
	391	(668)

B Reconciliation of net cash flow to movement in net debt	2015 £000	2014 £000
(Decrease)/increase in cash in the year	(292)	3,685
Decrease in net debt	–	360
Cash and cash equivalents at beginning of year	5,244	1,199
Cash and cash equivalents at end of year	4,952	5,244

C Analysis of changes in net debt	At 1 Jan 2015 £000	Cash flows £000	At 31 Dec 2015 £000
Cash in hand	5,244	(292)	4,952
Total	5,244	(292)	4,952

Notes to the financial statements

Year ended 31 December 2015

1 Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA, and its subsidiary undertaking, CIPFA Business Ltd, registration number 2376684, on a line by line basis and adjusted for the elimination of inter-group transactions and balances.

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – effective 1 January 2015. The date of transition to FRS102 was 1 January 2014 and in preparing the financial statements, the trustees have considered whether the accounting policies required by the standard require the restatement of comparative information. The impact of this transition on the comparative information is presented in note 28.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. The departure has arisen because charities are now required to prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued

on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of CIPFA and its subsidiary entity is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of the CIPFA's active subsidiary undertaking are provided in note 2.

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the charity's financial statements.

Income recognition

Income is credited to the SOFA in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as deferred income.

- Membership subscriptions comprise membership fees from CIPFA professional qualifications.
- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.
- Regulation and supporting members comprises the income from practice assurance and disciplinary fines.

Investments

Listed investments are stated at mid-market value at the year-end, with realised and unrealised gains and losses being shown in the SOFA. Other investments, where there is no identifiable market price, are valued having regard to the cost of the investment, the underlying net assets of the entities invested in and a potential market valuation.

Investment properties are measured at fair value annually with any change recognised in the statement of financial activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining

Notes to the financial statements

Year ended 31 December 2015

annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the SOFA on an accruals basis:

- Cost of generating funds comprises the costs of the trading subsidiary.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates two pension schemes for its staff. The first is a funded defined benefit pension scheme under the Superannuation Act 1972, which is subject to the *Local Government Pension Scheme (Administration) Regulations 2008* and which, from 1 January 2007, staff are only eligible to join under specific circumstances. The second pension scheme introduced from 1 January 2007 is a defined contribution Group Personal Pension Plan via Aegon.

Defined benefit pension scheme

Pension contributions are paid to a local government defined benefit pension scheme in accordance with the recommendations of actuaries. The scheme is funded, with the assets of the scheme held separately from those of CIPFA, in separate trustee-administered funds.

CIPFA has fully adopted Financial Reporting Standard FRS102 for the accounting treatment of retirement benefits.

Current service costs, past service costs, gains and losses on settlements and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charged to resources expended.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after net incoming/ (outgoing) resources for the year.

As detailed in note 8, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

Defined contribution scheme

Defined contributions are paid to the Group Personal Pension Plan via Aegon in accordance with the Group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress comprises the cost of ongoing projects and work performed on contracts not yet billed to clients. Costs include direct labour, contractual costs and attributable overheads.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Research and development

Research and development is normally written off as incurred, except for specific projects which are deemed to generate future benefit.

Notes to the financial statements

Year ended 31 December 2015

Intangible fixed assets – development expenditure

Intangible fixed assets represent development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (3 to 4 years).

Assets under construction relate to the cost of developing the new syllabus for the CIPFA PQ and are not amortised until brought into use.

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

Assets under construction relate to refurbishment and information technology development and are not depreciated until brought into use.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds are those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 8.

Valuation of land and buildings and investment property – The charity's land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 10 and 11.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Notes to the financial statements

Year ended 31 December 2015

2 Profits from trading activities of subsidiary

CIPFA has one active wholly-owned trading subsidiary: CIPFA Business Ltd, registration number 2376684. The principal activities of CIPFA Business Ltd are consultancy and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of Gift Aid. A summary of its trading results is shown below. Audited accounts are filed with the Registrar of Companies.

Profit and loss account – CIPFA Business Ltd	2015 £000	2014 £000
Turnover	19,131	19,816
External charges	(5,050)	(6,180)
Staff costs	(9,417)	(8,258)
Depreciation	(174)	(244)
Other operating charges	(2,502)	(2,090)
Operating profit	1,988	3,044
Interest receivable	12	13
Profit on ordinary activities before taxation	2,000	3,057
Tax on profit on ordinary activities	–	–
Profit after taxation	2,000	3,057
Gift Aid to CIPFA	(1,895)	(3,052)
Retained in subsidiary	105	5

3 Income and expenditure of trading subsidiary

Income and expenditure – CIPFA Business Ltd	2015 £000	2014 £000
Income	19,143	19,829
Interest receivable	(12)	(13)
	19,131	19,816
Intra-group transactions	(2,024)	(1,442)
	17,107	18,374
Expenditure	17,143	16,788
Intra-group transactions	(2,082)	(1,480)
	15,061	15,308

In 2015, the turnover for the company decreased by 3.5% (£685,000) from the previous year. This is primarily as a result of the transfer under licence of the recruitment services business to Penna as explained in the financial summary. The business continues to respond to the needs of the changing market; as the impact of the Government's policies most notably the reduction in public services spend continue. The decreased turnover, despite the continued challenging and highly competitive trading conditions, is primarily the result the planned transfer of the recruitment services business, previously mentioned, and masks the continued strong underlying demand for our statistical, benchmarking, publishing, consultancy and advisory services.

Overall profitability has decreased by 34.6% (£1,057,000) as a result of the continued investment in the Counter Fraud Centre, expansion of our business development and support activities, exploring new joint ventures and the increased accommodation costs resulting from the move to the new offices at Mansell Street. The Board planned for a reduction in profitability this year, to allow investment in product development and increased sales and business development capability and capacity, in recognition of the difficult trading conditions and the unique set of circumstances that our customers face from the well-publicised political agenda of policy changes and financial cuts; and the need to expand the existing product portfolio and markets.

Notes to the financial statements

Year ended 31 December 2015

The performance in 2015, allied with the continued development of our portfolio and keeping the cost base under review, will enable us to continue to respond effectively to the demand for performance improvement and transformation support in public services. Although a majority of our sales, by value in 2015, were made to local authorities, we continue to increase our client base in other sectors and forge strong and new customer relationships and partnerships in areas like central government and health.

4 Property income

	2015 £000	2014 £000
Profit on sale of properties	–	8,295
Rent and dilapidations from tenant	34	530
	34	8,825

Property income is the income from tenants occupying parts of the Mansell Street property during the year. The 2014 income includes the profit on the sale of the Robert Street, Borough High Street and Savoy Place properties and income from tenants occupying Mansell Street when the property was purchased in April 2014, who vacated in June 2014.

5 Total resources expended

Group	Activities direct costs £000	Human resources £000	Support Costs				FRS17 pension £000	2015 Total £000	2014 Total £000
			ICT £000	Finance & admin Support £000	Marketing & public relations £000	Govern £000			
<i>Charitable expenditure:</i>									
Advancing public finance and promoting best practice	4,005	37	266	122	515	107	35	5,087	5,809
Educating and training students	5,222	85	242	236	307	209	22	6,323	5,052
Regulation and supporting members	1,241	12	60	96	214	82	8	1,713	1,696
Total charitable costs	10,468	134	568	454	1,036	398	65	13,123	12,557
<i>Cost of raising funds:</i>									
Expenditure from information, advisory and property services	12,388	196	438	1,113	828	98	–	15,061	15,308
<i>Other resources expended:</i>									
Property	–	–	–	–	–	–	–	–	846
	22,856	330	1,006	1,567	1,864	496	65	28,184	28,711
2014 Total	24,249	345	813	1,322	1,584	470	(72)	28,711	

Basis of Allocation:

- Charitable costs	Headcount	Work stations	Income & expend	Estimated time	Income & expend	Headcount
- Information, advisory and property services	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	

Notes to the financial statements

Year ended 31 December 2015

Analysis of total resources expended	2015 £000	2014 £000
Resources expended excluding FRS102 pension adjustments and one-off costs of restructuring	27,265	28,053
FRS102 pension	65	(72)
Property depreciation	205	75
Other depreciation	490	487
Amortisation	–	42
One-off costs of restructuring	159	126
	28,184	28,711

Auditor fees	2015 £000	2014 £000
Statutory audit	47	49
Tax advisory services	14	6
	61	55

6 Governance costs

Group	2015 £000	2014 £000
Audit fees	47	49
Internal audit fees	27	26
Annual report and accounts	3	4
Council, committees and boards	122	138
Management and governance support	288	244
Apportionment of costs supporting governance activities	9	9
	496	470

7 Employees

Group	2015 £000	2014 £000
Salaries and wages (including temporary staff)	11,724	11,154
National insurance	1,065	1,026
Pension costs	2,458	2,301
Other staff costs	324	423
Redundancy and termination costs	159	126
	15,730	15,030

Redundancy and termination payments of £159,000 (2014: £126,000) were paid during the period and are recognised in the statement of financial activities. These costs include no one-off pension costs (2014: £7,000).

The average number of employees in the Group in 2015 was 274 (2014: 256).

Notes to the financial statements

Year ended 31 December 2015

Group	2015 No	2014 No
Advancing public finance and promoting best practice	26	31
Educating and training student members	57	56
Regulation and supporting members	9	10
Governance	2	1
Support services	13	13
CIPFA Business Ltd	167	145
	274	256

Senior employees received remuneration falling within the following ranges:

	CIPFA 2015	CIPFA Business 2015	CIPFA 2014	CIPFA Business 2014
£250,000 - £259,999	–	–	–	1
£210,000 - £219,999	1	–	–	–
£200,000 - £209,999	–	–	1	–
£140,000 - £149,999	1	–	1	–
£130,000 - £139,999	1	–	1	1
£120,000 - £129,999	1	2	2	–
£110,000 - £119,999	1	–	–	–
£100,000 - £109,999	–	2	–	2
£90,000 - £99,999	1	4	1	2
£80,000 - £89,999	2	3	5	2
£70,000 - £79,999	5	8	3	8
£60,000 - £69,999	7	9	4	9

Of the senior employees 20 CIPFA (2014: 18) and 27 CIPFA Business Ltd (2014: 25) are members of the Group pension schemes. Employer pension contributions made on behalf of senior employees in 2015 was £1,243,000 (2014: £1,174,000). Disclosures for CIPFA Business Ltd above are in respect of staff seconded from CIPFA. The highest employee remuneration in 2014 reflects the inclusion of a one-off payment, following the departure of an executive director of CIPFA Business Ltd.

Remuneration of key management personnel

Key management is made up of the Chief Executive and 7 direct reports. The total employee benefits received by key management personnel for their services to the charity in the year was £1,072,000 (2014: £1,214,000).

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, Boards, Committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

Notes to the financial statements

Year ended 31 December 2015

8 Pensions

CIPFA operates two pension schemes for its staff:

The Local Government Pension Scheme – this is a statutory, defined benefit pension scheme. Pension benefits in the scheme are determined by reference to an individual's pensionable pay at retirement and their length of scheme membership. The Local Government Pension Scheme is administered through 100 funds across the UK. CIPFA is an admitted body in the Wiltshire Pension Fund, which is administered by Wiltshire County Council.

On 1 January 2007, CIPFA took the decision to largely close the scheme to new members, with membership only offered where business need dictates and approved by the Remuneration Committee.

The scheme is contributory for both employer and employees. Total contributions recognised in the statement of financial activities during 2015 was £1,931,000 (2014: £1,873,000).

The CIPFA Group Personal Pension – this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme is contributory for both employer and employees. CIPFA matches employee contributions up to 10% of salary.

The total pension cost to the Group for the financial year, in respect of the pension schemes, for 2015 were £2,458,000 (2014: £2,301,000) and to CIPFA of £950,000 (2014: £1,014,000).

The Local Government Pension Scheme

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2013.

With effect from 1 April 2015 the "employer's" contributions is made up of two elements – a fixed sum annual payment for past service and an employer's contribution rate of 17.4% of pensionable earnings for future service until the next triennial valuation. At the March 2013 valuation CIPFA had a pension deficit of £22,001,000.

The assumptions used in the actuarial valuation as at 31 March 2013, together with the market value of assets and funding level were:

Rate of return on investments	4.6%
Rate of increase in salaries	4.3%
Retail price inflation	2.5%
Funding level for CIPFA staff	72.0.%
Deficit for CIPFA staff	£22.001m

The actuary has valued the pension scheme in accordance with FRS102 for the purpose of the statutory financial statements. FRS102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

Notes to the financial statements

Year ended 31 December 2015

The FRS102 disclosures are shown below.

The amounts recognised in the balance sheet are as follows:

	2015 £000	2014 £000
Fair value of employer assets	70,877	68,683
Present value of funded obligations	(89,485)	(93,226)
Net (underfunding) in funded plans	(18,608)	(24,543)
Net (liability)	(18,608)	(24,543)
Amount in balance sheet:		
Liabilities	(18,608)	(24,543)
Assets	–	–
Net (liability)	(18,608)	(24,543)

Reconciliation of defined benefit obligation	2015 £000	2014 £000
Opening defined benefit obligation	93,226	82,214
Current service cost	999	930
Past service cost	144	–
Interest cost	3,343	3,748
Contribution by members	366	387
Actuarial (gains)/losses	(6,466)	8,634
Past service losses	–	–
Losses on curtailments	–	–
Benefits paid	(2,127)	(2,687)
Closing defined benefit obligation	89,485	93,226

Reconciliation of fair value of employer assets	2015 £000	2014 £000
Opening fair value of employer assets	68,683	62,640
Expected return on assets	2,474	2,870
Contributions by members	366	387
Contributions by the employer	1,947	1,880
Actuarial (loss)/gain	(466)	3,593
Estimated benefits paid	(2,127)	(2,687)
Closing fair value of employer assets	70,877	68,683

Notes to the financial statements

Year ended 31 December 2015

Recognition within the statement of financial activities	2015 £000	2014 £000
Current service cost	(999)	(930)
Past service cost	(144)	–
Interest cost	(3,343)	(3,748)
Expected return on employer assets	2,474	2,870
Past service loss	–	–
Contributions by employer	1,947	1,880
Losses on curtailments and settlements	–	–
Total amount (charged)/credited within net incoming resources	(65)	72
Actuarial gain/(loss)	6,000	(5,041)
Total amount credited/(debited) to statement of financial activities	5,935	(4,969)

CIPFA's estimated Employer's contribution for the year to 31 December 2016 will be approximately £2,165,000.

The major categories of plan assets as a percentage of total plan assets	2015 £000	2014 £000
Equities	72%	69%
Bonds	14%	17%
Property	13%	11%
Cash	1%	3%

Principal assumptions at the balance sheet date	2015 £000	2014 £000
Pension increase rate	2.4%	2.4%
Salary increase rate	2.4%	2.4%
Discount rate	3.9%	3.6%
Assumes life expectations on retirement age 65:		
Current pensioners – males	22.3	22.3
Current pensioners – females	24.5	24.5
Future pensioners – males	24.1	24.1
Future pensioners – females	26.9	26.9

The amounts for the current and previous periods are as follows:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(89,485)	(93,226)	(82,214)	(71,705)	(58,063)
Scheme assets	70,877	68,683	62,640	54,351	48,974
(Deficit)	(18,608)	(24,543)	(19,574)	(17,354)	(9,089)

Notes to the financial statements

Year ended 31 December 2015

9 Intangible assets

Group and CIPFA	2015 £000	2014 £000
Development at cost		
At 1 January	356	356
Additions – assets under construction	153	–
At 31 December	509	356
Amortisation		
At 1 January	(356)	(314)
Charge for the year	–	(42)
At 31 December	(356)	(356)
Net book value at 31 December	153	–

The intangible assets at 1 January relate to costs of developing the syllabus for the CIPFA Professional Qualification which commenced in 2012; and learning material to support students in training for the professional qualification following the change in training provision. The assets under construction relates to the development of the new syllabus that will commence in 2016.

10 Tangible fixed assets

A Group	Freehold land & buildings £000	Furniture & fittings £000	Computers £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 January 2015	17,170	477	2,149	619	20,415
Revaluations	4,230	–	–	–	4,230
Additions	–	321	176	64	561
Transfer/reclassifications	(3,480)	449	168	(617)	(3,480)
Disposals	–	(204)	–	–	(204)
At 31 December 2015	17,920	1,043	2,493	66	21,522
Depreciation					
At 1 January 2015	–	393	1,902	–	2,295
Charge for year	205	163	327	–	695
Revaluations	(205)	–	–	–	(205)
Eliminated on disposal	–	(204)	–	–	(204)
At 31 December 2015	–	352	2,229	–	2,581
Net book value 31 December 2015	17,920	691	264	66	18,941
Net book value 31 December 2014	17,170	84	247	619	18,120

Notes to the financial statements

Year ended 31 December 2015

B CIPFA	Freehold land & buildings £000	Furniture & fittings £000	Computers £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 January 2015	17,170	426	1,285	619	19,500
Revaluations	4,230	–	–	–	4,230
Additions	–	321	101	64	486
Transfer/reclassifications	(3,480)	449	168	(617)	(3,480)
Disposals	–	(204)	(34)	–	(238)
At 31 December 2015	17,920	992	1,520	66	20,498
Depreciation					
At 1 January 2015	–	355	1,213	–	1,568
Charge for year	205	158	158	–	521
Revaluations	(205)	–	–	–	(205)
Eliminated on disposal	–	(204)	(34)	–	(238)
At 31 December 2015	–	309	1,337	–	1,646
Net book value 31 December 2015	17,920	683	183	66	18,852
Net book value 31 December 2014	17,170	71	72	619	17,932

The tangible fixed assets are held for charitable use.

DTZ Debenham Tie Leung, International Property Advisors, as at 31 December 2015 completed a desktop valuation on the Mansell Street property. The basis used for the valuations was open market value. The historical cost of the freehold land and buildings is £13,572,000.

11 Investment property

Group and CIPFA	2015 £000	2014 £000
Cost		
At 1 January	–	–
Additions	3,480	–
At 31 December	3,480	–

The investment property relates to the 5th floor of the Mansell Street property.

12 Investments in subsidiary company

	2015 £000	2014 £000
400,000 £1 ordinary shares in CIPFA Business Ltd	400	400

Notes to the financial statements

Year ended 31 December 2015

13 Other investments

Group and CIPFA	2015 £000	2014 £000
Balance at 1 January	9	9
Movement in year	–	–
Balance at 31 December	9	9

As one of five major accountancy bodies the Institute holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

14 Deferred tax

A deferred asset of £35,000 (2014: £36,000) exists at 31 December 2015 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under Gift Aid.

15 Stocks and work in progress

	Group		CIPFA	
	2015 £000	2014 £000	2015 £000	2014 £000
Finished goods	10	5	4	–
Work in progress	283	347	–	34
	293	352	4	34

16 Debtors

	Group		CIPFA	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	2,165	2,968	1,184	887
Amounts due from subsidiary undertaking	–	–	385	452
Other debtors	1,078	1,334	593	821
Prepayments	265	320	196	180
	3,508	4,622	2,358	2,340

Notes to the financial statements

Year ended 31 December 2015

17 Creditors: amounts falling due within one year

	Group		CIPFA	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade creditors	951	1,099	240	167
Amounts due to subsidiary undertaking	–	–	183	81
Other tax and social security	910	662	386	259
Other creditors	824	1,197	752	1,197
Receipts in advance	2,982	3,055	906	798
	5,667	6,013	2,467	2,502

Receipts in advance of £2,982,000 (2014: £3,055,000) relate to professional membership and commercial services that relate to services that will be delivered in the next financial year.

18 Financial assets and liabilities

Carrying values of financial assets and liabilities at 31 December are as follows:

	Group		CIPFA	
	2015 £000	2014 £000	2015 £000	2014 £000
Financial assets measured at amortised cost	8,195	9,546	5,042	6,281
Financial liabilities measured at amortised cost	(1,775)	(2,296)	(1,175)	(1,445)

19 Mortgage loan

Group and CIPFA	2015 £000	2014 £000
Balance at 1 January	–	360
Loan repayments	–	(360)
Balance at 31 December	–	–

Group and CIPFA – analysis of mortgage loan	2015 £000	2014 £000
Within 1 year	–	–
Within 2 to 5 years	–	–
In over 5 years	–	–
	–	–
Less creditors amounts falling due within one year	–	–
	–	–

The mortgage loan comprised a loan of £1,000,000 which was secured on the Robert Street, London property. The loan had an interest rate of 6.04061% with principal repayment over 15 years of the loan that was due to mature in December 2017. The loan was repaid in full in 2014 on the sale of the Robert Street property.

Notes to the financial statements

Year ended 31 December 2015

20 Provision

Group and CIPFA	2015 £000	2014 £000
Balance at 1 January	148	135
Movement in year	(120)	13
As at 31 December	28	148

The provision as at 31 December 2015 relates to a rent free period on the new Dundee Street, Edinburgh property lease which is released over the life of the lease. The December 2014 provision related to dilapidations costs on the Logie Mill, Edinburgh leased property that terminated in February 2015.

21 Group funds

	Balance at 1 Jan 2015 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/losses £000	Balance at 31 Dec 2015 £000
Unrestricted funds						
Designated	15,872	–	–	(205)	–	15,667
Revaluation reserve	1,298	–	–	–	4,435	5,733
Other charitable	4,972	–	27,139	(27,914)	–	4,197
Pension reserve	(24,543)	–	–	(65)	6,000	(18,608)
	(2,401)	–	27,139	(28,184)	10,435	6,989
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional finds	35	–	–	–	–	35
Total funds	(2,357)	–	27,139	(28,184)	10,435	7,033

Designated Fund (Property) – The Council has classified as designated funds the element of its reserves which represents of the difference between the current depreciated original costs of the freehold buildings and investment properties and the book value.

Revaluation reserves (Property) – This relates to the revaluation of the freehold and investment properties.

Other Charitable Funds – The income includes £199,000 received under an Accountable Grant Agreement with DFID (Department for International Development) towards the cost of the work done in pursuit of the objectives of the agreement. These are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Trust Funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional Funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Notes to the financial statements

Year ended 31 December 2015

22 Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Funds balances at 31 December 2015 are represented by:						
Intangible assets	–	153	–	–	–	153
Tangible fixed assets	13,572	1,021	–	4,348	–	18,941
Investment property	2,095	–	–	1,385	–	3,480
Investments	–	–	–	–	9	9
Current assets	–	8,718	–	–	35	8,753
Current liabilities	–	(5,667)	–	–	–	(5,667)
Long-term liabilities	–	(28)	–	–	–	(28)
	15,667	4,197	–	5,733	44	25,641
Pension liability	–	–	(18,608)	–	–	(18,608)
Group net assets/(liabilities)	15,667	4,197	(18,608)	5,733	44	7,033

23 Capital commitments

	2015 £000	CIPFA	2014 £000	2015 £000	Group	2014 £000
Capital commitments as at 31 December	–		–	–		–

24 Leasing commitments

At 31 December 2015 the future minimum lease payments under non-cancellable operating leases were as follows:

A Group	Land & buildings 2015 £000	Other 2015 £000	Land & buildings 2014 £000	Other 2014 £000
Leases which expire:				
within one year	186	34	195	48
within 2 to 5 years	657	43	678	77
in over 5 years	261	–	476	–
	1,104	77	1,349	125
B CIPFA	Land & buildings 2015 £000	Other 2015 £000	Land & buildings 2014 £000	Other 2014 £000
Leases which expire:				
within one year	162	22	173	36
within 2 to 5 years	645	36	645	60
in over 5 years	261	–	476	–
	1,068	58	1,294	96

Notes to the financial statements

Year ended 31 December 2015

25 Leased assets

At 31 December 2015 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows.

Group and CIPFA	Land & buildings 2015 £000	Land & buildings 2014 £000
Leases which expire:		
within one year	118	–
within 2 to 5 years	681	–
in over 5 years	–	–
	799	–

26 Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2014: Nil).

28 trustees were reimbursed £25,500 for actual travel and subsistence costs necessarily incurred on Institute business (2014: 23 trustees were reimbursed £22,700). The following additional payments were made to trustees:

- Alison Sweeting, a Council member, for interim management services from January to May 2015 to the CIPFA Education and Training Centre £26,000 (2014: £64,000).
- Rosanne Fleming, a Council member, for authoring services from July to December 2015 to the Learning and Membership Directorate £28,000 (2014: £nil).

27 Transactions with related parties

In 2015, the following transactions were incurred between CIPFA and its subsidiary CIPFA Business Ltd:

	2015 £000	2014 £000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	774	502
Charges to CIPFA from CIPFA Business Ltd	2,024	1,404
Sales to CIPFA from CIPFA Business Ltd	–	38
Sales to CIPFA Business Ltd from CIPFA	59	76
Amounts due to CIPFA by CIPFA Business Ltd	376	446
Amounts due to CIPFA Business Ltd from CIPFA	182	80

Notes to the financial statements

Year ended 31 December 2015

28 Transition note

The CIPFA Group has adopted FRS102 for the year ended 31 December 2015 and has restated the comparative prior year amounts which are shown in the reconciliation below.

Reconciliation of reserves	At 1 Jan 2014 £000	At 31 Dec 2014 £000
Reserves (as previously stated)	(6,016)	(2,189)
Holiday pay accrual	(184)	(168)
Reserves (as restated)	(6,200)	(2,357)

Reconciliation of 2014 net income	£000	2014 £000
2014 surplus as previously stated		8,631
FRS17 pension as previously stated	(1,133)	
FRS102 pension as stated	72	
		(1,061)
Holiday pay accrual		16
2014 surplus as stated		7,586

Reconciliation of 2014 other recognised gains/losses for the period	2014 £000
2014 fixed asset gain as previously stated	1,298
2014 actuarial loss as previously stated	(6,102)
FRS17/FRS102 adjustment	1,061
2014 other recognised losses as stated	(3,743)

On transition to FRS102, a holiday accrual has arisen which has created additional liabilities at 31 December of £138,000 in 2015, £168,000 in 2014 and £185,000 in 2013. The pension movement within the year is now valued on a different basis which has resulted in a restatement of the 2014 net income. In addition to the transitional adjustments identified above, governance costs are now included with the statement of financial activities as separate component of support costs (note 5). This has had no impact on the net performance or financial position of the Group.

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy for the year ended 31 December 2015 which comprises the statement of financial activities, the Group and CIPFA balance sheets, the Group cash flow statement and the related notes numbered 2 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor under section 151 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other

surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 charity's affairs as 31 December 2015 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) 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
- returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP.

Crowe Clark Whitehill LLP
Statutory Auditor
London

10 May 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



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