

Annual Report and Accounts

Year ended 30 June 2019

Highlights

2k

2,000+ members recruited to take part in **new member research panel**

70

new **careers support pages** launched

£2.2m

Generated a surplus of £2.2m to invest in building the profession and driving change in the world of work

22.5k

Our new **People Skills Hub** for line managers and small business owners has helped 22,500 people since launch

4.6k

Around 4,600 **volunteers** involved in our local branch network and social impact and innovation programmes

+18%

Website page views grew 18% to 29,137,728. Overall visitor numbers grew 17% to 3,782,994 and LinkedIn followers grew by 40%

+50%

Monthly usage of **online communities** grew by 50% and more than 1,200 pieces of advice were shared in our new **Workplace Dilemmas in Confidence** forum

7k

More than 7,000 people attended our first ever **Festival of Work**

250

Working with nearly 250 organisations, we built the **capability** of more than 4,500 people professionals and more than 2,200 people managers – impacting millions of working lives

147k

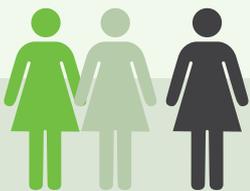
New Profession Map launched – more than 147,000 people have explored it on our website

79%

of members agree that the **CIPD's purpose** guides the actions they take in their professional life

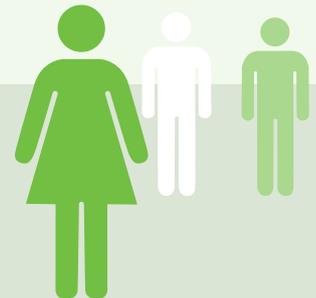
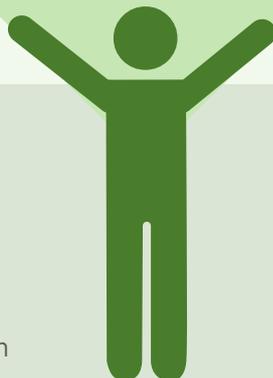
£2.1m

invested in **new research and content** to give members a stronger **evidence base** to guide their practice



154k

Membership reached 154,364 – our seventh consecutive year of membership growth



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The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.



Reflections on our year

Reflections from our chair, president and chief executive on our ambition to make 'good work' a reality for all

Champions of good work

Our purpose – as the professional body for HR and people development, and as a charity – is to champion better work and working lives. We do this for the benefit of individuals, businesses, economies and society as a whole.

We worked hard this year, supported by a growing community of members and volunteers, to deliver on this purpose. And thanks to carefully managed costs and increased revenues from all parts of our business, we generated an operating surplus of £2.2 million to reinvest in championing better work and working lives.

Work can and should be a force for good. But our second annual *UK Working Lives* survey highlighted that it's falling short in many ways – particularly when it comes to work-life balance and well-being.

Against this backdrop, it's no surprise that the demands placed on the people profession are growing and evolving. And these challenges are not unique to the UK: more and more organisations around the world are turning to us to help develop their people teams.

The increasing demand on our profession is also evident in our thriving membership base. This year we grew 3.2% to 154,364 members – our biggest leap in seven consecutive years of growth.

Work can
and should
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The increasing
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in our thriving
membership base.

We're proud to be the career partner of choice for so many professionals. But we need to keep working hard to meet the growing needs and expectations of all our members and would-be members. We invested more than £5.5 million in member services this year, and the insights we gathered from our biggest ever membership survey have helped us ensure this is money well spent.

Our role is to help our members get the most out of their careers and fulfil their potential as champions for good work.

To this end, we launched the new Profession Map this year. It sets the international standard for our profession; describing the values, knowledge and behaviours that create the greatest impact. We also invested more than £2 million in new research and content. By strengthening our international evidence base, we're helping members choose the best path to improving work and working lives in their organisations.

Driving change

Our strong evidence base supports our work in the public sphere too. We focus on driving change on key issues that are preventing people, businesses and society from getting the best out of work. In turn, we also create greater demand for our members' expertise.

In particular, we've been breaking down barriers that hold back many parts of our diverse workforce from reaching their full potential. For example, we campaigned for more support in the workplace for people going through the menopause – highlighting an overlooked opportunity to create fairer, more inclusive and more productive workplaces.

We invested nearly £2.3 million in raising the voice of the profession this year – and took a more ambitious approach than ever before to reaching new audiences. For example, through our new Festival of Work and our People Skills Hub for small business owners and people managers.

Board governance

We use the Large Charity Governance Code to guide our governance practices and board effectiveness, as well as bearing in mind the Corporate Governance Code. We review ourselves against this code annually and make improvements where necessary. The chair also carries out annual reviews with the chief executive and all other board members, and regularly commissions an externally facilitated board effectiveness review.

Other relevant governance codes, such as the Financial Reporting Council standards, guide our reporting on people practices. We're proud to lead the way in reporting on CEO pay, the gender pay gap and ethnicity pay.

Looking ahead

Long term, our priority remains the same: driving change in the world of work, led by a strong community of people professionals. To this end, we're now focused on building a digitally enabled, future-fit organisation that meets members' needs and can champion better work and working lives at scale.



Louise Fisher,
Chair of the Board



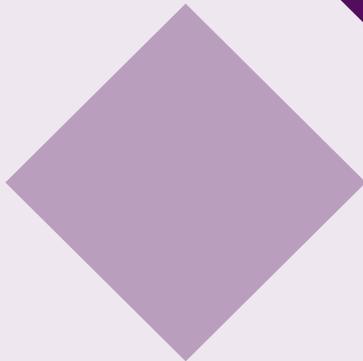
Professor Sir Cary Cooper,
President



Peter Cheese,
Chief Executive



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Our members

With a purpose of championing better work and working lives, we rely on a growing community of people professionals to ensure work is good for people, businesses, economies and society. And as their professional body, it's our job to make sure our members have everything they need to succeed.

A record year for membership growth

CIPD membership grew for the seventh consecutive year, reaching 154,364 by 30 June 2019 – beating our target of 153,000. This was a growth of 3.2% and a sign of growing interest in professional development and accreditation amongst those working in human resources (HR), learning and development (L&D), organisation design and development (OD&D), and other related disciplines.

Student membership rose to 32,254 – exceeding our target by 2,254 – but we missed our target for chartered grades by 1,148, closing the year with 47,852 Chartered Members and Chartered Fellows.

Most of our members live and work in the UK, but our international reach is growing year by year. Overall, membership outside of the UK grew 6.3% year-on-year. In the Middle East we saw particularly

strong demand for our training and qualifications: student membership grew 33% to 2,039 and total membership reached 4,165, exceeding our target by more than 500 members. Our first ever annual conference in the region helped raise awareness of the CIPD's purpose and offerings, as well as strengthening relationships with clients and partners, which we expect to fuel further growth in the years to come.

We're proud to be career partner of choice for so many professionals.

In Ireland, membership grew modestly to 5,876 members, falling just short of our target of 5,922. We saw a small decline in total membership numbers in Asia but expect new strategic partnerships in the region to drive growth in the future.

We're proud to be career partner of choice for so many professionals, but there's still a significant proportion of the profession who aren't yet members. Our quarterly brand perception survey showed some positive shifts this year in terms of would-be members' awareness of what we do, the extent to which they perceive us to be fulfilling our purpose, and the extent to which we are

Key highlights

- 154,364 members around the world
- Membership outside of the UK grew 6.3%
- 32,254 student members
- 47,852 Chartered Members and Fellows
- 2,000+ members signed up to new research panel
- £5.5 million invested in member services

championing the profession. But we've got more work to do in demonstrating our relevance and value to this group. Learn more about our growth strategy on page 41.

Strengthening the membership pipeline

Growing numbers of students is a positive sign of a thriving profession and a professional body that's a valued career partner. In particular, digital qualifications are proving to be an increasingly popular way to gain the knowledge needed for a successful career in the people profession. But qualifications aren't right for everyone, and to achieve our growth targets we need an even stronger pipeline. So we took steps this year to make membership more accessible – without compromising our respected and rigorous standards.

A flexible but rigorous approach to professional recognition

We need to make it as easy as possible for the right calibre of professionals to progress through our membership levels to achieve Chartered status. This will help ensure that when Chartered members reach the end of their careers and retire from membership, there's a strong pipeline of talented and experienced professionals to replace them.

That's why we've made our Experience Assessment and upgrading processes more flexible, while maintaining our respected and rigorous standards. For example, as of September 2019, we're no longer specifying the activities professionals should be doing to be a member – we now ask that they demonstrate knowledge, behaviours and impact in line with the new Profession Map.

We've made our Experience Assessment and upgrading processes more flexible, while maintaining our respected and rigorous standards.

We've also increased our investment in working with our most senior members to make sure we do everything we can to keep membership relevant and valuable for those at the peak of their careers (read more on page 21).

Apprenticeships: a budding route to membership

Apprenticeships have become a key focus of government policy in the UK in recent years, unlocking new career progression options for a number of professions. Apprenticeships in HR and L&D offer structured, entry-level routes into the people profession and into CIPD membership. They also provide experienced workers with the opportunity to upskill, progress

'My apprenticeship gave me the skills and knowledge to support HR improvements. It also motivated me to study for my Level 5 qualification. I'm now working on an exciting transformation programme and volunteer in my local CIPD branch.'

Mariam Anjorin, HR Project Officer, City Corporation



their careers and qualify for professional membership. The CIPD is an End Point Assessment Organisation for Level 3 and Level 5 apprenticeships in both HR and L&D, and a total of 554 employers have chosen to work with us to date. So far, 65 people have successfully completed their HR apprenticeship, with another 864 already in the pipeline at the time of writing. We expect to see the first L&D apprentices complete their End Point Assessments in 2020.

Improving the membership experience

We work hard to continually improve the membership experience and the value people professionals get from being part of our professional community. This year, we invested just over £5.5 million in member services. To help ensure we continue to invest in the right places, we gathered feedback and insights – both qualitative and quantitative – from almost 10,000 members this year.

We invited every single member in the UK and Ireland* to take part in a comprehensive survey exploring some of the challenges with value and relevance that our quarterly brand perception surveys revealed last year. We achieved a representative sample of more than 6,000 members, and their opinions have fed directly into new services we introduced this year as well as our plans for the future.

We gathered a further 4,000 member insights from a range of other surveys, one-to-one interviews and focus groups. These enabled us to delve more deeply into some of the most popular wants and needs the survey uncovered. We also established a new research panel to help us test ideas for new products and services. It's open to all and more than 2,000 members have already signed up.

Combined with insights from our day-to-day interactions with members, as well as our ongoing quarterly brand perception survey (which gives every single member the opportunity to feed back on their member experience each year), this research gave us a wealth of insights to inform our strategy for the future.

Our research revealed that 87% of members feel we're successfully championing the profession and 78% feel personally connected to our purpose. But it also revealed areas in which we need to work harder for our members. Table 1 summarises what we learned and how we've responded.

** We also surveyed members in the Middle East and Asia, the results of which came in at the very end of our financial year. At the time of writing, our customer insights team is still analysing the results.*



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of members feel we're successfully championing the profession and 78% feel personally connected to our purpose

Table 1: Responding to member feedback**CAREER SUPPORT****What we learned**

77% of members say the CIPD is an important career partner, but just 69% feel membership is relevant to them and their career.

What we've done

We developed 70 new pages of careers advice on our website (see page 22).

We published new resources to support those returning to work after a career break or extended period of absence.

We revamped our online support hub for student members, including new FAQs to help them through their studies. And to improve support for students studying directly with CIPD Training, we upgraded our digital learning platform to provide a far better learning experience.

What we'll do next

We'll expand our careers support with further resources and case studies, including more mid- and junior-career role models.

Longer term, we'll develop specific tools and resources to support members on their chosen career path. Research is already under way to support this.

We're also gathering insights from Chartered Members and Fellows about the types of careers support they'd like to see.

SUPPORTING OUR MEMBERS' DAY-TO-DAY WORK AND DEVELOPMENT**What we learned**

79% of members say our purpose guides the actions they take in their professional life, but just 53% feel the CIPD helps them do that in their organisation or community.

56% say CIPD content is relevant to members 'at my level' and 61% agree that CIPD membership is relevant to their current role.

Satisfaction with our employment law helpline was rated above average and we received specific requests for more support when it comes to building more ethical workplaces.

What we've done

We redesigned our online knowledge hub in line with member feedback.

We reviewed our content strategy and began publishing practical guidance alongside all research and policy work.

We published a range of new resources to support members who work as self-employed consultants.

We launched an anonymous 'Workplace Dilemmas in Confidence' discussion forum to support members in tricky situations at work (see page 23), and made our much-valued employment law helpline available 24 hours a day. CIPD members made 15,421 calls to the helpline during the year.

What we'll do next

We'll launch new content to support members' development in line with the new Profession Map and ensure all our content is better aligned to users' needs.

We'll build on our *UK Working Lives* survey and People Skills Hub (see page 38) to develop a programme of work that will help the people profession understand what championing better work and working lives looks like in their organisation and equip businesses with the tools they need to make 'good work' a reality.

VALUE OF MEMBERSHIP**What we learned**

On average, members rate the value of membership at 7 out of 10.

The more benefits our members use, the higher the value they perceive.

But awareness of benefits is low and the average member uses just four of the 26 on offer.

What we've done

We developed a new webpage highlighting all the benefits available to members, under headings requested by members: 'Supporting You', 'Development', 'Networks' and 'Saving you Money'. More than 41,000 people had viewed this page by year-end. Our marketing campaign focusing on some of the less tangible ways in which members value their membership was seen more than a million times.

Increased marketing of our highly valued online Community platform saw usage grow by 50%. And an improved user journey for our electronic journals platform (EBSCO) – which gives members free access to a vast library of business and academic information – saw article downloads increase by more than 200%.

What we'll do next

We'll create more tangible value for members by developing more member-only content and resources to help them put research and policy into practice.

We'll use our new research panel to test new products and services to add value to the member experience.

We'll review all of our communications to make sure members can stay up to date about the member benefits they value most, in ways that suit them best.

We'll build capability and capacity in our UK nations and regions teams, to increase our ability to offer value-add services to members at a local level.

CUSTOMER SERVICE

What we learned

Just 22% of members say we're easy to do business with; a number of high-profile service issues this year have compounded this.

We achieved year-on-year improvements across all our service level agreements (SLAs), so we expect to see this score improve in future.

What we've done

We've taken steps to overcome some of the operational issues that have made us more difficult to do business with than our members and customers should expect: we've increased staffing and training levels in our contact centre, upgraded our phone system and made a number of improvements to our website.

We piloted a new online results submission process across 17 of our study centres, to make it easier for centres to submit student results. As a result, we'll be able to issue certificates recognising our student members' qualifications faster than ever before, as well as minimise errors.

What we'll do next

We'll continue to invest in staff, systems and digital transformation in both member-facing areas and our back office.

We'll work with a specialist data consultancy to investigate the root causes of the issues members have experienced in relation to our marketing databases.

We'll roll out our new online results submission platform to all study centres to make it easier for students and learning providers to do business with us.

SUSTAINABILITY

What we learned

Throughout the year, members told us they'd like to see us become more environmentally conscious.

What we've done

We substantially reduced the plastic used in our membership cards issued in May 2019. In response to concerns about the quality of these cards, we later successfully sourced more durable cards that are plastic-free and made of fully recyclable card.

What we'll do next

We'll incorporate a digital membership card into our new mobile Community app and change the outer packaging of our two print publications – *People Management* and *Work*. – to improve recyclability.

We'll develop a holistic sustainability plan covering all aspects of our work (see page 43).

Upholding professional conduct

All CIPD members must commit to upholding and maintaining the standards and behaviours set out in our Code of Professional Conduct (cipd.co.uk/ourcode).

We received 77 complaints about alleged breaches of the Code in 2018–19, up 55% on the previous year and accounting for 0.05% of total members (see Table 2). Throughout the year, we did a lot of work to raise awareness of the Code – through events, branch meetings, and with our learning centres – which likely contributed to the increase in complaints. Several complaints this year concerned our members’ conduct on social media. We’ve also noticed an increase in concerns regarding perceived conflicts of interest arising from members’ prior association with an organisation and/or its employees. We are drafting guidelines for members in both these areas.

Table 2: Code of Conduct concerns raised in 2018–19

Number of concerns raised about CIPD members	77
% of total members for whom concerns have been raised	0.05%
Year-on-year difference in number of concerns	+55%

In the seven years since our Code of Professional Conduct was re-launched in 2012, we’ve received a total of 466 complaints. Of these, 23 progressed to a hearing and 15 were upheld. Figures 1 and 2 summarise the nature of the complaints we investigated.

A group of around 50 volunteers support the investigation of complaints and hearing panels. This year we recruited 17 new panel members and the next intake will likely be in 2021.

Figure 1: Code of Conduct investigations, 2012–19

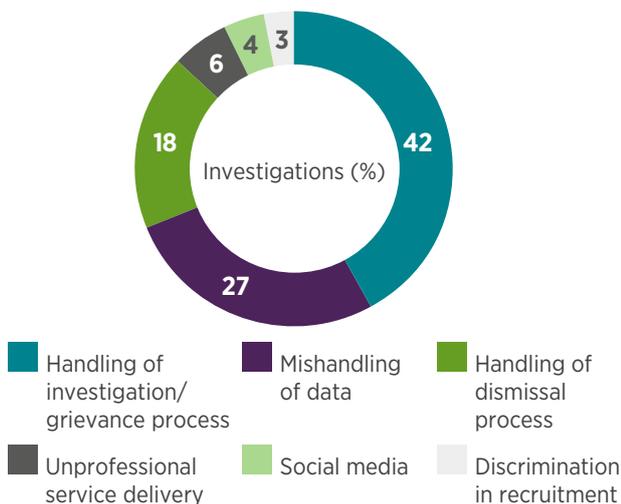
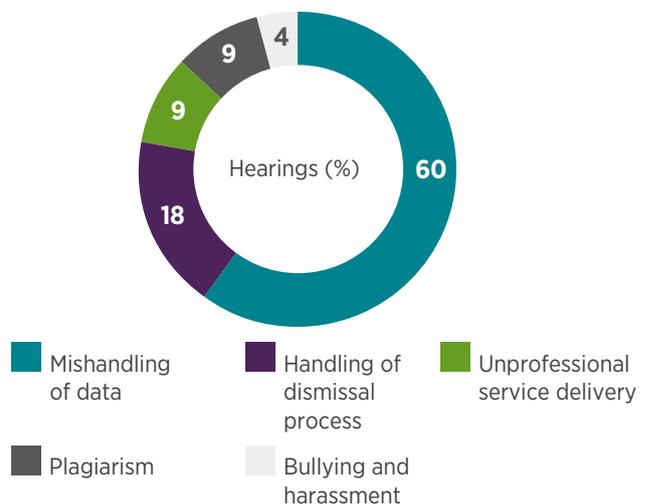


Figure 2: Code of Conduct hearings, 2012–19





Building professionalism

Work can and should be a force for good, leading to stronger business outcomes and stronger societies. Our profession is well placed to ensure people – and their role in sustainable value creation – are at the heart of debates about the future of work. But to make this a reality, we need to move beyond perceptions of HR as a task-focused function, towards a broader people profession focused on development, skills and character. Perception starts with reality, so in this section of our annual report you'll read everything we do to build that profession – from setting the international standards to supporting continuing professional development (CPD).

Key highlights

- More than 147,000 people explored our new Profession Map
- Launched a new skills benchmark for the people profession
- 70 new pages of careers support on our website
- Usage of our online Community grew 50%
- We worked with nearly 250 employers to upskill their HR teams and people managers

The new Profession Map

Following three years of work and consultation with more than 19,000 people, November 2018 saw the launch of the new Profession Map – the international standard for people professionals to make their greatest impact and thrive in a changing world of work. It provides a clear lens on what great practice looks like, by setting out the defining purpose and values of our profession, together with the knowledge and behaviours required to put those values into practice.

'The new Profession Map reminds us that the people profession is greater than just the job we are each doing right now and reminds us that we have the power to shape the experience of every single person in a job'

Jacqueline Chiplin, Chartered MCIPD

Since launch, more than 147,000 individuals have explored the Map on our website (with 26% of visitors returning for another look) and several large organisations have asked us to help them use it as a framework for their HR function. We've already worked with Network Rail to co-create a bespoke HR competency framework based on the Map (see page 25).

Feedback from members has been very positive, with those at the beginning of their careers describing it as practical and relatable, and more experienced members appreciating the strong focus on evidence-based practice.

Table 3 describes the work involved in rolling out the new Profession Map. Going forward, the Map will make it easier for members to plot their careers and will play an important role in keeping the people profession relevant and future-fit.

Table 3: Rolling out the new Profession Map

LAUNCH AND ROLL-OUT

What we did in 2018–19

Our launch campaign reached a wide member and non-member audience across the CIPD's international membership, and across grades.

Email and social media campaigns were supported by face-to-face engagement at our flagship events and through local branch events.

What we'll do next

Dedicated champions within our local branches will help members understand how to use the Map to their benefit.

We are working on exciting new content and we'll communicate this with our members through email and social media.

ROUTES TO MEMBERSHIP

What we did in 2018–19

We reviewed our membership assessment and upgrading processes. After a period of testing and piloting, we concluded that the overall approach to assessment will remain largely the same for now, but with added flexibility and convenience and updated questions to reflect the new standards.

We've also introduced a new, quick and flexible way for people professionals to check their suitability for Experience Assessment.

What we'll do next

Membership assessment will be fully aligned with the new Profession Map from 30 September 2019.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

What we did in 2018–19

We aligned all of our content with the new Map and began plugging gaps in our provision to ensure members have access to all the knowledge they need to meet the new standards. For example, we've created new content on diversity and inclusion, which we've recognised as a distinct role in the new Profession Map.

We also ran a skills pulse survey to compare the current skills and capabilities of the L&D profession with the standards set out in the Map. Our report highlighted areas for development and practical insights to help L&D practitioners meet the new professional standards.

What we'll do next

Next year we'll launch a new suite of free learning content to support members' CPD. This content will be unlike anything we've offered before and will have a real impact on people professionals and their performance.

Our Annual Conference in 2019 will also be focused on helping people professionals develop their careers in line with the new standards.

In due course, there will be changes to our approach to CPD, and the tools and support provided, aligned to the new Profession Map. In the meantime, we'll continue providing guidance on learning resources and information on reflective practice to help members get the best out of their development.

QUALIFICATIONS

What we did in 2018–19

We reviewed our existing qualifications and began developing new syllabi aligned with the new Map. We shared proposed changes with our learning centres for review and worked with them to understand what it will take to roll this out.

We also identified the additional digital capabilities we'll need in order to provide the best possible experience for students and centres alike.

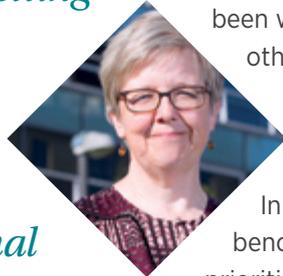
What we'll do next

At the time of writing, we're still working on our new qualifications framework, but have postponed the launch to give our centres as much time as possible to prepare for delivery of the new qualifications and to ensure we can integrate this work with other system changes we need to make across our organisation.

Building a global profession that's fit for the future

'The most impactful CIPD development for me over the last year has been the new Profession Map. Setting out what HR and OD professionals need now and in future is the most important function our professional body undertakes.'

Karen Grave, President of the Public Services People Managers Association



The new Profession Map is relevant to people practitioners all around the world and marks our first step towards building a global, future-fit people profession that's united by a shared purpose and common standards. Over the past year, we've been working with professional bodies and other interested parties around the world to build a shared picture of the profession of the future.

In November 2018 we published our first ever benchmark of career paths, skills and professional priorities in the people profession in the UK, Ireland, Asia and the Middle East – designed to help people professionals benchmark themselves against other practitioners and understand the factors that can help

them progress in the changing world of work. In partnership with the European Association of People Management (EAPM), we enabled professional bodies in Greece and Romania to run the same survey amongst their members. Next year we'll work with the World Federation of People Management Associations (WFPMA) to involve even more professional bodies and produce a truly international benchmark for the profession.

The people profession in Asia Pacific

Over the course of the past year, we collaborated with a number of experts to develop a deeper understanding of the future of the people profession in Asia. We brought together representatives from industry, academia, government and professional bodies from across Asia Pacific (APAC) to discuss the findings of our *People Profession in 2018* survey at the 'Think Tank – People Profession in APAC' symposium. We also collaborated with the Ministry of Human Resources in Malaysia to run a study on the future of talent in Malaysia. The report *Malaysia Talent 2035* highlighted the need for professionals to develop a better understanding of their business environment and to be more evidence-based. And in Hong Kong, we co-hosted an international symposium on talent development with Hong Kong Baptist University – as part of our continued commitment to bridging the gap between academia and HR practice.

We collaborated with a number of experts to develop a deeper understanding of the future of the people profession in Asia.

Building a stronger professional community for our most senior members

The expertise, insights and energy of the most senior and successful HR, L&D and OD&D leaders are crucial to building a stronger people profession and developing the next generation of talent. We know we've been under-serving this group, and we have a huge opportunity to work with them to build a stronger sense of professional community.

This year we created a new role dedicated to seizing that opportunity. Former *HR Magazine* editor Katie Jacobs has brought her understanding of the needs and wants of HR leaders to this role, which is focused on how we serve and engage with our most senior members and influential leaders who are not yet members. Her work began with research among more than 60 HR leaders, to inform an engagement plan to supplement the work our UK nations and regions teams already do with this audience. Having already hosted a number of senior leaders at our Festival of Work in June 2019, this autumn will see us kick off a programme of policy- and research-related roundtables looking at skills, corporate governance and the future of work.

'There's a huge opportunity for the CIPD to connect more effectively at senior HR leader level, whether through involving us in its research and policy work or bringing groups of leaders together to network, share and learn from each other. I'm delighted that the CIPD has committed to focusing on this area [...] and I'm looking forward to getting more involved as plans progress.'

Valerie Hughes D'Aeth, CHRO at the BBC



We also expanded our popular Leaders in Learning network this year, with a series of webinars to help us reach a wider audience across the UK and internationally. Around 100 L&D leaders attended each one.

Supporting our members' CPD

The credibility of our profession depends on our members' commitment to continual self-improvement. CPD is a non-negotiable requirement for all our members so we're committed to giving them the tools and resources that help them build purposeful learning into their professional life.

In addition to our formal qualifications and training courses, which both continue to attract increasing volumes of learners, we offer members a range of free and subsidised self-directed learning opportunities – from online resources to face-to-face events.

Our website: a treasure trove of learning resources

Our website continues to be an important source of knowledge and learning for the people profession (see page 30 for web statistics).

We added several new features to the website over the course of the year, including 70 new pages of careers advice to support and inspire both experienced and aspiring people professionals. The content is aligned with the new Profession Map and highlights all the different career opportunities the profession offers. Member-led content, such as video case studies and day-in-the-life interviews, help bring the advice to life.

Community spirit: facilitating peer-to-peer support and inspiration

We work hard to make sure our members and customers feel part of a community where they can be guided, supported and inspired by other people professionals, as well as having opportunities to give back to their profession. Eighty-one per cent of CIPD members say they are proud to be part of a membership organisation that offers volunteering opportunities. Those that volunteer say it contributes to their personal development, their well-being and their sense of awareness and belonging.

Volunteering opportunities include supporting our branch network across the UK, mentoring fellow people professionals and getting involved in our social impact and innovation programmes (see page 38).

Local heroes: our branch volunteers

Our active UK branch network, run by around 900 volunteers across 52 branches, is a sign of a healthy, thriving profession, with so many people willing to volunteer their time to help build professionalism and drive change in the world of work. We've invested more in our branch network this year than ever before, aligning branch activity with our key content to provide a more joined-up experience for members and hosting our first branch volunteer support and networking day. We'd like to thank all our volunteers for the important role they play in helping us deliver on our purpose.

900 members benefited from free one-to-one mentoring this year

Across the UK, around 600 members volunteer their time to mentor other members. Around 900 registered mentees get valuable career and CPD support from more experienced

'My mentor was absolutely amazing – her energy kept me on my toes and drove me towards my goals. I have achieved everything we've agreed during our meeting and am ready for the next stage of my career.'

'I would recommend the mentoring scheme to any HR or L&D professional as it helped me a lot. And as it's free for members, why not give it a go!'

Feedback from our member-to-member mentoring programme

members, while the mentors themselves report that they too see benefits for their own personal development.

Our online Community grew by 50%

Our online discussion forums continue to be an important source of support and advice for members and non-members alike. The Community platform attracted around 45,000 unique visitors per month (up 50%, thanks to increased efforts to raise awareness of this much valued member benefit) and we recorded 2.5 million page views over the year. Around 50% of users accessed the Community via their mobile device, so in 2019 we developed our first mobile app to help people catch up with the latest Community discussions 'on the go'. The app will help to make the reassuring help, peer support and guidance our Community offers as accessible as possible. CIPD members will be able to access exclusive groups such as *Employment Law*, *Learning and Development* and *HR Strategy*. Access to the more general groups, such as the *Careers Clinic*, will be open to all. The app will also provide a digital membership card – a convenient way for our members to access their membership details via their phone.

In September 2018, we added a new member-only 'Workplace Dilemmas in Confidence' area to the Community platform, in response to members asking for a confidential space in which to share dilemmas and discuss their options.

Here members can anonymously ask other members for support and guidance regarding workplace and ethical dilemmas. Members have used the platform to seek confidential advice on topics such as dismissals, absence and mental health concerns, as well as career advice and support on sensitive issues. They've received some excellent advice and the Community has been extremely supportive and considerate, particularly when it comes to highly emotive issues.

By the end of our financial year, members had posted 162 different dilemmas and received more than 1,200 replies. Total page views for the discussion threads topped 50,000, suggesting that the value of the advice given goes well beyond the person who originally sought it. The feedback we've received from users is testimony to the great sense of community it offers.

Feedback on Workplace Dilemmas in Confidence:

'I've received plenty of excellent advice [to help me] plan my meeting with a clear head and confidence.'

'This forum really is invaluable. I'm in a stand-alone role and [...] I don't know what I would do without it!'

'I'm so glad I have this supportive community 😊'

Going forward we'll map more of our content around the issues raised in this area of our Community and use the discussions to further inform our learning, resources and evidence base.

Our events: bringing thousands of people together to network and learn



'Empowering! I left feeling that I would be able to come back into my workplace and make a significant difference to those I work with.'

Sarah Lewis, Learning and Development Coordinator, Coleg y Cyomedd

Face-to-face events continue to play an important and valued role in our members' professional development. 11,000 people visited our two flagship events in 2018-19 and a further 7,000 attended our various conferences over the course of the year.

Our Annual Conference and Exhibition is our flagship event for the people profession. In 2018 it attracted 1,530 conference delegates (up 6% on 2017) and a further 2,286 exhibition visitors. 2019 saw the launch of a brand new flagship event – Festival of Work. Unlike our other events, which are specifically designed to support our members' CPD, the Festival of Work (see page 31) brings HR,

L&D and OD professionals together with the wider business community to discuss important trends shaping the future of work.

We also host various national and regional conferences, as well as smaller specialist events, to serve our members' needs.

1,200 free and subsidised local learning opportunities across the UK and Ireland

Each year, members across the UK and Ireland have access to around 1,200 free or subsidised learning, CPD and networking opportunities, in the communities where they live and work. In 2018-19, our local branch volunteers hosted 942 events, with several attracting more than a hundred attendees. For example, the Merseyside and North Cheshire branch ran a successful workshop on Neurodiversity in the Workplace, while the Swindon branch hosted a Mental Health Masterclass. Other popular topics across the branch network this year included well-being, menopause in the workplace, Brexit and talent management.

New annual conference in Northern Ireland

In November 2018 we hosted our first ever annual conference in Northern Ireland, welcoming 287 attendees. A range of first-class speakers from the world of HR and business delivered motivational talks and workshops on well-being, inclusivity and embracing technology. Our annual conferences in Scotland and the north of England followed the same themes, attracting 450 and 270 attendees respectively.

New Middle East People Conference and Awards

In response to demand from our growing membership base in the Middle East, April 2019 saw us host our first ever Middle East People Conference and Awards – helping to establish the CIPD as the career partner of choice for the region's people professionals and empowering them to drive change in their organisations. More than 200 people came to learn from more than 20 speakers on topics including diversity and inclusion, organisation design and the future of learning – delegates were impressed with the quality of content and networking opportunities. Workshops before and during the conference provided further CPD opportunities, and these were all fully booked. The event concluded with an awards ceremony to celebrate the best HR and L&D initiatives in the region.

'The event gave me the confidence to go back into the workplace and encourage positive change.'

Delegate at our inaugural People Conference in the Middle East

Building professionalism at an organisational level

When the people profession is at its best, everyone benefits. And the more we do this at scale, the greater our impact on work and working lives. Throughout the past year, we worked with more than 4,500 people professionals and more than 2,200 people managers across nearly 250 organisations – with the potential to impact millions of working lives.

Ultimately, we're helping these organisations deliver a more skilled, fulfilled and motivated workforce – one that's treated fairly, able to work in new ways, and better rewarded for their efforts. What's more, this work contributed more than £500,000 to our surplus, which we're able to reinvest in our broader efforts to champion better work and working lives.

Many of the organisations we work with are committed to working with us to develop their people functions over the long term, working with us in a variety of ways, year after year. For many, it's about ensuring their HR teams get the professional recognition they deserve, and we've continued to work closely with organisations, including the UK's Civil Service and Tesco, to enable their teams to achieve professional membership through group Experience Assessment.

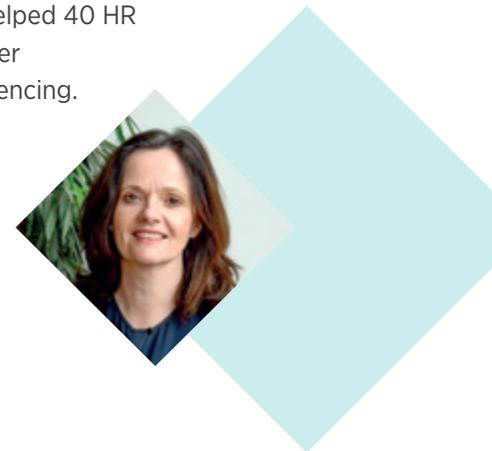
We're helping these organisations deliver a more skilled, fulfilled and motivated workforce.

Mapping out a new competency framework for Network Rail

The new Profession Map helps organisations take a fresh, critical look at their people functions and ask: How good are we? Are we doing enough? The Map gives them robust, precise and insightful ways to assess and build capability in a team or across an organisation. This year, we helped Network Rail, which employs 40,000 people, develop a bespoke HR competency framework based on the new Map. We also helped 40 HR practitioners build new OD skills and delivered several HR business partner masterclasses, developing skills in business-savviness, analytics and influencing.

'The CIPD Profession Map has helped us take a fresh look at our people function, review the capabilities we have in our team and ensure we have the right skills for the future.'

Sinead Trudgill, Director of HR
Network Rail



Building HR capability in the retail sector

Throughout 2018–19 we worked extensively across a number of large retailers to professionalise their HR functions. These included Tesco, Sainsbury's, Metro AG, Co-Op and Asda, who together employ around 1.1 million people.

At Tesco, our ongoing partnership continues to flourish. This year we co-created a suite of learning and development resources focused on improving the people team's knowledge and understanding of behavioural science, to help them become true experts in what makes their colleagues tick.

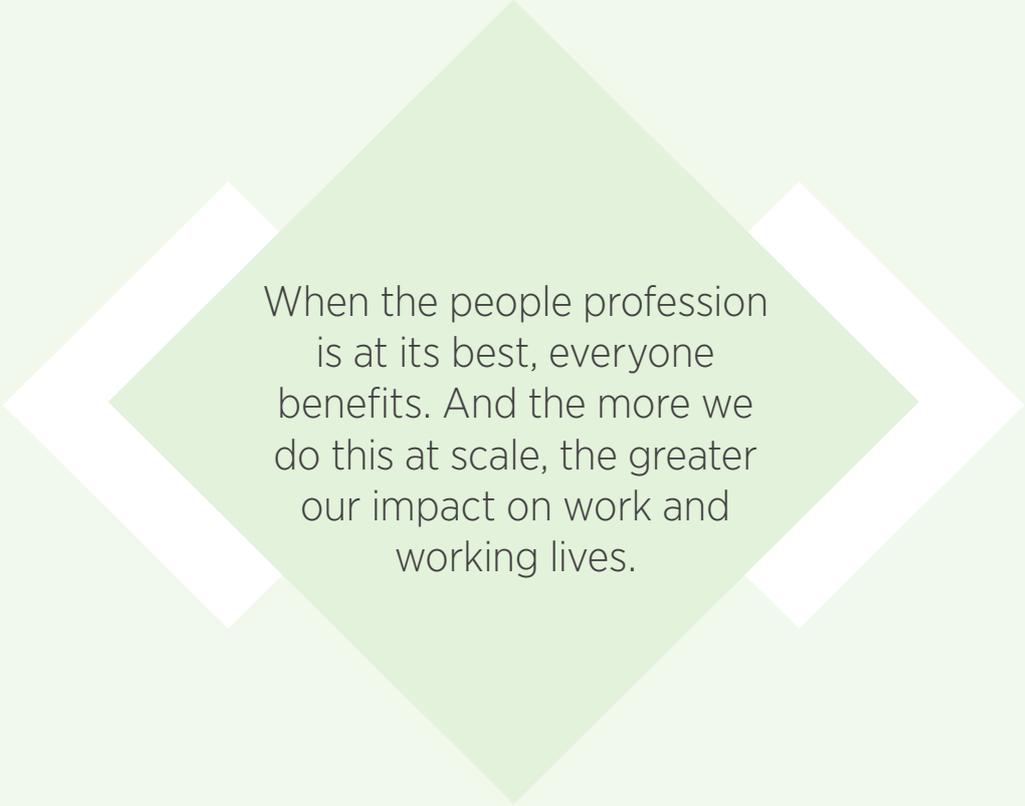
At Metro AG, the world's fourth largest retailer, and employer of 152,000 people, we delivered an HR business development programme to a cohort of 50 HR business partners across Germany, Turkey and Asia. Throughout 2019–20 we'll roll this out to 300 people across Metro AG's global HR team.

Supporting professionalisation in the Middle East

Partnerships with large employers continue to be an important source of growth for us in the Middle East. This year we signed a memorandum of understanding with the United Arab Emirates (UAE) Ministry of HR and Emiratisation to help prepare young Emiratis entering the workforce. The agreement will see us collaborate across research and thought leadership projects as well as deliver events, conferences and development programmes.

In Saudi Arabia, we partnered with the Ministry of Civil Service to develop and deliver a national programme to upskill around 400 HR professionals in the public sector. By upskilling so many HR professionals across government entities, we're building a community of HR professionals with the right skillset to champion better work and working lives across the Kingdom.

By upskilling so many HR professionals across government entities, we're building a community of HR professionals with the right skillset to champion better work and working lives across the Kingdom of Saudi Arabia.



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is at its best, everyone
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Driving change in the world of work

Making the case for better work – and raising the profile of the people profession as its champions – is central to our purpose. To maximise our impact, we focus on influencing change in the most pivotal aspects of today's labour market.

Focusing on key agents of change

This year we dedicated time to reflect on our voice, aiming to make it stronger and clearer than ever before. Within a broad and evolving world of work, we need to ensure our voice reaches those in positions most suited to influencing and implementing the change we want to see.

The people profession lies at the heart of championing better work and working lives, and as their professional body we provide them with the information and tools they need to drive positive change in their organisations and local communities. We carry out the research, propose the required policy changes, and provide the practical guidance needed to make good work a reality for all.

Historically, we've focused predominantly on reaching our profession, as well as policy-makers and senior decision-makers who can help us engineer change on a more macro level. This year, we put a greater emphasis than ever before on a third key audience – line managers. Their unique insight and personal connection with individual members of the workforce give them the ability to enact practical change at a grassroots level and have a direct impact on aspects of working lives, such as health and well-being or learning and development.

'The CIPD plays a key role in spreading good practice, challenging current approaches to people management and encouraging members to be proactive about career development.'

Mark Lomas, Head of Equality, Diversity and Inclusion, HS2 Ltd

Key highlights

- Our knowledge hub generated 500,000 downloads this year
- Our work was highlighted in the media almost 3,000 times
- We're creating Good Work Standards across the UK
- 3,699 volunteers supported our social impact and innovation initiatives
- Our People Skills Hub for SMEs and line managers helped 22,500 people



Creating effective content

By tailoring more of our content to the different needs and interests of these three groups, we'll ensure our research, policy and content outputs have a greater impact.

We've started by upskilling the teams behind our content in the art of putting themselves in our users' shoes and creating user experiences that really meet their wants and needs. We've also started making our work more accessible and engaging by breaking it down into more digestible pieces for each audience. One example is the content we produced for our *Menopause at Work* campaign, where we created a short practical guide for line managers and printable leaflets and posters for people professionals to distribute within their organisations.

Moving forward, we'll continue to think innovatively about the content we produce as an organisation, and how we can make it as practical as possible. In particular, we'll continue to diversify our channels and methods of content delivery, to increase our ability to reach our chosen audiences.

Shaping international standards

We also have a voice in the world of international standards and are proactively engaged in the International Organization for Standardization's (ISO) Technical Committee 260: Human Resource Management. Our staff are expert members of the committee's working groups and ensure that the CIPD's evidenced-based point of view guides the content of standards as they develop. We were active in two key standards published in 2018: ISO 30414 HRM (Guidelines on Human Capital Reporting) and ISO 30410 HRM (Impact of Hire). We also contributed to two further standards that are close to publication at the time of writing: ISO 30415 HRM (Guidelines on Diversity and Inclusion) and ISO 30421 HRM (Guidelines on Turnover and Retention).

We have presented our work on these standards at conferences and branch events in the UK and in Dubai and provided information for our members on these standards through our updated factsheet: *HR and Standards*.

Increasing our impact across the world of work

Our online reach continues to grow

By evaluating the quantity of traffic to our websites, we can gauge the level of demand for our content – a useful measure of our impact. This year our website attracted more interest than ever, with overall visitor numbers up 17%, to 3,782,994. Our factsheets continued to prove particularly popular and our knowledge hub (where all our research and associated guidance is housed) generated more than 500,000 downloads. Our international sites also drew more interest, with visits growing by 71% in Ireland, 6% in the Middle East and a massive 117% in Asia.

We saw impressive growth across our UK and international social media channels this year too – again showing that demand for our content continues to grow. Our main UK-based accounts across all major platforms continued to expand, with particularly strong growth seen on LinkedIn, where our following grew by 40% to reach more than 160,000. We also increased our reach on Twitter (up 5% to 108,500 followers), and Facebook (up 17% to 9,800 members). Highlights

across our international social media channels include strong growth in LinkedIn followers in Ireland and the Middle East, as well as a significant increase in Facebook followers in Asia.

‘Top pay in UK up by 11% as workers’ wages fail to match inflation.’

Guardian, August 2018

Shaping the news agenda

We continued to grow our impact via broadcast, national and business media in the UK. In total, we secured 2,960 pieces of media coverage throughout 2018–19, compared with the 3,250 received last year. While this is a decrease in the total quantity of coverage, the quality and prominence of the coverage we received grew. A particular highlight was our executive pay story, which led the *Guardian* front page in August, and appeared across numerous national newspapers and broadcast media. We had an in-depth interview about the menopause at work on *BBC Breakfast* in March and our quarterly *Labour Market Outlook* report continued to generate strong interest, including notable pieces in *The Times*, the *Daily Telegraph* and the *Financial Times*.

Influencing public policy

2018–19 saw our Public Policy and Public Affairs Teams provide evidence and insight to government and policy-makers on a wide range of issues. There were 12 formal responses to government, parliamentary inquiries, regional governments and combined authorities, and the CIPD appeared before House of Commons and Lords Select Committees to discuss issues including intergenerational fairness, the use of non-disclosure agreements (NDAs), and automation in the world of work. CIPD member views played an important role in forming CIPD viewpoints, gathered through survey data, branch meetings and roundtable events up and down the country, including with the CIPD’s Policy Forum, which is chaired by former MP and minister Iain Wright.

We also continued to strengthen our relationships with Scottish government agencies on key devolved matters such as skills policy, as well as supporting the Fair Work Agenda in Scotland.

Our new Festival of Work

‘Excellent event. Inspired by the future of work and the role HR will play in driving business success.’

A Twitter post from an attendee of the Festival of Work (17 June 2019)

June 2019 saw the launch of our new flagship event: the Festival of Work. Designed for both people professionals as well as the wider business community, the Festival brought together 7,000 attendees at London Olympia to discuss the skills, technology and environment shaping the future world of work. The event combined two existing events, the Learning and Development Show and HR Software Show, as well as integrating a future of work content stream – creating the world’s largest celebration of people at work.

A range of seminars, workshops and panel discussions explored the potential for collaboration between people and technology. The opening keynote speaker, Chess Grandmaster Garry Kasparov, urged us to embrace the role of AI and new technology within our workplaces. We also ran a series of inclusion workshops. Each workshop centred on a different form of inclusion at work (menopause, race and LGBT+) and allowed visitors to have open and honest conversations around how we can work towards creating truly inclusive workplaces.

The Festival's celebratory atmosphere brought with it new types of content and activities. Start-ups were able to showcase their new ideas in the Innovation Village, while visitors and exhibitors had the option to unwind between sessions with free yoga, dog therapy and more in the Well-being Village.

Leading the conversation on good work

To create good-quality work, we need to raise awareness of what it looks like. We want good work to be something that all workers, managers and leaders understand and promote within their organisations. This year we aligned our research, content and policy efforts under three main elements of good work: skilled work, productive work and fair work.

Ensuring our voice was prominent and aligned with these areas gave us a framework to both raise awareness of the challenges that exist, but also to provide relevant practical guidance to help our audiences start to overcome them.

We want good work to be something that all workers, managers and leaders understand and promote within their organisations.

Ensuring effective skills development

Keeping pace with an evolving world of work requires up-to-date knowledge of changing demands for skills. Government and business need to join forces to provide employees with the skills and qualifications they need to thrive throughout their working lives.

This year the CIPD, alongside a number of partners, formed a new Essential Skills Task Force in England. The group is working to define a skills framework for the core and transferable skills that almost all jobs need. The framework will create a common vocabulary between education and employers, supporting the recruitment process through a better understanding of candidates' skills and abilities. The framework is being tested by a number of prominent employers, and we'll continue to work with government and key stakeholders to encourage its uptake. We also hope to link up with similar initiatives in Scotland and Wales.

The skills landscape

We also assessed the current skills landscape in the UK. In October 2018 our report, *Over-skilled and Underused: Investigating the untapped potential of UK skills*, highlighted the degree to which UK employees are in job roles they are either under- or over-skilled for. Alongside the main report, a practical guide for people professionals detailed just how organisations can counter skills mismatches.

The apprenticeship system

In March 2019, we supported a National Audit Office report which questioned the long-term sustainability and effectiveness of the UK Government's apprenticeship programme. We added

our voice to the growing number of organisations in favour of reforming the apprenticeship levy and called on the Government to take action.

In July 2019, our report, *Addressing Employer Underinvestment in Training: The case for a broader training levy*, highlighted the broader problems with the levy and our proposed solutions to these.

Looking ahead to T-Levels

We also published research on the new government study programme set to be introduced in 2020: T-Levels. We looked at just how ready employers are to accommodate these new vocational qualifications, and how effective they think they'll be. Worryingly, our findings revealed 60% of employers hadn't heard about the new qualifications, and only 26% believed that it was feasible to expect businesses to provide minimum work experience placements of 45 days.

The report secured coverage in the *Financial Times*, as well as other national papers.

'Employers not ready for rollout of T-Level technical school exam'

Headline in the *Financial Times* on our research report, *Reforming Technical Education: Employers' views of T-Levels* (22 August 2018)

Making work more productive

Since the financial crisis in 2008, productivity in the UK has flatlined. By prioritising better and more effective people management practices, we can help organisations drive productivity growth. Throughout the year, we've continued to monitor the strength of UK organisations' recruitment and pay intentions with our quarterly *Labour Market Outlook*, in partnership with the Adecco Group UK & Ireland. It tracked the effects of turbulent political uncertainty on employer confidence. In the spring, our report found that labour demand and pay expectations remained strong, at least in the short term.

By prioritising better and more effective people management practices, we can help organisations drive productivity growth.

Painting a picture of what a productive workplace looks like

We investigated the role of technology on workplace productivity in our report, *People and Machines: From hype to reality*. Launched in April 2019 in partnership with PA Consulting, the report used surveys and organisation case studies to explore how jobs are changing as a result of new technologies, and how the people profession has a vital role to play in leading this change at a workplace level.

Healthy employees are usually happier and more productive at work. Our *Health and Well-being at Work Survey* in April, in partnership with Simplyhealth, shone a light on the worrying increase in stress-related absence in UK organisations. It also picked up on the role of line managers, who are increasingly seen as responsible for their team's well-being. Alongside the main report,

we produced a guide for managers on helping ensure stress doesn't get in the way of success. In total, the guide and accompanying resources surpassed 15,000 downloads.

We also partnered with the Royal Foundation's Heads Together campaign and the charity Mind to launch Mental Health at Work, a new online gateway to resources, training and information to help combat the issue of ill mental health at work. We continue to work with the Heads Together campaign to remove the stigma around mental health at work and promote these resources with employers.

Expanding our evidence base on productive work

We continue to deepen our impact by generating robust evidence that can transform real-world business practice. This year we secured funding from the Department for Business, Energy and Industrial Strategy's (BEIS) Business Basics fund for *People Skills Pilots* – an innovative approach to boosting the productivity of small firms (see page 38).

We continue to deepen our impact by generating robust evidence that can transform real-world business practice.

In addition, we continue to be a valuable partner to leading academic institutions and networks. Our research team was instrumental in winning funding this year from the Economic and Social Research Council (ESRC) to develop a new evidence hub. Known as ProPEL, the new hub will allow evidence- and evaluation-sharing from a series of cutting-edge research projects that will test how certain HR practices can lead to productivity improvements within organisations. The CIPD will act as an expert adviser, content developer and network partner to the hub, leading on its engagement with policy-makers and the people profession.

Creating fair and inclusive work

At the heart of good work is fair and inclusive work. Greater diversity, fairer reward packages and more transparency bring with them better working practices and more productive teams.

Menopause at work

In March we launched our landmark *Menopause at Work* campaign to break the stigma around menopause in the workplace. We produced guidance for both people professionals and line managers to support people going through the menopause transition at work. We also created a range of posters and leaflets with information and tips, purposely designed for organisations to easily share within their own workplaces.

The guidance and resources we produced proved hugely popular, picking up over 20,000 downloads. And our podcast on the topic has been played almost 10,000 times.

On the day of launch, our employee relations adviser appeared on the *BBC Breakfast* sofa to share further information and guidance. We've also received support

'Employers who are serious about tapping into female talent need to get serious about the menopause. Even a few small changes can transform work for many women with menopausal symptoms' #MenopauseAtWork

LinkedIn post to launch our *Menopause at Work* campaign (26 March 2019)

from a number of key ministers and are preparing to further raise the issue at a public policy level this autumn.

Monitoring executive pay

Our annual analysis of executive pay packages in the UK's largest publicly listed companies, in partnership with the High Pay Centre, shines a light on the excessive gaps between the highest and lowest earners and the lack of transparent reporting to justify the gaps. The report proves popular with the media each year: the August 2018 report featured on the front page of both the *Guardian* and *City AM*, and our spokespeople discussed the findings on BBC News.

In January 2019 we also published research into the failings of the remuneration committees (RemCos) responsible for setting and monitoring executive pay and called for organisations to broaden the remit of their remuneration committee, making them 'people and culture committees'. These new committees would lean more on the expertise of the people profession and be responsible for ensuring that reward practices across the workforce incentivise behaviours that are in the long-term interest of employees, businesses and the societies they operate in.

We called for organisations to broaden the remit of their remuneration committee, making them 'people and culture committees'.

Closing the pay gaps

Over the year, we've been advising the UK's Department for Business, Energy and Industrial Strategy (BEIS) on what introducing mandatory ethnicity pay reporting would mean for employers and HR professionals. After welcoming a consultation on the topic in October 2018, in February 2019 we called on the Government to make it compulsory for organisations to publish a narrative and action plan alongside their ethnicity pay report. We're continuing to work with BEIS on the ethnicity and race at work agenda and have already voluntarily disclosed our own ethnicity pay data in this annual report (see page 50).

This year also marked the second year of mandatory gender pay gap reporting in the UK. Our report, *Not Just a Number*, showed that while most organisations are taking the responsibility of reporting seriously, some are struggling to provide an accurate picture of their gender pay gap, and not enough provide meaningful explanations of why the gap exists. The report provided case studies on what some organisations are doing to close their gender pay gaps.

In Ireland, we responded to a government consultation to ensure gender pay gap reporting is fit for purpose. Our Irish team is also set to be part of the next round of consultation on detailed definitions and implementation methods.

Measuring good work

In June 2019, we launched our second annual report on UK job quality: *UK Working Lives*. Using seven key dimensions of job quality, the report assesses the degree to which UK workers experience good work and gives key insights into the changing nature of work in the UK. Findings this year identified poor work-life balance as a particular problem, with 60% of UK workers admitting they work longer hours than they'd like. Almost a quarter (24%) also noted that they find it difficult to relax in their own time due to thinking about work. *UK Working Lives* continues to influence national and regional policy, providing evidence to academics and policy-makers and shaping a growing debate.

Flexible working

The worrying findings from *UK Working Lives* highlight the importance of creating flexible working opportunities. Our chief executive, Peter Cheese, continues to co-chair the Government's Flexible Working Taskforce. The taskforce aims to boost the availability of flexible working across the UK and has actively used the results of *UK Working Lives* to inform its work.

In January, our *Megatrends* report on flexible working – one of our most popular reports of the year – outlined the current provision of flexible working arrangements for UK employees. The accompanying guidance on flexible hiring outlined how to incorporate flexibility into different job types and encouraged employers to advertise vacant roles with the strapline '*happy to talk flexible working*'. And in June we published a series of employer case studies exploring the different, often creative, approaches to flexible working taken by real-life organisations across different industries and sectors.

We published a series of employer case studies exploring the different, often creative, approaches to flexible working taken by real-life organisations across different industries and sectors.

Championing 'Good Work' across the UK

Throughout the year we've embraced several opportunities to influence the 'Good Work' agenda across the UK – with local, regional and national policy-makers showing an increasing appetite for change.

Our work with the Mayor of London to create his Good Work Standard was finalised in July 2019, with Peter Cheese joining Sadiq Khan as a speaker at the launch event at City Hall. Over the two-year process, our Policy Team had an active role in advising on and shaping what is included in the Standard, as well as testing it with employers and key stakeholders. We'll continue to work with CIPD members in London to promote the Standard and encourage its uptake.

Similarly, in Manchester we continue to collaborate with the Greater Manchester Combined Authority, and we are now a key supporter and contributor to its Good Employment Charter. The Charter aims to support employers to create good jobs and deliver opportunities for people to progress and succeed. In Wales, we submitted a response to the Welsh Government's Fair Work Commission, set up to produce recommendations on how to promote employment practices to create fair work across Wales.

We're also involved with other developing good work initiatives, including the Fair Work Action Plan in Scotland, and the Fair Employment Charter in the Liverpool City Region.

Our *UK Working Lives* findings have also been used to produce regional and national practice briefings – one for the north of England, and the other for Scotland. These take a detailed look at job quality within these specific areas, and provide a range of tailored practical advice for people professionals to deliver better people practices.

Next year, we'll continue to invest in policy and public affairs work to support initiatives like these, and we'll develop guidance to help employers put policy into practice.

Responding to the external environment

In response to political and social change affecting the world of work, we've continued to lead the conversation around topical issues affecting the people profession.

Preparing for Brexit

The UK's exit from the European Union has been high on the political agenda this year, and our regularly updated Brexit hub kept on top of events with information on latest developments and tailored practical advice for people practitioners. Among the content we produced for the hub was the guide *Continuity Planning for HR: Brexit and beyond*. This explained how HR teams can maintain business continuity and stability throughout the Brexit process.

We played a leading role in shaping the Migration Advisory Committee's report on immigration policy post-Brexit.

We played a leading role in shaping the Migration Advisory Committee's report on immigration policy post-Brexit. The report adopted many of our recommendations, including the removal of a cap on the number of workers allowed to enter the UK from outside the EU. The CIPD was the most quoted organisation out of more than 400 that submitted evidence. To support our

members, we'll run a series of webinars and courses to guide participants through proposed post-Brexit immigration policy. We are also conducting detailed research with members to inform our response to the government white paper on the UK's future skills-based immigration system.

Tackling sexual harassment at work

In light of increasing reports of sexual harassment in the workplace, we've been working to equip our members to challenge cultures and instances of workplace harassment. We've worked with government to signpost what good practice looks like, and how to support employers in achieving it.

This year we made our second appearance in front of the Women and Equalities Select Committee. Our head of public policy, Ben Willmott, provided evidence on the use of non-disclosure agreements in discrimination cases, which was referenced in the final report and recommendations. We continue to engage with policy officials on their ongoing research into workplace sexual harassment.

Turning our research into practice

This year we scaled up efforts to take evidence into practice. Our Research Team shared insights with practitioner audiences at approximately 60 events and conferences and we developed several projects in close partnership with members to bring together practitioner knowledge and experience with academic expertise.

Support for small businesses

Our People Skills Hub has helped 22,500 people since launch, and nearly 80% of these were new to the CIPD.

In January we successfully secured funding from the UK Government's Business Basics Fund to provide free HR and people management support to small or medium-sized businesses in Birmingham and to run a unique marketing messaging trial to improve SME engagement with business support services. In partnership with Greater Birmingham Chambers of Commerce (GBCC), the project gives Birmingham businesses that employ up to 50 people free access to up to two days of HR support – from providing advice on recruitment and job specifications, to managing absence and performance, and training staff.

Our learnings from this project – and previous pilots – have informed our ongoing engagement with government on the types of support smaller firms need. It also helped us develop, with funding from JP Morgan, our People Skills Hub – a free online resource that contains a range of guidance and tools to help small businesses improve their people practices. Since launch the hub has helped 22,500 people, and nearly 80% of these were new to the CIPD.

Piloting new ways to champion better work

After a successful bid in April, we were awarded £182,540 from the Government Equalities Office (GEO) to run a 12-month 'parent returner' programme in Yorkshire and the Humber. The programme, which started in June, will see us supporting 150 parents who have been out of work for a year or more, and want to return to work at a level that matches their skills and previous experience. We'll also work with 25 employers in the region, supporting them to be 'Returner Champions', and encouraging them to open routes back into employment for parents. In due course, we'll apply learnings from the local pilot to roll this work out in other parts of the UK.

Another pilot we ran was our Flexible Hiring Champions programme with the Timewise Foundation. From July 2018 to January 2019, we provided 20 volunteer employers with the training and support they needed to offer flexible working opportunities within their organisations. The pilot resulted in a number of the employers changing their existing working practices permanently for both new and existing employees – including advertising roles as open to flexible arrangements. What we learned from this pilot will feed into our Parent Returner Programme.

In the community: our volunteering programmes

Every year, thousands of volunteers use their experience as HR or L&D professionals to help us champion better work and working lives. This year, the total number of volunteers working across our various social impact and innovation programmes reached 3,699 – this is in addition to the 900 members who volunteer in our local branches (see page 22).

We continue to partner with the Careers & Enterprise Company to recruit Enterprise Advisers (EAs). We recruited another 340 EAs this year, bringing our total number of active advisers up to 946. These EAs work within schools to support students and raise their

awareness of the range of career options open to them, as well as introducing students to local employers. They also help prepare students for the world of work, providing tips on job interviews and CVs, as well as helping to improve the essential soft skills needed in the workplace. Advisers are now estimated to have supported around 500,000 students across the UK.

On top of this, half of employers with an EA are making changes to better support young people to enter the labour market, and 36% cited the adviser as a catalyst for these changes.

Our Steps Ahead mentoring programme continues to go from strength to strength. After the recruitment of 282 new mentors this year, 2,508 CIPD members are now registered as Steps Ahead mentors and are actively helping their mentees achieve roles in their career of choice. Mentors predominantly help to provide employability skills, but mentees also reported improved communications skills, feeling more confident, and having better self-esteem. On average, six in ten mentees secure work as a result of taking part in the programme, and 80% of them achieve roles in their career of choice.

One of our Steps Ahead mentors, Nichole Higgins, won Mentor of the Year at the National Mentoring Awards 2019 – reflecting her hard work in helping young people have the confidence and know-how to secure employment.

Our next steps for the programme will be to build on the proven success of a one-to-one mentoring model, and to test and develop new approaches that will allow us to have higher-volume interactions. This expanded reach will allow us to have even more impact in helping disadvantaged groups access the labour market.



‘We’ve set up graduate schemes and apprenticeships. This was always in the pipeline but this experience accelerated the need for creating programmes. We’re creating more meaningful experiences based on knowledge of schools and student expectations.’

Anonymous employer on the benefits of the Enterprise Adviser scheme



Investing in our future

The worlds of work and people practice are changing, presenting a huge opportunity to drive lasting change. Our job now is to take full advantage, so we can make the biggest impact possible – for our members, customers and society as a whole.

Our charitable purpose is the *'promotion of the art and science of the management and development of people for the public benefit'*, in other words, to champion better work and working lives. Our growth – both in terms of membership and broader reach – is crucial to fulfilling that purpose. The more people professionals who uphold our Code of Conduct and map their career development against our Professional Standards, the more working lives we'll improve and the more organisations will reap the benefits of world-class people management and development. And, the more hearts and minds we change about the role of the people profession as champions of good work, the more demand we'll see for our members' expertise.

In 2016, we set out a long-term plan in support of our purpose, divided into three phases:

- 1 'Getting in shape' (rationalising costs and improving business practices)
- 2 'Playing to our strengths' (improving our capabilities through strategic partnerships)
- 3 'Going for growth' (achieving greater reach and impact).

We're now in phase three, focused on growth in three key areas:

- building membership levels up to around 200,000 over the next five years – by strengthening our membership pipeline and making membership more attractive for existing and potential members
- significantly increasing the number of strong relationships we hold with large organisations – by providing a more compelling and scalable proposition to suit their needs
- becoming a more influential voice on the future of work and people management, strengthening our presence in international markets and among small organisations and people managers.

Our strategy for championing better work and working lives:

- making the case for better work – and raising the profile of the people profession as its champions
- building the capability of the profession as experts in people, work and change
- developing a sustainable, future-fit organisation able to meet the needs of our customers, our business and our people.

Laying the foundations for growth

Based on customer and member feedback, as well as external market analysis, we've identified three key areas in which we need to build stronger foundations to achieve our growth ambitions:

- helping professionals and organisations do better work by developing and sharing relevant, up-to-the-minute and evidence-based knowledge and good practice
- helping people to build their careers and achieve more impact by providing learning opportunities, setting standards and assessing people's progress against these
- understanding our customers' businesses and working lives, making it easy for them to get what they need from us, and managing our relationships with them smartly.

All three of these areas of strength need to be supported by: skilled, knowledgeable people; ways of working that help us make the most of our time and talents; a culture that helps us all do our best work in support of our members, customers and purpose; and data that is accurate and well managed, systems that support our ways of working and a digital experience that works brilliantly for us and our customers.

Achieving all of this will require significant change. So we've established a new Programme Management Office to plan and co-ordinate change activities and to support those responsible for delivering them to do so effectively and collaboratively.

Ultimately, we'll create a more customer-focused, digitally enabled and simplified CIPD.

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Digital enablement

Digital enablement will be key to our success. Over the last financial year we've continued our investment in our digital infrastructure – both in member-facing areas and our back office.

Enhancing the member experience

We added a number of new features to our website this year to allow members to more easily see the benefits available to them, as well as a new preference centre where members can manage the information they receive from us. We also made the site easier to use and navigate, in direct response to user feedback.

We built a new online portal for our study centres to submit results of qualifications. This has significantly reduced the complexity and time taken to provide that information, so we'll be able to issue certificates recognising our student members' qualifications faster than ever before.

Digital learning

There's been a significant increase over the last few years in CIPD students choosing online study as their primary learning channel. To improve support for students studying directly with CIPD Training, we upgraded our digital learning platform to provide a far better learning

experience. With the improved tools available we also started to offer digital delivery for some of our short courses.

Back-office developments

We continued to invest in our underlying technology in many areas, including enhancing our cybersecurity in response to the continually changing threat landscape. For example, we rolled out multi-factor authentication for staff. We've also moved much of our main infrastructure to a new private cloud environment. While we were already operating in this way, our new provider allows us to reduce costs and improve the robustness of our technology as we move the remaining services to this new environment. These developments will enable us to provide our customers with a more reliable service.

Investing in a digital future

To achieve our growth plans, we'll need to considerably increase our investment in our digital capabilities and infrastructure. We know, for example, that our data, e-commerce and content systems are all in need of significant development. The CIPD board is now considering the scale and pace of investment needed – perhaps as much as doubling our £2 million a year in strategic investments for a short time. But we also recognise the importance of investing our customers' and members' money wisely and are putting measures in place to ensure that all investments are supported by well-evidenced business cases.

To achieve our growth plans, we'll need to considerably increase our investment in our digital capabilities and infrastructure.

Our commitment to sustainability

Work can and should be a force for good – not just for people and business, and not just for the economies we work in, but for the society and environment we all live in too. As such, we're committed to becoming a more environmentally conscious organisation and minimising our environmental impact and carbon footprint as we grow.

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We've already eliminated the use of plastic in our membership cards, built a digital membership card into our new mobile app, and sourced new outer packaging for our *People Management* magazine, to improve recyclability. We've also reduced the use of plastic cups and cutlery in our head office by 25%.

Next year we'll work with staff, members, partners and stakeholders to develop a holistic sustainability plan covering all aspects of our work, including our supply chain, strategic partnerships and financial investments. This work will be led by a group of dedicated individuals from across our workforce, sponsored by a member of our senior leadership team to ensure it has the mandate and support needed to make change happen.



Our people

Championing better work and working lives starts with putting what we know into practice in our own organisation.

Why our people matter

We've changed a lot in the past year in line with our growing strategic aspirations, and our success is down to the talents and diversity of our people. That's why we value and develop our employees to succeed in their careers, as well as contribute to our success. We aim to provide purposeful work, along with the structure and skills to make a difference. We also create great career opportunities and support people's well-being at work.

What our people do and who they are

Our people carry out a wide range of activities in support of our purpose – from the research and policy experts who develop our thinking, to our customer service and employer solutions teams who are there to give our members and customers a great experience.

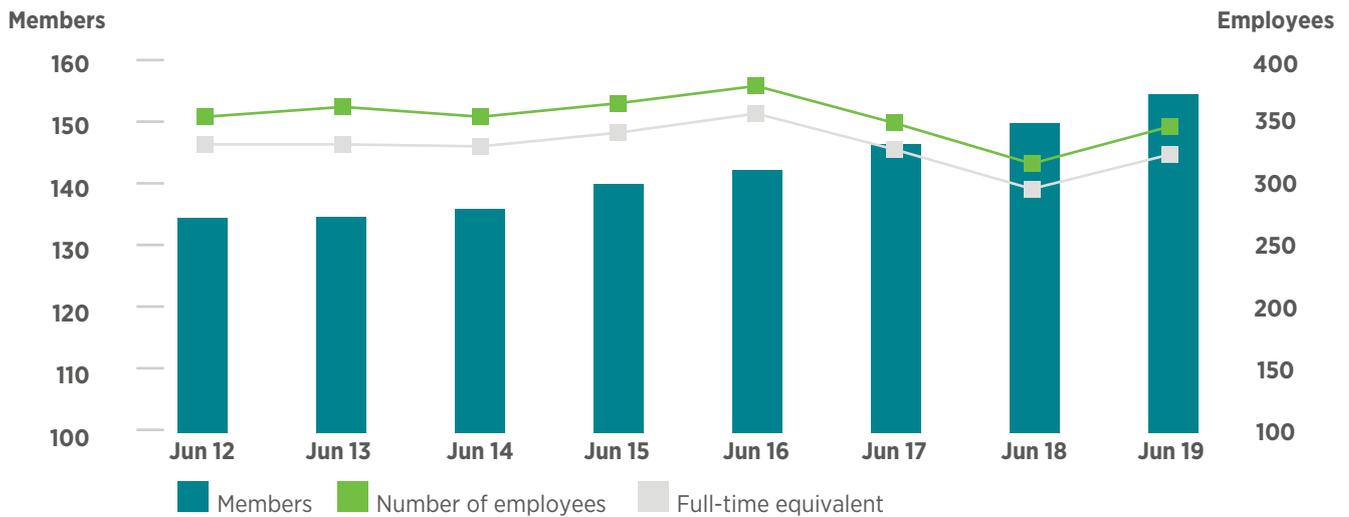
We have 346 employees in our offices in the UK, Ireland, Singapore and Dubai. Supporting this core workforce are around 4,800 volunteers and associates. Volunteers include around 900 members who act as the face of the CIPD at a local branch level, 50 people who help us protect our Code of Professional Conduct, and 3,699 who support our social action and innovation programmes. We also have around 180 paid associates who support our membership assessment processes and deliver some of our training courses.

We increased our headcount by 24.2 (full-time equivalent) over the past 12 months. This was to grow our capability in areas such as customer services, supporting our members and member engagement in our UK regions and internationally. Figure 3 shows how our workforce has grown compared with our membership.

Key human capital metrics

- 346 employees and around 4,800 volunteers and associates
- Voluntary turnover: 11.5%
- Three in four leavers would recommend the CIPD as a place to work
- New values launched
- 193 people undertook development activity this year
- Our gender pay gap narrowed
- Our maximum pay ratio is 14:1
- Sickness absence fell below the UK average
- We jumped 211 places in the Stonewall Equality Index

Figure 3: Our workforce and our members



Understanding our people

Employee engagement and organisational culture

Employee feedback remains an important part of understanding our people. In 2018-19 we continued to encourage our people to regularly complete our ‘always-on’ employee pulse survey. This continually measures our employees’ satisfaction with (and the level of importance they give to) various areas of work. Work-life balance remained the factor people were most satisfied with in 2018-19. The area that recorded the lowest satisfaction level was our previous organisational values.

We responded to these results by reviewing our values. Organisational development work in 2018-19 focused on working towards a customer-focused and constructive culture. This work followed on from the internal culture audit we conducted in 2017-18 and the revised operating structure that we implemented that same year. This year we collected data and insight from a range of sources to inform the creation of our new values. These included:

- direct consultation with over 90% of our workforce (every employee had the chance to get involved)
- face-to-face and remote engagement with some of our branch chairs and volunteers
- insights from our member survey, which we used to ensure the new values were aligned with what our members desire most from their interactions with the CIPD.

The result was a revised set of values and associated behaviours that resonate better with our people, and will ensure that fulfilling our members’ and customers’ needs is at the heart of everything we do.

As we embed these values, we'll ensure we live them through our HR and people management practices, including holding people to account against our new behaviours and ensuring our senior leadership team leads in a values-based way. We'll measure the impact of this activity on our organisational culture in 2019–20.



Customer First

We listen to our customers and put their interests at the heart of everything we do



Impactful

We take ownership and deliver quality on time, every time



Collaborative

We pull together, challenge constructively and always communicate effectively



Innovative

We turn innovation and insight into value and impact



Expert

We ensure expertise informs everything we do and never accept mediocrity

How we develop, motivate and retain our people

We want our people to feel motivated and supported to perform and stay working for the CIPD, so that we can achieve our ambitious goals. As a result, we're pleased to report that in 2018–19 we once again saw a drop in the percentage of our workforce choosing to leave.

Our voluntary turnover was 11.5%, down on the previous year's figure of 13.8%. Of those who opted for an exit interview, 47% said they were leaving to pursue the next stage of their career. And 75.7% of the people who completed our leavers' survey said they'd recommend the CIPD as a place to work.



Developing our people

In 2018–19, we continued our focus on developing our people in six core areas: leadership, future core capability, personal development, well-being, compliance and professional development. In all, 193 people undertook development activity during the year, equating to 55% of our workforce. The average spend on development per person was £400.

We welcomed two new apprentices to our workforce in 2018–19 and contributed £4,000 per month to the apprenticeship levy.

'My managers are very supportive, giving me flexibility for study days and to schedule my workload around different learning initiatives.'

Nicole Blair, Employer Solutions Executive

Leadership development

During 2018–19 we extended our leadership development to our line managers through our Leading the CIPD Way programme. This programme incorporates the latest research in systems awareness and develops core leadership skills and competencies around:

- implementing our strategy and engaging people in our goals
- creating and sustaining effective teams
- navigating change
- developing the skills to become a learning organisation.

In total, 56 people joined the programme during 2018–19, representing 59% of people who have responsibility for managing or supervising colleagues.

Fair and competitive pay

We continually look to improve our structures and processes around pay and reward. In July 2017, we devolved responsibility for deciding annual pay awards to our leaders – a practice we continued this year. Using market-related salary data and factors such as experience, performance and growth opportunities, our people managers make informed and affordable reward decisions.

Our pay scales allow us to compete effectively in the employment market while staying true to our charitable status. We pay above the Living Wage and benchmark our salaries against the external market.

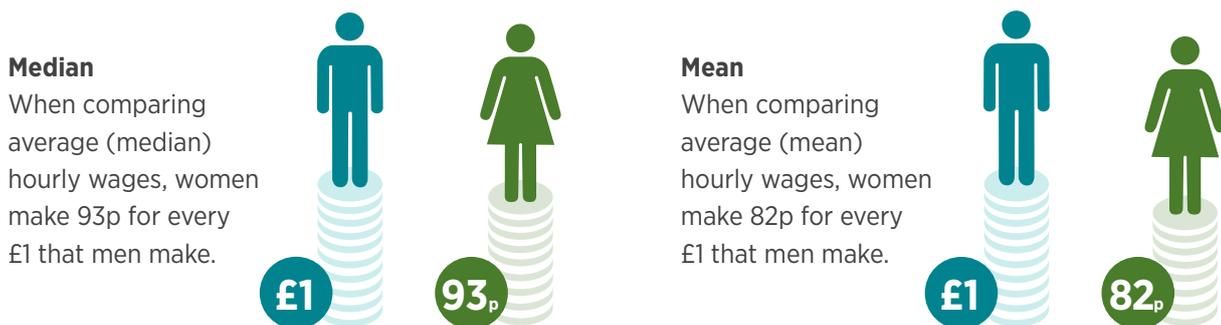
Our pay ratios

The minimum CIPD salary in the year was £19,201, the average (median) salary was £36,374.50, and our chief executive earned a salary of £264,250. This resulted in a maximum ratio of 14:1 and an average of 7:1. The average (median) salary of our senior leadership (excluding our CEO) was £122,207, which provided a median ratio of 3:1. These ratios reflect both the demands and high-profile nature of our senior roles and the ambitious agenda of our chief executive.

Our gender pay gap

We collected our gender pay gap data on 5 April 2019 for the third year of gender pay gap reporting. The data revealed a median gender pay gap of 6.8% (down from 7.6% in 2018) and a mean gender pay gap of 17.7% (up from 15.7%) within our UK workforce.

Figure 4: The CIPD's gender pay gap (April 2019)



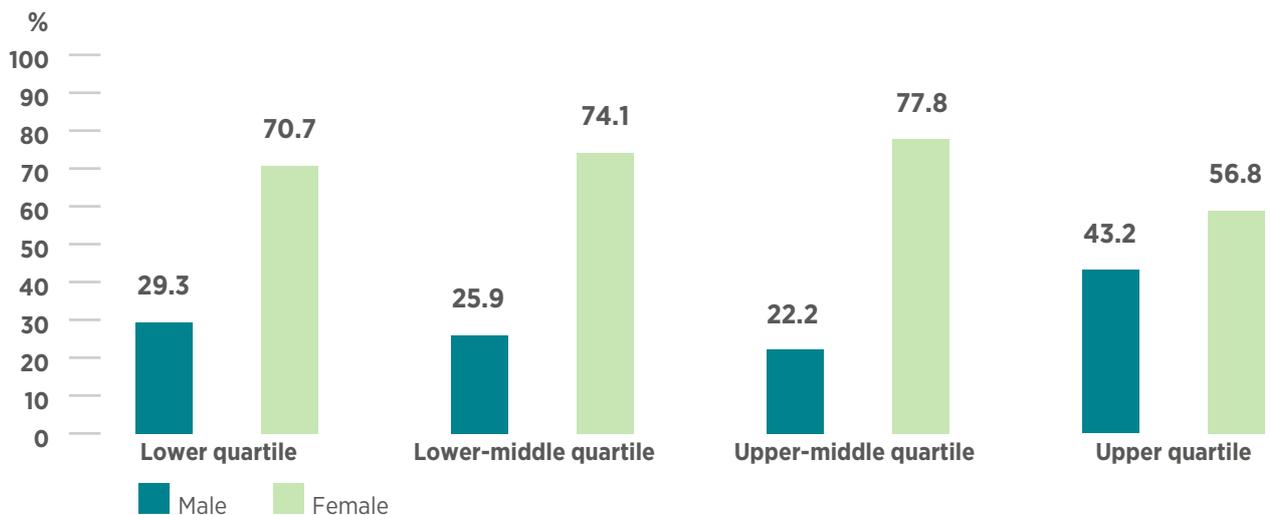
The positive change in our median pay gap, which is the statistic generally accepted to be most indicative of pay equality across an organisation, was as a result of continued focus on pay management in line with our reward principles and encouraging greater diversity when filling job vacancies. Analysis of our snapshot data revealed that the overall decrease in our median pay gap was driven by a decrease in the median gap within the middle pay quartiles of our workforce. However, the gap in our lower and upper pay quartiles has increased, meaning that the overall decrease was not as large as it could have been.

Our mean pay gap has increased since 2018. This is a direct result of the mean gap in the upper pay quartile, which contributes 28.3 percentage points to our overall mean gender pay gap, up from 26.1 percentage points in 2018. There were two female resignations between the snapshot of 2018 and 2019, both in the upper pay quartile, which significantly impacted the mean gender pay gap. The successful replacement candidate for one of these was a man and the other, a member of our senior leadership team, had not yet been replaced at the time of the snapshot date (but has since been replaced by a woman). The gender mix of our senior leadership team also had a significant impact. For example, having a male CEO accounted for 4.0% of our mean gender pay gap in 2019.

As of 5 April 2019, 69.8% of our UK workforce was female and 30.2% was male (down from 32% in 2018). Women also outnumbered men at every level of our workforce. But more than half of women (118) were in roles in the lower and lower-middle pay quartiles (up from 106 in 2018), while 109 were in the upper and middle pay quartiles (up from 95 in 2018). That's compared with 45 men in the lower and lower-middle pay quartiles (up from 42 in 2018) and 53 in the upper and middle pay quartiles (this number has remained the same since 2018). We remain committed to maintaining a low gender pay gap through our annual salary review process and in fair and inclusive work practices.

For more in-depth analysis of our gender pay gap, and our action plan for 2019–20, see cipd.co.uk/gpgr

Figure 5: The CIPD's UK workforce by pay quartiles (April 2019)



Bonuses and pay progression

During our July 2018 salary review, five women were awarded a small, one-off payment in recognition of outstanding performance. No men received such a payment, resulting in a median bonus pay gap of -100.0% and 0.0% mean. This is in contrast to our gender pay gap report in 2018, when 11.4% of women and 10.5% of men received a bonus, and the median and mean bonus gaps were 30.0% and 3.0% respectively.

Regarding promotion and pay progression, as part of our people strategy we have also documented promotion guidelines. These clearly set out the criteria for promotions and salary increases awarded outside the annualised salary review process. This further supports our commitment to use relevant controls within our pay practices aimed at maintaining a low gender pay gap.

Reporting on ethnicity pay

In 2018-19 the UK Government issued a consultation relating to ethnicity pay gap reporting. In our response, we recommended that organisations with more than 250 employees should be required to report on their ethnicity pay gap using the same calculations as required for gender pay gap reporting.

Although there is no government legislation to report the ethnicity pay gap in 2019, nor a mandatory requirement to collect ethnicity data, we want to provide a balanced view of the CIPD workforce and so have chosen to report our ethnicity pay gap results on a voluntary basis. We are in a strong position to do so, because more than 98% of our people openly disclose their ethnicity to us.

Based on the same snapshot data used to calculate our gender pay gap, we have a median ethnicity pay gap of 19.8% and a mean ethnicity pay gap of 25.2%. In other words, white people have a pay advantage, as shown in Figure 6. Table 4 breaks this down further by ethnic group. We have not included our 'other' ethnic group in this breakdown, as there are fewer than five people in this group.

This year's results give us a baseline from which we'll continue to drive our diversity and inclusion agenda. Further analysis will also help us identify ways of addressing the gap and enabling equality of opportunity for all at the CIPD.

Figure 6: Our overall ethnicity pay gap (April 2019)

Median

Comparing average (median) hourly wages our total **BAME** (Black, Asian and minority ethnic) population earns £0.80 for every £1.00 earned by our white ethnicity group.



Mean

Comparing average (mean) hourly wages our total **BAME** (Black, Asian and minority ethnic) population earns £0.75 for every £1.00 earned by our white ethnicity group.



Table 4: Our ethnicity pay gap, by ethnic group (April 2019)

Ethnicity group	Median gap	Mean gap	Employee numbers
Total BAME	19.8%	25.2%	White: 249 BAME: 71
Black	35.3%	33.4%	White: 249 Black: 21
Asian	19.8%	25.1%	White: 249 Asian: 38
Mixed	18.5%	4.2%	White: 249 Mixed: 9

Governance and oversight of our people and culture

Following the appointment of a staff member to our remuneration committee in March 2018, this year we expanded the committee's remit – and name – to cover all matters relating to people, culture and remuneration. This reflected the recommendations set out in our report *RemCo Reform: Governing successful organisations that benefit everyone*, which found that, following revisions to the UK Corporate Governance Code, reform is needed to ensure boards fulfil their duty to establish corporate cultures that are aligned with company purpose, promote integrity and value diversity.

We're proud to reflect our research and insights in the way we do things at the CIPD.

Building a diverse, inclusive and healthy workforce

We recognise the importance of providing an inclusive workplace for all staff to feel safe and supported at work, no matter what their individual characteristics. We encourage people to bring their whole selves to work to enable a work environment that is supportive and collaborative. As well as benefiting employees, we believe this approach also creates the conditions for the diversity of thought that will allow us to innovate and perform at our best for customers.

Our internal inclusivity steering group continued to work hard this year to create synergies between our various employee groups and make better use of our resources. The group consists of representatives from various internal employee groups, as well as from our People Team and Public Policy Team. It also includes people who focus on mental health and well-being. Through it, we've been able to raise awareness of areas such as race, ethnicity, disability, sexual orientation and gender identity.

During the year we also championed improved awareness of neurodiversity. We trained our well-being champions and members of our People Team in how to support our people to explore whether they may have autism, ADHD, dyslexia or dyspraxia. The training included how to consider funding for follow-up diagnosis and to help line managers provide optimum work environments to enable neurodivergent colleagues be their best at work.

'I'm really proud of the work our LGBT+ group did this year to help build an inclusive culture where we can all bring our best selves to work – regardless of background, circumstances or identities. Our efforts helped us leap a massive 211 places up the Stonewall Equality Index, a testament to the CIPD's commitment to becoming one of the most inclusive employers.'



Ciprian Arhire, Projects and Programmes Executive and Chair of our LGBT+ Network

Regarding LGBT+ inclusion, the CIPD jumped 211 places in the Stonewall Equality Index, from 394 in 2018 to 183 in 2019. This was thanks to improved LGBT+ inclusion practices at the CIPD, including a new transitioning at work policy, engaging members in LGBT+ inclusion workshops, and our internal LGBT+ Network working with the People Team to update policies and practices. The CIPD is committed to continuing to improve LGBT+ inclusion through the work of the People Team and the LGBT+ Network.

What our global workforce looks like

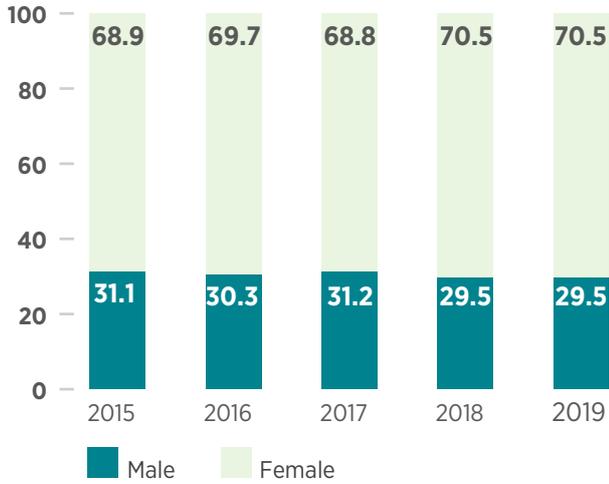
Figure 7 shows the gender and ethnic breakdown of our workforce. As of 30 June 2019, 70.5% of our employees were female. In our senior leadership team, the gender balance was 50:50.

Of our total workforce, 22.9% identify themselves as being from an ethnic background other than white European (up from 18.5% the previous year). In 2018–19, just 1.7% of our people around the world chose not to disclose their ethnic background for our employee records; this contrasts with data from 2013–14, where the figure was 17.4%, showing just how far we have come in building a safe, inclusive work environment.

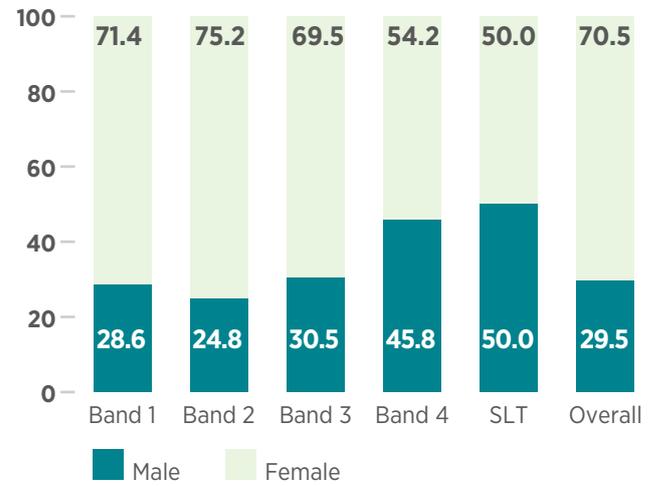
We are recognised as a 'Leader' in the UK Government-led initiative 'Disability Confident' and 2% of our global workforce identify themselves as living with a disability. We take an inclusive approach to hiring and staff development and make reasonable adjustments to jobs and the working environment.

Figure 7: Our workforce

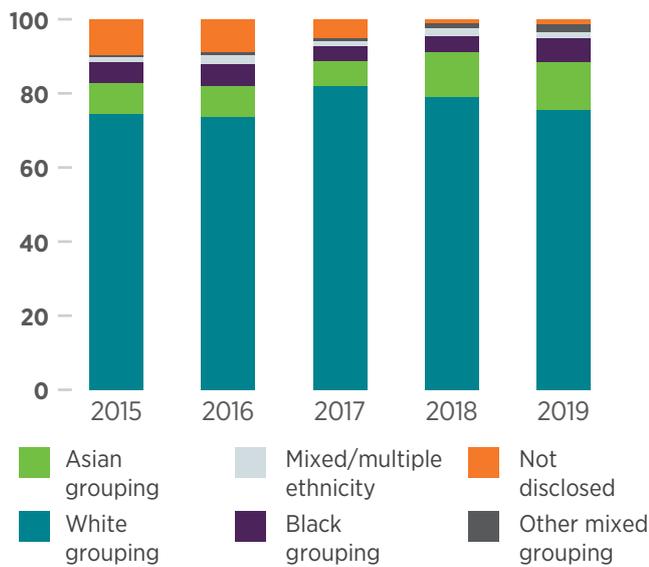
Our gender breakdown (%)



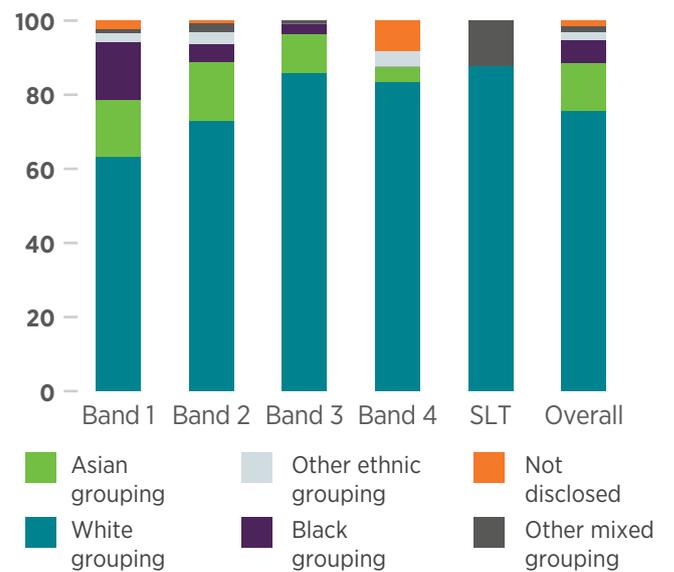
Gender profile by job band (%)



The ethnic make-up of our workforce (%)



Ethnicity by job band (%)



Promoting a flexible workforce

Our June 2018 report, *Diversity and Inclusion at Work: Facing up to the business case*, showed that we should value what workforce flexibility can bring to businesses. We champion that philosophy at the CIPD through our flexible working policy, which encourages both formal and informal arrangements between our people and line managers. Formal arrangements include job-shares and compressed hours (such as nine-day fortnights), while informal arrangements include ad hoc remote working and flexi-time. We encourage recruiting managers and candidates to talk about flexible working through our recruitment adverts and by training managers on the benefits of flexible working.

'I love that we practise all types of flexible working at the CIPD because it enables you to adapt work around your personal life, giving you a great work-life balance.'

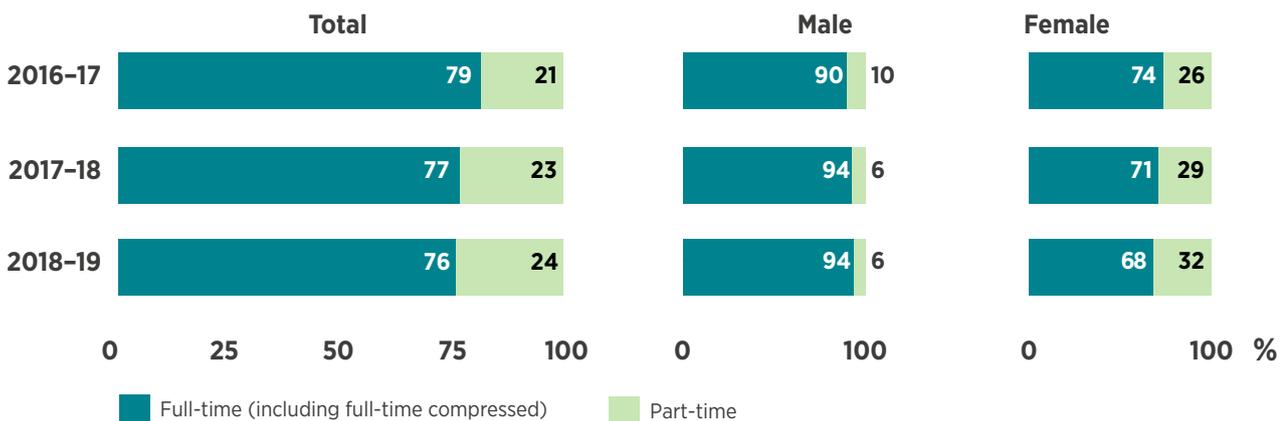
Rosie Kennedy, HR Services Administrator



Figure 8 shows the uptake of part-time versus full-time work by gender. Amongst our full-time workers, three women and one man work compressed hours. We currently have no formal job-share arrangements in place.

4.6% of our workforce (2 men and 14 women) work from home on a contractual basis. We know that many more do so on an informal and ad hoc basis, but have no reliable means of monitoring this. This year we rolled out new technology that will help make remote working and collaboration easier than ever. Going forward, a new employee engagement tool will enable us to measure the level of flexibility our people have to work where, when and how they need to.

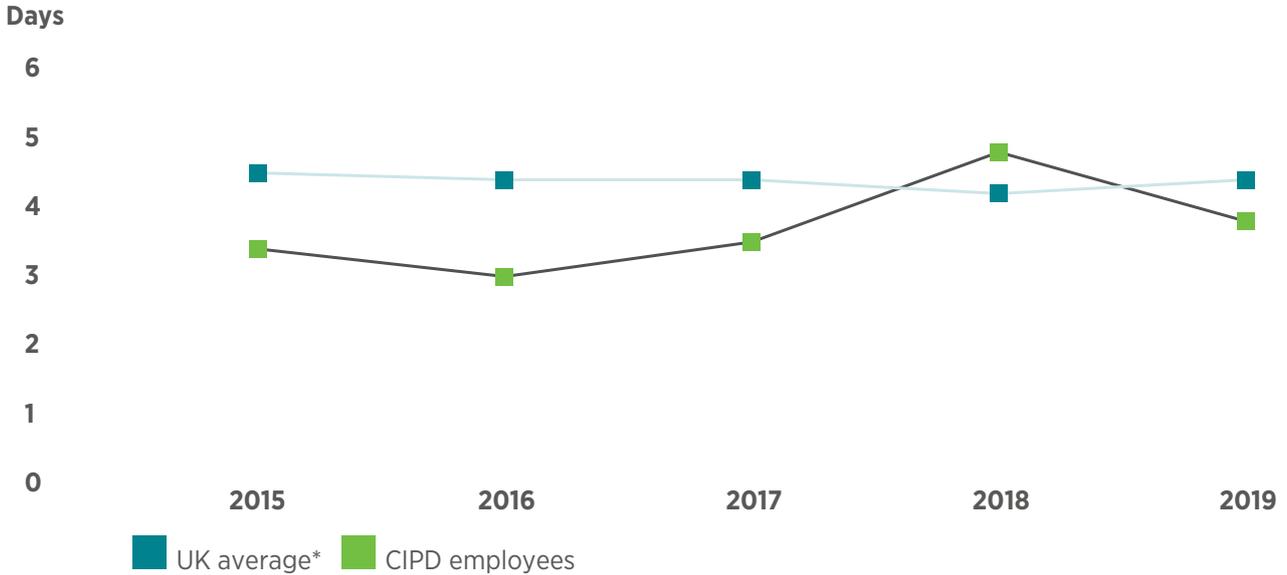
Figure 8: Our flexible workforce statistics: part-time versus full-time



Promoting well-being

In 2018-19, our overall level of sickness absence (short- and long-term combined) was just 3.7 days per person per year, below the UK average of 4.3 days. Figure 9 shows how our absence levels have compared with the UK average over the past five years.

Figure 9: Average days of absence per employee per year



*UK average based on ONS report 'Sickness absence in the UK labour market'

We continued to run activities such as mindfulness and exercise sessions at our head office in Wimbledon to help our people stay healthy. And 22 of the people in that office volunteered as well-being champions, offering help and advice to their colleagues. Furthermore, in 2018-19 we ran a two-day well-being awareness campaign, which involved our people being able to participate in a number of informative and participative activities, including understanding healthy lifestyles, exercise, mindfulness and the menopause.

'I'm really proud to be one of the CIPD's Mental Health Champions. The training we received from MHFA England has given me the skills and confidence to offer support to someone in need – both at work and in my home life.'

Richard Jones, Team Manager: Assessment Administration Manager





Financial review

A strong financial performance allows us to continue investing in our membership, improve our digital capabilities and increase our impact and voice. This year we kept our costs below budget and grew our revenues to create a healthy operating surplus.

Key financial highlights

- Healthy operating surplus of £2.2 million
- 7% increase in revenue
- Strong performance from strategic partnerships with revenue increases totalling £1 million (30%)
- Substantial increase (74%) in revenues from international operations
- Investment of £1.3 million in strategic development projects through our designated funds

Income

Our total revenue for 2018-19 was £39.9 million, up 7% on 2017-18 thanks to increases across all our major revenue streams.

The largest proportion of revenue comes from membership subscriptions. Over the year we grew membership by 3.2% to 154,364, and membership income grew by 3%.

Our strategic partnerships continued to grow too:

- Our commercial events and magazine production, managed by Haymarket, enjoyed a revenue increase of 19%.
- Our online knowledge resource, HR-inform, managed by Croucher, increased our revenue by 78%.

Our strong focus on growing both business-to-consumer (B2C) and business-to-business (B2B) revenues in the Middle East, as well as securing key contracts with Saudi Aramco and the Ministry of Civil Service in Saudi Arabia to professionalise their HR functions, has been a significant driver of revenue growth in the region, as has the launch of our first Middle East People Conference and Awards.

We increased our income in Ireland by building on existing revenues with growth in short courses and expanding into B2B markets. And we consolidated our strong position in Asia by focusing on training and consultancy within local markets in a bid to firmly establish and grow the CIPD brand in the region.

Commercial revenue from our trading subsidiary CIPD Enterprises was another area of strong growth. CIPD Training continued to outperform previous years and its target, even with a

more slimmed down offering, while our B2B 'Employer Solutions' revenues increased by 14% thanks to significant growth in in-house training as well as a solid performance from in-house qualifications and the launch of HR apprenticeships.

In addition, our digital qualifications partnership has experienced significant growth year-on-year, benefiting from a good increase in B2B sales and a strong HR digital apprenticeship performance, all of which have contributed to revenues outperforming targets, in spite of a challenging digital qualifications market.

Expenditure

In 2016 we set aside £10 million of reserves to improve both our digital capabilities and the future of the HR and L&D profession. In 2019 we invested £1.3 million of these reserves (compared with £1.4 million in 2018).

Costs for the year were slightly below budget thanks to collaborative department planning and budgeting. We monitored financial results throughout the year, reporting monthly to the senior leadership team and quarterly to the board.

Investments

Our investment strategy is to achieve long-term growth without taking undue risks.

The market value of investment assets at 30 June was £25.5 million. We saw a gain of £0.9m (4%) over the year – initial market falls were followed by rises as global markets rallied in the second half of the year. Since 2006, when we first implemented this investment strategy, the portfolio has returned +5.8% on an annualised basis. This is in line with the benchmark return.

Our portfolio is well diversified across asset classes and this continues to provide a buffer against the market volatility of recent years. We regularly review our mix of investments in the light of our long-term financial plans and balance the objective of maximising return on investment against the risk and liquidity of the investments.

We'll continue to increase our focus on ethical, social and governance (ESG) factors when assessing the risks associated with an investment decision, checking ESG policies as part of our due diligence for new investments and monitoring ESG scores on an ongoing basis.

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 actuary carries out a separate annual valuation in line with Financial Reporting Standard (FRS) 102. This is conducted using different assumptions, and so results in a different funding deficit. The FRS 102 valuation at 30 June 2019 showed a deficit of £11.8 million and a funding level of 80%, compared with a deficit of £12.9 million and a funding level of 77% as at 30 June 2018. The balance sheet position improved because the CIPD paid £2.7 million towards the deficit during the year, and the value of the scheme's assets increased.

Reserves

By keeping our costs down and increasing our revenues, we generated a healthy operating surplus of £2.2 million this year. This enabled us to bolster our free financial reserves, available to invest in improving member services, building the profession and driving change in the world of work in line with our charitable purpose.

At 30 June 2019, our free financial reserves were £15.8 million. In addition, funds held for specific purposes, at £6.2 million, include money set aside for investment in our future strategy.

Free financial reserves are those parts of the CIPD's funds that are available to spend on any of the charity's purposes. They exclude the pension deficit, which represents a long-term funding requirement rather than a current cash commitment.

As a key measure of our sustainability, the CIPD's trustees deem that the CIPD should, at a minimum, always maintain free financial reserves sufficient to fund a fall in income of between 15% and 20%. In the case of an economic downturn affecting our business, this would enable us to reduce expenditure in a managed fashion. Based on the year to 30 June 2019, this would equate to between £6.0 million and £8.0 million.

The trustees review the reserves policy annually, taking account of current commitments to fund the pension scheme of £700,000 each year until 2027.

We also have a policy of keeping £1 million in cash and readily available funds at any given time, which was met during the year, ending with a group cash balance of £6 million at the year-end.

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.



Risk management

Good risk management is fundamental to the continued work and sustainability of our organisation. We identify and manage risks which could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take in order to succeed.

How we manage risk

Overall responsibility for risk management rests with our board of trustees. Twice a year, the board works with the Audit Committee to examine our corporate risk register and review the effectiveness of our risk management arrangements. The board also has oversight of risk management via regular 'Business and Operations' reports.

The board delegates day-to-day responsibility for risk management to the senior leadership team, which is responsible for identifying and evaluating any corporate risks that relate to activities in their areas and implementing appropriate controls. We review these regularly in the light of internal and external developments, adjusting risk levels and mitigations accordingly.

Members of the senior leadership team are also responsible for overseeing team-level risks in their areas and identifying any links with our corporate risks. They appoint risk co-ordinators to gather regular updates on these risks and to communicate back to the risk owners which risks they deem acceptable or unacceptable. This is based on the nature of the risk and the evaluation of the risk given the current controls in place.

The CIPD's Legal and Governance Directorate oversees the activities of the risk co-ordinators to ensure teams across the organisation manage risk effectively, in line with our risk management strategy. It also maintains the CIPD's corporate risk register.

Risk assessment and response

We evaluate each risk based on its estimated impact on our objectives and the likelihood of its occurrence, given any current or planned controls. We apply this approach consistently throughout the organisation and record all corporate risks, and their controls, in the corporate risk register. The board then assesses, with input from the senior leadership team, whether or not the risk is acceptable given the nature of the risk and the current level of impact and likelihood. If the board considers the risk unacceptable, we take further action to mitigate risks to an acceptable level within specific timelines, which the board monitors closely until fully implemented.

We update the corporate risk register as new risks emerge and existing risks diminish, ensuring that it reflects the current threats to our strategic priorities. Table 5 sets out a summary of some of the principal risks we are currently facing, along with a summary of the board's plans and strategies for managing those risks.

Internal audit assurance

We carry out internal audits of specific areas of risk and monitor the actions we take in response to any high- or medium-priority recommendations. We share all internal audit reports with the relevant director for the audit topic, as well as with the head of finance, the Audit Committee and our external auditors, Haysmacintyre LLP. Our Legal and Governance Directorate discusses key recommendations and risks raised by our internal audits with the relevant department, then reports on the resulting action plan to the Audit Committee. Each year we report on progress against high- and medium-priority recommendations from past audits to the Audit Committee.

Table 5: Principal risks

RISK	DESCRIPTION AND RISK MITIGATION
Building professional capital	Making the case for better work and raising the profile of the people profession as its champions
Inappropriate response to political, economic, social-cultural and environmental situations or association with countries, companies or individuals who may have poor working practices Impact: Long-term decline in membership	We monitor activities in higher-risk areas and keep in close contact with our international offices to understand local insights and track existing and future potential relationships. We also monitor Foreign and Commonwealth Office guidance and have good connections with the British Embassy in more sensitive countries. Any new opportunities in potentially sensitive countries or organisations are brought to the senior leadership team for review and agreed by the board. We monitor use of our brand and have policies in place to clarify the nature of our association with other organisations and how they can use our brand and identity. Our Code of Professional Conduct sets out the standards and behaviours expected of members and helps us manage member misconduct.
Failure to make our strategic direction messages relevant and to hold sufficient credibility to allow us to make a positive impact on the future of work Impact: Long-term decline in membership including loss of market share to competitors and an inability to fulfil our charitable purpose	Our Festival of Work event has allowed us to target a wider business and media audience to raise the profile and perceived relevance of the people profession, the CIPD and our vision for the future of work. We have developed messaging toolkits on key topics to help our teams engage with key audiences and ensure all our research, evidence, insights and points of view are grounded in a strong narrative related to what is happening in the market and world of work today. Our brand perception, reach and engagement index enables us to monitor member and customer views. We continue to react to market opportunities and ensure our evidence, research and key message positions are up to date and well understood internally and externally.
Building professionalism	Building the capability of the profession as experts in people, work and change
Delay in delivery of our new qualifications framework and products associated with the Profession Map Impact: Adverse reaction from students and/or study centres and loss of credibility as a professional body	We are taking a phased approach to aligning membership assessments to the new Profession Map. This will enable us to pilot new approaches and introduce new membership criteria ahead of more significant changes that are likely to require new digital platforms. Our new Programme Management Office has helped align requirements for new qualification delivery with our wider programme of systems improvement and we have plans in place to review qualification delivery and assessment options and to develop a digital roadmap. We have also developed a detailed plan to communicate and engage with our students and study centres.
Challenge to perceived relevance of membership to employers and to the relevance of the people profession as a whole Impact: Long-term decline in membership	We are increasing our market intelligence on the size of the profession and customer need and are monitoring the competitive landscape closely. We have increased our connections to senior leaders in the profession to ensure we are closely attuned to sentiment regarding the CIPD itself. We have prioritised investment in digital experience, community and relevant content for our members.

Operational excellence	Developing a sustainable, future-fit organisation able to meet the needs of our customers, our business and our people
<p>Risk that we fail to implement and communicate the benefits of our digital strategy to our members in time</p> <p>Impact: Erosion of our perceived relevance in an increasingly digital marketplace</p>	<p>Numerous strands of work are under way to reduce this risk and ensure we are prepared for any breach of our critical systems. We have all the necessary capabilities to enable our digital transformation. Various programmes are in place to address data issues and improve data quality, to introduce improved middleware to enable our systems to connect, and to underpin the digital transformation ambition. A series of information security policies and processes are being created to cement our framework of controls across the business.</p>
<p>Failure to deliver the growth plans set out in our strategy</p> <p>Impact: Inability to sustain our growth aspirations</p>	<p>Our new Programme Management Office will help us manage the complex range of interdependencies across planned projects and ensure we apply robust governance and delivery methodologies across all programmes of work, with a focus on delivering within quality, cost and time parameters. Our Partnerships Team has enhanced our approach to partnerships management and our balanced scorecard is set against our strategic priorities to ensure activity is aligned and progress measured against agreed key performance indicators.</p>
<p>People, culture and capability risks to delivering our strategy</p> <p>Impact: Inability to drive change and deliver our strategy</p>	<p>We are undertaking a strategic workforce planning exercise and developing capability mapping and development tools to understand where we need to prioritise development. Our new organisational values have been cascaded throughout the organisation and our core people processes reflect our new values. Our new Programme Management Office has an associated development plan to ensure consistent delivery of project work across the entire organisation. We are reviewing individual performance objectives and processes to increase expectations and accountability and address mediocre performance.</p>
<p>Non-compliance with data protection regulations</p> <p>Impact: Greater exposure to attempted fraud, data breaches, fines for non-compliance and concerns about personal data</p>	<p>We continue to promote awareness through our annual GDPR refresher training course and our new Data Protection Practice course. We hold regular GDPR Steering Group meetings to ensure we maintain compliance with regulations, and regularly review our data retention policies to check they are appropriate for our purposes and are considering the impact of potential Brexit on the legislative landscape.</p>
<p>Ongoing threat of cyber-attacks, data breaches and technology disruptors</p> <p>Impact: Operational disruption and non-compliance with financial, legal, regulatory and contractual arrangements</p>	<p>We have a comprehensive IT project planning framework, informed in part by the recommendations of our most recent cybersecurity audit, and continue to undertake various regular safety measures to minimise cybersecurity risk. We have nearly completed moving our on-premise infrastructure to a mix of public and private cloud for greater resilience. Our business continuity plan also covers IT disaster recovery arrangements and is updated regularly. We have introduced a systematic programme approach to reviewing and addressing cyber issues and have achieved Cyber Essentials Plus accreditation. An internal audit of our data processes will investigate where further improvements can be made and identify any points of failure in our systems and processes.</p>
<p>Negative impact of Brexit on our business</p>	<p>We regularly assess and make provisions for the financial, people, legal, regulatory, political, strategic and membership risks of Brexit for the organisation as a whole and the specific implications for membership in Ireland and the rest of Europe.</p>



Structure, governance and management

About the CIPD's charitable status

The Chartered Institute of Personnel and Development is incorporated under Royal Charter. It is also a registered charity under the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, and the Charities Act (Ireland) 2009. Its expenditure is directed in furtherance of its charitable objects.

Public benefit

Charity trustees have a duty to report in the trustees' annual report on their charity's public benefit. We have formulated our strategic plans to ensure that we provide public benefit and achieve our charitable objects: the promotion of the art and science of the management and development of people for the public benefit. We provide public benefit through:

- the positive difference that experienced people professionals can make to organisations and individuals at work, including through volunteering programmes focused on jobseekers' access to the labour market
- our professional standards and qualifications, and accreditation of chartered professionals
- our ability to influence public policy and agendas to promote progressive HR and people management and development practices
- our freely available online information, and various face-to-face and online networks and forums.

Board of trustees

Our board is made up of a diverse mix of people who each bring a range of experiences from different sectors. Most have an HR background, with financial and IT capabilities well represented too. Some board members have extensive experience of working overseas in the Middle East and Asia and have been appointed CIPD ambassadors for those regions. We have also recently appointed a board member from Ireland. At the time of writing, 60% of board members were female and 30% were from a black, Asian or minority ethnic (BAME) background. Figure 10 shows the composition of our board.

The trustees are responsible for directing the CIPD's activities and for overseeing the management of the CIPD's affairs; they delegate day-to-day management of the organisation to the chief executive and the senior leadership team. The board acts on advice and information from regular meetings with the chief executive and the senior leadership team.

The members of the board are the directors of the Institute and the trustees of the charity. All are elected by the board or Council, or hold office in accordance with the Charter and Bye-laws.

The Charter and Bye-laws grant specific powers and duties to the Council of the Institute, which comprises a representative of each of the branches, the honorary officers who are elected by the members in general meeting, and the members of the board.

The president, the honorary treasurer, the chair of the board and the vice president membership and professional development serve on the board by virtue of their office. All these ex-officio members are elected by CIPD members at the AGM, except the chair, who is elected by Council. Our chief executive is also a member of the board. The remaining board members are elected by Council.

All trustees serve in a non-executive capacity, with the exception of the chief executive. Bye-law 25.2 of the Charter and Bye-laws states that the chief executive shall be a member of Council and of the board unless the board determines otherwise.

Figure 10: Our board of trustees



Louise Fisher^{r,n}
Chair of the Board



Shakil Butt^{a,r}
Honorary Treasurer



Peter Cheeseⁿ
Chief Executive



**Professor
Sir Cary Cooper CBE**
President



Nelarine Cornelius
*Vice President,
Membership
and Professional
Development
From 11 December 2018*



Jonathan Ferrar^a



Yetunde Hofmann^{r,*}



Anna Kyprianou
*Vice President,
Membership
and Professional
Development
To 11 December 2018*



Neil Morrison^a
To 21 February 2019



Caroline Nugent^a
From 25 April 2019



Helen Pitcher OBE^r
To 25 April 2019



Alan Price
To 22 February 2019



Anne Sharp CBE^a



Sharon Whiteheadⁿ
From 25 April 2019

^a member of Audit Committee

ⁿ member of Nominations Committee

^r member of People, Culture and Remuneration Committee

^{*} member of Audit Committee and Nominations Committee to 28 June 2019

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the 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 the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the group's net incoming or outgoing resources 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.

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

The trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The board of trustees considered the Charity Governance Code for Larger Charities at their meeting in August 2018 and mapped our assurance against it, concluding that we adhered to all of the Code's seven principles. The trustees also considered that they could do more to ensure three key outcomes: reflecting the CIPD's values in their work; focusing on the CIPD's work and impact being appreciated by all stakeholders; and promoting sound resource and risk management. Since this time, the trustees have reviewed progress in these areas at board meetings.

The board and committees

Board: The board meets quarterly and is responsible for directing overall group strategy, major capital projects, budgets, financial control and risk management. It reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the CIPD's objectives.

The composition of the board is set out on page 66. During the year, we appointed two new board members, using role profiles and a robust open recruitment programme. Both appointees received a comprehensive induction.

Table 6: Board meeting attendance

Name	Number of meetings attended
Louise Fisher	4/4
Shakil Butt	3/4
Peter Cheese	4/4
Cary Cooper	3/4
Nelarine Cornelius	2/3
Jonathan Ferrar	4/4
Yetunde Hofmann	3/4
Anna Kyprianou	2/2
Neil Morrison	2/2
Caroline Nugent	1/1
Helen Pitcher	1/3
Alan Price	1/2
Anne Sharp	3/4
Sharon Whitehead	1/1

Audit Committee: The committee has four members and is chaired by the honorary treasurer. Members are appointed by, and must be, non-executive members of the board with recent and relevant experience. The committee meets at least twice a year, reviews the financial statements, evaluates risk management and internal control, and oversees the relationship with, and considers reports from, the external auditors. This includes a detailed audit findings review, which highlights the most significant matters which have come to the auditors' attention. The committee also receives a summary of internal audit findings and reviews the Institute's pension fund liabilities. The board has recently agreed that the committee be re-named the Audit and Risk Committee to better reflect its function.

Nominations Committee: The committee is chaired by the chair of the board and has two other members appointed by the board. The committee is responsible for ensuring a good supply of, and the vetting of, nominations to hold office and to serve on the board and committees.

People, Culture and Remuneration Committee: The committee is chaired by an independent board member and comprises the honorary treasurer, the chair of the board, and a CIPD employee. Its principal roles are to keep succession planning for the chief executive and senior leadership team under review and to determine their remuneration and contractual conditions. It is also responsible for considering the CIPD's cultural foundations and any major change in employee benefit structures.

Senior leadership team

Our senior leadership team is responsible for the CIPD's strategic development and day-to-day operational management. Figure 11 shows the composition of our senior leadership team.

Figure 11: Our senior leadership team



Peter Cheese
Chief Executive



Angela Attah
Director of Legal and Governance
From 2 September 2019



Ken Cooke
Director of Marketing, Communications and Digital



Jenny Gowans
Director of Research, Policy and Content
From 4 October 2018



Vanessa Robinson
Director of Operations
To 31 August 2019



David D'Souza
Director of Membership



Brad Taylor
Director of People and Organisation Development



Victoria Winkler
Director of Professional Development



Marianne Wyles
Director of Legal and Governance
To 1 April 2019



Gill White
Director of Business and Market Development

Chief executive and senior leadership team remuneration

The chief executive and senior leadership team's salaries were subject to an executive benchmarking exercise in 2018–19. This was conducted by the CIPD's preferred partner for salary data benchmarking and job evaluation methodology, to ensure we continue to apply a fair process and consistent approach to pay and reward. As a result, this exercise influenced the decisions made by the People, Culture and Remuneration Committee in approving senior leaders' salaries for 2019–20.

The remuneration policy for the chief executive is also detailed in note 4 to the financial statements and consisted of:

- **Base salary** – this was set when the chief executive was first appointed in July 2012 and was 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%.
- **Variable pay** – the CIPD does not operate a bonus scheme for senior leaders.
- **Pension** – the chief executive did not participate in the CIPD pension scheme during 2018–19.
- **Benefits** – the chief executive received a car allowance, life assurance cover and cover for private medical insurance benefits during 2018–19.

Subsidiaries and related parties

The CIPD has three active subsidiaries: CIPD Enterprises Ltd, its wholly owned trading subsidiary, which is registered in England and Wales; CIPD Asia Ltd, which is a not-for-profit wholly owned subsidiary, limited by guarantee and registered in Singapore; and CIPD Middle East FZ LLZ, which is wholly owned by CIPD Enterprises Ltd and registered in Dubai in the United Arab Emirates. It was established in August 2015. More detail on our subsidiaries can be found in note 2(b) of the financial statements.

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

Auditors

We appointed Haysmacintyre LLP as our new external auditors following a vote passed at our annual general meeting (AGM) in December 2018. A resolution to re-appoint them will be proposed at the next AGM in December 2019.

Professional advisers

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

By order of the board

Angela Attah LLB FCIS
Institute Secretary

5 November 2019



Our trustees have a duty to
report on the public benefit
we deliver



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 2019, which comprise 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 of the parent charity's affairs as at 30 June 2019 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 67), 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 or the parent 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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, including 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 and the Charities Accounts (Scotland) Regulations 2006 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 and proper 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.

Use of our report

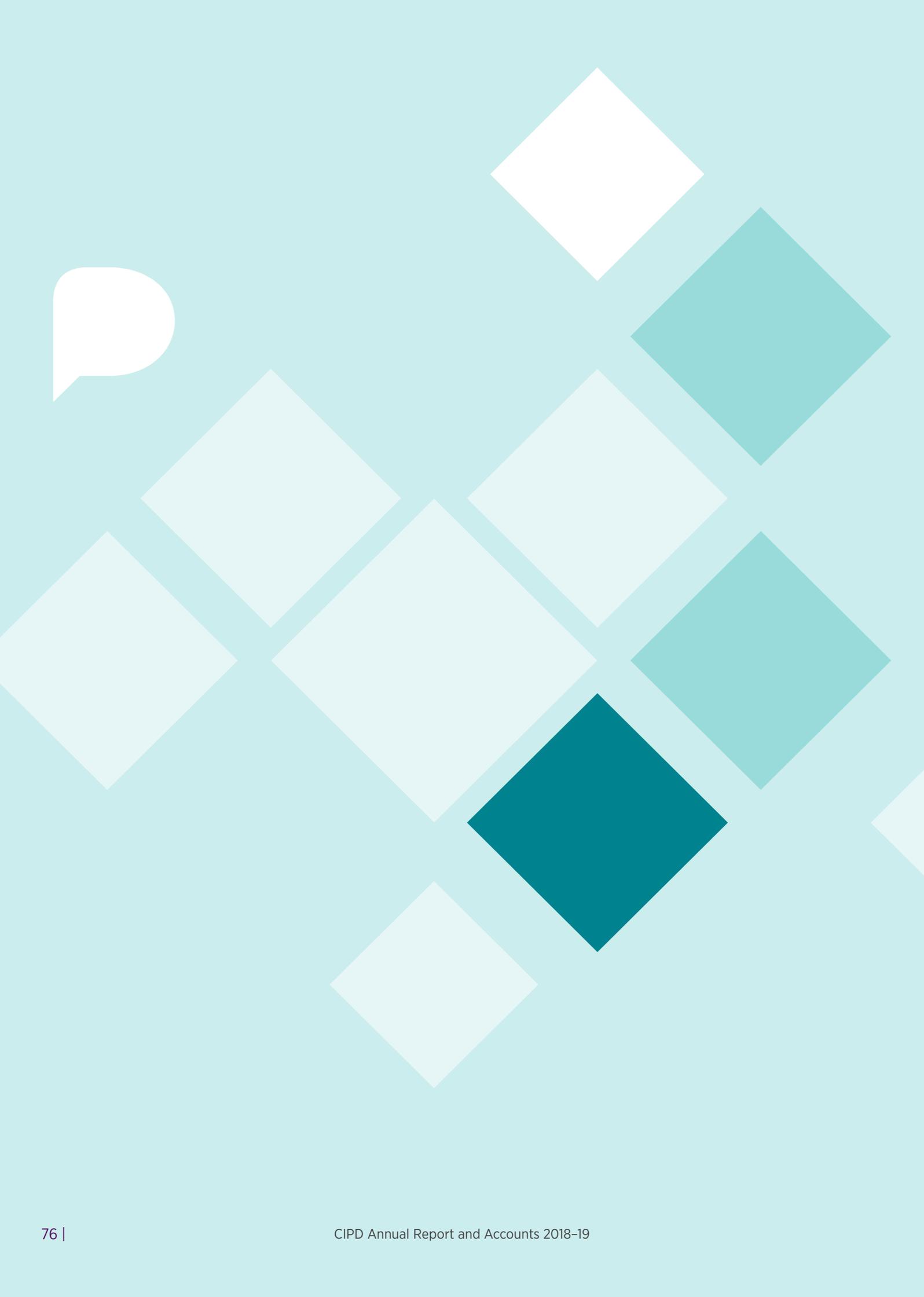
This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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

13 November 2019

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



Financial statements

Consolidated statement of financial activities for the year ended 30 June 2019

	Note	General fund £'000	Designated fund £'000	Restricted fund £'000	Total 2019 £'000	Total 2018 £'000
Income from:						
Charitable activities						
To advance the management and development of people through:						
Membership and education		27,211	-	-	27,211	26,014
Research		2	-	508	510	150
Branches		326	-	-	326	570
Other trading activities						
Commercial income	2(b)	11,672	-	-	11,672	10,347
Investments	2(c)	147	-	-	147	219
Total income		39,358	-	508	39,866	37,300
Expenditure on:						
Raising funds						
Commercial expenditure	2(a)	(10,700)	-	-	(10,700)	(9,511)
Investment management		(49)	-	-	(49)	(48)
Charitable activities						
Membership and education	2(a)	(20,109)	(878)	-	(20,987)	(20,669)
Research		(5,156)	(357)	(192)	(5,705)	(3,769)
Branches		(2,040)	(38)	-	(2,078)	(2,182)
Total expenditure		(38,054)	(1,273)	(192)	(39,519)	(36,179)
Net gains/(losses) on investments	7	917	-	-	917	723
Net income/(expenditure)		2,221	(1,273)	316	1,264	1,844
Actuarial gains/(losses) on defined benefit pension scheme	12	(1,200)	-	-	(1,200)	2,194
Gains/(losses) on revaluation of overseas subsidiaries		52	-	-	52	45
Net movement in funds		1,073	(1,273)	316	116	4,083
Reconciliation of funds						
Net fund balances brought forward		14,741	7,443	115	22,299	18,216
Net fund balances carried forward		15,814	6,170	431	22,415	22,299

The statement of financial activities includes all recognised gains and losses for the year. The notes on pages 80–100 form part of these financial statements.

Consolidated Group and Charity Balance Sheets at 30 June 2019

	Note	Group 2019 £'000	2018 £'000	Institute 2019 £'000	2018 £'000
Fixed assets					
Tangible assets	5	8,359	8,591	8,265	8,549
Intangible assets	6	546	1,234	546	1,234
Investments	7	25,535	26,570	26,316	27,116
		34,440	36,395	35,127	36,899
Current assets					
Stocks		-	17	-	-
Debtors	8	5,939	4,418	8,108	5,782
Cash at bank and in hand	9	6,014	5,909	4,311	3,421
		11,953	10,344	12,419	9,203
Creditors					
Amounts falling due within one year	10	(11,185)	(11,445)	(9,069)	(8,829)
Net current assets/(liabilities)		768	(1,101)	3,350	374
Net assets excluding pension liability		35,208	35,294	38,477	37,273
Provisions	13	(956)	(107)	(956)	(90)
Defined benefit pension scheme liability	12	(11,837)	(12,888)	(11,837)	(12,888)
Net assets including pension liability		22,415	22,299	25,684	24,295
Funds					
General fund	11	27,651	27,629	30,920	29,625
Pension liability		(11,837)	(12,888)	(11,837)	(12,888)
Net general funds		15,814	14,741	19,083	16,737
Designated funds	11	6,170	7,443	6,170	7,443
Net unrestricted funds		21,984	22,184	25,253	24,180
Restricted funds	11	431	115	431	115
Total funds		22,415	22,299	25,684	24,295

The financial statements were approved and authorised for issue by the trustees on 5 November 2019 and were signed on their behalf by:

Louise Fisher
Chair of the Board

Shakil Butt
Honorary Treasurer

The notes on pages 80-100 form part of these financial statements.

Consolidated Cashflow statement for the year ended 30 June 2019

	Note	2019 £'000	2018 £'000
Net cash flows from operating activities		(1,580)	877
Cash flows from investing activities			
Income from investments	2(c)	84	209
Interest received	2(c)	63	10
Proceeds from the sale of tangible fixed assets	5	-	-
Purchase of tangible fixed assets	5	(358)	(275)
Development of intangible fixed assets	6	(56)	(149)
Proceeds from sale of investments	7	4,096	4,393
Purchase of investments	7	(1,371)	(3,391)
Increase in cash deposits (investment asset)	7	(773)	(64)
Net cash provided by/(used in) investing activities		1,685	733
Change in cash and cash equivalents in the year		105	1,610
Cash and cash equivalents at the beginning of the year		5,909	4,299
Cash and cash equivalents at the end of the year	9	6,014	5,909

Notes to the Cash Flow Statement**(a) Reconciliation of net income to net cash flow from operating activities**

Net Income		1,264	1,844
Depreciation charge – tangible assets	5	573	566
(Gains)/losses on investments	7	(917)	(723)
(Gains)/losses on disposal of tangible fixed assets	7	18	-
Dividend, interest and rents from investments	2(c)	(147)	(219)
Depreciation charge – intangible assets	6	744	818
Foreign exchange reserves movement		51	45
Payment to pension scheme per funding plan	12	(2,688)	(646)
Non-actuarial increase in pension liability	12	437	420
Decrease/(increase) in stocks		17	29
Decrease/(increase) in debtors	8	(1,521)	689
Increase/(decrease) in creditors	10	(260)	(1,929)
Increase/(decrease) in provisions	13	849	(17)
Net cash flows from operating activities		(1,580)	877
(b) Analysis of cash and cash equivalents			
		2019	2018
		£'000	£'000
Cash in hand	9	6,014	5,909
Total cash and cash equivalents		6,014	5,909

Notes to the financial statements for the year ended 30 June 2019

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 2015 – 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. 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 has entered into a profit-share arrangement with Avado to offer digital qualifications to the market. 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) 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	25 years (from date of first use)
Leasehold buildings	Over life of lease (from date of first use)

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.

(d) Income

All incoming resources, including investment income, are accrued and included in the Statement of Financial Activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy. 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 social impact and innovation 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.

(e) Stocks

Stocks mainly comprise books and publications and are valued at the lower of cost, using an average cost basis, and net realisable value.

(f) 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.

(g) Operating leases

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

(h) Expenditure

Membership and education includes the costs of administering and providing direct services to members, developing professional standards and providing educational services to members and 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 journals.

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 is explained in note 2(a) to the accounts.

(i) 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.

(j) 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 Consolidated Statement of Financial Activities. The 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.

(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 note 11 to the accounts. As such, they are not available for other purposes.

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 in note 11 to the accounts.

(l) 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 the bad debt provision. 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.

(m) 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 depends 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.

(n) 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 2019 £'000	Direct costs £'000	Support costs £'000	Total 2018 £'000
Raising funds						
Commercial activities	7,136	3,564	10,700	6,672	2,839	9,511
Investment management	49	-	49	48	-	48
Charitable activities						
Membership and education	15,155	5,832	20,987	15,152	5,517	20,669
Research	4,318	1,387	5,705	2,737	1,032	3,769
Branches	1,567	511	2,078	1,667	515	2,182
	28,225	11,294	39,519	26,276	9,903	36,179

Allocation of support

	General management £'000	IT £'000	Finance £'000	HR £'000	Premises £'000	Governance £'000	Total 2019 £'000
Raising funds							
Commercial activities	216	1,495	394	629	811	19	3,564
Charitable activities							
Membership and education	1,421	2,026	533	714	1,117	21	5,832
Research	375	535	140	130	203	4	1,387
Branches	152	217	58	32	51	1	511
Total 2019	2,164	4,273	1,125	1,505	2,182	45	11,294

	General management £'000	IT £'000	Finance £'000	HR £'000	Premises £'000	Governance £'000	Total 2018 £'000
Raising funds							
Commercial activities	173	1,318	358	390	586	14	2,839
Charitable activities							
Membership and education	1,220	1,911	519	661	1,181	25	5,517
Research	201	314	85	153	273	6	1,032
Branches	141	222	60	33	58	1	515
Total 2018	1,735	3,765	1,022	1,237	2,098	46	9,903

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:

	2019 £'000	2018 £'000
Auditor's remuneration:		
Audit fees – current year provision	54	52
Other services	5	5
Operating lease rentals		
Plant and machinery	18	13
Other assets, including land and buildings	381	367
Depreciation	1,317	1,384

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 ¹	
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	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	9,363	8,539	268	299	1,444	1,822
Total liabilities	6,363	5,539	313	209	486	947
	3,000	3,000	(45)	90	958	875
Represented by:						
Share capital	3,000	3,000	-	-	3,175	3,061
Reserves	-	-	(45)	90	(2,217)	(2,186)
Results for the year:						
Income ³	10,071	9,108	1,038	1,042	1,257	506
Expenditure	8,755	8,266	1,173	1,068	1,124	878
Net profit/(loss)	1,316	842	(135)	(26)	133	(372)
Gift Aided to the CIPD	(1,316)	(842)	-	-	-	-
Retained in subsidiary	-	-	(135)	(26)	133	(372)

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 £653,000 (2018: £578,000) funding from the CIPD provided in the form of a grant.

(ii) During the year, there were a number 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 and apportioned to other group companies as appropriate. These transactions were as follows:

Total resources expended include:

	Transactions during the year	Balance outstanding at year end
	£'000	£'000
<i>Amounts due to the CIPD:</i>		
from CIPD Middle East FZ LLC	39	872
from CIPD Asia Ltd	179	341
from CIPD Enterprises	(1,339)	3,231

2c Investment income

	2019 £'000	2018 £'000
Bank interest	63	10
Income from investment property	17	46
Income from other investments	67	163
	147	219

3 Staffing (excluding trustees)

	2019 £'000	2018 £'000
Salaries	12,891	13,476
Social security costs	1,277	1,337
Pension costs	1,078	1,074
Benefits in kind	262	195
	15,508	16,082

Excluding the chief executive, higher-paid employees were remunerated as follows:

	2019 number	2018 number
£60,000–£69,999	11*	14
£70,000–£79,999	10*	11*
£80,000–£89,999	7	5
£90,000–£99,999	2	3
£100,000–£109,999	6*	4
£110,000–£119,999	1	0
£120,000–£129,999	2*	0
£130,000–£139,999	1*	3
£150,000–£159,999	1	0
£160,000–£169,999	1*	0
£170,000–£179,999	1*	1
£200,000–£209,999	0	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, 10 (2018: 9) were members of the CIPD Staff Retirement Scheme. The Institute contributed £281,000 into the defined contribution schemes for 33 of the higher-paid employees (2018: £295,000 for 34 employees).

The value of employee benefits for the group in 2019 of £262,000 includes health insurance for staff based in our Dubai and Singapore offices. Equivalent costs in 2018 of £80,000 were excluded from last year's disclosure and the comparative figure of £195,000 above.

In 2019, the key management personnel of the charity comprised the trustees, the chief executive, the director of membership, the director of operations, the director of business and market development, the director of marketing, communications and digital, the director of professional development, the director of research, policy and content, and the director of people. The total employee benefits of the senior leadership team (excluding the chief executive) were £1,078,000 (2018: £1,088,000).

The average monthly number of employees during the year was 335 (2018: 326), representing a full-time equivalent of 313 (2018: 306). The average monthly number of employees working in charitable activities, including support and management and administration, was 232 (2018: 224), and 103 (2018: 102) employees worked in activities for generating funds.

The cost of general agency support and consultants was £736,000 (2018: £674,000), mainly in relation to the delivery of strategic projects and IT activities. Redundancy and termination payments totalled £393,000 (2018: £358,000).

4 Trustees' emoluments

	2019	2018
	£'000	£'000
Chief executive (only paid trustee)		
Salary	264	259
Variable performance bonus	-	-
Pension contributions	-	-
Benefits in kind	2	6
Emoluments	<u>266</u>	<u>265</u>

Details on how the chief executive's remuneration is determined are given in the Trustees' Report on pages 69–70. 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 £12,527 (2018: £9,566) was reimbursed to, or paid on behalf of, 12 (2018: 8) trustees in respect of travel, subsistence and other out-of-pocket expenses.

5 Tangible fixed assets

Group	Freehold land £'000	Freehold property £'000	Leasehold property £'000	Office equipment £'000	Total £'000
Cost					
At 1 July 2018	3,884	9,172	532	1,221	14,809
Additions	-	-	105	253	358
Disposals	-	-	-	(404)	(404)
Foreign exchange	-	-	2	3	5
<i>At 30 June 2019</i>	3,884	9,172	639	1,073	14,768
Depreciation					
At 1 July 2018	-	4,858	313	1,047	6,218
Charges for the year	-	375	48	150	573
Disposals	-	-	-	(386)	(386)
Foreign exchange	-	-	1	3	4
<i>At 30 June 2019</i>	-	5,233	362	814	6,409
Net book value					
At 1 July 2018	3,884	4,314	219	174	8,591
At 30 June 2019	3,884	3,939	277	259	8,359
Institute					
	Freehold land £'000	Freehold property £'000	Leasehold property £'000	Office equipment £'000	Total £'000
Cost					
At 1 July 2018	3,884	9,172	434	1,098	14,588
Additions	-	-	27	244	271
Disposals	-	-	-	(404)	(404)
<i>At 30 June 2019</i>	3,884	9,172	461	938	14,455
Depreciation					
At 1 July 2018	-	4,858	245	936	6,039
Charges for the year	-	375	24	138	537
Disposals	-	-	-	(386)	(386)
<i>At 30 June 2019</i>	-	5,233	269	688	6,190
Net book value					
At 1 July 2018	3,884	4,314	189	162	8,549
At 30 June 2019	3,884	3,939	192	250	8,265

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 the central London office in Victoria as well as our offices in Ireland, Singapore and Dubai.

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	IT software	Website development	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2018	17	2,971	5,297	8,285
Additions	-	-	56	56
Disposals	-	-	-	-
<i>At 30 June 2019</i>	17	2,971	5,353	8,341
Depreciation				
At 1 July 2018	-	2,217	4,834	7,051
Charges for the year	-	478	266	744
Disposals	-	-	-	-
<i>At 30 June 2019</i>	-	2,695	5,100	7,795
Net book value				
At 1 July 2018	17	754	463	1,234
At 30 June 2019	17	276	253	546

Institute	Assets under construction	IT software	Website development	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2018	17	2,971	5,297	8,285
Additions	-	-	56	56
Disposals	-	-	-	-
<i>At 30 June 2019</i>	17	2,971	5,353	8,341
Depreciation				
At 1 July 2018	-	2,217	4,834	7,051
Charges for the year	-	478	266	744
Disposals	-	-	-	-
<i>At 30 June 2019</i>	-	2,695	5,100	7,795
Net book value				
At 1 July 2018	17	754	463	1,234
At 30 June 2019	17	276	253	546

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

7 Investments

	Group		Institute	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investments at market value				
Managed funds:				
Unit trusts and direct holdings in listed UK equities and bonds	3,909	4,530	3,909	4,530
Overseas unit trusts: direct holdings in listed UK equities and bonds	395	103	395	103
Overseas unit trusts: direct holdings in listed overseas equities and bonds	15,005	15,491	15,005	15,491
Bank deposits	4,237	3,464	2,018	1,010
Property unit trust	1,577	1,635	1,577	1,635
UK investment properties	412	1,347	412	1,347
Investments in subsidiaries (Note 2b)	-	-	3,000	3,000
Total market value at 30 June	25,535	26,570	26,316	27,116
Total cost at 30 June	19,790	20,214	20,571	20,760

The fair values of the UK investment properties are determined by adjusting the 2015 market values by the Nationwide House Price Index for the relevant area. The 2015 valuations were carried out by an independent valuer and Fellow of the Royal Institution of Chartered Surveyors.

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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Managed funds				
Group:				
Market value at 1 July 2018	26,570	26,785	27,116	28,785
Money withdrawn	(4,096)	(4,393)	(4,096)	(4,393)
Money invested	1,350	3,274	1,350	3,274
Movement in cash deposits	773	64	1,008	(2,390)
Reinvested income (net of fees)	21	117	21	117
Net gains/(losses)	917	723	917	723
Market value at 30 June 2019 – Group	25,535	26,570	26,316	26,116
Investment in subsidiary	-	-	-	1,000
Market value at 30 June 2019 – Institute	25,535	26,570	26,316	27,116

8 Debtors

	Group		Institute	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	2,331	1,649	179	286
Amounts due from subsidiaries	-	-	5,760	4,059
Other debtors	519	540	922	442
Prepayments and accrued income	3,089	2,229	1,247	995
	5,939	4,418	8,108	5,782

Included within the Institute's debtors are amounts owed from CIPD Enterprises Ltd of £1,316,000 (2018: £842,000) relating to Gift Aid payable for the period.

9 Cash in bank and in hand

	Group		Institute	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank current accounts and cash in hand	6,014	5,909	4,311	3,421
	6,014	5,909	4,311	3,421

10 Creditors: amounts falling due within one year

	Group		Institute	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	1,790	1,674	842	882
Amounts received in advance	6,550	6,544	6,497	6,444
Taxation and social security costs	413	552	413	350
Other creditors	260	312	181	192
Accruals	1,474	1,286	1,136	961
Deferred income	698	1,077	-	-
	11,185	11,445	9,069	8,829

Amounts received in advance at 30 June 2019 will all be released in the year to 30 June 2020 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	
	2019 £'000	2018 £'000
Deferred income at start of year	1,077	2,206
Amounts released during the year	(1,077)	(2,205)
Amounts deferred during the year	698	1,076
Deferred income at end of year	698	1,077

11 Funds

Group	Balance at 1 July 2018 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2019 £'000
General fund	27,629	39,358	(37,617)	(2,688)	969	27,651
Pension reserve	(12,888)	-	(437)	2,688	(1,200)	(11,837)
Net general funds	14,741	39,358	(38,054)	-	(231)	15,814
Designated funds						
Building fund	250	-	-	-	-	250
Information technology fund	-	-	(483)	483	-	-
Research and development fund	-	-	(264)	264	-	-
Strategic initiatives fund	7,193	-	(526)	(747)	-	5,920
Total designated funds	7,443	-	(1,273)	-	-	6,170
Total unrestricted funds	22,184	39,358	(39,327)	-	(231)	21,984
Restricted funds						
JP Morgan Chase	-	61	(61)	-	-	-
NESTA/Steps Ahead	7	-	(7)	-	-	-
Timewise Mentor	3	-	-	-	-	3
Careers & Enterprise Company	78	108	(59)	-	-	127
Flexible Support Fund Partnership	27	-	(11)	-	-	16
Innovate UK	-	339	(54)	-	-	285
Total restricted funds	115	508	(192)	-	-	431
Total funds	22,299	39,866	(39,519)	-	(231)	22,415

Institute	Balance at 1 July 2018 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2019 £'000
General fund	29,625	30,517	(27,451)	(2,688)	917	30,920
Pension reserve	(12,888)	-	(437)	2,688	(1,200)	(11,837)
Net general funds	16,737	30,517	(27,888)	-	(283)	19,083
Designated funds						
Building fund	250	-	-	-	-	250
Information technology fund	-	-	(483)	483	-	-
Research and development fund	-	-	(264)	264	-	-
Strategic initiatives fund	7,193	-	(526)	(747)	-	5,920
Total designated funds	7,443	-	(1,273)	-	-	6,170
Total unrestricted funds	24,180	30,517	(29,161)	-	(283)	25,253
Restricted funds						
JP Morgan Chase	-	61	(61)	-	-	-
NESTA/Steps Ahead	7	-	(7)	-	-	-
Timewise Mentor	3	-	-	-	-	3
Careers & Enterprise Company	78	108	(59)	-	-	127
Flexible Support Fund Partnership	27	-	(11)	-	-	16
Innovate UK	-	339	(54)	-	-	285
Total restricted funds	115	508	(192)	-	-	431
Total funds	24,295	31,025	(29,353)	-	(283)	25,684

Designated fund descriptions:

The building fund provides for maintenance of CIPD properties and for potential property projects. The outstanding balance on the building fund is expected to be used over the next ten to twenty years.

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 and L&D profession, growing the CIPD's offering internationally, engaging more directly with employers and transforming the CIPD's digital capability. The outstanding balance on the strategic initiatives fund is expected to be used over the next four years.

Restricted fund descriptions:

JP Morgan Chase	To provide free employment and people management advice to small businesses
NESTA/Steps Ahead	Funding to scale Steps Ahead, which offers jobseekers short-term one-to-one mentoring with the aim of improving their employability skills
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 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
Innovate UK	Human resources advice and guidance given to SMEs in the Midlands

At 30 June 2019 cumulative unrealised gains on investment assets of £5,745,000 (2018: £6,356,000) were included in the general fund.

During the year £2,688,000 was transferred from the general fund to the pension reserve.

Expenditure incurred promoting the interests of CIPD members and the wider HR community working in Asia was funded during the year via grants totalling £653,000 (2018: £578,000) from the CIPD to CIPD Asia Ltd. The funding reflects the amount incurred 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 group fund balances

	General £'000	Pension £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	8,359	-	-	-	8,359
Intangible fixed assets	546	-	-	-	546
Investments	19,365	-	6,170	-	25,535
Current assets	11,522	-	-	431	11,953
Current liabilities	(11,185)	-	-	-	(11,185)
Long-term liabilities	-	(11,837)	-	-	(11,837)
Provisions	(956)	-	-	-	(956)
Fund balances at 30 June 2019	27,651	(11,837)	6,170	431	22,415

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.

In accordance with the schedules of contributions agreed between the trustees and the Institute, the Institute contributed £2,687,500 to the scheme over the year to 30 June 2019 (2018: £646,000) in order to address the past service deficit. A further contribution of £312,500 is due in the third quarter of 2019, followed by quarterly instalments of £175,000 between 1 October 2019 and 30 September 2027.

In March 2019, the CIPD renewed its 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.

	2019 £'000	2018 £'000
The amounts recognised in the balance sheet were:		
Present value of funded liabilities	59,883	56,337
Fair value of scheme assets	(48,046)	(43,449)
Net pension liability at 30 June	<u>11,837</u>	<u>12,888</u>
The amounts disclosed in the balance sheet were:		
Liabilities	11,837	12,888
Assets	-	-
Net pension liability at 30 June	<u>11,837</u>	<u>12,888</u>
The amounts recognised in the Statement of Financial Activities were:		
Interest on liabilities	1,547	1,591
Interest on assets	(1,224)	(1,171)
Past service cost	114	-
Total	<u>437</u>	<u>420</u>
Changes in the amounts recognised within other recognised gains and losses were:		
Actuarial (gain)/loss	1,200	(2,194)
Changes in the present value of the defined benefit liability were:		
Opening defined benefit liability	56,337	57,339
Past service cost	114	-
Interest cost	1,547	1,591
Actuarial (gain)/loss due to changes in assumptions	4,061	(1,050)
Actuarial (gain)/loss due to experience	(497)	(473)
Benefits paid	(1,679)	(1,070)
Closing defined benefit liability at 30 June	<u>59,883</u>	<u>56,337</u>
Changes in the fair value of the scheme assets were:		
Opening fair value of scheme assets	43,449	42,031
Interest on assets	1,224	1,171
Actuarial gain/(loss)	2,364	671
Employer contributions	2,688	646
Benefits paid	(1,679)	(1,070)
Administration costs	-	-
Closing fair value of scheme assets at 30 June	<u>48,046</u>	<u>43,449</u>

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 2019	30 June 2018
Equities	53%	56%
Bonds	35%	32%
Hedge funds	3%	4%
Annuities	3%	3%
Property	5%	5%
Cash	1%	–

The returns on the scheme's assets over the years to 30 June 2018 and 30 June 2019 were £1,842,000 and £3,588,000 respectively.

The principal actuarial assumptions used by the actuary were:

	at 30 June 2019	at 30 June 2018
Rate of increase for pensions in payment	3.10%	3.10%
Discount rate for scheme liabilities	2.40%	2.80%
Rate of inflation (RPI)	3.20%	3.20%
Mortality table	101% of S2NMA table for males and 95% of S2NFA table for females with CMI_2018 projections	101% of S2NMA table for males and 95% of S2NFA table for females with CMI_2017 projections
Initial rate addition	0.00%	n/a
Period smoothing parameter	7.0	7.5
Long-term rate of mortality improvement	1.25%	1.25%
Life expectancy at age 65 (of male aged 65)	21.6	22.1
Life expectancy at age 65 (of male aged 45)	23.0	23.5
Allowance for cash commutation	15% of pension taken as tax-free cash	10% of pension taken as tax-free cash
Allowance for the cost of GMP equalisation	Increase liabilities by 0.2%	None

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

<i>Assumption</i>	<i>Change in assumptions</i>	<i>Impact on scheme liabilities</i>
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 11%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 7%
Life expectancy	Increase/decrease by one year	Increase/decrease by 3%

- (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 £1,047,000 (2018: £1,039,000).

- (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 £31,174 (2018: £26,830).

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	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Provisions	956	107	956	90

The provisions are made in respect of (i) amounts which HMRC deems due as VAT on activities which the CIPD regards as exempt from VAT. The issue is subject to litigation; and (ii) dilapidations which represent the estimated costs of payments required to make good leased property under the termination of the lease relating to our property in Grosvenor Gardens. The provision amount relating to individual property is released on termination of the lease.

14 Obligations under operating leases

Group	2019	2018
	£'000	£'000

The future minimum operating lease payments for land and buildings are as follows:

Within one year	385	323
Between two and five years	763	628
Over five years	-	-
	<u>1,148</u>	<u>951</u>

In respect of other operating leases with commitments expiring:

Within one year	12	19
Between two and five years	15	22
	<u>27</u>	<u>41</u>

Institute	2019	2018
	£'000	£'000

The future minimum operating lease payments for land and buildings are as follows:

Within one year	228	236
Between two and five years	599	628
Over five years	-	-
	<u>827</u>	<u>864</u>

In respect of other operating leases with commitments expiring:

Within one year	11	18
Between two and five years	11	18
	<u>22</u>	<u>36</u>

15 Related party transactions

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

Anna Kyprianou, Vice President Membership and Professional Development and board trustee until 11 December 2018, is dean and pro vice chancellor of Middlesex University Business School, which runs student programmes that lead to the CIPD qualification. During the year the Institute invoiced Middlesex University Business School £9,515 (2018: £38,572) for licence fees and related costs for the student programmes and examination fees. £nil (2018: £nil) was outstanding at the end of the year.

Anne Sharp, board trustee, was chief executive of Acas until 31 October 2018. During the year, the CIPD invoiced Acas £nil (2018: £4,175) in relation to training. £nil (2018: £nil) was outstanding at the end of the year.

Bob Morton, a director of CIPD Enterprises Ltd, provides consultancy services to the group through ODHRM Consultants Ltd. During the year ODHRM Consultants Ltd invoiced the group £44,094 (2018: £48,236) of which £nil (2018: £782) was outstanding at the end of the year.

Alan Price, board trustee until 22 February 2019, is a non-executive director of Croner Group Limited, which provides the CIPD's HR-inform platform and telephone support line providing members and subscribers with employment law, tax, and health and safety information. The revenue commission due to CIPD Enterprises Ltd (our trading subsidiary) from Croner for the financial year to 30 June 2019 was £554,378 (2018: £270,000) of which a balance of £nil (2018: £90,000) was outstanding at the year end. £121,980 for the provision of the advice line was invoiced from Croner to the CIPD in the year (2018: £90,000), of which £nil (2018: £30,000) was outstanding at the year end.

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 £14,033 (2018: £11,298).

17 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.

18 Prior year funds

Group	Balance at 1 July 2017 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2018 £'000
General fund	24,631	37,151	(34,275)	(646)	768	27,629
Pension reserve	(15,308)	-	(420)	646	2,194	(12,888)
Net general funds	9,323	37,151	(34,695)	-	2,962	14,741
Designated funds						
Building fund	250	-	-	-	-	250
Information technology fund	178	-	(370)	192	-	-
Research and development fund	9	-	(283)	274	-	-
Strategic initiatives fund	8,405	-	(746)	(466)	-	7,193
Total designated funds	8,842	-	(1,399)	-	-	7,443
Total unrestricted funds	18,165	37,151	(36,094)	-	2,962	22,184
Restricted funds						
JP Morgan Chase	-	22	(22)	-	-	-
NESTA/Steps Ahead	23	-	(16)	-	-	7
Timewise Mentor	4	3	(4)	-	-	3
Careers & Enterprise Company	24	97	(43)	-	-	78
Flexible Support Fund Partnership	-	27	-	-	-	27
Total restricted funds	51	149	(85)	-	-	115
Total funds	18,216	37,300	(36,179)	-	2,962	22,299

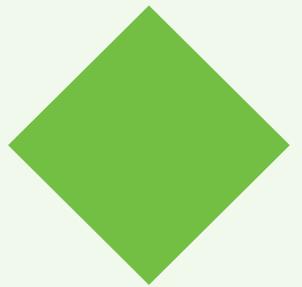
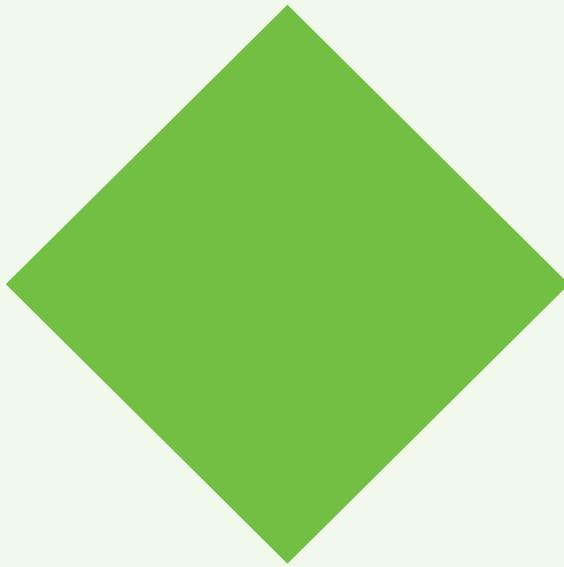
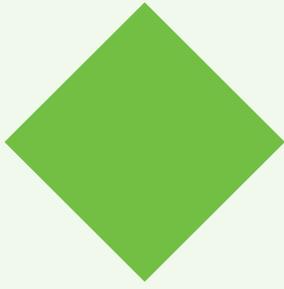
Institute	Balance at 1 July 2017 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Gains and (losses) £'000	Balance at 30 June 2018 £'000
General fund	26,263	27,858	(24,573)	(646)	723	29,625
Pension reserve	(15,308)	-	(420)	646	2,194	(12,888)
Net general funds	10,955	27,858	(24,993)	-	2,917	16,737
Designated funds						
Building fund	250	-	-	-	-	250
Information technology fund	178	-	(370)	192	-	-
Research and development fund	9	-	(283)	274	-	-
Strategic initiatives fund	8,405	-	(746)	(466)	-	7,193
Total designated funds	8,842	-	(1,399)	-	-	7,443
Total unrestricted funds	19,797	27,858	(26,392)	-	2,917	24,180
Restricted funds						
JP Morgan Chase	-	22	(22)	-	-	-
NESTA/Steps Ahead	23	-	(16)	-	-	7
Timewise Mentor	4	3	(4)	-	-	3
Careers & Enterprise Company	24	97	(43)	-	-	78
Flexible Support Fund Partnership	-	27	-	-	-	27
Total restricted funds	51	149	(85)	-	-	115
Total funds	19,848	28,007	(26,477)	-	2,917	24,295

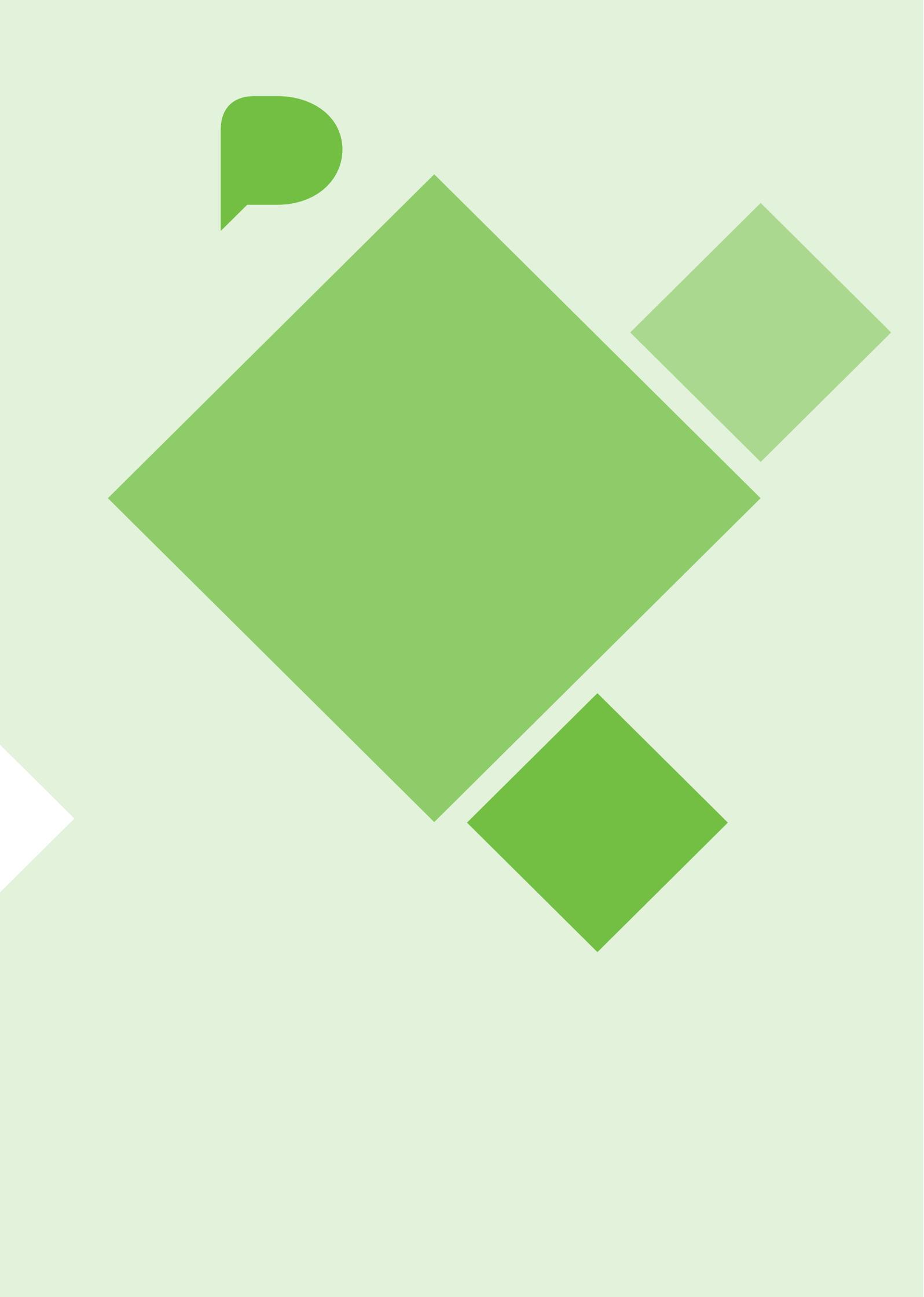
Analysis of group fund balances held on 30 June 2018

	General £'000	Pension £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	8,591	-	-	-	8,591
Intangible fixed assets	1,234	-	-	-	1,234
Investments	19,127	-	7,443	-	26,570
Current assets	10,229	-	-	115	10,344
Current liabilities	(11,445)	-	-	-	(11,445)
Long-term liabilities	-	(12,888)	-	-	(12,888)
Provisions	(107)	-	-	-	(107)
Fund balances on 30 June 2018	27,629	(12,888)	7,443	115	22,299

19 Consolidated statement of financial activities for the year ended 30 June 2018

	General fund £'000	Designated fund £'000	Restricted fund £'000	Total 2018 £'000
Income from:				
Charitable activities				
To advance the management and development of people through:				
Membership and education	26,014	-	-	26,014
Research	1	-	149	150
Branches	570	-	-	570
Other trading activities				
Commercial income	10,347	-	-	10,347
Investments	219	-	-	219
Total income	37,151	-	149	37,300
Expenditure on:				
Raising funds				
Commercial expenditure	(9,511)	-	-	(9,511)
Investment management costs	(48)	-	-	(48)
Charitable activities				
Membership and education	(19,633)	(1,036)	-	(20,669)
Research	(3,353)	(331)	(85)	(3,769)
Branches	(2,150)	(32)	-	(2,182)
Total expenditure	(34,695)	(1,399)	(85)	(36,179)
Net gains/(losses) on investments	723	-	-	723
Net income/(expenditure)	3,179	(1,399)	64	1,844
Actuarial gains/(losses) on defined benefit pension scheme	2,194	-	-	2,194
Gains/(losses) on revaluation of overseas subsidiaries	45	-	-	45
Net movement in funds	5,418	(1,399)	64	4,083
Reconciliation of funds				
Net fund balances brought forward	9,323	8,842	51	18,216
Net fund balances carried forward	14,741	7,443	115	22,299





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Incorporated by Royal Charter
Registered as a charity in England and Wales (1079797)
Scotland (SC045154) and Ireland (20100827)

Issued: November 2019 Reference: 7900 © CIPD 2019

