

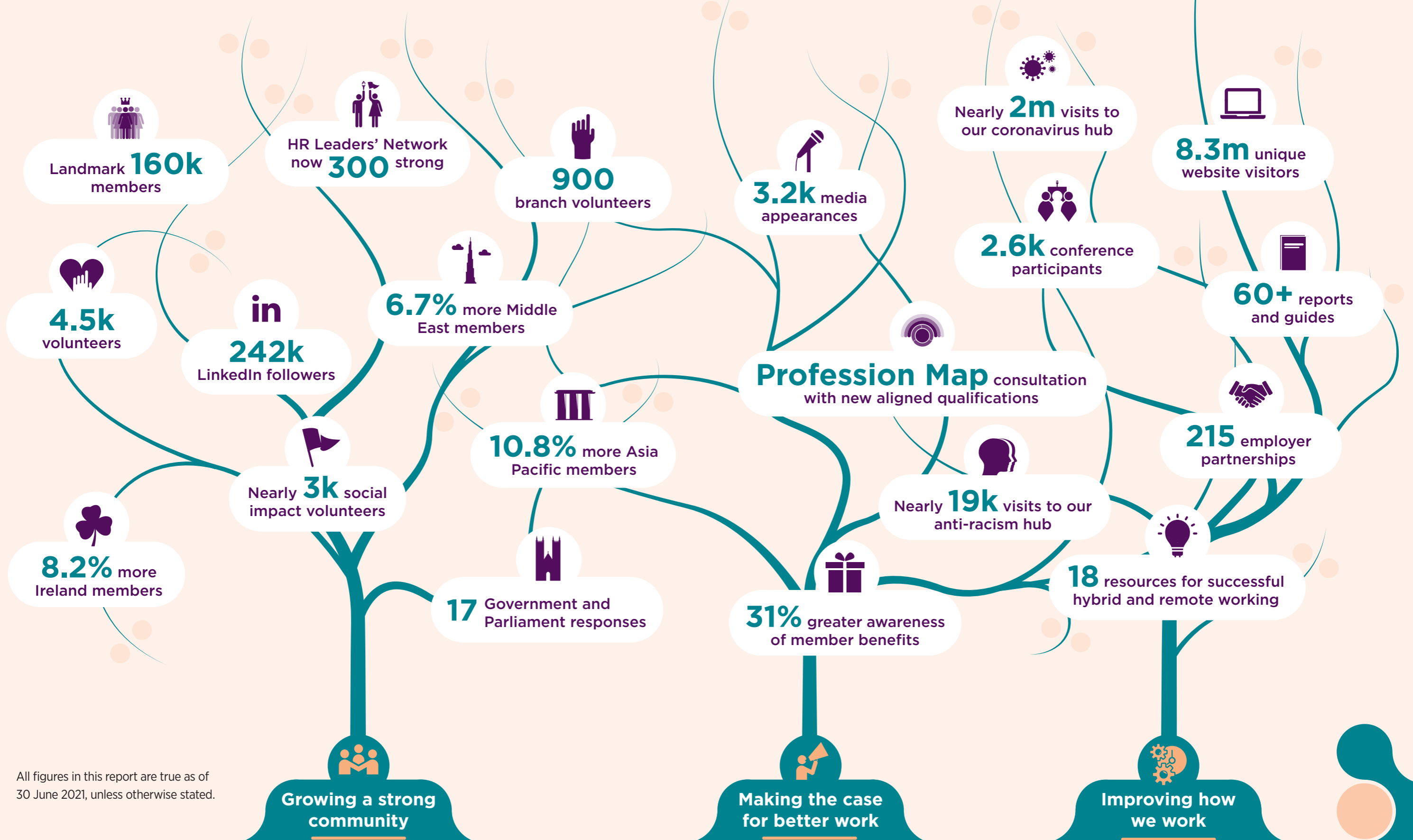
# STRONGER *together*

Deep connections, a clear voice,  
a compelling call



# Highlights of our year 2020-21

Deep connections, a clear voice, a compelling call



All figures in this report are true as of 30 June 2021, unless otherwise stated.

## Championing better work and working lives

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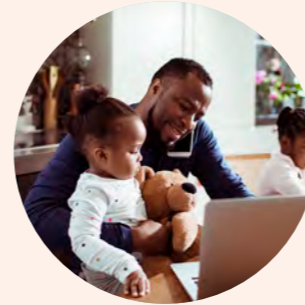
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# Foreword

## Reflections from our president, board chair and chief executive

The uncertainties we all faced at the start of the pandemic are unforgettable. Our profession played a central and crucial role in helping organisations, employers and working people through the most intense challenges and difficulties. We were proud to serve our community, providing information and guidance to people professionals who have worked so hard to support others.

We've all learned during this extraordinary time – from listening to our members, consulting with other experts and collaborating with partners. And this year we've continued to innovate and reinforce our work, in line with our purpose and in service of our growing community.

### Reaching wider

We laid the groundwork early in the pandemic, developing rapid-response learning and guidance for people professionals and employers. We saw a huge surge in demand for guidance and support and are proud of how we responded to employers and our members at a time of great challenge and need. Last year we had rapidly repositioned all our conferences and events to deliver virtually, beginning with our Festival of Work in June, which we offered at no cost to our members. This year our Annual Conference and Exhibition, AGM and Festival of Work attracted many more delegates and exhibition visitors. Our staff and volunteers continued to create and deliver relevant, practical resources, events and programmes online. Our branches and regions worked hard to engage, support and connect our communities, across the UK, Ireland, the Middle East and Asia Pacific. At the same time, we had to support all our people and adapt to working from home, while making progress with the digital transformation needed across the CIPD to broaden our reach, improve our accessibility and equip us for the long term.

*'We can now move forward to hybrid events – face-to-face and online – to reach more of our community.'*

## Foreword

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## Building the profession

Despite the challenges of the year, our membership continued to grow, and we've worked hard to equip our community as expert advocates for better work and working lives. Our Profession Map is at the heart of this work, and this year we've consulted widely to strengthen its relevance, practical value and position as the international benchmark for our profession. Flexible working, wellbeing, inclusion and diversity, backed by evidence-based practice and technology, are now in sharper focus throughout the Profession Map.

During the year we launched our new qualifications framework. It provides the foundation for our profession, from entry level to Chartered Membership. We worked closely with academics, employers, practitioners and training providers to ensure relevance and build alignment with our Profession Map. Consolidated and clarified, our new qualifications framework aligns more closely than ever with our membership grades, provides a clear understanding of progression through the different levels and specialisms, and is closely underpinned by the Profession Map itself.

The pandemic has forged a collective understanding of the role and importance of the people profession. HR teams are investing more in their skills as demand for their support and expertise grows. Organisations want greater confidence in the capability, credibility and impact of the profession. By partnering with employers, we're reaching many more people professionals. We're working directly with organisations at the highest levels, with leaders of the profession, and with whole teams, equipping them as experts in people, work and change. And we're responding to the urgent need to build the capability of people managers as they lead their teams and organisations through the post-pandemic opportunities for better work, greater inclusion, diversity and flexibility, however and wherever people work.



*'Our business-to-business reach has grown – more organisations want enhanced development for their people professionals and a stronger relationship with the CIPD.'*

## Standing our ground

This year we've all worked in different ways and seen more of other people's working lives. And not just those we've shared screens with, but the key roles we've depended upon during the pandemic. We all have a deeper insight into what good work is – and isn't. Our position on hybrid working, the changing role of the line manager, health and wellbeing at work, and flexibility have resonated with the questions people professionals have worked so hard to resolve this year. We've delivered on our purpose, won many converts, shared resources and influenced policy. And we're committed to helping our community build on this, learn from the many challenges of the last year and continue to show that our profession is critical to the long-term sustainability and success of businesses of all sizes and in all sectors.

We end this year positioned more distinctly than ever around our purpose. And we do so thanks to the commitment and dedication of our people, our members, our volunteers and our partners. With deeper connections across our community, our teams and our work, we look ahead with a stronger voice and a clearer call for better work and working lives.

*'This year we've all worked in different ways and seen more of other people's working lives.'*



**Professor Sir Cary Cooper,**  
President



**Valerie Hughes-D'Aeth,**  
Chair of the Board



**Peter Cheese,**  
Chief Executive

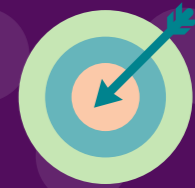
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# About us

We're the CIPD – the partner, voice and benchmark for the people profession



### Our purpose

We exist to champion better work and working lives. We believe people should have work that benefits them, their organisations and society, and our Royal Charter demands we do so. To make that a reality, we need champions for better work and working lives: the people profession. And they need a partner and a voice: the CIPD.

### Our mission

We're building the world's most influential community of experts on people, work and change – united by a common goal to make work better, led by the highest standards of professionalism and enabled by a professional body that provides world-class learning and support.

### Our strategy

And we're doing it by:

- **growing a strong community** of experts in people, work and change
- **making the case for better work** and raising the profile of the people profession as its champions
- **improving how we work** as a sustainable, future-fit organisation.

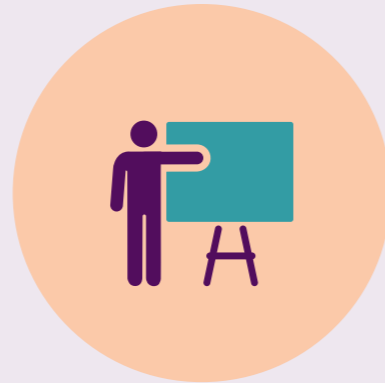
## Our people and partners

### Staying connected

This year, as countries have continued to implement lockdowns and so many of us have worked from home, we've forged stronger connections than ever to fulfil our purpose and deliver our strategy.



386 employees across our global regions empower our community, influence policy-makers and share our research and expertise.



143 paid associates support membership assessment and deliver some of our learning programmes.



We also collaborate with others to extend our reach and impact. Study centres and universities work with us to grow and promote our profession. Partners and experts help us deliver our products and services.



And this year we're especially grateful for the commitment of nearly 4,500 volunteers. These dedicated members give their time and expertise to support our branch network, our Code of Professional Conduct and our social impact and innovation programmes. Eleven trustees currently volunteer their time and expertise to serve on our board.

## Where we work

### Extending our reach

Total worldwide membership

**160,134**



Ireland

**6,493**  
members

1,167 students  
6 employees  
5 paid associates

Rest of world

**4,200**  
members

644 students

United Kingdom

**142,124**  
members

28,256 students  
365 employees  
98 paid associates

Middle East

**5,041**  
members

3,022 students  
9 employees  
25 paid associates

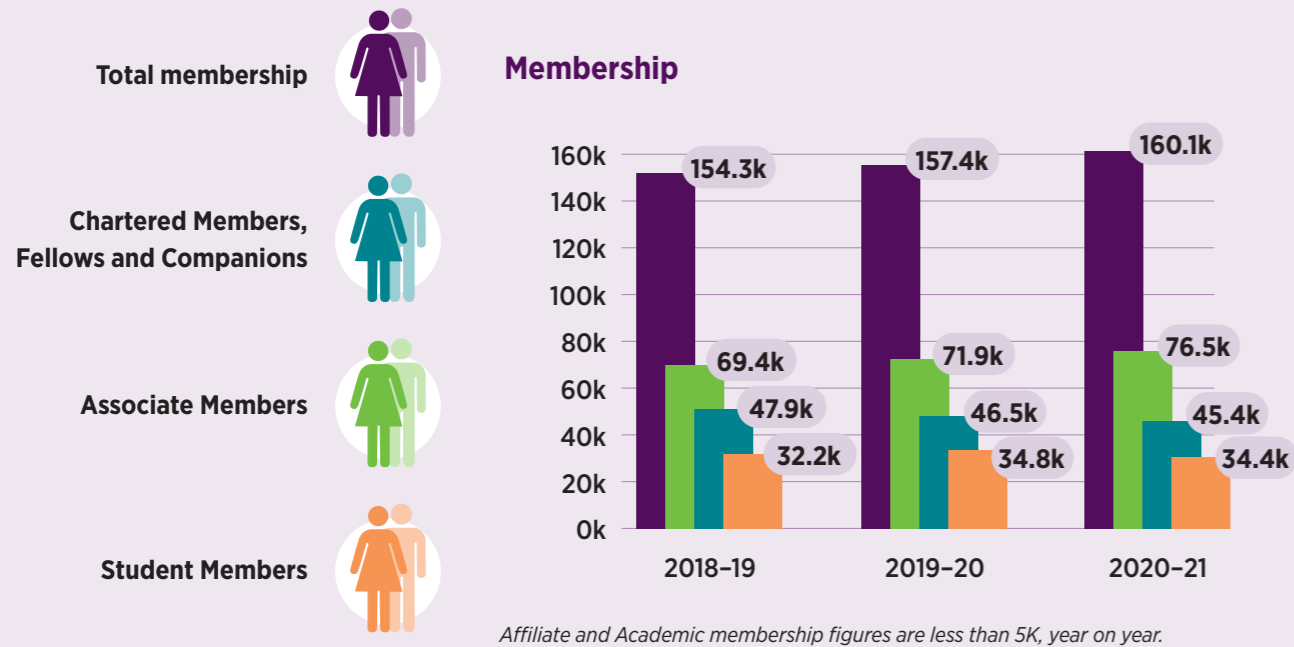
Asia Pacific

**2,276**  
members

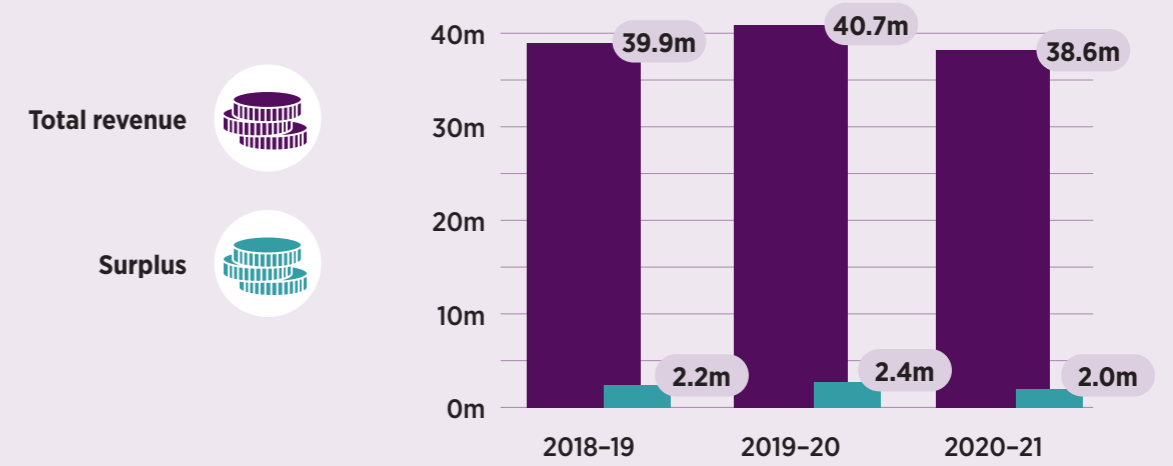
455 students  
6 employees  
15 paid associates

## Delivering our strategy

Maintaining a strong community through the year's challenges

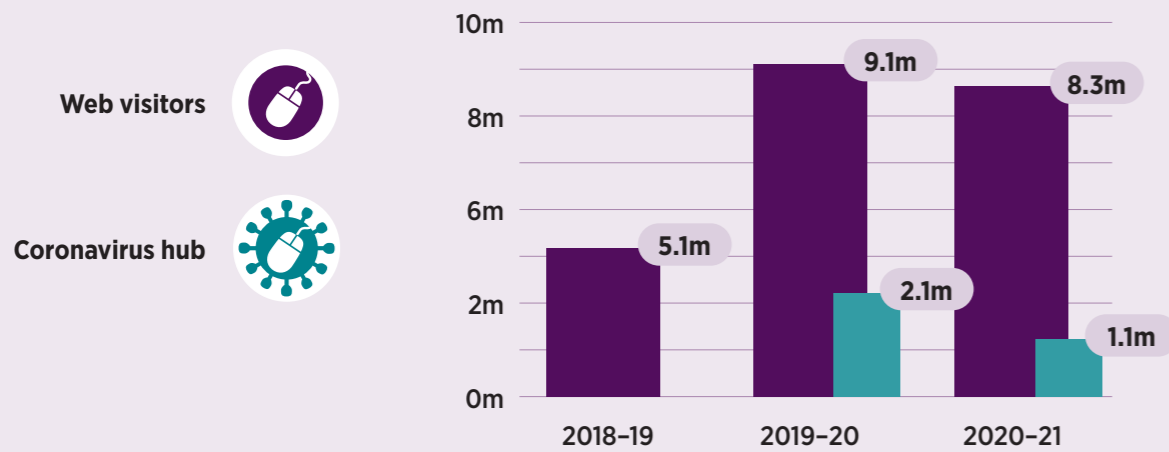


## Revenue (£)

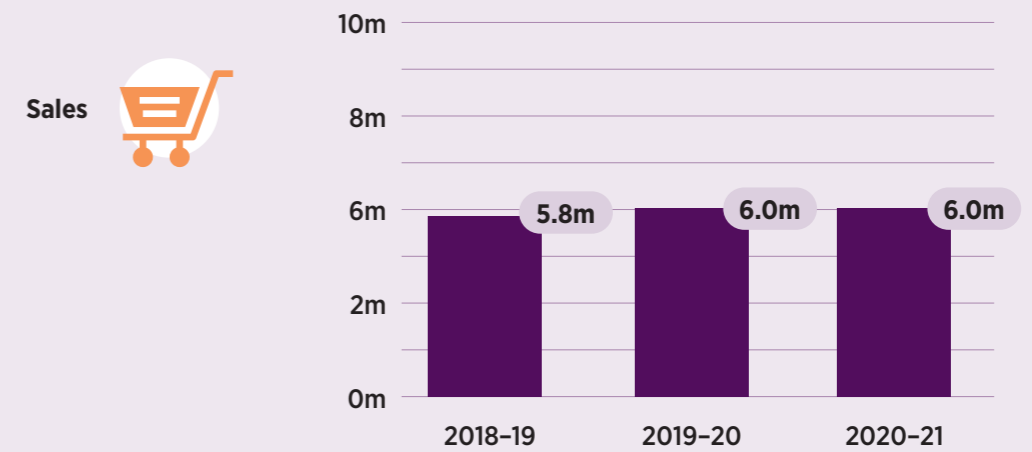


For more in-depth information on our revenue, click through to [Managing our Finances](#) and our [Financial statements](#).

## Web visitors



## Corporate sales







# Staying connected throughout the pandemic

Growing a strong community, making the case for better work and improving how we work

The pandemic has put our purpose to the test. We've all experienced a paradigm shift in our experience of work and our assumptions about where, when and how it happens. This year has put good work in the spotlight:

- We grew our community of people professionals in size, strength and reach, equipping them to champion better work despite the challenges of the year.
- We raised the profile of the profession, calling for change and empowering those who make it happen.
- We improved how we work, learned together as an organisation and shared the good practice we invested in.

By connecting across our community and working with our partners – amplifying our voices, our reach and our expertise – we've made the most of this unique opportunity to champion better work.



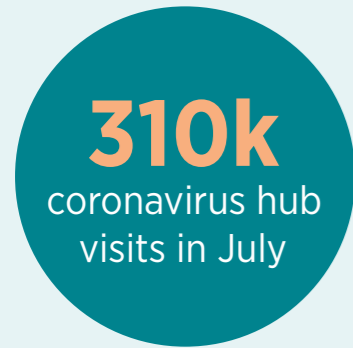
## Staying connected throughout the pandemic

2020	18
2021	19

## Staying connected throughout the pandemic – a snapshot of our year

# 2020

July–September



Our community continued to access our coronavirus hub for our latest guidance and resources, starting the year with 310,000 visits in July.



We cautioned the Government against the mass return to the workplace, reinforcing our three tests:

- 1 Is it essential?
- 2 Is it safe?
- 3 Is it mutually agreed?



We captured employers' responses to the pandemic, and made the case for new working practices, in our report *Embedding New Ways of Working*.

October–December



Our first virtual Annual Conference and Exhibition focused on wellbeing, inclusion, compassion and flexibility, setting the scene for many more successful online events.



*People Profession 2030* reported the collective view of our profession on five key trends influencing the future of work and the critical contribution our community makes to good business.



We were the first organisation to call for an extension to the Coronavirus Job Retention Scheme, helping to secure budget commitment and greater certainty for employers to September 2021.

# 2021

January–March



We launched our long-term, monthly #FlexFrom1st campaign, calling for requests for flexible working to be a day-one right.

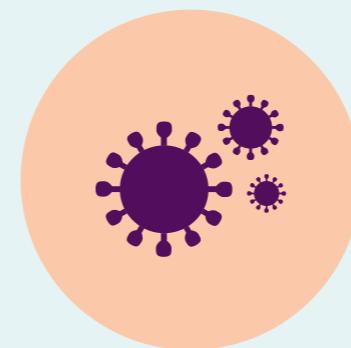


BEIS Minister Paul Scully asked CIPD Chief Executive Peter Cheese to continue to co-chair the Government's Flexible Working Task Force for a further 18 months.



We gathered survey and interview evidence, and our own experiences, to identify seven strategies that help organisations make a success of hybrid working in *Flexible Working: Lessons from the pandemic*.

April–June

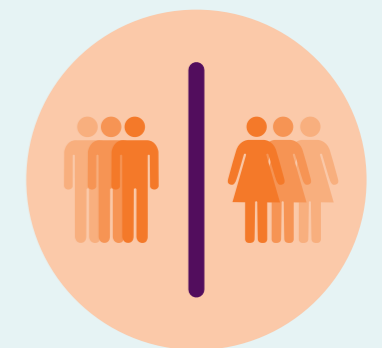


Three resources on our coronavirus hub remained in the top ten most viewed:

- returning to the workplace
- planning for hybrid working
- furlough guide.



We ran our second virtual Festival of Work conference, encouraging even more business leaders, people professionals and learning experts to explore what it means to adapt to the new era of good work.



The year ended with our 2021 Good Work Index, sharing the reminder that inequalities in job quality persist in the UK, especially in the key roles that have been so critical to society during the pandemic



# Growing a strong community

## Supporting a growing community through an extraordinary year

Employers and their people have been on the front line during the pandemic, dealing with changing difficulties and uncertainties every day. And people professionals have been at their side throughout. The challenge of championing better work and working lives has been put to the test in unforeseen ways this year and we've responded quickly to our members' urgent needs:

- We continued to embed our international benchmark for skills and capabilities, aligning our qualifications framework around our revised Profession Map.
- We started work on our digital learning hub to underpin our new qualifications and support our students and delivery partners.
- We produced rapid-response research, resources and learning, especially around the impact of the pandemic and government guidance on work.
- We extended our wellbeing, career and financial benefits to put our growing community of members first.
- We invested in the development of learning content and our brand to strengthen our relevance to our more diverse community.

By being there for our members, and the wider people profession, we've broadened and strengthened our community of expert advocates for better work and working lives.

*'When the scale of the pandemic became clear, those of us in operational HR roles had to act quickly and decisively. The speed with which the CIPD developed resources, offered leadership and guidance was critical to our planning and delivery. This helped our team transition almost our entire workforce to homeworking, without having a negative impact on our people or productivity.'*

**Tim Scott,**  
Director of People,  
Fletchers Solicitors



## Growing a strong community

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## Broadening our community

Our members have helped people and organisations navigate exceptional challenges this year. We were at their side, providing the support, resources, expertise and connection our community needed.

### Expanding our impact

This year, despite global economic uncertainty, we've broadened our community of champions across the world. We've done it by reaching beyond our traditional membership to engage with people professionals, wherever they are. Our membership has grown to over 160,000. We're delighted to see our international community grow, particularly in Asia Pacific, Ireland and the Middle East, and a 6.5% increase in Associate Members.

We've overcome physical barriers to learning by delivering events online and sharing support and guidance through our hubs. We've strengthened our relationships with employers, building the capability, credibility and impact of whole teams.

Our regions play a huge part in supporting our growing community. Our branch network has been extremely active in keeping the spotlight on key issues, including wellbeing, inclusion and race at work – organising events and welcoming the experiences of our members. Many of our branches have thriving special interest groups for I&D, L&D, OD, senior and independent practitioners. Their insights are supporting our plans for stronger online communities.

While supporting our community through the immediate challenges of the pandemic, we've kept our focus on the longer-term trends influencing the future of work. In August 2020 we led an eight-day virtual hackathon, bringing together hundreds of people professionals from around the world. Our November *People Profession 2030* report highlighted five key trends – at the heart of business strategy – that the people profession is confidently positioned to lead organisations through:

- internal change
- digital and technological transformation
- changing demographics and I&D strategies
- diversifying employment relationships
- sustainability, purpose and responsible business.



*'We need flexible approaches to learning, involving new digital capabilities and innovative learning platforms. The CIPD's development of learning resources, qualifications and the Profession Map reflects a clear understanding of individuals' and organisations' learning needs.'*

Melanie Cheung,  
Learning & Development  
Facilitator, Co-op



Over **160,000** members

Greater business impact with  
**6.5% more** Associate Members



Participation in regional and international  
conferences up nearly **70%**

**93,000** bookings for digital branch  
events, more than double previous years



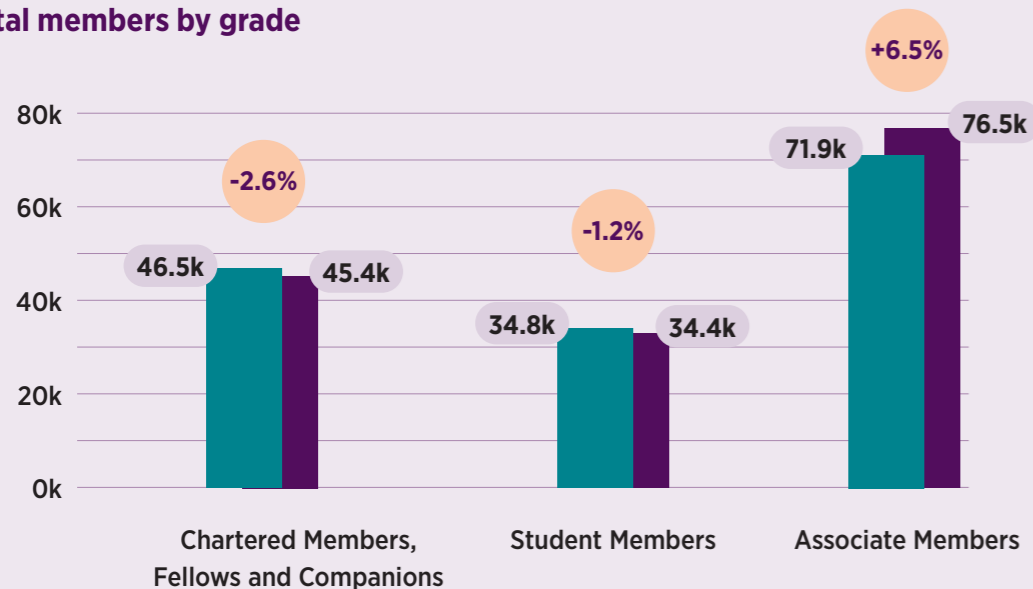
Working with **22,400** people  
professionals (up 35%) in more than 215  
employers

## Extending our reach

### Total members



### Total members by grade



### Total members by global regions



## Boosting learning, embedding standards

Our purpose calls on us to meet the growing demand to improve HR, OD and L&D capabilities and practices for individuals, people teams and people managers.

### Profession Map

Launched in 2018, we designed our Profession Map to evolve. Over the years we've developed it to reflect the latest research, the changing landscape and feedback from the profession.

This year we've revalidated the Map as the international benchmark and strengthened its relevance and practical value for our growing community by:

- focusing throughout on flexible ways of working, with new standards and support about adapting people processes for hybrid and remote workforces
- focusing on wellbeing throughout to show how individuals and organisations have a shared responsibility to enable and maintain wellbeing
- shifting from 'Digital working' to 'Technology and people' to reframe the role of technology
- shifting from 'Analytics and creating value' to 'Evidence-based practice' to reframe the broad approach needed by people professionals
- consulting on and reviewing 'Inclusion and diversity' to reflect changes in work and society
- broadening 'Employee relations' in response to practical and research-based feedback.

Twice a year we will continue to review the latest research, consider what we've heard from our profession, and take the pulse on what's ahead to keep the Profession Map practical and future-fit.

### Learning Hub

Our members, and the wider profession, are looking for relevant learning at all stages of their careers. They want more support to embed the Profession Map in their day-to-day roles. And they need to be able to access learning anytime, anywhere.

Currently in pilot with 20,000 learners, the CIPD Learning Hub includes a mix of learning: from bite-sized, self-directed essential insights through to comprehensive programmes with virtual classrooms, workshops and social learning. Our community will be able to create their own personal learning journeys, self-assess against their goals, track their progress, share their successes, and demonstrate their commitment to the profession.

Accessed through our digital Learning Hub, from anywhere in the world, our new learning content will be free to members to support their continuing professional development, and available to others on a pay-as-you-go or subscription basis.

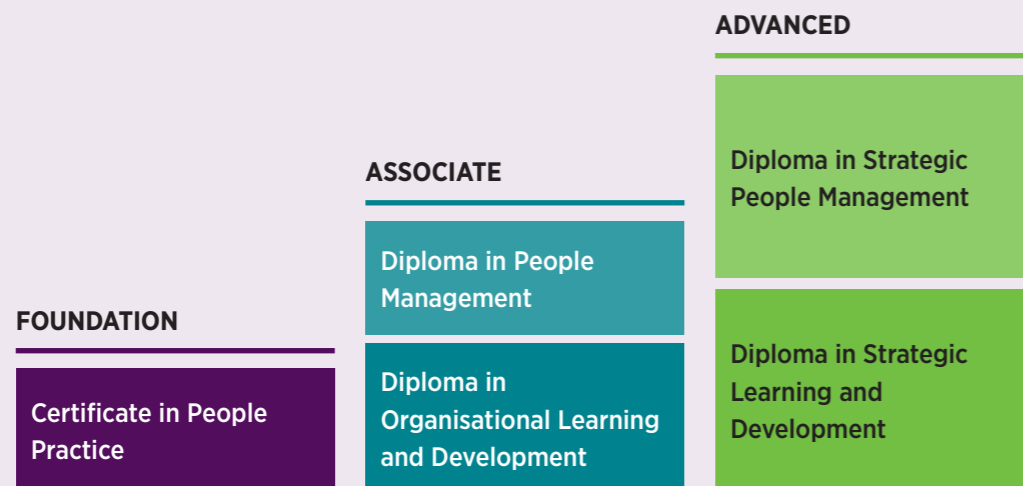
## Qualifications

When we strengthen the knowledge, behaviours and values of our profession, everyone benefits. Our qualifications embed the standards defined in our Profession Map, this year giving over 20,000 people professionals in 150 countries greater confidence in their capabilities.

We've continued the collaboration that informed the Profession Map, consulting with academics, employers, practitioners, and our centres and programme providers. Together we've developed a new qualifications framework that can be delivered and assessed efficiently and effectively at scale and will attract more students, improve their experience and continue to raise standards.

We've aligned the framework to CIPD membership levels and the Profession Map:

- reducing the number of qualifications from 17 to 5
- clarifying three qualification levels: foundation, associate and advanced
- creating one foundation-level qualification – a solid grounding for HR and L&D professionals.



To achieve this alignment between the Profession Map and our qualifications, we've worked with centres that deliver our qualifications to refocus the learning content and assessment methods on real-life, practical outputs. We're strengthening our partnership with centres and universities to improve the learner experience, progression, growth and breadth of offering. We've increased centralised marketing to promote the relevance and credibility of our qualifications. Over 22,000 learners are registered on our qualifications this year, with 12.5% signed up for our new qualifications already and 4,000 on accredited degree courses. And our new centre finder tool means prospective students can search for qualification providers that suit their location and levels.

## Being there for our community

We continued to provide free coronavirus advice and guidance to our members and our wider community. And we broadened our wellbeing support, extending it to members beyond the UK.

### Coronavirus hub

By the start of the year, most countries had moved from national lockdowns to local measures. Businesses and people professionals still needed clear advice as they managed the changes in their workplaces.

In July 2020 there were 310,000 visits to our coronavirus hub, with monthly figures following the shifts in national regulations. We asked topic experts to keep track of government guidance and produced webinars to answer our members' questions. We launched a series of guides, equipping line managers to support the wellbeing of their teams working from home, many for the first time, or in difficult front-line situations. And we produced wellbeing and resilience guides for employees.

The help that people professionals and employers needed was changing all the time. We refined our processes to deliver rapid-response content. We covered furlough, isolation, vaccination, shielding, sick leave and pay, anxiety, long Covid, hybrid working, managing remote teams, returning to the workplace and planning for the future of work. Our coronavirus FAQs, furlough guide and returning to the workplace guide remained top of the download list.



**310,000** visits in July 2020

Nearly **2 million** page views this year





More than **155,000** guides downloaded this year

**90%** of members who used the coronavirus hub were satisfied or very satisfied



### Member support

Last year almost 14,000 members made use of our wellbeing service via our website, helpline and app. We've seen thousands of visits to our membership benefits website pages every month, with wellbeing, advice and support, and financial assistance high on the list. Through our app we've been able to extend this support to non-UK members. We've also removed call number limits on our personal legal helpline and extended the service to cover a broader range of legal issues.

We responded to our members' very different needs this year by helping over 8,000 with their membership fees, acknowledging those impacted by COVID-19 alongside those on a career break or retired. And we've supported nearly 100 members through career workshops.

Awareness of our member benefits has increased by 31%. And our member survey shows the changes we've made have been well received. Our overall net promoter score jumped 44 points, with members reporting higher customer satisfaction and finding us easier to do business with.



### Upholding professional conduct

All our members – Students, Associates and Chartered – sign up to our Code of Professional Conduct. Anyone can raise an alleged breach of the Code. Concerns are often raised during employment or recruitment disputes and are resolved directly and outside of the CIPD. Others are beyond the scope of the Code and more relevant for Acas or separate dispute resolution.

Interest in the Code and its role in building professionalism was strong this year, with 39,075 visits to our Code of Professional Conduct webpage ([cipd.co.uk/ourcode](https://cipd.co.uk/ourcode)) and 20,649 downloads of the Code.

Ten years since its launch, the time is right for a review of our Code. We want to reflect developments within the profession, acknowledge shifts in the expectations of our community, and protect members of the public. Launching this year, our review will involve benchmarking the Code against other professional membership associations and consulting with our members and the public. If you are interested in taking part, please email [codeofconductreview@cipd.co.uk](mailto:codeofconductreview@cipd.co.uk)

### Complaints, investigations and hearings

In the ten years since we launched the Code, we've formally investigated 65 cases. Of these, 26 have progressed to a conduct hearing, and 18 of these cases have been upheld. The most common cause for concern has been data mishandling.

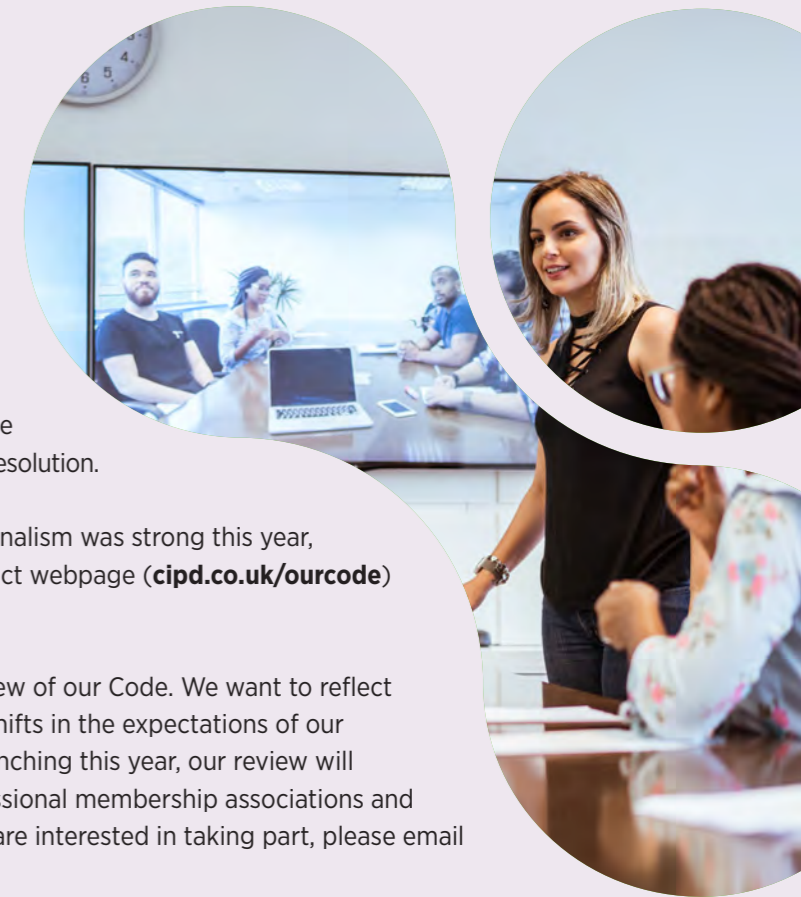
This year saw a 17% increase in complaints about alleged breaches of the Code, the same increase as last year.

Code of Conduct concerns raised in 2020-21	
Number of complaint enquiries received about CIPD members	196 (+17%)
% of total members against whom concerns have been raised	0.1%
Number of complaints formally investigated	7
Number of hearings undertaken	2

### Supporting ethical practice

Although complaints, investigations and hearings are low, we continue to advocate for ethical practice across our membership and with employers.

Our guides and resources remain popular. For example, *Ethics at Work: An employer's guide* and its supporting webinars received a high volume of visits and downloads. And our community of members continues to seek support and guidance from each other via our 'Workplace Dilemmas in Confidence' online forum. Members can discuss dilemmas anonymously on topics including redundancy, sexual harassment, conduct, absence, pay and bullying.





## Making the case for better work

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# Making the case for better work

## Raising the profile of the people profession as champions for better working lives for everyone

At no other time has good work meant more. This year, we've witnessed the inequalities that persist for many workers, especially those fulfilling the key roles we've depended upon:

- We led the call for better work through constant dialogue with governments, our partners and our community.
- Our branches and regions listened to members, engaged with employers and experts, and built relationships to take our good work agenda further.
- We campaigned for inclusion and diversity and collaborated to encourage action and change.
- Our volunteers made a difference to young people, parent returners, SMEs, charities and fellow professionals through the toughest of years.
- We partnered with HR leaders and employers to raise the capabilities of our profession.

Together we've raised our voices in support of better work for all.

*'Being part of the Lincolnshire branch and supporting my colleagues with building better working lives, during another really challenging year has been and continues to be such a privilege.'*

**Penny Lee, Chartered FCIPD,  
Vice-Chair, CIPD Lincolnshire Branch**





## Leading the call for good work

In a year dominated by the pandemic, our purpose took a sharper focus. We kept up a constant dialogue with government departments and policy-makers at national and regional levels. We consulted widely with our members and spoke out to share information with employers and the public. We received 142 requests to share our insights with the media, public and private sector organisations, governments and expert agencies.

In the summer of 2020, we cautioned against a push for a mass return to the workplace, urging employers to first consider our three tests: Is it essential? Is it safe? Is it mutually agreed?

In September 2020, our report *Embedding New Ways of Working*, part-funded by the Department for Business, Energy and Industrial Strategy (BEIS), shared one of the first in-depth examinations of the impact of the pandemic on the labour market. With widespread media coverage, the report provided practical insights for employers and recommendations for policy-makers. Our labour market economist gave live televised evidence to the House of Lords Economic Affairs Select Committee Inquiry into the impact of COVID-19 on employment.



In the autumn, with COVID-19 cases rising and restrictions reintroduced, we were the first organisation to call for an extension to the Coronavirus Job Retention Scheme. Our advice was heeded when the Chancellor made it a long-term commitment in the 2021 Budget, extending the scheme into September 2021 to give businesses the certainty they needed. During the winter we partnered with BEIS and Enterprise Nation, recruiting 66 people professionals to provide free emergency pandemic support to small firms.

We have called for the wider uptake of flexible working for several years. The pandemic placed this issue centre stage. In February 2021, we launched the #FlexFrom1st campaign, stating our position that the request for flexible working should be a right from day one rather than after 26 weeks of service. Our discussions with policy-makers and MPs led to two influential groups – the Women and Equalities Select Committee and the Women and Work All-Party Parliamentary Group – adding their voices to our call.








BEIS Minister Paul Scully reconvened the Flexible Working Task Force in February 2021, asking Peter Cheese, our chief executive, to continue to co-chair with senior BEIS officials. CIPD advisers worked with the task force and Acas to inform essential guidance on hybrid working. This led to further work on good practice guidance and our response to the Government's consultation on making flexible working the default, both due to report in the autumn.

*'Despite the turbulent 12 months, the CIPD has fulfilled the mutually supportive aims of member support and public policy influence.'*

**Dr Duncan Brown,**  
Independent rewards research and advice, Visiting Professor  
University of Greenwich,  
Principal Associate IES



In support of our #FlexFrom1st campaign, we researched how UK organisations, across all sectors and sizes, were dealing with the practical challenges of designing work for flexibility in both location and hours. Reporting in April 2021, *Flexible Working: Lessons from the pandemic* shared seven strategies that teams and their managers can use to make a success of hybrid working. We also published guides and case studies with practical advice to help employers and line managers improve their flexible working offering.

- 1 Develop the skills and culture needed for open conversations about wellbeing. 
- 2 Encourage boundary-setting and routines to improve wellbeing and prevent overwork. 
- 3 Ensure effective co-ordination of tasks and task-related communication. 
- 4 Pay special attention to creativity, brainstorming and problem-solving tasks. 
- 5 Build in time, including face-to-face time, for team cohesion and organisational belonging. 
- 6 Facilitate networking and inter-team relationships. 
- 7 Organise a wider support network to compensate for the loss of informal learning. 

We published over 60 new reports and guides this year, created 12 monthly podcasts and delivered 24 webinars. Content on our coronavirus hub and our quarterly *Labour Market Outlook* were in high demand, along with our research and guidance on health and wellbeing at work, anti-racism, flexible working, resourcing and talent planning, learning and skills, post-Brexit immigration, labour market insight and reward management.

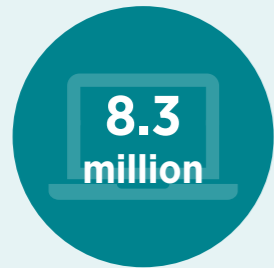
We ended the year with our annual Good Work Index report, a reminder that inequalities in job quality persist in the UK, especially in the key roles that proved so critical to our society during the pandemic.

In calling for better work and working lives, we collaborate with the 35 members of the European Association for People Management (EAPM), a key player in promoting the HR profession across Europe. The EAPM launched International HR Day, now celebrated across the world on 20 May. We currently hold the Secretariat, supporting the EAPM board to deliver their purpose and strategy. Our chief executive continues to chair the board of Engage for Success, a not-for-profit voluntary movement that promotes employee engagement in the workplace. And we've developed our conversations with other bodies to deepen our understanding of how we can make the biggest impact on the inclusivity and diversity of our professions.

*'Our approach to flexible working has been fantastic. It's given me the chance to balance work life and personal life. I can give work the best Marlon – keeping our phone lines covered – and give my kids the best father. I've managed to fit a five-day week into four days and work around my father duties.'*

**Marlon Pinder,**  
Customer Service  
Representative





**8.3 million**  
unique visitors to our websites



**8.9 million**  
Twitter impressions



**3,200**  
media appearances



**243,000**  
LinkedIn followers



**237,000**  
subscribers to our weekly CIPD Update newsletter



**17 responses**  
to government consultations and parliamentary enquiries

## Campaigning for inclusion and diversity

People professionals have a fundamental role to play in tackling racism and racial discrimination. Engagement in our inclusion and diversity (I&D) webpages rose this year as our community worked hard to support organisations through the uncertainties of the pandemic while challenging inequalities at work. We continued to equip them with resources and guides on our anti-racism hub, launched last year. The hub received nearly 19,000 visits, with webinars in high demand and 510 downloads.

To give inclusion and diversity even greater focus in our reach, our voice and how we work, we've created and filled a new head of I&D role, reporting directly to our chief executive, and appointed a board champion for race. We continue to contribute to I&D networks and sector groups. And we've revisited I&D in our Profession Map, embedding a drive for action and change to support our members in this vital area of practice.

We responded with disappointment to the Commission on Race and Ethnic Disparities report in March 2021, calling out its failure to recommend mandatory ethnicity pay reporting and greater transparency. And we worked with Business in the Community to create joint practical guidance for employers signing up to the BITC Race at Work Charter.

*'We want to grow together, and put into practice, everything we encourage our members to do. We are here to push the boundaries, challenge the status quo and pull out the gold in everyone who chooses the CIPD as their place of work.'*

**Donna Akodu,**  
Marketing Planning Executive and Co-Chair of Embrace, CIPD employer resource group



## Making a difference

Across our membership, nearly 4,500 volunteers continue to give their time, energy and expertise. 2,970 support young people, parent returners, charities, SMEs and fellow professionals. Many of them work on several of our social impact programmes. With their commitment, we've maintained our innovation and impact despite this year's challenges:

- relaunching the Steps Ahead mentoring programme to support our 1,828 volunteers who help young people and parent returners to access work
- expanding our network of Enterprise Advisers, with 1,067 working with the Careers and Enterprise Company to improve careers education in schools across England
- launching two new cohorts of the Aspiring HRDs programme, with 36 mentors working to improve ethnic diversity at higher levels in our profession
- working with the Charities HR Network, NCVO, Team London and Helplines Partnership to provide free HR support, and partnering with BEIS to support SMEs through the pandemic.

Over 900 volunteers keep our branch network and regions alive and relevant. With our first digital all-branch committee event welcoming 250 participants, our branches have collaborated across our regions to innovate, share ideas and meet our members' expectations.

Branch volunteers have responded to growing requests from our community this year:

- embracing online delivery to provide over 1,000 events, with registrations doubling to 93,000
- collaborating on our member-to-member mentoring scheme, with 500 mentors across 33 branches supporting 1,300 mentees.

Our Outstanding Contribution Awards, introduced this year, recognised 30 branch volunteers for the work they've done to support and connect our community.



In December 2020 the Council approved our Statement of Expectations, clarifying the values and principles that we ask volunteers to support and the duty of care they can expect from us. Co-created with 30 branch chairs, the statement is strengthening alignment and engagement across all our volunteers.

**Keen to help? Take a look at different ways you can volunteer on [cipd.co.uk/learn/volunteer](https://cipd.co.uk/learn/volunteer)**

*'Volunteering as an Enterprise Adviser has accelerated my professional development more than I could have imagined.'*

**Rebecca Healy,**  
Enterprise Adviser with Hertfordshire Local Enterprise Partnership (LEP) and Trust Head of Careers, Chingford Academies Trust



## Delivering through partnership

The pandemic has placed profound responsibility on the shoulders of people professionals. It's also created an unexpected opportunity for our profession to demonstrate its capacity to lead people and organisations through change. We've helped our community adapt quickly, work together and support each other.

### Collaborating with our HR Leaders' Network

With a community of around 300 across the UK, members of our HR Leaders' Network continue to help each other navigate strategic and operational changes within their businesses. With activities switching to online briefings and discussion sessions, we used the digital platform Guild to create a dedicated social media space for members to share comments, address policy questions, and message each other.

The network is invigorating our research, policy and campaign work, centrally and across our regions. Members are influencing the direction of our work through their interaction with our stakeholders and their engagement in roundtable discussions, research and thought leadership. And they are modelling the people profession at its best: collaborating, sharing knowledge, and mentoring the next generation of aspiring leaders.

### Partnering with employers

The demands on our community emphasise the need to invest in ourselves and professionalise capabilities in HR, OD and L&D. We are extending our reach and impact further by working with corporate people teams and people managers. Partnering with employers strengthens and broadens our community, and we are supporting this growth by promoting our professional benchmarks while reframing assessment around practical, workplace experiences.

Many employers have embraced the chance to build the capabilities of their HR, OD and L&D practitioners, equipping them to lead their businesses through post-pandemic ways of working. This year we've partnered with 215 organisations in this endeavour, including the World Health Organization, Saudi Aramco, Petronas, the NHS and Allianz. We've supported 22,400 people professionals and welcomed over 750 new professional members.

A further six organisations have achieved our industry-recognised People Development Partner status, including the Civil Service Central HR team, Network Rail and ESB, a first in Ireland. They've committed to aligning their HR, OD and L&D practices with our Profession Map, raising the capability of their people professionals and contributing to our research and policy work. We're partnering with many more organisations as they work towards this recognition of the capability, credibility and impact of their people functions.

**'CIPD People Development Partner really helped us pull everything together and delivered a coherence. It's a mechanism through which we can reflect on our current state and desired future state against an external benchmark. It enables us to really consolidate the journey we're on.'**

Alison Clifton,  
Head of Resourcing,  
Home Office



## Delivering through dialogue

Our regional and national teams support our international community, work on local issues and partner with employers and experts. They build relationships with local and national governments. This year they've carried the torch for our good work agenda, increasing our influence and advocacy in response to political events and opportunities.

In response to the Scottish Parliament elections, *Fairer Workplaces for a Fairer Scotland* called on the main political parties to include 21 actions to improve job quality, skills, wellbeing and inclusion in their manifestos. Partnering with the Fair Work Convention, our team in Scotland showed how fair work drives success, wellbeing and prosperity for individuals, organisations and society.

Together with Greater Manchester Good Employment Charter and Acas, our team in the north of England campaigned for city-wide line manager development and created resources, podcasts, roundtables and the guide, *Soft Skills in Hard Times: Why good people management matters more than ever*.

We launched and strengthened our regional public policy forums to share the voices of the diverse range of businesses in our regions. Our team in Wales set up networks to address the specific concerns of I&D, L&D, OD, senior and independent practitioners.

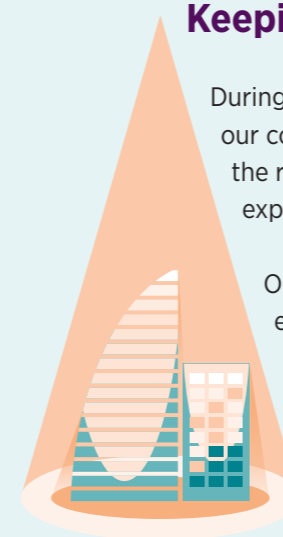
We delivered our first online Annual Conference and Exhibition in November 2020, increasing last year's participation with 1,700 delegates and 4,300 exhibition visitors. With contributions from inspirational speakers and high levels of participation, we hosted conferences in Scotland, the north of England, Northern Ireland, Ireland and the Middle East. Last year's Scotland and London student conferences joined forces, doubling the number of participants. And all our regional and national teams have extended their reach by offering online network events, roundtables, webinars and updates, sharing good practice and engaging members in regional initiatives and national campaigns.



## Keeping the spotlight on our business-critical role

During the pandemic, employers have needed the people profession as never before. And our community has never worked harder. In *Responsible Business Through Crisis*, we shared the reflections of more than 60 leaders, including HR directors, prepared to share their experiences of leading their organisations during the challenges of the pandemic.

Our community has had a great impact, and it's critical that we build on this. The expectations of employees, customers and investors have shifted. They now look to employers to demonstrate responsible business as a core value. We need to be in position to make it happen. The opportunity to bring about better work, for all, is in our hands. Sustainable business success depends on it. And we are committed to supporting the people profession in this purpose.





# Improving how we work

Developing a sustainable, future-fit organisation that meets the needs of our community, our customers, our business and our people

The call for better work and working lives is a challenging one. We know, because we invest in the changes that we advocate to others. We do it because it's right, and because it generates the right results for our members, our people and our business:

- We grew our community, in numbers and in strength, transforming the digital infrastructure they rely on to access information, support and learning.
- We shifted to working remotely, put our people's wellbeing first, consulted on how best to adopt hybrid working, and refocused our understanding and actions around inclusion and diversity.
- We prioritised learning and development so our people and people managers could collaborate effectively through remote working and prepare for hybrid working.
- We reviewed our approach to recognition and reward to make it easier to celebrate our values.
- We highlighted the significant leadership role that people professionals can play in driving sustainability in their organisations.
- We gave even greater commitment to our social impact, initiating our plans to establish the CIPD Trust in the year ahead.

By investing in our operations and reflecting on how we work, we create greater support for our members, clearer guidance for employers and better work and wellbeing for our people.

*'The pandemic showed us we could do even more to enable our people to work however and wherever was most effective for the CIPD, their team and themselves.'*

Jo Brimacombe,  
Project Manager – People Experience, L and D



## Improving how we work

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## Growing our community of champions

Our purpose calls for growth in our profession. Not just in numbers, but in strength, influence and reach. Growing a community of champions for better work and working lives means reaching out to engage and serve members, employers, educators and our wider network. It demands that we have the capacity to deliver the development, standards and influence the profession needs. And it is enhanced when we forge and support the connections between everyone in our global community.



This year we changed our processes to allow our members to make nominations for the grade of Chartered Companion. Chartered Companion status recognises exceptional leaders who have a proven track record within their organisations and have demonstrated exceptional impact on our profession. It is the highest level of recognition in HR and people development. We were delighted to be able to announce and recognise our first new cohort of 18 Companions, with the nomination process moving to an annual cycle from now on. Our 2021 Chartered Companions can be seen on:

[cipd.co.uk/membership/grades/chartered-companion-nominations](https://cipd.co.uk/membership/grades/chartered-companion-nominations)

We've kept pace with the changing needs of our community through our infrastructure – our membership, benchmark and qualifications framework, our partnerships with study centres and programme providers, our network of volunteers and experts, and our operational systems and processes. We've put the foundations in place to keep our community growing.

## Committing to our social impact

Our purpose is to champion better work and working lives for all. But, right now, not everyone can access better work and people's experiences of work differ. Within our own community we recognise that we need to invest in eliminating barriers to entry and progression, to create a more inclusive people profession.

We've decided to give even greater commitment to our social impact work by establishing the CIPD Trust. This will allow us to focus on the individuals and groups whose voices are not yet heard and who most need our support. We will share more about our plans as they develop over the coming year.

*'My personal belief is that HR is not only a leadership function in an organisation, it is the most critical one. Recognition of the small contribution I make, by being nominated and confirmed for Chartered Companion status, is an honour and means the world to me.'*

**Yetunde Hofmann,**  
Managing Director, Synchrony  
Development Consulting



## Transforming our digital infrastructure

Last year, the urgent need for information and guidance at the start of the pandemic brought 9.1 million visitors to all our websites. Demand remained high this year, with over 8.3 million visitors from across all our global regions. Students, members, managers and employers – people come to us as a trusted source for news, knowledge, expertise, guidance, learning, networking and support. And they expect an experience that is intuitive, secure, accessible, personalised, self-service, multichannel and built around their needs.

We've been investing heavily in our back-office infrastructure to make this happen, moving away from our legacy applications to new, more reliable cloud-based services.

### Our work this year has focused on:

- implementing digital solutions to underpin our new qualifications and support our education partners in delivering them
- building a centre-finding tool to help prospective students search for the right qualification partner for them
- piloting our new learning hub to offer a mix of blended and online learning, whenever people need it
- investing in our annual membership renewals process so people can join, renew or upgrade their membership easily
- improving our telephony services so our staff can support people while working remotely
- achieving Cyber Essentials Plus reaccreditation, an internationally recognised standard for corporate security, to ensure all our customer services are safe and secure.

Our plans include the launch of an online shop for quick, easy and safe purchase of learning products, and digital badging so learners can share their achievements with others. We are putting in the groundwork to replace our current [cipd.co.uk](https://cipd.co.uk) sites and create a more streamlined website with easier navigation, new subscription services and personalised experiences for our visitors. We are preparing to replace our current finance system and reporting tools. We will be able to work more efficiently, using evidence-based information to understand how customers are making use of our products and services.



## Changing how we work

In a year which saw COVID-19 cases increase and further lockdowns, most of our people continued to work remotely. Looking after their wellbeing remained our top priority. We focused on building remote working skills and online communities, making the most of our digital tools to collaborate. We equipped people managers with tools and guidance to help their people address the challenges of the pandemic. We focused on wellbeing and communication initiatives to stay connected and support people's mental and physical health. And a COVID-secure space at our office in Wimbledon helped those who were unable to work remotely.



From the start of the first UK lockdown in March 2020, we had made use of the Coronavirus Job Retention Scheme, furloughing 18 people affected by our initial office closures. We concluded that we had to let some staff go and we terminated our catering contract. In response to a positive financial year, we decided to repay our furlough grant, amounting to just over £92,000.

As we began to define what the future of work looks like at the CIPD, we asked our people. We knew we had the opportunity to role-model truly flexible and hybrid ways of working. Through regular surveys, we learned that many wanted to retain a level of flexibility. Like other organisations, we had shown that we could be productive, collaborative, innovative and customer-focused when working remotely.

With our learning fresh in our minds, we are adopting hybrid working. We are empowering our people to work however and wherever is most effective for the business, their team and their own productivity. Enabled by evolving technology, innovative workspaces and new practices, our approach is based on the premise that work is what we do, not where it is done.

We know that this approach is helping us to retain and attract talented people who are committed to our purpose. We have seen an increase in our people numbers over the last year, with 386 working for the CIPD across the UK, Ireland, Asia Pacific and the Middle East (a full-time equivalent of 363, up 30 from last year). Around 4,500 volunteers and 143 paid associates engaged with our members, providing expert support and contributing to our work.

The growth in the number of people working at the CIPD this year has been driven by our business strategy and the need for additional resource and expertise in specific areas. We've expanded our Digital and Technology Team as we invest in new digital platforms to support our members and customers. And we've established a new head of Inclusion & Diversity role to generate deeper understanding and a clearer focus in the way we work.

*'As a newbie to the CIPD this year, I was really impressed with the remote worker on-boarding. I've never started a new role remotely and had very few expectations, but I've really been blown away by the high levels of engagement across the organisation!'*

Susan Hayman,  
Members, Networks and Communities  
Manager NI, CIPD



## Planning for sustainability

The impact of climate change and the potential for reputational risk has heightened the need for organisations to address environmental sustainability. We had already taken on the task of reviewing our own approach and this year we made progress by:

- running our head office sustainably while most of our people work remotely, reviewing our printing decisions and travel policy
- agreeing and applying sustainability business principles within our procurement and strategic partnership criteria
- exploring how to work sustainably – in the office or from home – to assess our carbon footprint, identify areas for improvement and develop meaningful metrics to track our performance
- transitioning our standard approach from physical membership cards to an online 'verify a member' service, saving 1.5 tonnes of paper per year.

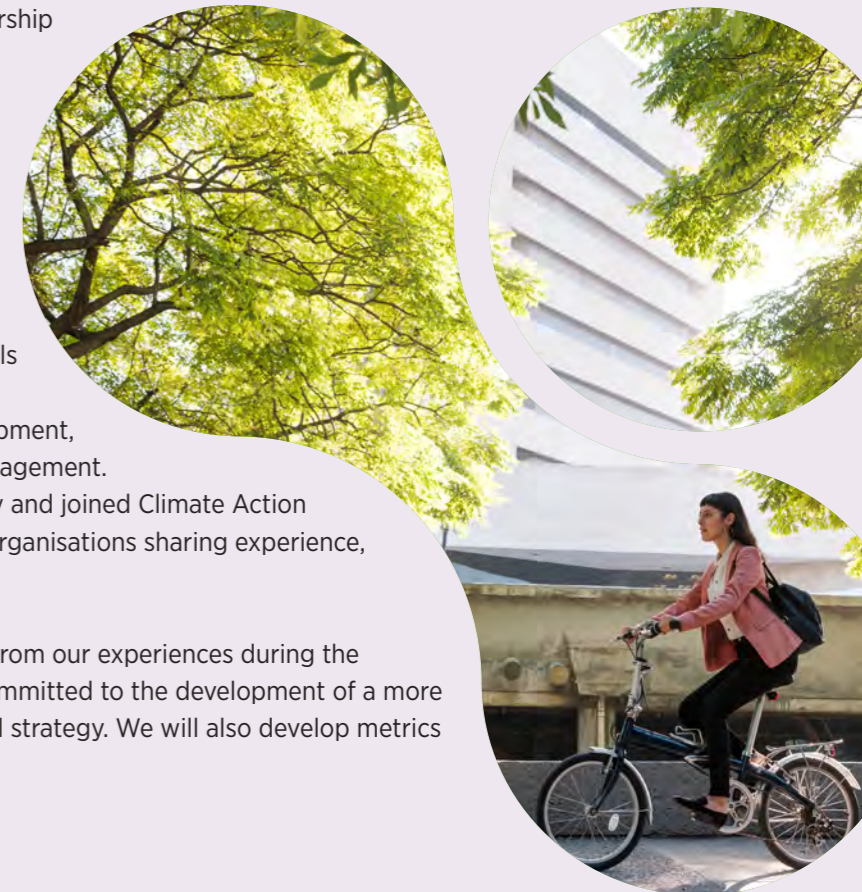
Our move to remote working changed everything. With our head office closed over four months, running essential services only, our use of electricity dropped by 33% and gas by 5%.

Our work also highlighted the significant leadership role that people professionals can play in helping their organisations improve their environmental impact. Their connections and central involvement in policies and procedures position them to drive discussion and implementation. Our work fed into our guide and top tips, *Embedding Environmental Sustainability in Your Organisation*. Published in July 2021, it showed how people professionals can introduce sustainability measures into recruitment and selection, learning and development, performance management, leadership and engagement. We reflected on our role as a professional body and joined Climate Action for Associations, a collective for membership organisations sharing experience, tools and resources.

We recognise that there is much we can learn from our experiences during the pandemic, and more we can do, so we have committed to the development of a more holistic framework in 2021 as part of our overall strategy. We will also develop metrics to ensure that we can monitor performance.

*'The CIPD's Guide to Environmental Sustainability is the essential resource for practitioners to embed sustainability into their current policies and procedures.'*

Dr Jan Maskell, Chartered Psychologist,  
Educational Director, Scientists for  
Global Responsibility



## Investing in our people

This extraordinary year has put our three-year people strategy to the test. Its three core elements – culture, capability and performance – have helped us refresh our approach to the development, performance management, reward and recognition of our people.

### Inclusion and diversity

For some time, we've had a strong infrastructure in place to make the CIPD an attractive and inclusive environment to work in. Our people policies set out clear responsibilities for managers and employees. Our new employee engagement tool generates real-time data on key people issues, reporting monthly metrics and quarterly scores.

Our teams are represented on Sounding Board, which shares our collective voice every two months to support the decision-making of our Senior Leadership Team. Thriving colleague networks and employee resource groups sit within our I&D Steering Committee, which also meets six times per year. Our disability, mental health and wellbeing champions work closely with our people team and promote our employee assistance programme, financial wellbeing hub and other services.

This year, with the appointment of our first head of I&D, we've given greater attention to our actions and the connections between them, including:

- revamping the I&D Steering Committee to ensure we work collaboratively across all I&D activities, internally and externally
- relaunching our employee resource groups with new sponsors, budget and reward for the value they add to our business
- asking people managers to focus at least one of their objectives on inclusion and diversity
- embedding accessibility good practice across our organisation and activity – internally and externally
- encouraging our people to use our Voice survey so we hear the views of everyone
- strengthening the connections within and between our teams: sharing office events, featuring I&D in our weekly team meetings, showcasing different teams' or colleagues' experiences in our communications
- removing the requirement to take three days' holiday between Christmas and New Year, so our people have the flexibility to observe festivals or occasions that are important to them.

*'The challenges we faced during the pandemic meant we had to reset and rethink our ways of working. We focused on the three core elements of our people strategy – our culture, capability, and performance – and we supported our people to achieve their personal objectives and business goals. Although we've spent more time apart, I'm proud of how we have maintained a feeling of togetherness.'*

Katrina Haynes-Brown,  
HR Business Partner, CIPD



## Disability, mental health and wellbeing

As part of our commitment to inclusion and diversity, we've continued to develop our understanding of disability, mental health and wellbeing issues in the workplace. Until it closed in England in March 2021, we were a Time to Change employer and we've signed the Mental Health at Work Commitment. A Disability Confident Leader since August 2017, we examine our own policies and practices, sharing our expertise with other employers and our community of people professionals.

### Our people

As we work towards a better representation of society and improve our practice, we need to understand our people's lived experiences. This year our head of I&D and our chief executive encouraged all our people to self-declare their I&D data, including whether they have a disability or health condition.

### Our people policies

Our people policies set out how we support the recruitment, retention and progression of people with a disability or health condition. They also address the prevention of ill health and promotion of good work to enhance wellbeing. They include well-communicated responsibilities and guidance for managers and employees on, for example, making reasonable adjustments, mental health, flexible working, alcohol use, smoking, bullying and harassment, bereavement leave, carers' leave, and financial wellbeing. We run awareness training on disability issues for all employees, including a 'Demystifying Neurodiversity' session.

### Recruitment

We regularly review our hiring practices, not just because of our commitment to inclusion and diversity, but because we don't want to miss out on talented people. We are clear about our commitment in our website and recruitment materials, and we're proud to display the Disability Confident Leader badge. We are experienced in discussing and making adjustments for people who are disabled, both at the recruitment stage and throughout their employment.

### Flexibility and equality of experience

Offering flexibility has become a key element in our aim to make the CIPD an attractive and inclusive place to work for everyone, including those with a disability or health condition. We already provide flexibility in work hours and we discuss individual solutions that allow people to balance their work and home responsibilities. All of our job advertisements make it clear that we are happy to talk about flexible working.

The principle of building an inclusive and accessible workplace drove the design of our head office. Furniture and workspaces accommodate wheelchairs, we source technology to assist with specific impairments, and our new IT 'workpoint' booking system supports people who are neurodivergent.



Since our shift to hybrid and 'remote first' ways of working in summer 2020, we've learned much more about our people's diverse needs, preferences and work styles, as well as disabilities or health conditions. We're working towards 'equality of experience', regardless of location, enabled by our investment in technology. We've made our digital sites and services more accessible for people with a wide range of disabilities, including situational and temporary impairments. And we've redesigned our intranet wellbeing page to make it easier for our people to access all the support available.

### Health and wellbeing

Caring for our people's physical and mental health is a big responsibility and one that we take very seriously. Our people team promotes the services we provide, such as our employee assistance programme and financial wellbeing hub, with the support of our enthusiastic mental health and wellbeing champions and our disability employee resource group.

The global pandemic revealed and amplified the physical and mental health needs of employees across all businesses. It gave us the opportunity to learn from our people's experiences and strengthen our approach. We formed a COVID-19 response team to make sure that people's mental and physical health was at the heart of every decision and action we took. Our vibrant network of wellbeing champions worked closely with our HR team, senior wellbeing sponsor and colleagues to develop our wellbeing offering, including a two-month programme of diverse activities in early 2021 ranging from online fitness and drawing classes to sessions with experts on sleep and nutrition.

We closed our offices ahead of the national lockdown and provided a safe office environment, post lockdown, for those who needed it. And we actively created many more touchpoints – including regular wellbeing blogs, virtual leadership briefings and team huddles – to ensure people felt cared for. This helped us provide ongoing information, support and connection as we adapted to remote and now hybrid working.

At the start of 2020 we launched our new performance approach – Be Your Best – which makes wellbeing a key component of all performance conversations with our people. We equipped our managers to have supportive wellbeing conversations with their team members, including about mental health. As a result, our regular employee engagement survey shows consistently high scores, above the industry benchmark, for how well people feel their physical and mental health is supported at work, highlighting management support as one of the CIPD's organisational strengths. We monitor our employee assistance programme statistics quarterly so we can identify if we need to do more.

As a Disability Confident Leader, we share what we are learning. Since 2018, when we partnered with the Department for Work and Pensions to publish our good practice guide on recruiting, managing and developing people with a disability or health condition, we regularly produce guidance and resources to support other employers and our community of people professionals.



### Learning and development

This year our priority was to support our people and people managers to collaborate effectively through remote working and prepare for hybrid working. This became the focus of our learning and development. We've shaped our approach in response to the direction our work is taking, feedback from our teams, and the recommendations we're making to members and employers embracing the same changes:

- including performance improvement support within our leadership development, focusing on remote team management, performance conversations and preparing for hybrid working
- offering sessions to enhance people's experience of remote working: impactful remote meetings, wellbeing in a remote meeting culture, healthy meeting practices, inclusivity and social connection
- introducing new courses to emphasise the importance of compliance and cybersecurity, in response to the increase in IT equipment and use of home networks
- delivering two Learning At Work weeks, a programme of live learning in October 2020 and an interactive online resource pack in May 2021
- running our 'Flexi Fortnight' with daily live wellbeing sessions – everything from healthy ergonomics and mental wellbeing to reducing stress and improving sleep
- working to support our internal I&D action plan, launching our inclusion series on our learning platform and expanding the diversity of our L&D supplier network
- boosting engagement by empowering people to own their objectives, stretch into their areas for development, and balance their workload and their wellbeing.



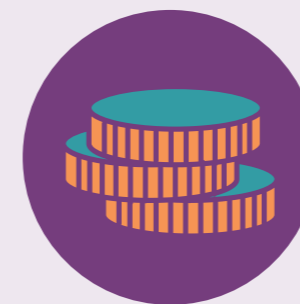
**24 new people managers completed our leadership development programme**



**100% of our people engaged with our learning platform**



**769 courses and 24,000 videos accessed**



**48% more people used their Personal Development Allowance benefit**



**127 people attended performance improvement workshops**



**60% of managers supported live workshops on hybrid working**





**3,239 interactions with L&D online support resources**



**333 Flexi Fortnight wellbeing session attendees**



**2 Learning At Work weeks providing more than 600 individual learning opportunities**

### Recognition

This year we've used a new digital platform to make recognition meaningful, in-the-moment and accessible to everyone. 'Moments We Value' has our values at its core: collaborative, innovative, expert, customer-first and impactful. Our 'Moment of the Month' award is an opportunity to highlight a person, or a team, who has excelled in how they are living our values. We've also used this new platform to celebrate the contribution of our people managers in a year when they have done so much to support their people through new challenges.

### Reward

We continually look to improve our structures and processes around pay and reward. We pay above the voluntary 'Real' Living Wage and benchmark all salaries externally to ensure our compensation is fair, competitive and reflects our charitable status. Our pay ratios fairly reflect the demands and high-profile nature of our Senior Leadership Team roles and our chief executive's ambitious agenda.

The impact of the pandemic presented us with many challenges, and we made the difficult decision not to carry out a salary review in 2019-20. This financial year, thanks to the hard work and innovation of our people, we exceeded our financial expectations and we chose to share this success by making an additional one-off payment of £1,000 to everyone (except members of our Senior Leadership Team).

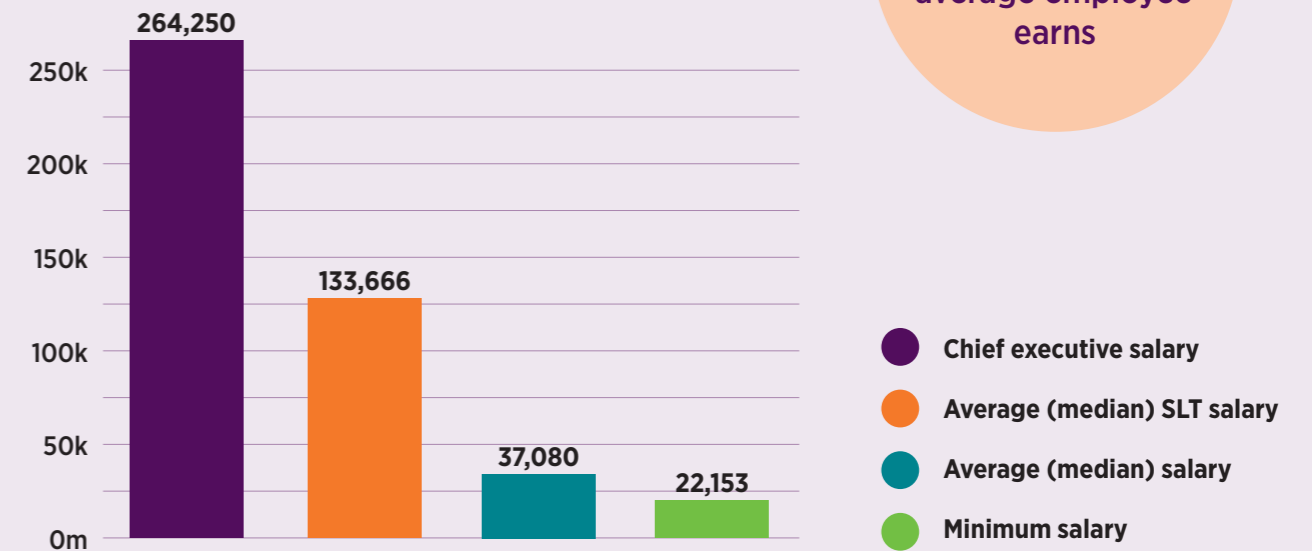
We follow the principle of fair pay, so the salaries our people receive are fair for the job they do and in line with the external job market. This year we did not apply a performance element due to changing priorities and objectives, and the disruption to working arrangements and people's personal situations.

*'I've been completely overwhelmed by all the messages I've received since winning manager of the month. I have such a fantastic team and I'm extremely proud of what they do to engage with our members and customers. The best part of my role is seeing my team members develop, within our team or into different parts of the organisation, and it was great that the judges recognised this.'*

**David Prendergast,**  
Customer Services Manager, CIPD



### Key pay statistics (£)



**Our chief executive earns £7 for every £1 our average employee earns**

- Ratio between our chief executive and our lowest earner 12:1
- Ratio between our chief executive and the average (median) employee 7:1
- Ratio between our median senior leader salary and median employee 2:1

### Chief executive remuneration

The remuneration policy for the chief executive consisted of:

- Base salary – this was set when the chief executive was first appointed in July 2012 and formally reviewed for the first time in March 2017. The chief executive declined all proposed increases in base salary since his appointment until July 2018, when he accepted an increase of 2.3%. There have been no subsequent salary changes.
- Pension – the chief executive did not participate in the CIPD pension scheme during 2020–21.
- Benefits – the chief executive received a car allowance, life assurance cover and cover for private medical insurance benefits during 2020–21.

The CIPD does not operate a bonus scheme, or any form of variable pay, for the chief executive.

### Our gender and ethnicity pay gaps

Gender pay gap data collected on 5 April 2021 revealed a median pay gap of 22.31% (up from 15.16%) and a mean gender pay gap of 17.41% (up from 16.46%) within our UK workforce.

The same data revealed an 11.24% median ethnicity pay gap (down from 20% in 2020) and an 8.68% mean ethnicity pay gap (down from 19.9%).

Our median and mean gender bonus gaps rose to 69.71% and –0.16% respectively. This is mainly driven by a commission scheme that we use to attract and retain key talent to support our ambitious B2B growth targets in our sales team. Our sales team is predominantly male.

The median and mean ethnicity bonus gaps for the same period were 33.83% and 41.54% respectively.



For every £1 a white person earns, a person from a minority ethnic group earns 91p.



For every £1 a man earns, a woman earns 78p.

We are pleased that our ethnicity pay gap has improved since 2020, following the steps we have taken to help create an inclusive culture and organisation. Across the CIPD, one in three of our people are now from a black, Asian, or ethnic minority background, one in four across our Senior Leadership Team.

However, we have seen an increase in our mean and median gender pay gaps. The increase in our gender pay gap is disappointing but not unexpected. We have a low voluntary attrition rate of 9.8% averaged across the year, which means that pay gaps are difficult to change, especially within a small organisation. The largest pay gap is found in the upper quartile pay band, and it is this segment that has seen the fewest people changes. As an organisation with 67.6% women and 32.4% men, the recruitment of just one or two men or the resignation of one or two women at senior levels has a significant impact. This is highlighted by the monthly fluctuations in our median gender pay gap, which has shifted from a low of 13.3% in August 2020 to a high of 23.1% in April 2021, close to the statutory reporting date.

We added two new directors, both male, which shifted the gender balance of our Senior Leadership Team to three women and five men, including the chief executive. However, we have added other direct reports to the chief executive, including heads of programmes, inclusion and diversity, and strategy, who are women. We have also focused our recruitment efforts on bringing in highly skilled roles, predominantly in our Digital and Technology Team, which remains a business area with a much higher proportion of men than women. The addition of men into higher-paying roles in the middle-upper and upper quartiles widens the pay gap.

We are committed to providing a fair and equal experience to everyone who works at the CIPD and we're working hard to ensure that our practices encourage everyone to have the option to work flexibly and in a way that suits them so that they can deliver their best work. We have a principle of fair pay. We are proud that many of our senior roles are already carried out on a flexible basis. The policy changes we have made in areas such as parental leave are focused on enabling new parents to take equal responsibility for childcare commitments. It will take time, but this will help address the imbalance when, primarily, women work flexibly to fulfil family responsibilities.

For more in-depth analysis of our pay gaps, and our action plan for 2021–22, see: [cipd.co.uk/about/who-we-are/cipd-pay-gap-reports](https://cipd.co.uk/about/who-we-are/cipd-pay-gap-reports)



## Managing our finances

A strong financial performance allows us to continue investing in our membership, improve our services and capabilities, and increase our impact and voice.

### Key financial highlights

- **£38.6 million** total revenue
- **£24 million** membership revenue
- **£3.1 million** invested in strategic development projects from our designated funds
- **£2 million** operating surplus

### Income

Our total income was £38.6 million in 2020–21, which was 5% down on the previous year. However, in the uncertain and changeable circumstances, this was significantly ahead of our original forecasts. The revenue areas most impacted were face-to-face events and training programmes.

The largest proportion of our revenue comes from membership subscriptions. During the year, membership numbers increased by 2% to 160,134. Our membership proposition and the support we offered during the year encouraged more members to stay with us.

Our commitment to membership, business-to-consumer (B2C) and business-to-business (B2B) revenues in our international trading subsidiaries was demonstrated with international revenue remaining constant at £4.6 million within a tough trading environment.

B2B revenue within our UK-based trading subsidiary CIPD Enterprises grew strongly by 28% to £2.5 million. This was due to increases in partnership qualifications and steady performances for training, consultancy and assessments.

B2C training suffered due to COVID-19 restrictions, with a revenue of £1 million. Although this was a reduction from the previous year, we still exceeded targets by 10%.



## Expenditure

Operational costs during the year were less than budgeted due to departments working closely with finance to ensure that costs were managed effectively, and with some savings as the business operated remotely. Financial costs and performance were monitored monthly by the Senior Leadership Team and quarterly by the board. With a lot of work and adaptation, for example to more digital delivery, we were able to sustain revenues quite well in most areas, and this enabled us to deliver an operating surplus of £2 million, despite the difficult economic environment.

In 2021, £3.1 million (compared with £1.9 million in 2020) of our designated reserves was invested in our strategic projects to improve our digital infrastructure and capabilities. It has been very important for us to maintain momentum on these critical investments to increase the reach and support we offer through learning content, implementation of our qualifications model, and new assessment routes into and through membership.

## Investments

Our investment strategy for our reserves is to achieve growth above market performance without taking undue risks. This has resulted in strong reserves that allow us to plan long term, improving our membership proposition and increasing our reach and impact across the profession.

The market value of investment assets, other than cash held, at the year-end was £24.1 million (compared with £21.7 million at 30 June 2020). This equates to a gain of £3.9 million after taking into account net withdrawals of £1.6 million. Markets rose during the year as the global economy recovered after the COVID-19 outbreak.

Our portfolio is well diversified across asset classes, and this continues to provide a buffer against the market volatility of recent years. We receive monthly advice from our investment managers, who regularly review our mix of investments and balance the objective of maximising the long-term return on our investments against their risk and liquidity.

We continued our investment policy of strengthening our assessment of environmental, social and governance (ESG) factors before investing in a fund and enhancing our monitoring of each fund manager's policies and procedures.



## Pensions

The CIPD offers all employees in the UK the opportunity to enrol in a group personal pension plan, which is a defined contribution scheme. A similar scheme operates for our employees in Ireland. We also operate a defined benefit pension scheme, which closed to new and existing members in 2012. A professional actuary carried out a triennial valuation of the defined benefit scheme at 1 October 2017. This showed a deficit of £9.7 million and that the scheme's assets were sufficient to cover 82% of the accrued benefits. The funding deficit does not represent a current cash commitment; rather, it reflects the long-term funding required as pensions are paid out to members of the scheme, many of whom have not yet retired. In accordance with the triennial valuation, we are funding the deficit over a recovery period to 2027. More details are given in note 12 to the accounts. The triennial valuation as of 1 October 2020 is currently under way.

The actuary carries out a separate annual valuation in line with Financial Reporting Standard (FRS) 102. This is conducted using different assumptions and therefore results in a different funding deficit. The FRS 102 valuation at 30 June 2021 showed a deficit of £12.9 million, compared with a deficit of £17.1 million as of 30 June 2020. The main reasons for the improvement in the balance sheet position are an increase in long-dated corporate bond yields, the performance of the scheme's investments and an update to mortality data used in estimating future life expectancies. The CIPD contributed £0.7 million to the scheme's deficit during the year.

## Reserves

Free financial reserves are those that are available to be spent on the CIPD's purposes, including our charitable aims. They exclude the pension deficit, as this represents a long-term funding requirement rather than an immediate cash commitment.

These are used to measure current and future liquidity and as protection against the effects of an economic downturn. Consequently, trustees deem that the CIPD should, at all times, maintain free financial reserves sufficient to fund a fall in income of between 15% and 20%. Based on the year to 30 June 2021, this would equate to between £5.8 million and £7.7 million. At 30 June 2021 our free financial reserves were £15.6 million.

We also have a policy of keeping £1 million in cash and readily available funds at any given time. This policy was met, ending the year with a group cash balance of £7.7 million.



## Going concern

We have set out above a review of the CIPD's financial performance during the year and its reserves position at the end of the year. Our planning process, including financial projections, has taken into consideration the current economic climate – in the UK, Ireland, the Middle East and Asia – as well as the market environment in which we operate and its potential impact on our various sources of income and planned expenditure.

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





# Governing our work, managing our risks

Good governance is crucial for the success of all organisations. As a charity, we use the Large Charity Governance Code, and learn from practice in other sectors, to guide our governance practices.

## Our structure and governance

The Chartered Institute of Personnel and Development is incorporated under Royal Charter and is a registered charity in England, Wales, Scotland and Ireland.

Our charitable purpose, as prescribed by our Charter and Byelaws, is to promote the art and science of the management and development of people for the public benefit.

Charities have a legal obligation to report on how they have carried out their purpose for the public benefit. In 2020–21, as organisations started returning their people to the workplace during the COVID-19 pandemic, we have done this in several ways, including:

- providing relevant and timely information and guidance and continuing to influence public policy around, for example, staff and hybrid working practices
- facilitating a range of social impact volunteering programmes, using our members' expertise to help improve working lives in a variety of ways.

Our Charter and Byelaws give the board of trustees the authority to exercise all the powers of the organisation. Board members are directors and charity trustees, with the associated legal responsibilities.

## Governing our work, managing our risks

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## Our board of trustees

The Charter and Byelaws set out the composition of the board, allowing for up to 12 members, including the president, honorary treasurer, vice president membership and professional development, who are all honorary members, and the chief executive, who is an ex officio member. Council elects the chair and five remaining trustees.

In April 2021, Council elected a new chair and two new trustees to the board, as Louise Fisher, Yetunde Hofmann and Anne Sharp's terms of office came to an end.

Louise Fisher completed two terms as CIPD chair, in addition to a previous six years on the board and a year on the Nominations Committee. Yetunde Hofmann and Anne Sharp also completed two terms as trustees. Following a skills gap analysis, we used an open recruitment process, including LinkedIn, which helped us reach a wide and diverse talent pool. The recruitment of the chair was overseen by the president, with the final panel including an independent governance expert. Recruitment of the two other trustees was led by the Nominations Committee. All appointments were subject to satisfactory references and conflict of interest checks.

New trustees received a comprehensive induction using resources from the Charity Commission, internal documentation, and meetings with fellow trustees and senior staff. We recognise the need to keep the knowledge of board members up to date and provide relevant updates and training.



**Professor Sir Cary Cooper CBE**  
President



**Valerie Hughes-D'Aeth**  
Chair of the Board (from April 2021)  
Nominations Committee,  
People, Culture and Remuneration  
Committee



**Shakil Butt**  
Honorary Treasurer,  
Board Champion - Race  
Audit and Risk Committee,  
People, Culture and Remuneration  
Committee



**Nelarine Cornelius**  
Vice President,  
Membership and Professional  
Development



**Peter Cheese**  
Chief Executive  
Nominations Committee



**Dr Andrea Cooper  
OBE**  
Board Champion - CIPD  
Trust



**Jonathan Ferrar**  
Board Champion - Asia  
Pacific,  
Audit and Risk  
Committee



**Caroline Nugent**  
Audit and Risk  
Committee



**Dr Sue Round**  
Board Champion -  
Middle East (from April  
2021)



**Siobhán Sheridan CBE**  
Nominations Committee  
(from April 2021)



**Sharon Whitehead**  
Board Champion - Ireland,  
People, Culture and  
Remuneration Committee  
(May 2021),  
Formerly Nominations  
Committee



**Nicholas Williams**  
Attends Audit and Risk  
Committee



**Louise Fisher**  
Chair of the Board (to  
April 2021),  
People, Culture and  
Remuneration Committee



**Yetunde Hofmann**  
People, Culture and  
Remuneration Committee  
(to April 2021)



**Anne Sharp CBE**  
Audit and Risk Committee  
(to April 2021)

## Trustees' responsibilities

The trustees are responsible for setting our strategic framework, approving the overall budget and major capital projects, and overseeing the management of our affairs, including ensuring that the CIPD fulfils its charitable objects. Day-to-day management of the organisation is delegated to the chief executive (the only executive member of the board) and the Senior Leadership Team.

Each year, the trustees must prepare a report (the Trustees' Report) and financial statements in accordance with applicable law and regulations. Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Charity Law in England and Wales, trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the group's net income and expenditure for that period. In preparing these financial statements, the trustees must:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity and the group will continue to operate
- observe the methods and principles in the Charities SORP.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Institute's Charter and Byelaws. They are also responsible for safeguarding the assets of the group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the maintenance and integrity of the corporate and financial information included on our website.

So far as each of the trustees at the time the report is approved are aware:

- There is no relevant audit information of which the auditors are unaware.
- Trustees have taken all the steps required to make themselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

### Board activity

The board meets regularly to review the delivery of our objectives against the agreed strategy, operational performance and risks. In 2020 it was agreed that the board would increase its formal meetings from four to six a year. However, due to the ongoing pandemic, additional meetings were held in 2020. In February 2021 the board also participated in a strategic planning day with the Senior Leadership Team. All meetings were held virtually and attendance for individual board members is shown below.

Name	Board meetings attended	Sub-committee meetings attended
Valerie Hughes-D'Aeth	1/1	1/1
Louise Fisher	6/6	7/7
Shakil Butt	7/7	8/8
Cary Cooper	7/7	n/a
Nelarine Cornelius	5/7	n/a
Peter Cheese	7/7	12/12
Andrea Cooper	6/7	n/a
Jonathan Ferrar	7/7	4/4
Yetunde Hofmann	6/6	2/2
Caroline Nugent	5/7	4/4
Anne Sharp	6/6	3/3
Sue Round	1/1	n/a
Siobhan Sheridan	1/1	n/a
Nick Williams	6/7	n/a
Sharon Whitehead	7/7	5/5

Following its external evaluation in 2020, the board continued to monitor progress against all recommendations and agreed to conduct an internal board effectiveness review in early 2022. By July 2021, three-quarters of these recommendations had been completed, with two on hold and nine in progress. The board receives quarterly operations reports on the business and has been involved in the development of a scorecard report of key performance indicators, which it will receive each month from September 2021.

During the year, the board approved the CIPD's five-year business plan and the setting up of CIPD Ireland and the CIPD Trust. It closely monitored progress against its Race Action Plan and its inclusion and diversity initiatives, both internally and externally, and appointed a board champion for race. The CIPD's revised risk appetite framework and statement was approved by the board in May 2021, along with a set of business principles. These principles will be used to determine who we work with, either as client, supplier or partner. By setting expectations for ourselves and those we do business with, we hope to grow our influence in how businesses operate environmentally, socially and through their governance standards.

Our business principles set out the expectation that companies should:

- comply with all legislation, regulations and directives applicable to their business and the countries in which they operate
- not be sanctioned by the UK Government or involve the CIPD in countries sanctioned by the UK Government
- agree to or aspire to the Ten Principles of the United Nations Global Compact.

We recognise the need to be pragmatic as we seek to apply these principles to the businesses we work with. Applying them to our risk assessment of third parties will be conducted on a case-by-case basis and may vary based on the nature of the work involved, geographical and geopolitical contexts and jurisdictions, reputational risks associated with their industries, and other factors.

The board has three standing committees and a working party (Investment Working Party), to which it delegates certain functions while retaining overall accountability.

### Audit and Risk Committee

The Audit and Risk Committee is chaired by the honorary treasurer and provides the board with objective oversight of its financial and non-financial risk and control systems. At its quarterly meetings, it continued to oversee how the CIPD manages its strategic and operational risks and provided valuable input into the development of the CIPD's risk appetite framework and statement, ensuring it remained fit for purpose.

During the year, in the light of the pandemic and its impact on our people, the committee undertook a deep-dive review of people and culture risks. It also reviewed the CIPD's internal policies around authorities and delegations, anti-bribery, gifts and hospitality, fraud response, and whistleblowing.

Following the appointment of Sayer Vincent as internal auditors in June 2020, an internal audit plan was developed based on the key areas of risk faced by the organisation in the year ahead. A cybersecurity internal audit was undertaken in early 2021 and an internal audit of the governance arrangements for the CIPD's subsidiary hubs is scheduled for autumn 2021.

In April 2021 the committee conducted its annual review of the CIPD's significant supplier relationships, focusing on the total spend, financial due diligence, contract review dates and value for money. The committee has agreed that next year's supplier report should include details of suppliers where spend was greater than £50,000 in the prior financial year.

In light of the Charity Commission guidance on reporting of serious incidents related to the pandemic by charities, the committee had a standing item at each meeting to review its decision on whether a report should be made to the regulator. There were no reports made in the year.

### Nominations Committee

The Nominations Committee is chaired by the board chair and is responsible for board succession planning and recruitment, supported by the institute secretary. Our aim when filling board appointments is to strengthen its overall capability and continue to improve the diversity of its membership.

Between February and March 2021, the committee ran an open recruitment process for two trustee positions that became vacant in April. The committee made recommendations to the board following the interviews and Council subsequently elected Dr Sue Round and Siobhán Sheridan as trustees at its April 2021 meeting.

The committee also has delegated authority to oversee the process for the appointment of Chartered Companions, the highest level of membership. The board approved 18 members as Companions, nominated for the first time this year by our members, with broad representation in terms of gender, ethnicity, sector and geographical location.

### People, Culture and Remuneration Committee

The committee is chaired by an independent board member and is the only sub-committee that has a CIPD employee as a formal member.

The committee is responsible for monitoring the performance of and setting the pay for the chief executive and Senior Leadership Team.

In 2020–21, the People, Culture and Remuneration Committee continued to oversee our culture, capability and pay policy and expanded its remit to include oversight of inclusion and diversity. It reviewed the work carried out with external experts to help us understand the lived experiences, and potential barriers to inclusion, of our black, Asian and ethnic minority people. It implemented an organisation-wide salary review to address any pay gap issues. And it continued to monitor key people metrics with additional pulse-survey questions introduced around inclusion and diversity.

### Investment Working Party (IWP)

The IWP monitors the performance of the investment portfolio. It meets quarterly to consider the advice of the CIPD's investment adviser, Cambridge Associates, and to agree investment decisions within the range of asset allocation targets agreed by the board. Its membership includes two board members and the chief executive.

Over the year, three funds from the portfolio were sold and the proceeds reinvested with other fund managers. The selection of new fund managers is made carefully by the IWP, taking advice from Cambridge Associates, reviewing the environmental, social and governance credentials of the fund manager and meeting with the relevant investment team. The IWP also agreed the sale of our remaining investment property (a flat in Wimbledon).



## Our Senior Leadership Team

The Senior Leadership Team is led by the chief executive. It is responsible for the development of strategy in conjunction with the board, implementation of the strategy and day-to-day operational management of the CIPD.



**Peter Cheese**  
Chief Executive



**Angela Attah**  
Director of Legal and Governance  
(Institute Secretary)



**David Cox**  
Director of Digital and  
Technology



**David D'Souza**  
Director of Membership



**Jenny Gowans**  
Director of Research,  
Policy and Content



**Tony Osude**  
Director of Commercial  
and Marketing  
(from September 2020)



**Brad Taylor**  
Director of People, OD  
and Workplace  
(to June 2021)



**Victoria Winkler**  
Director of Professional  
Development

## Our subsidiaries and related parties

The CIPD has three active group companies:

- CIPD Enterprises Ltd, its wholly owned trading subsidiary, which is registered in England and Wales
- CIPD Middle East FZ LLZ, which is wholly owned by CIPD Enterprises Ltd and registered in Dubai in the United Arab Emirates
- CIPD Asia Ltd, which is a not-for-profit wholly owned subsidiary, limited by guarantee and registered in Singapore.

CIPD Ireland has been included in the CIPD Charity's financial statements as a branch. From 1 July 2021, CIPD Ireland has become a separate legal entity and a subsidiary of the CIPD. It is a company limited by guarantee and currently awaiting charitable status in Ireland.

The Charities SORP (FRS 102) requires disclosure of transactions between related parties, details of which are given in note 15 to the financial statements.

## Our professional advisors

We reappointed Haysmacintyre LLP as our external auditors following a vote at the December 2020 annual general meeting.

<b>Auditors</b> <b>Haysmacintyre LLP</b> 10 Queen St Pl London EC4R 1AG	<b>Bankers</b> <b>Lloyds Bank plc</b> 3 St George's Road London SW19 4DR
<b>Legal advisers</b> <b>Withers LLP</b> 16 Old Bailey London EC4M 7EG	<b>Investment advisers</b> <b>Cambridge Associates Ltd</b> 80 Victoria Street, Cardinal Place London SW1E 5JL (until 31 October 2021)

## How we manage risk

The board of trustees has overall responsibility for overseeing the effective management of risk throughout the organisation. The board reviews the status of corporate risks at each of its bimonthly meetings, while delegating more in-depth reviews to the Audit and Risk Committee.

Day-to-day responsibility for risk management sits with members of the Senior Leadership Team, who are also responsible for overseeing operational risks in their areas and identifying any links with our corporate risks.

Our internal auditors, Sayer Vincent, work with us to develop an audit plan based on potential corporate risks. They provide independent assurance to the board that we have the required mitigations and controls in place. The implementation of recommendations made by the internal auditors is monitored by the Audit and Risk Committee.

The continued impact of the pandemic has tested our resilience as a business and the strength of our overall risk management framework. Previously identified risks related specifically to COVID-19 have the potential to hinder the achievement of our strategic objectives and to demonstrate the importance of the people profession to businesses as they navigate through the pandemic. The board has assessed these risks and opportunities and subsumed them into other areas of risk.

## Risk appetite

In 2020, our board effectiveness review identified the need for a clearer risk appetite framework and statement. The board wanted to set out which areas of risk it is intolerant of and which it will accept in pursuit of its charitable purpose. The risk appetite statement is used to inform behaviours and decision-making at all levels of the organisation, and specifically in identifying strategic risks and appropriate mitigations against them.

The risk appetite framework and statement were developed with input from the Audit and Risk Committee and approved by the board in May 2021. The committee will review the risk appetite framework every other year or sooner, should circumstances warrant it.

The risk appetite statement is as follows:

The CIPD is committed to championing better work and working lives. Its approach to doing this is to build professionalism and professional capital, underpinned by operational excellence to ensure it can sustain and support its operations effectively.

It operates within a low overall risk range, with its lowest risk appetite relating to compliance and the welfare and wellbeing of people. A marginally higher risk appetite is accepted for finance, delivery and technology risks. Its highest risk appetite relates to achieving its strategic objectives and to increase its reach and impact. For these, the CIPD is willing to accept measured risk in undertaking new business development opportunities globally and in speaking out on topics relating to the world of work, the people profession, and to build professionalism and professional capital.

## Risk evaluation and response

We evaluate each risk based on its potential impact on the achievement of our objectives and the likelihood of its occurrence, given any current controls. We apply this approach consistently throughout the organisation but use different thresholds for measuring the impact of corporate and team risks.

GROWING A STRONG COMMUNITY (BUILDING PROFESSIONALISM)	
RISK AND IMPACT	CONTROLS AND MITIGATION
<p>Challenge to the perceived relevance of membership to employers, and to the relevance of the whole HR profession. The Profession Map and overall qualifications lose relevance.</p> <p><b>Impact:</b> Short-term and long-term decline in membership.</p>	<p>We have developed our market intelligence and regularly monitor the competitive landscape. Our increased connections to senior people professionals and other membership bodies help us stay attuned to sentiment regarding the CIPD and broader market change. Prioritised investment in digital experience, community and relevant content ensures we remain relevant, in line with feedback from our members. We continue to react to market changes and ensure our evidence, research and key message positions are up to date and well understood.</p>

<p>New products and services do not meet requirements of existing and future customers in current and future markets and/or we are unable to provide customer support for clients across multiple geographies.</p> <p><b>Impact:</b> Market expansion hindered and loss of credibility as an organisation.</p>	<p>We are managing our expansion as part of our Vision and Ambition work with Programme Management Office involvement. The scaled pilot programmes for the CIPD Learning Hub will provide further insights as to the required level of support needed at launch. We are piloting, testing and gathering customer insights and broader market intelligence to help ensure we develop our understanding of customer requirements and we are investing more in the capability and capacity of our Strategic Insight Team.</p>
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MAKING THE CASE FOR BETTER WORK (BUILDING PROFESSIONAL CAPITAL)	
RISK AND IMPACT	CONTROLS AND MITIGATION
<p>Inappropriate response to political, economic, social-cultural and environmental situations, or from our association with countries, companies or individuals who may have poor working practices.</p> <p><b>Impact:</b> Reputational and brand damage, long-term decline in membership and potential impact on growth plans.</p>	<p>Our risk appetite framework and business principles are used to risk-assess existing or potential contracts. We control the use of our brand and identity through contract arrangements and have policies to clarify the nature of our association with other organisations, with provision for break clauses. Our Code of Professional Conduct provides clear guidance and helps us manage member misconduct.</p>
<p>Failure to deliver our purpose due to inadequate response to COVID-19 and other current events, missing the opportunity to give clear messaging on ways of working, the criticality of the people profession in business decisions and demonstrating our relevance.</p> <p><b>Impact:</b> Damage to the profession, long-term decline in membership and an inability to fulfil our charitable purpose.</p>	<p>Our established approach to response work allows us to produce timely, relevant content across all channels. We offer support to the HR community and employers more widely via our coronavirus hub and other online advice. Our virtual learning options and new learning management system ensure we maintain revenues and relevance for our members. On inclusion and anti-racism, we continue to speak publicly about what needs to change and to develop our content, policy and guidance around diversity.</p>

IMPROVING HOW WE WORK (OPERATIONAL EXCELLENCE)	
RISK AND IMPACT	CONTROLS AND MITIGATION
<p>Ongoing information security threats and vulnerabilities. These include malicious attacks, user or system errors or failures, mismanagement of systems and information, non-compliance with data protection regulations and risk exposure for systems that are out of support contract.</p> <p><b>Impact:</b> Reputational, financial, legal, regulatory or contractual compliance damage, client and partner loss and information loss or theft.</p>	<p>We have strengthened our legal and governance oversight of cybersecurity and continue to monitor interdependencies between internal and external systems. In July 2021, we achieved Cyber Essentials Plus reaccreditation, evaluating our controls against ISO 27001, and have data-cleansed all core systems. We regularly monitor our cybersecurity risks, and new major incident and change management processes are now operational.</p> <p>We continue to provide GDPR and cybersecurity training to all staff and board members, and ensure all partners undergo security reviews prior to contract.</p>
<p>We fail to implement the digital benefits and operational improvements to our members in time or fail to communicate the digital benefits clearly.</p> <p><b>Impact:</b> Lost opportunity and erosion of our perceived relevance in the increasingly digital marketplace, leading to a drop in membership and reach.</p>	<p>Our Programme Management Office continues to drive implementation, adopting a phased rollout and agile working to embed learnings as we go. Our digital transformation roadmap for 2021-22 has been approved with the necessary additional resources to ensure cultural changes are implemented successfully. We continue to adapt to the new ways of working and deliver digital benefits for our customers.</p>
<p>Inability to identify, attract and retain skilled people leads to capacity and delivery issues. Insufficient alignment to our values and associated behaviours has a negative impact on culture and engagement. Poor managerial conduct leads to employment tribunal claims. Changes to a hybrid working model led to management challenges, loss of cohesion. Inclusion challenge of integrating people back into the workplace.</p> <p><b>Impact:</b> Reputational damage and an inability to achieve our objectives, drive change and deliver our strategy.</p>	<p>We continuously review our required skills, resulting in training and new role-creation as appropriate, and have broadened our recruitment pool geographically. Our 'Voice' employee engagement tool provides ongoing data for monitoring engagement and satisfaction. Ongoing training, expectation-setting, performance management and assessment, and support is provided for managers. Our focused programme of consultation and engagement with our people is delivered by a multidisciplinary project team and supported by external specialist consultants.</p>
<p>Financial impact of the pandemic and ongoing economic uncertainty, with the speed and extent of recovery in affected markets impacting revenues and surplus.</p> <p><b>Impact:</b> Need to cut back on planned strategic projects resulting in longer-term strategic and financial risks.</p>	<p>Our financial models are based on different projections and mitigating actions developed to protect net surplus/deficit position. We have reserves in place and additional actions to take if surplus numbers deteriorate, and we run regular forecasts to track our financial position.</p>

<p>Risks relating to the concurrent delivery of key strategy projects and supply chain impact if partners are affected by illness, competitive demand for skillsets, or changing legal requirements for contract resource.</p> <p><b>Impact:</b> Delay in delivery of outputs and key dependency impacts.</p>	<p>Our Programme Management Office, supported by the Project Investment Board, ensures alignment between all delivery programmes by managing dependencies, resourcing effectively and aligning key decisions and activities. We are closely monitoring how our partners are affected by the pandemic and the plans they have in place to ensure continuity of supply.</p>
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INTERNATIONAL RISKS	
RISK AND IMPACT	CONTROLS AND MITIGATION
<p>Inappropriate response to political and diplomatic shifts or incidents in higher-risk countries in Asia, North Africa and the Middle East, given our associations there, and potentially in Europe as business opportunities increase there.</p> <p><b>Impact:</b> Reputational damage from working internationally.</p>	<p>We continue to monitor activities in higher-risk areas and keep in close contact with our international offices to understand local insights and monitor existing and future potential relationships. We monitor FCO guidance and have good connections with the British Embassy in Saudi Arabia. We remain cognisant of the relationships we develop with commercial and public sector entities, their impact on our reputation and their alignment to our values and business principles.</p>
<p>Negative impact of Brexit on the Irish marketplace and risk that UK-centric content does not work for international businesses. Divergence from EU standards and content relevancy (EU directives). Restrictions on staff movement and availability of talent. Currency fluctuation, greater price sensitivity, tighter corporate spend and macro-economic change.</p> <p><b>Impact:</b> Loss of B2B work in Europe, limitations on staffing and rise in the cost of doing business internationally.</p>	<p>Our Brexit support hub and blogs on our website offer advice and policy recommendations to employers and members. We monitor regulatory developments regularly and have provided our 30+ EU employees with specific guidance to support them. Our Investment Working Party reviews investment risks every quarter, with advice from our investment advisers, Cambridge Associates, in the context of the wider economic scene, including the impact of both COVID-19 and Brexit.</p>

By order of the board

**Angela Attah LLB FCG**

Institute Secretary

10 November 2021





# Independent auditor's report to the trustees of the Chartered Institute of Personnel and Development

## Opinion

We have audited the financial statements of the Chartered Institute of Personnel and Development for the year ended 30 June 2021, which comprise the Consolidated Statement of Financial Activities, Group and Charity Balance Sheets, Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the Chair, President and Chief Executive Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on **page 59**, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group charity or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the group and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity's Royal Charter, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

## Haysmacintyre LLP

Statutory Auditors  
10 Queen Street Place, London, EC4R 1AG

16 November 2021

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

**Consolidated statement of financial activities for the year ended 30 June 2021**

Consolidated statement of financial activities	Note	General fund £'000	Designated fund £'000	Restricted fund £'000	Total 2021 £'000	Total 2020 £'000
<b>Income from:</b>						
<b>Charitable activities</b>						
To advance the management and development of people through:						
Membership services and education		29,050	-	-	29,050	29,440
Research		17	-	95	112	313
Branches		88	-	-	88	227
<b>Other trading activities</b>						
Commercial income	2(b)	9,253	-	-	9,253	10,510
<b>Investments</b>	2(c)	50	-	-	50	169
<b>Total income</b>		<b>38,458</b>	<b>-</b>	<b>95</b>	<b>38,553</b>	40,659
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Commercial expenditure	2(a)	(8,089)	-	-	(8,089)	(9,632)
Investment management costs		(50)	-	-	(50)	(50)
<b>Charitable activities</b>						
Membership services and education	2(a)	(22,096)	(651)	-	(22,747)	(23,232)
Research		(4,876)	(425)	(189)	(5,490)	(5,621)
Branches		(1,367)	(20)	-	(1,387)	(2,081)
<b>Total expenditure</b>		<b>(36,478)</b>	<b>(1,096)</b>	<b>(189)</b>	<b>(37,763)</b>	(40,616)
<b>Net income/(expenditure) before gains and losses on investments</b>						
		1,980	(1,096)	(94)	790	43
Net gains/(losses) on investments	7	3,910	-	-	3,910	131
<b>Net income/(expenditure)</b>		<b>5,890</b>	<b>(1,096)</b>	<b>(94)</b>	<b>4,700</b>	174
Transfers between funds	11	492	(492)	-	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>						
		6,382	(1,588)	(94)	4,700	174
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension scheme	12	3,695	-	-	3,695	(5,790)
Gains/(losses) on revaluation of overseas subsidiaries		676	-	-	676	36
<b>Net movement in funds</b>		<b>10,753</b>	<b>(1,588)</b>	<b>(94)</b>	<b>9,071</b>	(5,580)
<b>Reconciliation of funds</b>						
Net fund balances brought forward		2,679	14,267	170	17,116	22,696
<b>Net fund balances carried forward</b>		<b>13,432</b>	<b>12,679</b>	<b>76</b>	<b>26,187</b>	17,116

The statement of financial activities includes all recognised gains and losses for the year.

# Financial statements

## Consolidated group and charity balance sheets at 30 June 2021

	Note	Group 2021 £'000	2020 £'000	Institute 2021 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	5	7,619	7,853	7,462	7,763
Intangible assets	6	1,999	64	1,999	64
Investments	7	28,443	25,713	31,402	27,321
		<b>38,061</b>	33,630	<b>40,863</b>	35,148
<b>Current assets</b>					
Debtors	8	5,247	6,201	5,801	6,656
Cash at bank and in hand	9	7,663	5,712	2,963	3,735
		<b>12,910</b>	11,913	<b>8,764</b>	10,391
<b>Creditors</b>					
Amounts falling due within one year	10	(11,799)	(11,273)	(9,183)	(9,285)
<b>Net current assets/(liabilities)</b>		<b>1,111</b>	640	<b>(419)</b>	1,106
<b>Net assets excluding pension liability</b>					
		<b>39,172</b>	34,270	<b>40,444</b>	36,254
<b>Provisions</b>					
Defined benefit pension scheme liability	12	(12,940)	(17,064)	(12,940)	(17,064)
		<b>26,187</b>	17,116	<b>27,469</b>	19,100
<b>Net assets including pension liability</b>					
		<b>26,187</b>	17,116	<b>27,469</b>	19,100
<b>Funds</b>					
General fund	11	26,372	19,743	27,654	21,727
Pension liability		(12,940)	(17,064)	(12,940)	(17,064)
<b>Net general funds</b>		<b>13,432</b>	2,679	<b>14,714</b>	4,663
<b>Designated funds</b>					
	11	12,679	14,267	12,679	14,267
<b>Net unrestricted funds</b>		<b>26,111</b>	16,946	<b>27,393</b>	18,930
<b>Restricted funds</b>					
	11	76	170	76	170
<b>Total funds</b>		<b>26,187</b>	17,116	<b>27,469</b>	19,100

The financial statements were approved and authorised for issue by the trustees on 10 November 2021 and were signed on their behalf by:

Valerie Hughes-D'aeth  
Chair of the Board

Shakil Butt  
Honorary Treasurer

The notes on pages 78–98 form part of these financial statements.

## Consolidated cashflow statement for the year ended 30 June 2021

	Note	2021 £'000	2020 £'000
<b>Net cash flows from operating activities</b>			
<b>3,088</b> (281)			
<b>Cash flows from investing activities</b>			
Income from investments	2(c)	49	119
Interest received	2(c)	1	50
Proceeds from the sale of tangible fixed assets	5	-	-
Purchase of tangible fixed assets	5	(375)	(143)
Development of intangible fixed assets	6	(1,992)	-
Proceeds from sale of investments	7	3,931	4,137
Purchase of investments	7	(2,367)	(4,457)
(Increase)/Decrease in cash deposits (Investment asset)	7	(384)	273
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,137)</b>	(21)
<b>Change in cash and cash equivalents in the year</b>			
		<b>1,951</b>	(302)
<b>Cash and cash equivalents at the beginning of the year</b>			
		<b>5,712</b>	6,014
<b>Cash and cash equivalents at the end of the year</b>			
	9	<b>7,663</b>	5,712
<b>Notes to the cashflow statement</b>			
<b>(a) Reconciliation of net income to net cashflow from operating activities</b>			
<b>Net Income</b>			
		<b>4,700</b>	174
Depreciation charge – tangible assets	5	546	631
(Gains)/losses on investments	7	(3,910)	(131)
(Gains)/losses on disposal of tangible fixed assets	7	58	32
(Gains)/losses on disposal of intangible fixed assets		-	17
Dividend, interest and rents from investments	2(c)	(50)	(169)
Depreciation charge – intangible assets	6	57	465
Foreign exchange reserves movement		681	22
Payment to pension scheme per funding plan	12	(700)	(838)
Non-actuarial increase in pension liability	12	271	275
Decrease/(increase) in debtors	8	954	(262)
Increase/(decrease) in creditors	10	526	369
Increase/(decrease) in provisions	13	(45)	(866)
<b>Net cash flows from operating activities</b>		<b>3,088</b>	(281)
<b>(b) Analysis of cash and cash equivalents</b>			
Cash in hand	9	7,663	5,712
<b>Total cash and cash equivalents</b>		<b>7,663</b>	5,712

## Notes to the financial statements for the year ended 30 June 2021

### 1 Principal accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) 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 2019 – and the requirements of the Charities Act 2011.

The functional currency of the CIPD is considered to be GBP because that is the currency of primary economic environment in which the group operates.

There are no material uncertainties that call into doubt the CIPD's ability to continue in operation. The trustees have considered the impact of the coronavirus pandemic and future budgets and forecasts. Accordingly, the financial statements have been prepared on a going concern basis as discussed within the Trustees' Report.

#### (b) Consolidation

The group financial statements include the results of the CIPD, its branches and its subsidiaries, which are consolidated on a line-by-line basis. Please refer to note 2(b) to the accounts for the results for the trading subsidiaries. Note 11 sets out the movements in the Institute's funds including incoming and outgoing resources.

CIPD Enterprises Ltd entered into a profit-share arrangement with Avado to offer digital qualifications to the market which ended during the year. As guided by the Charity SORP (FRS 102), the arrangement has been reported as a jointly controlled operation which requires the consolidated accounts of both parties to recognise assets that each party controls and liabilities incurred, with expenses incurred and share of income.

The results of overseas subsidiaries and branches have been translated into sterling using exchange rates prevailing at the balance sheet date. Exchange differences arising from retranslating the opening net investment in overseas subsidiaries at the closing exchange rates are recorded as movements in the general fund.

#### (c) Income

All income, including investment income, is accrued and included in the Statement of Financial Activities when the group is entitled to the income, receipt is probable and the amount can be quantified reliably. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet. Income from subscriptions, which is our largest individual source of income, is recognised referring to the period over which the subscription relates.

Volunteers continue to be an integral part of the CIPD, working with us across the organisation in every area of our work. Their wide spectrum of skills, experience and expertise strengthens our organisation by enabling us to better support our members and engage the wider HR community in what we do. On a wider community level, many CIPD members volunteer their experience in our community investment programmes. Our branch volunteers use their skills to promote the CIPD and give back to the profession, with a number of members acting as mentors in our Steps Ahead Mentoring programme and others engaged with our Enterprise Adviser programme run by the Careers and Enterprise Company.

In accordance with the SORP, no monetary value has been attributed to the work of volunteers, though their involvement is considered vital to the activities of the charity.

#### (d) Expenditure

**Membership and education** include the costs of administering and providing direct services to members, developing professional standards, providing educational services to members and supporting educational centres which offer the Institute's qualifications. Commercial activities are disclosed as charitable where they are deemed to give rise to direct membership benefit.

**Research** includes the cost of commissioning and undertaking research and the dissemination of research and practical information to members and the public.

**Branches** include the central and local costs of the Institute's branch network, which offers CPD and networking events for members nationwide.

**Commercial activities**, through our strategic partnerships, comprise a courses and conferences programme, a publishing facility for books and training materials, and an HR consultancy business for organisations. It also manages the relationship with the publisher of the CIPD's journal, *People Management*.

**Investment management** costs include fees paid to the Institute's investment advisers and fund managers.

**Support costs** such as general management, governance, human resources, finance, information systems, strategy, performance and premises costs are allocated across the various categories of our expenditure. The basis of allocation has been explained in note 2(a) to the accounts.

#### (e) Operating leases

Payments in respect of operating leases are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

#### (f) Fixed assets, depreciation and amortisation

##### Tangible assets

Tangible assets are stated at cost net of depreciation and any provisions for impairment.

Depreciation is provided on a straight-line basis on the cost of fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land or assets under construction. The depreciation period for other assets is shown below.

Office equipment	3–4 years
Freehold buildings (from date of first use)	25 years
Leasehold buildings (from date of first use)	Over life of lease

Assets with a cost below £2,500 are not capitalised.

##### Intangible assets

Intangible assets are stated at cost net of depreciation and any provisions for impairment.

Depreciation is provided on a straight-line basis on the cost of fixed assets to write them down to their estimated residual values over their expected useful lives.

Website development costs	3 years
Developed IT hardware/software	5 years

Website planning costs are charged to the Statement of Financial Activities as incurred. Other website costs are capitalised as a fixed asset only where they lead to the creation of an enduring asset delivering tangible future benefits whose value is at least as great as the amount capitalised. An impairment review is undertaken of the net asset value of the website at each balance sheet date. Expenditure to maintain or operate the developed website is charged to the Statement of Financial Activities.



Costs incurred in the development of new web-based commercial products are depreciated on a standard cost of goods sold basis over the shorter of three years or the estimated useful economic life of the products concerned.

Developed IT hardware/software relates to our membership and finance systems.

#### **(g) Investments**

Investments are stated in the balance sheet at market value. Realised and unrealised gains and losses in the year based on market value are recognised in the Statement of Financial Activities. Investment properties are shown at trustees' estimate of their open market valuation using a nationally available house price index calculator. Bank interest is accounted for on a receivable basis; other investment income is accounted for when received.

Investments in subsidiary undertakings are included at cost or fair value at acquisition, subject to any impairment.

Liquid resources are funds held at bank which require more than 24 hours' notice to access.

#### **(h) Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of impairment losses. Prepayments are valued at the amount prepaid, net of any trade discounts due. Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **(i) Pension schemes**

The CIPD Group Personal Pension Plan and the CIPD Money Purchase Pension Plan are UK-based defined contribution schemes. The Institute also makes contributions to defined contribution schemes for its staff in Ireland. The charges to the Statement of Financial Activities for defined contribution schemes are the amounts payable in respect of the accounting year.

The CIPD Staff Retirement Scheme is a defined benefit scheme. It is accounted for in accordance with FRS 102. The notional net interest charge on the FRS 102 deficit, the expected return on assets and the current service cost have been allocated across the resources expended categories based on pensionable payroll. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high-quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Appropriate adjustments are made for actuarial gains or losses which are recognised in other recognised gains and losses in the Statement of Financial Activities.

#### **(j) Taxation**

The CIPD is a registered charity and its income is applied solely for charitable purposes. As a result, it is entitled to rely upon the taxation exemption granted by the Corporation Tax Act 2010. Where possible, the profits of the CIPD's trading subsidiaries are donated to the CIPD under Gift Aid.

#### **(k) Fund accounting**

The Institute has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

##### **General fund**

This contains funds that are spent at the discretion of the trustees in furtherance of the objects of the charity, and includes reserves in line with our policy to maintain sufficient realisable reserves to cover the estimated cash impact of a pessimistic financial scenario.

##### **Designated funds**

The Institute may at its discretion set aside funds for specific purposes that would otherwise form part of the general reserves of the organisation. The Institute sets aside funds, supported by cash and investments, in respect of a variety of activities that are explained in more detail below. As such, they are not available for other purposes. Designated funds are listed out in note 11 to the accounts.

##### **Restricted funds**

The Institute may, from time to time, receive funds from external sources for specific purposes. These funds are not available for other purposes and are segregated in our accounts. Restricted funds are listed out in note 11 to the accounts.

#### **(l) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance. The following area is considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

##### **Pension liability**

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of changes in these assumptions.

#### **(m) Public benefit**

The Institute's charitable objects include the promotion of the art and science of the management and development of people for the public benefit. Details on how the Institute delivers public benefit are included in the Trustees' Report.

**2a Expenditure**

	Direct costs £'000	Support costs £'000	Total 2021 £'000	Direct costs £'000	Support costs £'000	Total 2020 £'000
<b>Raising funds</b>						
Commercial activities	4,358	3,731	8,089	6,076	3,556	9,632
Investment management	50	-	50	50	-	50
<b>Charitable activities</b>						
Membership and education	16,922	5,825	22,747	17,508	5,724	23,232
Research	4,253	1,237	5,490	4,468	1,153	5,621
Branches	1,047	340	1,387	1,625	456	2,081
<b>Total</b>	<b>26,630</b>	<b>11,133</b>	<b>37,763</b>	<b>29,727</b>	<b>10,889</b>	<b>40,616</b>

**Allocation of support costs**

	General management £'000	IT £'000	Finance £'000	HR £'000	Premises £'000	Governance £'000	Total 2021 £'000
<b>Raising funds</b>							
Commercial activities	109	1,991	453	640	522	16	3,731
<b>Charitable activities</b>							
Membership and education	766	2,871	654	727	789	18	5,825
Research	171	642	146	132	143	3	1,237
Branches	48	181	41	33	36	1	340
<b>Total 2021</b>	<b>1,094</b>	<b>5,685</b>	<b>1,294</b>	<b>1,532</b>	<b>1,490</b>	<b>38</b>	<b>11,133</b>

	General management £'000	IT £'000	Finance £'000	HR £'000	Premises £'000	Governance £'000	Total 2020 £'000
<b>Raising funds</b>							
Commercial activities	159	1,604	397	646	730	20	3,556
<b>Charitable activities</b>							
Membership and education	1,095	2,283	565	734	1,025	22	5,724
Research	230	481	119	133	186	4	1,153
Branches	104	217	54	33	47	1	456
<b>Total 2020</b>	<b>1,588</b>	<b>4,585</b>	<b>1,135</b>	<b>1,547</b>	<b>1,987</b>	<b>47</b>	<b>10,889</b>

**Basis of apportionment**

General management, IT and finance

Apportioned across commercial activities based on estimate of actual use.  
Apportioned across charitable activities based on levels of total unrestricted charitable expenditure.

HR, premises and governance

Apportioned across all direct costs, both commercial and charitable, on the basis of total headcount.

**Total expenditure includes:**

	2021 £'000	2020 £'000
Auditor's remuneration:		
Audit fees – current year provision	50	48
Other services	12	12
Operating lease rentals		
Plant and machinery	39	20
Other assets, including land and buildings	363	387
Depreciation	603	1,096

**2b Subsidiary companies**

(i) At the balance sheet date, the CIPD owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

	CIPD Enterprises Ltd		CIPD Asia Ltd		CIPD Middle East FZ LLC <sup>1</sup>	
Country of registration	England and Wales		Singapore		Dubai	
Immediate holding co.	CIPD		CIPD		CIPD Enterprises Ltd	
Holding	3,000,000 £1 shares		Limited by guarantee		14,800 AED 1,000 shares	
Activity	Training, events, publishing and the development of people via organisational training and consultancy		Promotion of membership and the management and development of people		Promotion of membership and the management and development of people	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total assets	7,514	7,510	502	304	3,216	1,797
Total liabilities	4,233	4,229	994	806	1,352	728
	<b>3,281</b>	<b>3,281</b>	<b>(492)</b>	<b>(500)</b>	<b>1,864</b>	<b>1,069</b>
<b>Represented by:</b>						
Share capital	3,000	3,000	-	-	2,910	3,270
Reserves	281	281	(492)	(500)	(1,046)	(2,201)
<b>Results for the year:</b>						
Income <sup>3</sup>	6,007	8,551	948	659	2,242	1,691
Expenditure	5,501	7,693	940	1,114	1,308	1,592
<b>Net profit/(loss)</b>	<b>506</b>	<b>858</b>	<b>8</b>	<b>(455)</b>	<b>934</b>	<b>99</b>
Gift Aided to the CIPD	(506)	(858)	-	-	-	-
<b>Retained in subsidiary</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(455)</b>	<b>934</b>	<b>99</b>

1 CIPD Middle East FZ LLC was incorporated on 13 August 2015 as a Free Zone Limited Liability company and operates in the UAE under a licence issued by the Government of Dubai, Dubai Creative Cluster Authority. The entity is licensed to provide services mainly related to HR consultancy.

2 Commercial income and expenditure in the Consolidated Statement of Financial Activities is derived from our UK trading arm, CIPD Enterprises Ltd, with the following adjustments: commercial income also includes inward sponsorship of CIPD events, which is recorded in the accounts of the Institute. Commercial expenditure includes a higher apportionment of support costs than included in CIPD Enterprises' standalone accounts.

3 CIPD Asia Ltd's income includes £nil (2020: £360,000) funding from the CIPD provided in the form of a grant.

(ii) Our Ireland operation was included as a branch within the CIPD for the year ended 30 June 2021. From 1 July 2021 the Irish operation was transferred to a new subsidiary of the CIPD, CIPD Ireland.

(iii) During the year, there were a number of transactions between group companies, relating to either (a) expenditure paid by the CIPD or CIPD Enterprises Ltd on behalf of another group company and recharged to them, or (b) internal operational costs incurred by the CIPD or CIPD Enterprises Ltd and apportioned to other group companies as appropriate. These transactions were as follows:

**Total expenditure includes:**

	Transactions during the year £'000	Balance outstanding at year end £'000
<i>Amounts due to the CIPD:</i>		
from CIPD Middle East FZ LLC	1,051	100
from CIPD Asia Ltd	444	815
from CIPD Enterprises Ltd	(1,636)	2,175

**2c Investment income**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Bank interest	1	50
Income from investment property	-	13
Income from other investments	<b>49</b>	106
	<b>50</b>	169

**2d Grants**

Membership and education income includes a £67,000 government grant (2020: £25,000) relating to the Coronavirus Job Retention Scheme. The total grant of £92,000 was subsequently paid back to the Government prior to the year end. The decision to make this ex-gratia repayment was made as the organisation's finances were stronger at the end of the year than were anticipated at the point furlough applications were made. Trustees approved the repayment at their meeting on 15 July 2021.

**3 Staffing (excluding trustees)**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Salaries	<b>15,912</b>	14,680
Social security costs	<b>1,479</b>	1,331
Pension costs	<b>1,173</b>	1,176
Benefits in kind	<b>326</b>	461
	<b>18,890</b>	17,648

The pension costs shown above include the service cost for the year for the CIPD Staff Retirement Scheme and the actual payments made into defined contribution schemes.

Excluding the chief executive (note 4 below), higher-paid employees were remunerated as follows

	<b>2021</b>	2020
	<b>number</b>	number
£60,000–£69,999	<b>17</b>	14
£70,000–£79,999	<b>14</b>	13*
£80,000–£89,999	<b>5</b>	4
£90,000–£99,999	<b>4</b>	4
£100,000–£109,999	<b>5</b>	5
£110,000–£119,999	<b>2</b>	1
£120,000–£129,999	<b>1</b>	2
£130,000–£139,999	<b>1</b>	1
£140,000–£149,999	<b>2</b>	2*
£150,000–£159,999	<b>0</b>	1*

\* The bandings marked with an asterisk include redundancy payments for certain individuals and hence do not constitute the normal or ongoing compensation.

Of the higher-paid employees, nine (2020: ten) were members of the CIPD Staff Retirement Scheme. The Institute contributed £275,000 into the defined contribution schemes for 48 of the higher-paid employees (2020: £298,000 for 39 employees).

In 2021, the key management personnel of the charity comprised the trustees and Senior Leadership Team - the chief executive, the director of membership, the director of commercial and marketing, the director of legal and governance, the director of digital and technology, the director of professional development, the director of research policy and content, and the director of people, OD and workplace.

The total employee benefits of the senior leadership team (excluding the chief executive) were £947,000 (2020: £1,154,000).

The average monthly number of employees during the year was 370 (2020: 354), representing a full-time equivalent of 345 (2020: 329).

The average monthly number of employees working in charitable activities, including support and management and administration, was 292 (2020: 261), and 78 (2020: 93) employees worked in activities for generating funds.

The cost of general agency support and consultants was £1,750,000 (2020: £1,769,000), mainly in relation to the delivery of strategic projects and IT activities.

Redundancy and termination payments totalled £410,000 (2020: £325,000).

**4 Trustees' emoluments**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Chief executive (only paid trustee)</b>		
Salary	<b>264</b>	264
Pension contributions	-	-
Benefits in kind	<b>5</b>	5
<i>Emoluments</i>	<b>269</b>	269

Details on how the chief executive's remuneration is determined are given in the Trustees' Report on page 50. The figures above represent the emoluments of the chief executive for that role, not as a trustee.

The other members of the board of trustees receive no remuneration for their services or for volunteering their time. During the year, a total of £140 (2020: £12,167) was reimbursed to, or paid on behalf of, one (2020: 8) trustee or paid directly on their behalf.

**5 Tangible fixed assets**

Group	Assets under construction £'000	Freehold land £'000	Freehold property £'000	Leasehold property £'000	Office equipment £'000	Total £'000
<b>Cost</b>						
At 1 July 2020	-	3,884	9,172	656	879	14,591
Additions	56	-	-	180	139	375
Disposals	-	-	-	(372)	(174)	(546)
Foreign exchange	-	-	-	(13)	(7)	(20)
<i>At 30 June 2021</i>	<b>56</b>	<b>3,884</b>	<b>9,172</b>	<b>451</b>	<b>837</b>	<b>14,400</b>
<b>Depreciation</b>						
At 1 July 2020	-	-	5,608	418	712	6,738
Charges for the year	-	-	375	68	103	546
Disposals	-	-	-	(310)	(178)	(488)
Foreign exchange	-	-	-	(9)	(6)	(15)
<i>At 30 June 2021</i>	-	-	<b>5,983</b>	<b>167</b>	<b>631</b>	<b>6,781</b>
<b>Net book value</b>						
At 1 July 2020	-	3,884	3,564	238	167	7,853
<b>At 30 June 2021</b>	<b>56</b>	<b>3,884</b>	<b>3,189</b>	<b>284</b>	<b>206</b>	<b>7,619</b>

Institute	Assets under construction £'000	Freehold land £'000	Freehold property £'000	Leasehold property £'000	Office equipment £'000	Total £'000
<b>Cost</b>						
At 1 July 2020	-	3,884	9,172	461	779	14,296
Additions	56	-	-	-	138	194
Disposals	-	-	-	(227)	(156)	(383)
<i>At 30 June 2021</i>	<b>56</b>	<b>3,884</b>	<b>9,172</b>	<b>234</b>	<b>761</b>	<b>14,107</b>
<b>Depreciation</b>						
At 1 July 2020	-	-	5,608	293	632	6,533
Charges for the year	-	-	375	24	96	495
Disposals	-	-	-	(227)	(156)	(383)
<i>At 30 June 2021</i>	-	-	<b>5,983</b>	<b>90</b>	<b>572</b>	<b>6,645</b>
<b>Net book value</b>						
At 1 July 2020	-	3,884	3,564	168	147	7,763
<b>At 30 June 2021</b>	<b>56</b>	<b>3,884</b>	<b>3,189</b>	<b>144</b>	<b>189</b>	<b>7,462</b>

The freehold land and property relates to the CIPD offices at 151 The Broadway, Wimbledon. The trustees believe that the value of this property is higher than its net book value.

The leasehold property relates to our offices in Ireland, Singapore and Dubai. The lease on the Institute's central London office was not renewed during the year.

There is a charge granted over the freehold property at 151 The Broadway in favour of the CIPD Staff Retirement Scheme.

**6 Intangible fixed assets**

Group	Assets under construction £'000	IT software £'000	Website development £'000	Total £'000
<b>Cost</b>				
At 1 July 2020	-	2,971	5,353	8,324
Additions	1,992	-	-	1,992
Disposals	-	-	-	-
<i>At 30 June 2021</i>	<b>1,992</b>	<b>2,971</b>	<b>5,353</b>	<b>10,316</b>
<b>Depreciation</b>				
At 1 July 2020	-	2,971	5,289	8,260
Charges for the year	-	-	57	57
Disposals	-	-	-	-
<i>At 30 June 2021</i>	-	<b>2,971</b>	<b>5,346</b>	<b>8,317</b>
<b>Net book value</b>				
At 1 July 2020	-	-	64	64
<b>At 30 June 2021</b>	<b>1,992</b>	-	<b>7</b>	<b>1,999</b>

Institute	Assets under construction £'000	IT software £'000	Website development £'000	Total £'000
<b>Cost</b>				
At 1 July 2020	-	2,971	5,353	8,324
Additions	1,992	-	-	1,992
Disposals	-	-	-	-
<i>At 30 June 2021</i>	<b>1,992</b>	<b>2,971</b>	<b>5,353</b>	<b>10,316</b>
<b>Depreciation</b>				
At 1 July 2020	-	2,971	5,289	8,260
Charges for the year	-	-	57	57
Disposals	-	-	-	-
<i>At 30 June 2021</i>	-	<b>2,971</b>	<b>5,346</b>	<b>8,317</b>
<b>Net book value</b>				
At 1 July 2020	-	-	64	64
<b>At 30 June 2021</b>	<b>1,992</b>	-	<b>7</b>	<b>1,999</b>

Intangible assets relate to IT software in respect of our membership and finance systems and costs of product development and developing our website.

**7 Investments**

	Group		Institute	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Investments at market value</b>				
Managed funds:				
Unit trusts: direct holdings in listed UK equities and bonds	5,869	4,374	5,869	4,374
Overseas unit trusts: direct holdings in listed UK equities and bonds	198	415	198	415
Overseas unit trusts: direct holdings in listed overseas equities and bonds	16,655	15,053	16,655	15,053
Bank deposits	4,348	3,964	4,307	2,572
Property unit trust	1,373	1,489	1,373	1,489
UK investment property	-	418	-	418
Investments in subsidiaries (Note 2b)	-	-	3,000	3,000
Total market value at 30 June	<b>28,443</b>	25,713	<b>31,402</b>	27,321
Total cost at 30 June	<b>20,430</b>	19,783	<b>23,389</b>	22,828

The fair value of the UK investment property was determined by adjusting the 2015 market value by the Nationwide House Price Index for the relevant area. The 2015 valuation was carried out by an independent valuer and Fellow of the Royal Institution of Chartered Surveyors. The investment property was sold during the year for a gain of £47,000, recognised in the Statement of Financial Activities within Net gains on investments.

The board has delegated the management of investments to a working group which meets quarterly with an investment adviser to review performance and makes recommendations to the board as to investment managers, asset allocation and the outcome of performance reviews.

The CIPD follows a strategy which specifies percentage allocations to different asset classes and uses specialist fund managers for each class of asset. The asset allocation is tracked by the investment adviser on behalf of the CIPD, with rebalancing decisions taken quarterly. A reconciliation of the movement in the market value of investments is shown below.

	Group		Institute	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Managed funds</b>				
Market value at 1 July 2020	25,713	25,535	27,321	26,316
Money withdrawn	(3,931)	(4,137)	(3,931)	(4,137)
Money invested	2,300	4,399	2,300	4,399
Movement in cash deposits	384	(273)	1,735	554
Reinvested income (net of fees)	67	58	67	58
Net gains/(losses)	3,910	131	3,910	131
<b>Market value at 30 June 2021</b>	<b>28,443</b>	25,713	<b>31,402</b>	27,321

**8 Debtors**

	Group		Institute	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	1,589	1,369	676	604
Amounts due from subsidiaries	-	-	2,911	4,070
Other debtors	1,567	1,128	1,218	502
Prepayments and accrued income	2,091	3,704	996	1,480
	<b>5,247</b>	6,201	<b>5,801</b>	6,656

Included within the Institute's debtors are amounts owed from CIPD Enterprises Ltd of £506,000 (2020: £843,000) relating to Gift Aid payable for the period.

**9 Cash in bank and in hand**

	Group		Institute	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank current accounts and cash in hand	7,663	5,712	2,963	3,735
	<b>7,663</b>	5,712	<b>2,963</b>	3,735

**10 Creditors: amounts falling due within one year**

	Group		Institute	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	1,811	1,505	890	966
Amounts received in advance	6,299	6,526	6,254	6,440
Taxation and social security costs	1,306	491	598	575
Other creditors	374	329	179	162
Accruals	1,846	1,934	1,262	1,142
Deferred income	163	488	-	-
	<b>11,799</b>	11,273	<b>9,183</b>	9,285

Amounts received in advance at 30 June 2021 will all be released in the year to 30 June 2022 and mainly relate to member and organisation subscriptions.

Deferred income represents bookings for future commercial events and payments for consultancy work. The movement on deferred income was as follows:

	Group	
	2021	2020
	£'000	£'000
Deferred income at start of year	488	345
Amounts released during the year	(488)	(345)
Amounts deferred during the year	163	488
<b>Deferred income at end of year</b>	<b>163</b>	488

**11 Funds**

Group	Balance at 1 July 2020			Transfers between funds	Gains and (losses)	Balance at 30 June 2021
	£'000	Income £'000	Expenditure £'000			
General fund	19,743	38,458	(36,207)	(208)	4,586	<b>26,372</b>
Pension reserve	(17,064)	-	(271)	700	3,695	<b>(12,940)</b>
<b>Net general funds</b>	<b>2,679</b>	<b>38,458</b>	<b>(36,478)</b>	<b>492</b>	<b>8,281</b>	<b>13,432</b>
Designated funds						
Building fund	250	-	-	1,000	-	<b>1,250</b>
Trust fund	-	-	-	500	-	<b>500</b>
Strategic initiatives fund	14,017	-	(1,096)	(1,992)	-	<b>10,929</b>
<b>Total designated funds</b>	<b>14,267</b>	<b>-</b>	<b>(1,096)</b>	<b>(492)</b>	<b>-</b>	<b>12,679</b>
<b>Total unrestricted funds</b>	<b>16,946</b>	<b>38,458</b>	<b>(37,574)</b>	<b>-</b>	<b>8,281</b>	<b>26,111</b>
Restricted funds						
JP Morgan Chase	-	16	-	-	-	<b>16</b>
Timewise Mentor	3	-	-	-	-	<b>3</b>
Careers & Enterprise Company	56	118	(116)	-	-	<b>58</b>
Flexible Support Fund Partnership	16	-	(16)	-	-	<b>-</b>
Innovate UK	60	(39)	(22)	-	-	<b>(1)</b>
Parent Returner Programme	35	-	(35)	-	-	<b>-</b>
<b>Total restricted funds</b>	<b>170</b>	<b>95</b>	<b>(189)</b>	<b>-</b>	<b>-</b>	<b>76</b>
<b>Total funds</b>	<b>17,116</b>	<b>38,553</b>	<b>(37,763)</b>	<b>-</b>	<b>8,281</b>	<b>26,187</b>

Institute	Balance at 1 July 2020			Transfers between funds	Gains and (losses)	Balance at 30 June 2021
	£'000	Income £'000	Expenditure £'000			
General fund	21,727	29,710	28,281	(208)	4,706	<b>27,654</b>
Pension reserve	(17,064)	-	(271)	700	3,695	<b>(12,940)</b>
<b>Net general funds</b>	<b>4,663</b>	<b>29,710</b>	<b>(28,552)</b>	<b>492</b>	<b>8,401</b>	<b>14,714</b>
Designated funds						
Building fund	250	-	-	1,000	-	<b>1,250</b>
Trust fund	-	-	-	500	-	<b>500</b>
Strategic initiatives fund	14,017	-	(1,096)	(1,992)	-	<b>10,929</b>
<b>Total designated funds</b>	<b>14,267</b>	<b>-</b>	<b>(1,096)</b>	<b>(492)</b>	<b>-</b>	<b>12,679</b>
<b>Total unrestricted funds</b>	<b>18,930</b>	<b>29,710</b>	<b>(29,648)</b>	<b>-</b>	<b>8,401</b>	<b>27,393</b>
Restricted funds						
JP Morgan Chase	-	16	-	-	-	<b>16</b>
Timewise Mentor	3	-	-	-	-	<b>3</b>
Careers & Enterprise Company	56	118	(116)	-	-	<b>58</b>
Flexible Support Fund Partnership	16	-	(16)	-	-	<b>-</b>
Innovate UK	60	(39)	(22)	-	-	<b>(1)</b>
Parent Returner Programme	35	-	(35)	-	-	<b>-</b>
<b>Total restricted funds</b>	<b>170</b>	<b>95</b>	<b>(189)</b>	<b>-</b>	<b>-</b>	<b>76</b>
<b>Total funds</b>	<b>19,100</b>	<b>29,805</b>	<b>29,837</b>	<b>-</b>	<b>8,401</b>	<b>27,469</b>

**Designated fund descriptions:**

The building fund provides for maintenance of CIPD properties and for potential property projects. The trust fund has been established to promote access to the profession. The strategic initiatives fund is to provide for special initiatives identified by the board - which include growing membership, meeting the needs of leading members of the HR profession, growing the CIPD's offering internationally, and engaging more directly with employers.

The outstanding balance on the building fund is expected to be used over the next ten to twenty years, though this is dependent on the nature and timing of any potential property projects. The outstanding balance on the trust fund and the strategic initiatives fund is expected to be used over the next five years.

**Restricted fund descriptions:**

JP Morgan Chase	To provide free employment and people management advice to small businesses
Timewise Mentor	To promote flexible working hours within the workplace
Careers & Enterprise Company	Funding for the recruitment of suitable people professionals (members and non-members) to volunteer on the Careers and Enterprise Company Enterprise Adviser programme
Flexible Support Fund Partnership	Department for Work and Pensions funding to test extending Steps Ahead to support jobseekers of over 50 years old with short-term one-to-one mentoring with the aim of improving their employability skills to help them find work
Innovate UK	Human resources advice and guidance is given to SMEs in the Midlands
Parent Returner Programme	To identify and support a variety of employers of different size and industry to create 50 new private sector opportunities, and reach local residents to support 150 returners to move into or towards work

At 30 June 2021 cumulative unrealised gains on investment assets of £8,013,000 (2020: £5,923,000) were included in the general fund.

During the year £700,000 was transferred from the general fund to the pension reserve (2020: £838,000), and £492,000 was transferred from the strategic initiatives fund to the general fund (2020: £10,000,000 transferred from the general fund to the strategic initiatives fund).

Expenditure incurred promoting the interests of CIPD members and the wider HR community working in Asia was funded during the year via grants totalling £nil (2020: £360,000) from the CIPD to CIPD Asia Ltd. The funding reflects the amount incurred to date in promoting CIPD activities in the region and is in accordance with expenditure authorised by the trustees under the existing grant approval policy.

**Analysis of fund balances held on 30 June 2021**

	General £'000	Pension £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,619	-	-	-	<b>7,619</b>
Intangible fixed assets	1,999	-	-	-	<b>1,999</b>
Investments	15,764	-	12,679	-	<b>28,443</b>
Current assets	12,834	-	-	76	<b>12,910</b>
Current liabilities	(11,799)	-	-	-	<b>(11,799)</b>
Long-term liabilities	-	(12,940)	-	-	<b>(12,940)</b>
Provisions	(45)	-	-	-	<b>(45)</b>
<b>Fund balances on 30 June</b>	<b>26,372</b>	<b>(12,940)</b>	<b>12,679</b>	<b>76</b>	<b>26,187</b>

**12 Pension commitments**

The Institute operated two separate occupational pension schemes during the year - the CIPD Group Personal Pension Plan and the CIPD Staff Retirement Scheme.

**(a) CIPD Staff Retirement Scheme**

The CIPD Staff Retirement Scheme is a defined benefit scheme which was closed to new entrants on 1 January 2010 and closed to accruals of new benefits from 30 September 2012.

The assets of the scheme are held separately from those of the Institute to meet long-term pension liabilities to past and present employees. The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries and are appointed in accordance with the scheme's trust deed. Currently one-third of the trustees are member-nominated. During the year, Barnett Waddingham LLP acted as administrators and actuaries to the scheme. SEI Investments (Europe) Limited acted as investment advisers to the trustees during the year; they are also responsible for the management of the scheme's invested assets.

The most recent full actuarial valuation of the scheme was carried out as at 1 October 2017 and revealed an actuarial deficit of approximately £9.7 million. The actuarial valuation of the scheme as at 1 October 2020 is currently in progress.

In accordance with the schedule of contributions agreed between the trustees and the Institute as part of the 1 October 2017 valuation, the Institute contributed £700,000 to the scheme over the year to 30 June 2021 (2020: £837,500) in order to address the past service deficit. Further contributions of £700,000 per annum are due to be paid in quarterly instalments of £175,000 until 30 September 2027.

Additionally, the CIPD has an agreement with the trustees under which the scheme is granted a charge over the freehold property at 151 The Broadway to act as a contingent asset for the scheme.

Benefits accrued after 1 October 2006 were on a career average revalued earnings basis and will have limited price indexation of pensions in payment restricted to 2.5%. Prior to 1 October 2006 benefits were accrued on a final salary basis and active members paid contributions to the scheme. On this date the Institute implemented a salary sacrifice scheme and since then has paid all of the contributions – originally at a rate of 19.1% of pensionable salaries and from 1 October 2009 until 30 September 2012 at a rate of 17.6%. Of this, 6% represented the contributions that active members would have made were the salary sacrifice scheme not in place. Contributions in respect of benefit accrual ceased from 30 September 2012.

	2021 £'000	2020 £'000
<b>The amounts recognised in the balance sheet were:</b>		
Present value of funded liabilities	64,983	67,767
Fair value of scheme assets	<b>(52,043)</b>	(50,703)
Net pension liability at 30 June	<b>12,940</b>	17,064
<b>The amounts disclosed in the balance sheet were:</b>		
Liabilities	12,940	17,064
Assets	-	-
Net pension liability at 30 June	<b>12,940</b>	17,064
<b>The amounts recognised in the statement of financial activities were:</b>		
Interest on liabilities	1,076	1,420
Interest on assets	<b>(808)</b>	(1,145)
Past service cost	3	-
Total	<b>271</b>	275
<b>Changes in the amounts recognised within other recognised gains and losses were:</b>		
Actuarial (gain)/loss	<b>(3,695)</b>	5,790
<b>Changes in the present value of the defined benefit liability were:</b>		
Opening defined benefit liability	67,767	59,883
Past service cost	3	-
Interest cost	1,076	1,420
Actuarial (gain)/loss due to changes in assumptions	<b>(2,564)</b>	7,921
Actuarial (gain)/loss due to experience	<b>(222)</b>	-
Benefits paid	<b>(1,077)</b>	(1,457)
Closing defined benefit liability at 30 June	<b>64,983</b>	67,767
<b>Changes in the fair value of the scheme assets were:</b>		
Opening fair value of scheme assets	50,703	48,046
Interest on assets	808	1,145
Actuarial gain/(loss)	909	2,131
Employer contributions	700	838
Benefits paid	<b>(1,077)</b>	(1,457)
Administration costs	-	-
Closing fair value of scheme assets at 30 June	<b>52,043</b>	50,703

All the scheme's assets are invested in funds managed by SEI Investments (Europe) Limited. These are grouped into two pools – the Risk Management Pool and the Return Enhancement Pool. Each fund has a mandate to invest actively in such a way as is expected to outperform relevant benchmark indices.

The fair value of the scheme assets as a percentage of the total scheme assets was:

	30 June 2021	30 June 2020
Equities	38%	41%
Bonds	45%	46%
Hedge funds	0%	5%
Annuities	5%	0%
Property	3%	3%
Cash	4%	4%
	5%	1%

The returns on the scheme's assets over the years to 30 June 2020 and 30 June 2021 were £3,276,000 and £1,717,000 respectively.

**The principal actuarial assumptions used by the actuary were:**

	at 30 June 2021	at 30 June 2020
Rate of increase for pensions in payment	2.90%	2.70%
Discount rate for scheme liabilities	1.90%	1.60%
Rate of inflation (RPI)	3.10%	2.80%
Mortality table	<b>103% of S3PMA table for males and 98% of S3PFA table for females with CMI_2020 projections</b>	101% of S2NMA table for males and 95% of S2NFA table for females with CMI_2019 projections
Initial rate addition	0.00%	0.00%
Period smoothing parameter	7.0	7.0
Long-term rate of mortality improvement	1.25%	1.25%
Life expectancy at age 65 (of male aged 65)	21.3	21.7
Life expectancy at age 65 (of male aged 45)	22.5	23.1
Allowance for cash commutation	<b>15% of pension taken as tax-free cash</b>	15% of pension taken as tax-free cash
Allowance for the cost of GMP equalisation	<b>Increase liabilities by 0.2%</b>	Increase liabilities by 0.2%

**The sensitivities regarding the principal assumptions used to measure the scheme liabilities were:**

Assumption	Change in assumptions	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 10%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 7%
Life expectancy	Increase/decrease by one year	Increase/decrease by 4%

(b) The CIPD Group Personal Pension Plan is a defined contribution scheme which is open to all CIPD employees in the UK. The Institute more than matches the amount of employee salary sacrificed into the scheme up to a total combined contribution of 20% of salary. The scheme qualifies for the NAPF pension quality mark, with the 20% total contribution option qualifying for the PQM Plus standard – the highest available industry award for defined contribution schemes.

The pension cost charge for the year for this scheme was £1,146,000 (2020: £1,050,000).

(c) In addition to the above schemes, Personal Retirement Savings Accounts exist for staff working for the CIPD in Ireland.

The pension cost charge for the year for this scheme was £26,486 (2020: £31,413).

The pension costs charged in the Statement of Financial Activities for the defined contribution schemes represent contributions payable into the schemes in relation to the accounting period.

**13 Provisions for liabilities and charges**

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Provisions	45	90	35	90

The provisions are made in respect of dilapidations which represent the estimated costs of payments required to make good leased property under the termination of the lease.

**14 Obligations under operating leases**

Group	2021 £'000	2020 £'000
The future minimum operating lease payments for land and buildings are as follows:		
Within one year	179	353
Between two and five years	177	81
Over five years	-	-
	<u>356</u>	<u>434</u>

In respect of other operating leases with commitments expiring:

Within one year	25	15
Between two and five years	6	2
	<u>31</u>	<u>17</u>

Institute	2021 £'000	2020 £'000
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The future minimum operating lease payments for land and buildings are as follows:

Within one year	76	201
Between two and five years	76	81
Over five years	-	-
	<u>152</u>	<u>282</u>

In respect of other operating leases with commitments expiring:

Within one year	24	14
Between two and five years	5	-
	<u>29</u>	<u>14</u>

**15 Related parties**

In accordance with our Charter and Bye-Laws, board members are not able to profit from their position on the board.

Bob Morton, a director of CIPD Enterprises Ltd until 30 June 2021, provided consultancy services to the Group through ODHRM Consultants Ltd. During the year ODHRM Consultants Ltd invoiced the Group £3,500 (2020: £46,237), of which £nil (2020: £nil) was outstanding at the end of the year.

Yetunde Hoffman, a board trustee until 1 April 2021, is a board trustee of the Institute of Business Ethics. During the year the Institute of Business Ethics invoiced the CIPD £11,730 (2020: £1,300), of which £10,440 (2020: £nil) was outstanding at the end of the year.

There were no other related parties in the year or prior year.

**16 Indemnity insurance**

Funds are provided to protect the charity from loss arising from the neglects or defaults of its trustees, employees and agents. The cost of indemnity insurance in the year was £12,995 (2020: £14,033).

**17 Capital commitments**

At the year end the CIPD was committed to digital capital projects totalling £42,000 (2020: £nil).

**18 Incorporation**

The Institute is incorporated by Royal Charter and therefore has no company registration number.

The Institute is a charity registered in England and Wales, Scotland and Ireland.

Its charity registration numbers are 1079797, SC045154 and 20100827 respectively.



**19 Prior year funds**

Group	Balance at 1 July 2019 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2020 £'000
General fund	27,932	40,371	(37,889)	(10,838)	167	<b>19,743</b>
Pension reserve	(11,837)	-	(275)	838	(5,790)	<b>(17,064)</b>
<b>Net general funds</b>	<b>16,095</b>	<b>40,371</b>	<b>(38,164)</b>	<b>(10,000)</b>	<b>(5,623)</b>	<b>2,679</b>
Designated funds						
Building fund	250	-	-	-	-	<b>250</b>
Information technology fund	-	-	(1,301)	1,301	-	-
Research and development fund	-	-	(316)	316	-	-
Strategic initiatives fund	5,920	-	(286)	8,383	-	<b>14,017</b>
<b>Total designated funds</b>	<b>6,170</b>	<b>-</b>	<b>(1,903)</b>	<b>10,000</b>	<b>-</b>	<b>14,267</b>
<b>Total unrestricted funds</b>	<b>22,265</b>	<b>40,371</b>	<b>(40,067)</b>	<b>-</b>	<b>(5,623)</b>	<b>16,946</b>
Restricted funds						
JP Morgan Chase	-	31	(31)	-	-	-
Timewise Mentor	3	-	-	-	-	<b>3</b>
Careers & Enterprise Company	127	120	(191)	-	-	<b>56</b>
Flexible Support Fund Partnership	16	-	-	-	-	<b>16</b>
Innovate UK	285	(17)	(208)	-	-	<b>60</b>
Parent Returner Programme	-	154	(119)	-	-	<b>35</b>
<b>Total restricted funds</b>	<b>431</b>	<b>288</b>	<b>(549)</b>	<b>-</b>	<b>-</b>	<b>170</b>
<b>Total funds</b>	<b>22,696</b>	<b>40,659</b>	<b>(40,616)</b>	<b>-</b>	<b>(5,623)</b>	<b>17,116</b>

Institute	Balance at 1 July 2019 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2020 £'000
General fund	30,920	29,426	(27,912)	(10,838)	131	<b>21,727</b>
Pension reserve	(11,837)	-	(275)	838	(5,790)	<b>(17,064)</b>
<b>Net general funds</b>	<b>19,083</b>	<b>29,426</b>	<b>(28,187)</b>	<b>(10,000)</b>	<b>(5,659)</b>	<b>4,663</b>
Designated funds						
Building fund	250	-	-	-	-	<b>250</b>
Information technology fund	-	-	(1,301)	1,301	-	-
Research and development fund	-	-	(316)	316	-	-
Strategic initiatives fund	5,920	-	(286)	8,383	-	<b>14,017</b>
<b>Total designated funds</b>	<b>6,170</b>	<b>-</b>	<b>(1,903)</b>	<b>10,000</b>	<b>-</b>	<b>14,267</b>
<b>Total unrestricted funds</b>	<b>25,253</b>	<b>29,426</b>	<b>(30,090)</b>	<b>-</b>	<b>(5,659)</b>	<b>18,930</b>
Restricted funds						
JP Morgan Chase	-	31	(31)	-	-	-
Timewise Mentor	3	-	-	-	-	<b>3</b>
Careers & Enterprise Company	127	120	(191)	-	-	<b>56</b>
Flexible Support Fund Partnership	16	-	-	-	-	<b>16</b>
Innovate UK	285	(17)	(208)	-	-	<b>60</b>
Parent Returner Programme	-	154	(119)	-	-	<b>35</b>
<b>Total restricted funds</b>	<b>431</b>	<b>288</b>	<b>(549)</b>	<b>-</b>	<b>-</b>	<b>170</b>
<b>Total funds</b>	<b>25,684</b>	<b>29,714</b>	<b>(30,639)</b>	<b>-</b>	<b>(5,659)</b>	<b>19,100</b>

**Analysis of fund balances held on 30 June 2020**

	General £'000	Pension £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,853	-	-	-	<b>7,853</b>
Intangible fixed assets	64	-	-	-	<b>64</b>
Investments	11,446	-	14,267	-	<b>25,713</b>
Current assets	11,743	-	-	170	<b>11,913</b>
Current liabilities	(11,273)	-	-	-	<b>(11,273)</b>
Long-term liabilities	-	(17,064)	-	-	<b>(17,064)</b>
Provisions	(90)	-	-	-	<b>(90)</b>
<b>Fund balances on 30 June</b>	<b>19,743</b>	<b>(17,064)</b>	<b>14,267</b>	<b>170</b>	<b>17,116</b>

**20 Consolidated statement of financial activities for the year ended 30 June 2020**

Note	General fund £'000	Designated fund £'000	Restricted fund £'000	Total 2020 £'000	Total 2019 £'000
<b>Income from:</b>					
<b>Charitable activities</b>					
To advance the management and development of people through:					
Membership and education	29,440	-	-	29,440	27,211
Research	25	-	288	313	510
Branches	227	-	-	227	326
<b>Other trading activities</b>					
Commercial income	10,510	-	-	10,510	11,672
<b>Investments</b>					
	169	-	-	169	147
<b>Total income</b>	<b>40,371</b>	<b>-</b>	<b>288</b>	<b>40,659</b>	<b>39,866</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Commercial expenditure	(9,632)	-	-	(9,632)	(10,700)
Investment management costs	(50)	-	-	(50)	(49)
<b>Charitable activities</b>					
Membership and education	(21,948)	(1,284)	-	(23,232)	(20,987)
Research	(4,547)	(525)	(549)	(5,621)	(5,705)
Branches	(1,987)	(94)	-	(2,081)	(2,078)
<b>Total expenditure</b>	<b>(38,164)</b>	<b>(1,903)</b>	<b>(549)</b>	<b>(40,616)</b>	<b>(39,519)</b>
Net gains/(losses) on investments	131	-	-	131	917
<b>Net income/(expenditure)</b>	<b>2,338</b>	<b>(1,903)</b>	<b>(261)</b>	<b>174</b>	<b>1,264</b>
Transfers between funds	(10,000)	10,000	-	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>	<b>(7,662)</b>	<b>8,097</b>	<b>(261)</b>	<b>174</b>	<b>1,264</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension scheme	(5,790)	-	-	(5,790)	(1,200)
Gains/(losses) on revaluation of overseas subsidiaries	36	-	-	36	52
<b>Net movement in funds</b>	<b>(13,416)</b>	<b>8,097</b>	<b>(261)</b>	<b>(5,580)</b>	<b>116</b>
<b>Reconciliation of funds</b>					
Net fund balances brought forward	16,095	6,170	431	22,696	22,580
<b>Net fund balances carried forward</b>	<b>2,679</b>	<b>14,267</b>	<b>170</b>	<b>17,116</b>	<b>22,696</b>

The statement of financial activities includes all recognised gains and losses for the year.

We're the CIPD, the professional body for HR and people development. A registered charity, we champion better work and working lives and have been setting the benchmark for excellence in people and organisation development for over 100 years. We have more than 160,000 members across the world, we provide thought leadership through independent research on the world of work, and we offer professional training and accreditation for those working in HR and learning and development.

# CIPD

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Incorporated by Royal Charter  
Registered as a charity in England and Wales (1079797)  
and Scotland (SC045154)

Issued: November 2021 Reference: 8155 © CIPD 2021