

Chartered Institute of Public Relations

Report and financial statements
For the year ended 31 December 2023

Chartered Institute of Public Relations

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Chartered Institute of Public Relations

Reference and administrative details

For the year ended 31 December 2023

Status The organisation is incorporated under Royal Charter, number RC000801.

Registered office CIPR
110 Golden Lane
London
EC1Y 0TL

Board of Directors **Directors in office during 2023:**
Steve Shepperson-Smith (President 2023)
Rachel Roberts (Past President 2022)
Rachael Clamp (President Elect for 2024)
Dan Gerrella (elected)
Anne Gregory (elected)
Hayley James (elected)
Avril Lee (elected)
Chris Love (elected)
Rebecca Zeitlin (elected)
Noha Al Afifi (co-opted)
Riaz Kanani (co-opted)

Current Directors commencing office on 1 January 2024:
Rachael Clamp (President for 2024)
Steve Shepperson-Smith (Past President 2023)
Advita Patel (President Elect for 2025)
Noha Al Afifi (elected)
Dan Gerrella (elected)
Anne Gregory (elected)
Hayley James (elected)
Avril Lee (elected)
Anne-Marie Lacey (elected)
Rebecca Deegan (co-opted)
Riaz Kanani (co-opted)

Chartered Institute of Public Relations

Reference and administrative details

For the year ended 31 December 2023

Council

As at the document signing date.

Elected:

Rachael Clamp (President for 2024)

Steve Shepperson-Smith (Past President 2023)

Advita Patel (President Elect for 2025)

Donna Castle

Paul Compton

Alison Gallagher-Hughes

David Hamilton

Ruth Jackson

Binu Jacob

Arlene McPhillips

Claire Melia-Tompkins

Naj Modak

Jenifer Stirton

Crispin Thorold

Ben Veal (stood down 21st September 2023)

John Wilkinson (stood down 2nd March 2023)

Martyn Williams

Co-opted:

Teela Clayton

Matthew Knowles

Hayley Mace

Paula McNulty

Rhian Moore

Sarah Salter Nash (stood down 21st September 2023)

Donald Steel (stood down 15th September 2023)

Tim Walsh

Bankers

NatWest PLC

134 Aldersgate Street

London

EC1A 4LD

Solicitors

Camerons Solicitors LLP

70 Wimpole Street

London

W1G 8AX

Auditor

Sayer Vincent LLP, Chartered Accountants and Statutory Auditors

110 Golden Lane

London EC1

Chartered Institute of Public Relations

Board of Directors' annual report

For the year ended 31 December 2023

The Board of Directors presents its report and the audited financial statements for the year ended 31 December 2023.

Principal activities and review

Corporate Governance

Board of Directors

All acts undertaken by the officers and staff of the Institute were in the name of, and with the authority of, the Board of Directors. The Board met seven times over the year and focused on overall strategy for the Institute. Day to day responsibility was delegated to the Chief Executive.

Council

Council's role is to debate important points of strategy or principle, to provide guidance and perspective to the Board of Directors, and to raise issues of concern for the Board of Directors to pursue. Council met five times over the year.

Standing Committees

The Standing Committees were the Finance Committee, the Coordination Committee, the Professional Practices Committee and the Equity Diversity and Inclusion Committee.

Financial responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Chartered Institute of Public Relations. The

Board is also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board of Directors must, in determining how amounts are presented within items in the statement of comprehensive income and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Financial review

	2023	2022
Income	£3,914,770	£3,702,824
Pre-tax Expenditure	£4,122,624	£3,774,757
of which staff costs	£1,611,465	£1,557,442
Pre-Tax (deficit)/surplus	(£207,854)	(£71,933)

In 2023 we continued to drive for growth, and ultimately did manage to achieve a modest growth in overall income, as well as in membership numbers. Nevertheless as the year progressed it became clear that our initial budget assumptions were too ambitious. We made adjustments during the year to limit our expenditure, including freezing vacant staff posts. These measures would have been sufficient to allow us to fall just short of breaking even, but during the last two months of the year we experienced a very sharp downturn in demand that affected all of our activities, reducing our income by much more than we were able to foresee and leaving us with a large unbudgeted deficit.

In addition to this general downturn, the PRide Awards returned to a face-to-face format for the first time since 2019. Because of concerns about the cost of living, we tried a new buffet meal formula instead of the traditional formal dinner, and the result was unfortunately unsuccessful. Bookings were much lower than budgeted and the feedback received was almost uniformly negative. Following this the Board decided to suspend the PRide Awards for 2024, pending a full review into how they might be delivered in future.

The effect of all these shocks was to produce a deficit of just under £210,000 for the 2023 financial year. This was the worst financial outturn for the CIPR in many years, and it has had the effect of reducing our reserves from 3.8 months at the end of 2022 to 3.1 months at the end of 2023.

Future Business Risks and Opportunities

The main risk across both 2023 and 2024 is the unpredictability of customer behaviour. It is harder to make reliable plans, and more necessary than ever to be flexible and responsive in what we offer.

The specific risks we identified and mitigated in 2023 were:

- AI and its impact on a profession – we published a report *Humans Needed More Than Ever*, a review of current tools in *Artificial Intelligence (AI) tools and the impact on public relations (PR) practice* and ensured that all CIPR Training included a discussion of current AI tools and their risks.
- Lack of diversity in the Institute and in the wider profession – in 2023 we established a new standing committee responsible for overseeing the CIPR's EDI work, and agreed our first EDI strategy. In September 2023 we became the first UK professional body to achieve the National Equality Standard. In 2024 we co-published, along with eleven other chartered bodies, a report into the effectiveness of EDI policies in the professional body sector.
- Reputational risks relating to the public perception of lobbying – our 'Lobbying for Good Lobbying' campaign secured widespread interest among politicians and the media. In 2024 we will support training for both retiring parliamentarians and new intake MPs to ensure that they know what good and bad lobbying look like.
- Cybersecurity – we retained our CyberEssentials certification in 2023 and will take the steps necessary to continually strengthen our protections, particularly in the light of the recent hacking of the British Library.

The main opportunities for 2024 and beyond remain to do with potential business growth, albeit in an operating environment that is increasingly difficult to predict where sustained growth is most likely.

- We continue to have a strong pipeline of PR employers enquiring about bringing their teams into membership, and embarking on the CPD journey
- Demand for our open and in-house training remains strong, though subject to rapid fluctuations

Chartered Institute of Public Relations

Board of Directors' annual report

For the year ended 31 December 2023

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- The Excellence Awards continue to generate revenue and attract widespread participation

Two steps have been taken in 2024 to reduce the risk of impact from unexpected shocks. Firstly, managers now meet on a monthly basis to collectively evaluate the pipeline of future business in key income areas, so we are better able to detect emerging opportunities as well as potential downturns in advance.

Secondly, we are establishing a new commercial roadmap that will ensure that we are prospecting and onboarding new customers as effectively as possible, as well as doing some market sizing so we can make better informed decisions about future investment.

Approved by the directors on Thursday 13 June 2024 and signed on their behalf by

Rachael Clamp, Director
2024 President

Steve Shepperson-Smith, Director
2023 President

Independent auditor's report

To the directors of

Chartered Institute of Public Relations

Opinion

We have audited the financial statements of The Chartered Institute of Public Relations (the 'Institute') for the year ended 31 December 2023 which comprise the statement of income and retained earnings, balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Institute's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

Basis for opinion

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 Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report

To the directors of

Chartered Institute of Public Relations

Other information

The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out in the directors' annual report, the directors (who are also the directors of the Institute for the purposes of company law) 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 directors 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 directors are responsible for assessing the Institute'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 directors either intend to liquidate the Institute 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

Independent auditor's report

To the directors of

Chartered Institute of Public Relations

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the Institute's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Institute operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Institute from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report

To the directors of

Chartered Institute of Public Relations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's members as a body. Our audit work has been undertaken so that we might state to the Institute's members 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 Institute and the Institute's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TL