

Qualifications Insight Accreditation + Representation

Financial statements
for the year ended 31 December 2023

The Institute of Practitioners in Advertising is incorporated by Royal Charter.
Its identification number is RC000884.

Financial statements 2023

Contents

Members of Council	1
Report on behalf of Council	3
Strategic report	4
Independent auditors' report	13
Statement of income and retained surplus	17
Statement of financial position	18
Cash flow statement	19
Notes to the financial statements	20

Members of Council

for some or all of the year ended 31 December 2023

The Officers

Josh Krichefski	GroupM	President and Chair of Council <i>Corporate class</i>
Bronwen Hemming	Wieden+Kennedy London	Honorary Treasurer and Chair of the Finance Committee <i>Personal class</i>
Jamie Elliott	The Gate London	Honorary Secretary and Chair of the Membership Committee <i>Corporate class</i>

The Director General is appointed by Council but is not a member of it. For administrative matters only, such as insurance and banking arrangements, the Director General may also act as an Officer in order to discharge such duties and responsibilities as Council decides pursuant to IPA Bye-law 24. Paul Bainsfair served as Director General throughout the year.

Elected members *Corporate class*

Zaid Al-Zaidy	Above + Beyond	
Dan Appleby	Drummond Central	
Ben Bilboul	Formerly Accenture Song	Retired March 2023
Chris Byron	OMD UK	
Tim Clyde	Kitchen	
Brian Coane	Leith	
Dawn Coburn	AMV BBDO	Elected March 2023
Gareth Collins	Formerly Dentsu Creative	Resigned July 2023
Dan Cullen-Shute	Creature London	
Tammy Einav	adam&eveDDB	
Katie Elliott	Mother	Elected March 2023
Amanda Farmer	Publicis•Poke	
Annie Gallimore	ACNE London	
Rob Gold	Merkle B2B	
Fiona Gordon	Ogilvy	Elected March 2023
Nickii Gray	IMA-HOME	Elected March 2023
Sam Hawkey	AMV BBDO	
Kate Howe	Walk In The Gate	Retired March 2023 <i>Formerly Hon. Secretary</i>
Pip Hulbert	Wunderman Thompson	
Bruce Hutton	Gough Bailey Wright	Retired March 2023
Chris Kay	Formerly Saatchi & Saatchi	Retired March 2023
Katie Lee	Wavemaker UK	Elected March 2023
Karen Martin	BBH	
Lisa Morgan	Generation Media	
Richard Morris	Mediabrand	
Garrett O'Reilly	Hearts & Science	
Xavier Rees	Havas London	

Members of Council

for some or all of the year ended 31 December 2023

Karla Smith	Ogilvy	
Luke Southern	Drum	
Jessica Tamsedge	Dentsu Creative	
Larissa Vince	TBWA\London	
Thomas Walters	Billion Dollar Boy	Elected March 2023

Elected members *Personal class*

Jane Asscher	23red	
Katrina Bozicevich	Manning Gottlieb OMD	Elected March 2023
Rhian Feather	OMD UK	
Sam Fenton-Elstone	Anything is Possible	
Tom Firth	M&C Saatchi	
Neil Henderson	St Luke's	
Tom Knox	MullenLowe London	
Stephen Maher	MBAstack	
Marc Nohr	Fold7	Elected March 2023 <i>Formerly Corporate class</i>
Ben Quigley	Different Narrative	
Michael Wall	Mother	Retired March 2023
Liz Wilson	<i>Formerly</i> Accenture Song	Resigned October 2023

Ex officio members

Richard Aldiss	McCann Manchester	Chair, England & Wales
Helen Blakley	Genesis	Chair, Northern Ireland
Julian Douglas	VCCP	Immediate Past President (2021-2023) <i>Formerly</i> Personal Class
Sarah Golding	The&Partnership London	Chair, 44 Club <i>Formerly</i> Previous Past President
Gill Jarvie	Republic of Media	Chair, Scotland
Clare Lawson	Ogilvy	<i>Formerly</i> Chair, 44 Club Retired March 2023
Valerie Ludlow	ASG & Partners	<i>Formerly</i> Chair, N. Ireland Retired March 2023
Nigel Vaz	Publicis.Sapient	Previous Past President (2019-2021)
Michelle Wright	Gough Bailey Wright	<i>Formerly</i> Chair, England & Wales Retired March 2023

The IPA positions and agency affiliations set out above are as at 31 December 2023.

Tom Mott
Secretary to Council
21 March 2024

Report on behalf of Council

Council members' responsibilities

Pursuant to the IPA Royal Charter, Council is responsible for causing accounting records to be kept and "shall lay before the Institute proper income and expenditure accounts for the period since the last preceding accounts together with a proper balance sheet made up to the same date." These financial statements discharge this responsibility for the year ended 31 December 2023.

Council has elected to prepare the financial statements in accordance with the accounting policies set out in Note 1 to the financial statements.

In preparing the financial statements, Council has:

- selected suitable accounting policies and applied them consistently
- made judgements and accounting estimates that are reasonable and prudent
- used the going concern basis

Council takes responsibility for the keeping of proper accounting records that are sufficient to show and explain IPA transactions and disclose with reasonable accuracy at any time its financial position. Council also takes responsibility for safeguarding the assets of the IPA and for taking reasonable steps to prevent and detect fraud and other irregularities.

Information relating to future developments and risk management is included in the Strategic report.

Charitable donations

The IPA restricts its giving to advertising-related organisations. It made charitable donations amounting to £3,981 during the year (2022: £3,565).

Disclosure of information to auditors

So far as Council is aware, there is no relevant audit information of which the auditors, Moore Kingston Smith, are unaware. Council has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.



Bronwen Hemming
Honorary Treasurer and Chair of the Finance Committee
21 March 2024

Strategic report

for the year ended 31 December 2023

Constitution

The Institute of Practitioners in Advertising was incorporated by Royal Charter on 13 April 2016, with identification number RC000884, pursuant to a grant made by the Privy Council on 9 December 2015.

The liability of each member of the IPA is limited, and, in the event of a winding-up, no current or past member shall have any liability for payment of IPA debts or obligations outstanding.

The IPA considers itself to be a public benefit entity. Its principal office is at 44 Belgrave Square, London SW1X 8QS.

Council has charged the Director General with executive responsibility for the Secretariat.

Locations

While its headquarters are in London, the IPA also has an Edinburgh office and many of its activities take place around the UK, reflecting the wide geography of the membership.

Membership

Membership of the IPA at the end of the year comprised 221 corporate members (2022: 221) and 509 Accredited MIPAs (2022: 465). The 221 corporate members were trading under a total of 299 agency brand names.

As at 31 December 2023, there were 22 IPA Accelerators agencies (2022: 33) and 130 individual Associates (2022: 46).

Principal activities

The principal activities of the IPA are: the representation of its members on issues of common concern; media research; and the provision to members of legal, advisory, training, thought-leadership and information services, publications and events.

Media research

IPA employees sit on the boards and technical committees of the major UK joint industry currencies, including Barb, PAMCo and JICRIT whose costs the IPA helps to underwrite.

The IPA continues to enhance and innovate around TouchPoints, its consumer-centric cross-media survey.

Strategic report

for the year ended 31 December 2023

Three pillars

Beyond media research, the IPA structures its programmes around three pillars: Commercial, Effectiveness, and Talent. Each pillar may be analysed further between Leadership and Learning. Examples of 2023 delivery are set out below under the relevant heading. These activities and events were delivered remotely, in person, and in hybrid forms. The IPA expects to continue to provide a mixture of delivery forms in 2024 and beyond.

- **Commercial Leadership**

Activities lobbying, speaking for the industry, working with complementary trade bodies; legal and commercial advice; the Accelerator programme for smaller agencies; Networker programme for account handling and new business; promoting the value of account handling; supporting the new business function and continuing to promote the industry wide Pitch Positive Pledge; thought leadership content via webinars and podcasts.

Event Business Growth Conference.

Groups Client Relationship Group, Commercial Leadership Group, Finance Business Group, Media Futures Group, New Business & Marketing Group, Production Policy Group.

Publications Ad Law; Bellwether Report; survey on benchmarking costs; Top Tips for New Business and Account Handling professionals; Shift Happens – reporting on the evolution of in-housing; Better Briefs Principles.

- **Commercial Learning**

Courses Account Handling Essentials, Production Lite Essentials, Presentation Essentials, Client Relationship Essentials, Advanced Client Service, Advanced Presentation Skills, Advanced Business Acumen, Advanced Negotiation Skills, Advanced New Business, Advanced Presentation Skills. Selling Creative Work, Social Media For Design & Advertising, Excel Training, Commercial Negotiation Skills, Music Licensing Essentials.

Qualifications AdNetZero Essentials Certificate, Commercial Essentials Certificate, LegRegs Essentials Certificate, Production Essentials Certificate, IPA Excellence Diploma In Business (delivered by LSE).

- **Effectiveness Leadership**

Activities collaborating with advertisers, agencies, other trade associations and commercial partners to promote a marketing effectiveness culture within brand owner organisations and between brand owners and agencies; marketing marketing to the C-suite including through partnership with the Financial Times; managing marketing using evidence-based decision-making between clients and agencies in day-to-day business; measuring marketing through the adoption of measurement strategies which identify tools and techniques to satisfy the

Strategic report

for the year ended 31 December 2023

needs of different stakeholders; best-in-class effectiveness case studies; insight services; providing generalised learnings and marketing principles from the evidence contained in the IPA Effectiveness Databank.

Events IPA EffWorks Global, IPA Effectiveness Awards, IPA Effectiveness Accreditation; ancillary webinars and platforms.

Groups IPA Effectiveness Leadership Group, IPA Effectiveness Awards Board.

Publications Advertising Works, Marketing Is an Investment, Econometrics in the C-suite, Marketing Effectiveness Roadmap Report..

- **Effectiveness Learning**

Courses Strategic Planning Essentials, Data Literacy Essentials, Advanced Behavioural Economics.

Qualifications Effectiveness Essentials Certificate, Digital Performance Essentials Certificate, Media Research Essentials Certificate, Advanced Certificate In Effectiveness, Advanced Certificate In Communications Planning, Influencer Strategy, IPA Excellence Diploma In Brands.

- **Talent Leadership**

Activities galvanising individuals from advertising agencies, brands and clients, trade associations, and experts, with the mission to achieve diversity, equal rights and inclusivity in advertising.

Sharing best practice around the business case of diversity and projects related to attracting fresh talent, such as Advertising Unlocked and the IPA Fairness Hub.

Retaining talent, encouraging and celebrating inclusive culture, encouraging training and supporting unstereotyped, progressive content in creative work – for example through the IPA iList, Stepping into the Spotlight and the Annual Talent & Diversity Conference.

Collaboration and active support with and to industry initiatives across various diversity strands, including Unstereotype Alliance, BRiM, All In, TimeTo, C4 Diversity Award; WACL; Creative Industries Council; strategic partnerships beyond the industry.

Events IPA Talent and Diversity Annual Conference; Stepping into the Spotlight; iList launch celebration, round tables, and socials; International Women's Day; CPD Gold and Platinum Presentation; Advertising Unlocked; Step into Adland.

Forums Entry Level Talent Advisory Service, Training Forum.

Groups Professional Development Group, Talent Leadership Group, IPA iList.

Publications Agency Census, A Future Of Fairness.

Strategic report

for the year ended 31 December 2023

- **Talent Learning**

Accreditation CPD Standard, Gold and Platinum Accreditation (agencies); MIPA – Member of the IPA (individuals).

Courses Train the Trainer, CPD Short Courses (Welcome and Induction, Planning and Training Programme, Evaluating Training, Effective Appraisals, The Business Plan), Managing Stress and Building Resilience, Coping With Change, How to Reset The Team, Making Zoom Calls More Human, Resilience For Difficult Times, Coming Back Together As Teams, Advanced Inclusive Leadership & Allyship, Time Management Essentials, People Management Essentials, The Future Of Hybrid Working, Mentor Skills Workshop, Leading & Developing People, Advanced Leadership & Delegation, Leading Through Change, Interviewing Skills, 9x Training Forum sessions (Breaking Free From Limiting Beliefs, The Power Of Consistency To Build Positive Habits, Retaining & Supporting Talent After Extended Leave, The Age Gap – Retention, Reach & Recognition, Imposter Syndrome, Good Feedback, Neurodiversity In Tech, Psychological Safety, Inspiring Growth & Belonging).

Qualifications Foundation Certificate, Diversity & Inclusion Essentials Certificate, HR Knowledge Essentials Certificate, IPA Excellence Diploma In Leadership.

Strategic report

for the year ended 31 December 2023

Financial performance

Total operating income of £14.7m in 2023 was fractionally lower than the £14.8m reported for 2022. Within this, a £0.4m increase in subscriptions compensated for a £0.4m reduction in income from Pillar activities.

However, total operating expenditure increased by £2.1m, from £13.7m in 2022 to £15.8m in 2023. The major component of this change was the anticipated £1.9m increase in Media research costs.

As a consequence of these movements, further analysis of which is set out in the rest of this section below, the IPA is reporting an operating deficit for the year in line with expectations of £1.0m (2022: £1.1m surplus).

- **Corporate membership subscriptions** were 7% higher than in 2022. Subscriptions for 2023 were based on members' Gross Incomes reported for a period ending in the range of March 2022 to February 2023 using the usual formula as set out in the IPA Rule Book. In aggregate, revenues at member agencies were higher compared with the prior period.
- Subscriptions from **Accelerator** agencies (up 16%) and individual **Associates** (up 66%) continue to grow their modest contribution to the overall subscriptions revenues.
See Note 2 for further financial information.
- The market for TV advertising came under pressure in 2023, particularly during the second half. Income from **Joint Industry Currencies**, down 6% compared with 2022, was directly affected because those members who subscribe for access to Barb data are charged a flat percentage of the billings they make for planning and buying on TV services measured by Barb. With such billings reduced in 2023 by 5% compared with 2022, IPA income from its Barb service moved in lock-step. PAMCo income was also lower than in 2022, but this is a much smaller component of the income from Joint Industry Currencies.
- **TouchPoints**, the popular, multi-channel planning tool developed by the IPA, continued to grow. Income of £2.8m in 2023 represents a 7% increase on 2022.
- The costs of providing these products and services rose sharply in 2023, as expected. This is reflected in the reported **Media Research Expenditure** of £5.7m (2022: £3.8m).
 - TouchPoints began, in 2023, to spend more on diary functionality and increased sample.
 - But the principal cause of the increase, trailed in the 2022 Strategic report, is the movement on Barb underwriting costs.
 - The underwriters' underlying commitments to the new 2024-2029 measurement period are higher than previously, thanks to increased scope of measurement (much bigger sample in order to ensure statistically significant coverage of increasingly fragmenting media), better technology

Strategic report

for the year ended 31 December 2023

(such as the addition of router meters to complement people meters, and development of the API), and inflation.

- Layered onto this underlying increase are the ramp-up costs (in 2023) and first year upfront costs (in 2024),
- Finally, there is no longer any cumulative excess (of past underwriting payments made to Barb over the IPA share of Barb costs) to set against underwriting commitments; the last portion of the cumulative excess was taken in 2022.

See Note 3 for further financial information.

- Income from the hire of rooms at 44 Belgrave Square was lower in 2023 but the income from catering in the rooms showed a substantial increase. Both changes reflect the fact that we had a longer term hire in 2022 which was not repeated in 2023. While there are few marginal costs associated with hire itself, catering does have direct costs. As a result, the gross margin on the **Hire** business as a whole was reduced.
- The principal costs on **Commercial Leadership** are incurred in putting on the flagship Business Growth Conference. The 2023 edition again had high quality content but some significant savings from changing our production partner. 2022 had also seen higher costs associated with the launch of the Pitch Positive Pledge.
- The Excellence Diploma in Leadership course did not run in 2023 and there were fewer delegates for the Advance Business courses. Consequently, income from **Commercial Learning** courses suffered something of a setback compared with 2022. Similarly, the AdNetZero qualification continued to attract good demand but not at the level seen in 2022. On the costs side, both the Commercial Essentials and the AdNetZero materials were refreshed and updated.
- The IPA Effectiveness Awards run on a two-year cycle. 2023 was a “fallow” year with no Awards ceremony and, as usual, both income and costs for **Effectiveness Leadership** were correspondingly lower.
- The Excellence Diploma was not run in 2023, so both income and expenditure for **Effectiveness Learning** were lower. Contrariwise, mitigating some of this reduction, there was even better take-up on the Advanced Certificate in Effectiveness and the new Media Research Essentials Certificate began to make a contribution too.
- The economic environment has made attracting sponsorship harder across all IPA properties. The iList lost its headline sponsor in 2023 and a replacement has yet to be found. Income on **Talent Leadership** fell accordingly. Costs were cut, and some savings were made on the Agency Census too, to leave the absorption by this stream at £150,000.
- The contribution from **Talent Learning** was again led by the long-running Foundation Certificate, supported by the growing D&I Essential Certificate,

Strategic report

for the year ended 31 December 2023

although entries for the former were down on 2022. The Courses side of Learning saw uptakes in income from Advanced New Business, as well as short-form and bespoke training.

See Note 4 for further financial information.

- With CPI inflation running at times at more than 10% during 2023, the IPA provided salary increases, and some specific promotions were also appropriate. With an increased headcount too, in aggregate, **Staff** costs in 2023 rose by 7% compared with 2022. The increase in compensation for key management personnel was lower, allowing for larger uplifts for those on entry level and early stage salaries.
See Note 5 for further financial information.
- Expenditure on the website, CRM and other IT accounted for almost half the **Administration** costs. During the year, the IPA migrated to a new strategic partner. This had some cost benefits and the intention is that it will also lead to a nimbler and more stable platform. The second largest component is the expenditure on brand advertising including press monitoring. This was higher in 2023 with additional work running in the last few print issues of Campaign.
See Note 6 for further financial information.
- Rates were up by 14% compared with 2022. Energy costs rose sharply too but in absolute terms they are a smaller component of **Establishment** costs. A leaking roof at the top of 44 Belgrave Square and mandatory maintenance to the electrical ducting led to a 23% increase in maintenance and cleaning.
See Note 7 for further financial information
- **Industry support**, comprising the financial backing the IPA provides to the Advertising Association, the European Association of Communications Agencies, and VoxComm, together with donations to the two charities endorsed by Council, NABS and The History of Advertising Trust, rose modestly.
See Note 8 for further financial information
- Net book value on all assets classes lowered during the year and the charge to **Depreciation and amortisation** was correspondingly lower.
See Note 9 for further financial information
- **Interest income** was up substantially, as the Secretariat took advantage of the higher interest rate environment.
- Owing to the deficit before tax, there will be no corporation tax to pay in respect of 2023. We shall carry back and set off the 2023 adjusted trading losses against the surplus reported for 2022. The **Taxation credit** in the financial statements

Strategic report

for the year ended 31 December 2023

comprises the refund we expect from HMRC and the movement on the deferred tax provision.

See Note 10 for further financial information

The retained surplus to carry forward as at 31 December 2023 was £5.4m (2022: £6.1m).

Risk management

Council, through its committees, has an established process for evaluating and managing the risks faced by the IPA.

- A detailed plan is established and approved each year and actual results are tracked against it quarterly. Revised forecasts are prepared when appropriate.
- Price risk is managed by separately chargeable services being priced having taken account of the cost of such services.
- Credit risk relates primarily to subscriptions which are strictly managed in accordance with the IPA Royal Charter and Rule Book.
- Liquidity and cashflow risks are managed within agreed policies and procedures.

In addition, the Finance Committee undertakes a review of the risk register twice yearly.

Reserves policy

Since December 2018, the Finance Committee has been monitoring the financial capacity of the IPA to work through and respond to commercial and systemic shocks.

At its meeting in May 2022, the Finance Committee reviewed (i) the formulation for the principal metric of financial capacity and (ii) the target level of the metric that the Secretariat should seek to exceed.

- Following the conclusion of this review, the metric used has been the aggregate, as at each year end, of Trade debtors, Current asset investments, Cash at bank, Trade creditors, Other creditors falling due within one year, VAT payable (or receivable), any Corporation tax due, and Accruals.
- These assets and liabilities were selected because they were the ones judged likely to be of practical use and relevance in the event of a commercial or systemic shock. An additional, pro-transparency consideration was that they are reported on publicly as part of the annual audit and financial statements publication process.
- Having revisited and reviewed the analysis of potential stress scenarios, having considered the experience of world events, and their social and economic impact, and the impact of inflation, and cognisant of the usual pattern for the IPA of being cash-strong early in the year and spending steadily throughout it, the

Strategic report

for the year ended 31 December 2023

Finance Committee set a target of £4m for the aggregate of the specified items at year end.

The table below illustrates the position against the target as at the end of 2023.

As at 31 December	2023	2022
	£	£
Trade debtors	510 496	348 923
Corporation tax refund	138 767	-
Current asset investments	1 929 767	1 869 570
Cash at bank	2 838 014	4 601 934
Trade creditors	(183 012)	(292 535)
Other creditors	(72 090)	(241 012)
VAT payable	(5 381)	(97 026)
Corporation tax due	-	(254 418)
Accruals	(473 295)	(459 752)
Aggregate	4 683 266	5 475 684
<i>Target</i>	<i>4 000 000</i>	<i>4 000 000</i>

For the reasons outlined in the Financial performance section above, the IPA has reported a deficit for 2023 and expects to do so again in 2024. Although the aggregate of the monitored assets and liabilities was above the £4m target at the end of 2023, it is expected to dip below the target level next year, with a recovery back towards the target thereafter.

Future developments

The strength of the pipeline of agencies seeking to join the IPA remains satisfactory. The IPA intends to maintain its mix of initiatives, publications, services and events, adapting them as the industry adapts if appropriate, in order to support and power its members,



Bronwen Hemming
Honorary Treasurer and Chair of the Finance Committee
21 March 2024

Independent auditors' report to the members of the Institute of Practitioners in Advertising

We have audited the financial statements of The Institute of Practitioners in Advertising for the year ended 31 December 2023, which comprise the statement of income and retained earnings, the statement of financial position, the cash flow statement, and the related notes. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements.

In our opinion, the financial statements present fairly the state of the affairs of the IPA as at 31 December 2023 and its surplus for the year then ended on the basis of the accounting policies adopted by the IPA as set out in Note 1 of the financial statements.

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 Auditors' Responsibilities for the audit of financial statements section of our report. We are independent of the IPA 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 Council's 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 about the ability of the IPA 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 Council with respect to going concern are described in the relevant sections of this report.

Other information

The Council is responsible for the other information. The other information comprises the information included in the Council report, other than the financial statements and our auditors' report thereon. 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

Independent auditors' report to the members of the Institute of Practitioners in Advertising

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.

Responsibilities of Council members

As explained more fully in the Council members' responsibilities statement set out on page 3, the Council is responsible for the preparation of the financial statements, and for such internal control as the Council determines 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 Council is responsible for assessing the ability of the IPA to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the IPA or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

Independent auditors' report to the members of the Institute of Practitioners in Advertising

the purposes of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the IPA to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the IPA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the IPA.

Our approach was as follows.

Independent auditors' report to the members of the Institute of Practitioners in Advertising

- We obtained an understanding of the legal and regulatory requirements applicable to the IPA and considered that the most significant are the accounting policies adopted by the IPA as set out in Note 1 of the financial statements and UK taxation legislation.
- We obtained an understanding of how the IPA complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the IPA members, as a body. Our audit work has been undertaken for no purpose other than to draw to the attention of the IPA members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the IPA and IPA members as a body, for our work, for this report, or for the opinions we have formed.



Esther Carder

Moore Kingston Smith LLP

Chartered Accountants

Charlotte Building, 17 Gresse Street, London W1T 1QL

21 March 2024

Statement of income and retained surplus for the year ended 31 December 2023

	Note	2023 £	2022 £
Subscriptions	2	5 686 569	5 285 397
Media research	3	7 537 120	7 649 757
Pillars activities	4	1 490 051	1 885 637
Hire		26 895	22 971
Operating income		14 740 635	14 843 762
Media research		5 735 902	3 813 846
Pillars activities	4	1 382 734	1 835 533
Hire		10 379	2 253
Staff	5	6 714 538	6 258 267
Administration	6	965 720	930 648
Establishment	7	568 061	470 908
Industry support	8	280 212	269 333
Depreciation and amortisation	9	121 677	139 050
Operating expenditure		15 779 223	13 719 838
Operating surplus (deficit)		(1 038 588)	1 123 924
Interest receivable		192 202	36,659
Surplus (deficit) before tax		(846 386)	1 160 583
Taxation charge (credit)	10	(162 565)	262 583
Surplus (deficit) after tax		(683 821)	898 000
Retained surplus brought forward		6 069 178	5 171 178
Rounding		¹	
Retained surplus carried forward		5 385 358	6 069 178


There were no items of other comprehensive income in either year and so the reported surplus after tax is also the total comprehensive income.

All amounts derive from continuing operations.

Statement of financial position as at 31 December 2023

	Note	2023 £	2022 £
Tangible assets	11	436 832	551 009
Intangible assets	12	-	-
Fixed assets		436 832	551 009
Stock		7 910	8 820
Trade debtors		510 496	348 923
Other debtors		1 963	-
Corporation tax refund receivable		138 767	-
Prepayments		476 364	327 312
Accrued income		104 508	24 153
Investments	13	1 929 767	1 869 570
Cash at bank		2 838 014	4 601 934
Current assets		6 007 789	7 180 712
Trade creditors		183 012	292 535
Other creditors		72 090	241 012
VAT payable		5 381	97 026
Corporation tax		-	254 418
Accruals		473 295	459 752
Deferred income		283 209	251 726
Creditors: amounts falling due within one year		1 016 987	1 596 469
Net current assets		4 990 802	5 584 243
Total assets less current liabilities		5 427 634	6 135 252
Deferred taxation	15	42 276	66 074
Creditors: amounts falling due after one year		42 276	66 074
Net assets		5 385 358	6 069 178
<i>Represented by</i>			
Retained surplus carried forward		5 385 358	6 069 178

Approved for issue on 21 March 2024, on behalf of Council, by


Josh Krichefski (Mar 25, 2024 16:13 GMT)

Josh Krichefski
President



Bronwen Hemming
Honorary Treasurer

Cash flow statement

for the year ended 31 December 2023

	Note	2023 £	2022 £
Surplus (deficit) before tax		(846 386)	1 160 583
<i>Adjustments for</i>			
Investment activities		(192 202)	(36 659)
Depreciation of tangible fixed assets	11	121 677	139 050
Amortisation of intangible fixed assets	12	-	-
Profit on disposal of fixed assets		-	-
<i>Other movements</i>			
Stock		910	(4 123)
Trade and all other debtors but corporation tax		(392 943)	888 885
Creditors and provisions (other than corporation tax)		(325 064)	123 505
<i>Rounding</i>			
Corporation tax paid		(254 418)	(177 210)
Total cash flows from operating activities		(1 888 426)	2 094 032
Additions to tangible assets	11	(7 500)	(66 900)
Additions to CRM, website		-	-
Proceeds from sale of fixed assets		-	-
Interest received		192 202	36 659
Total cash flows from investing activities		184 702	(30 241)
Movement in cash and cash equivalents		(1 703 724)	2 063 791
Cash and cash equivalents at 1 January		6 471 504	4 407 713
<i>Rounding</i>		1	
Cash and cash equivalents at 31 December		4 767 781	6 471 504
<i>Comprising</i>			
Short-term deposits		1 929 767	1 869 570
Cash at bank		2 838 014	4 601 934

Notes to the financial statements

for the year ended 31 December 2023

1 Accounting policies

Accounting convention The financial statements have been prepared on the historical cost basis, where applicable, and as specified in the accounting policies below. They are in pounds sterling, which is the functional currency of the IPA. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern These financial statements have been prepared on a going concern basis. The IPA has reported a substantial operating deficit for 2023, as set out in more detail in the Strategic report beginning on page 4.

Nonetheless, given its reserves and cash position, in Council's opinion, the IPA has sufficient working capital to enable it to continue to trade and to meet its liabilities as they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Revenue recognition Income and expenditure is recognised in the period to which it relates on an accruals basis.

The IPA offers discounts on certain courses, events and qualifications to member agencies based outside the ring formed by the M25. These discounts are accounted for by showing the net income from courses, events and qualifications under Pillars Activities, after the discounts have been applied.

Cash and cash equivalents Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of less than six months. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments Investments in short term deposits have an original maturity of six months or more.

Financial assets Financial assets are recognised in the statement of financial position when the IPA becomes party to the contractual provisions of the instrument. Financial assets, which include trade debtors, and cash and bank balances, are measured at transaction price including transaction cost.

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the financial asset and substantially all the risks and rewards of ownership are transferred to another entity.

Contingent assets Balances from which an inflow of economic benefits is probable but where there is no contractual right to repayment are not recognised on the balance sheet. Note 17 has further detail.

Notes to the financial statements

for the year ended 31 December 2023

1 Accounting policies (cont.)

Financial liabilities Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through income and expenditure are measured at fair value.

Financial liabilities are derecognised when, and only when, obligations are discharged, cancelled, or they expire.

Stock Stock is valued at cost using the average cost method.

Fixed assets Assets acquired are capitalised if material (currently, a cost of more than £5,000) and they meet relevant criteria. Fixed assets are stated at cost less accumulated depreciation. The lease for the property is a long term lease with no premium to amortise. Other fixed assets are depreciated over their estimated useful lives by equal annual instalments. Depreciation of leasehold improvements is charged at 5% or 10%, and the rates for equipment and furniture vary from 10% to 33%.

Intangible assets Intangible assets are stated at cost less accumulated amortisation. Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. The Client Relationship Management system and website are amortised over three years. Licences are amortised over three years.

Employee benefits The cost of any unused holiday entitlement is recognised in the period which the employee's services are received.

Retirement benefits Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Deferred tax Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account.

Notes to the financial statements

for the year ended 31 December 2023

1 Accounting policies (cont.)

Deferred tax assets and liabilities are offset when the IPA has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Taxation The tax expense represents the sum of the tax currently payable and the charge or credit to deferred tax.

Critical accounting estimates and judgements In the application of IPA accounting policies, Council is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Subscriptions	2023	2022
	£	£
Corporate membership	5 643 419	5 253 836
Accelerators	21 800	18 725
Individuals	21 350	12 836
Subscriptions	5 686 569	5 285 397
3 Media research income	2023	2022
	£	£
Joint Industry Currencies	4 741 003	5 029 741
TouchPoints	2 796 117	2 620 016
Media research income	7 537 120	7 649 757

Notes to the financial statements for the year ended 31 December 2023

4a Pillars activities 2023	2023 Income £	2023 Expenditure £	2023 Net £
Leadership	92,550	(262,123) ⁽¹⁾	(169 574)
Learning	159,528	(103,492)	56 036
Commercial	252 078	(365 615) ⁽¹⁾	(113 538)
Leadership	646 454	(589 457)	56 997
Learning	96 980	(31 344)	65 636
Effectiveness	743 434	(620 801)	122 633
Leadership	54 975	(204 917)	(149 942)
Learning	439 566	(191 401) ⁽¹⁾	248 164
Talent	494 541	(396 318) ⁽¹⁾	98 222
Rounding	⁽²⁾		
Pillars activities 2023	1 490 051	(1 382 734)	107 317
4b Pillars activities 2022	2022 Income £	2022 Expenditure £	2022 Net £
Leadership	123,954	(314,174)	(190 220)
Learning	216,003	(73,040)	142 963
Commercial	339 957	(387 214)	(47 257)
Leadership	873 432	(1 013 855)	(140 423)
Learning	125 590	(53 987)	71 603
Effectiveness	999 022	(1 067 842)	(68 820)
Leadership	75 875	(225 475)	(149 600)
Learning	470 783	(155 001)	315 782
Talent	546 658	(380 476) ⁽¹⁾	166 182 ⁽¹⁾
Rounding			
Pillars activities 2022	1 885 637	(1 835 533)	50 104
5 Staff costs		2023 £	2022 £
Salaries		5 441 144	5 017 382
Social security costs		674 721	660 065
Pensions costs		397 795	390 841
Other staff costs		200 878	189 979
Staff costs		6 714 538	6 258 267

The average number of staff employed in 2023 was 72 (2021: 71). Compensation for key management personnel in 2023 amounted to £2,014,736 (2022: £1,910,500) in total.

The Officers received no compensation from the IPA during the year (2022: nil) in respect of their IPA roles or otherwise.

Notes to the financial statements for the year ended 31 December 2023

6 Administration	2023	2022
	£	£
Brand	137 636	107 298
Travel, meetings and miscellaneous	72 658	72 585
Consultants	2 740	24 185
Postage and telephones	48 878	54 176
Computer systems	434 707	464 201
... Printing, stationery, photocopiers	32 472	25 376
Legal, professional	24 018	15 286
Publications	34 393	38 186
Council, committees	18 695	7 436
Development projects	17 306	-
Refreshments	13 850	11 648
Staff training	13 362	16 427
Client entertainment	72 235	41 200
Auditors' remuneration	24 961	25 870
Bank charges	14 356	13 376
Profit on sale of fixed assets	-	-
Bad debt expense	3 453	13 398
Administration	965 720	930 648
7 Establishment	2023	2022
	£	£
Rates, insurance	300 924	263 185
Building maintenance, cleaning	203 012	164 508
Lighting, heating	64 125	43 215
Establishment	568 061	470 908
8 Industry support	2023	2022
	£	£
The Advertising Association	231 600	225 000
European Association of Communications Agencies	35 587	32 274
VoxComm	9 044	8 494
Donations to advertising charities	3 981	3 565
Industry support	280 212	269 333
9 Depreciation and amortisation	2023	2022
	£	£
Depreciation of property, plant, equipment	121 677	139 050
Amortisation of software, licences	-	-
Depreciation and amortisation	121 677	139 050

Notes to the financial statements for the year ended 31 December 2023

10 Taxation	2023	2022
	£	£
UK corporation tax on deficit / surplus	-	254 418
Current tax charge	-	254 418
Overcharged in previous year	-	(5 981)
Benefit of loss carried back	(138 767)	-
Timing differences	(23 798)	14 146
Deferred tax debit (credit)	(23 798)	14 146
Total taxation charge (credit)	(162 565)	262 583

The table below analyses why (i) the actual charge to UK corporation tax included above differs from (ii) the charge implied by the product of the surplus before tax and the standard rate of UK corporation tax.

<i>Reconciliation analysis</i>	2023	2022
	£	£
Surplus (deficit) before tax	(846 386)	1 160 583
Relevant rate of UK corporation tax	19%	19%
Theoretical standard charge (credit)	(160 813)	220 511
Effects of:		
• Costs not tax deductible	13 899	8 631
• Depreciation	23 119	26 420
• Amortisation	-	-
• Capital allowances	(3 508)	(14 020)
• Other adjustments	(11 464)	12 876
• R&D tax credit	-	-
UK corporation tax (benefit) on deficit / surplus	(138 767)	254 418

Notes to the financial statements for the year ended 31 December 2023

11	Tangible fixed assets	Leasehold improvements	Equipment, furniture	Total
		£	£	£
	<i>Cost</i>			
	At 1 January 2023	2 593 173	608 469	3 201 642
	Additions	7 500	-	7 500
	Disposals	-	-	-
	At 31 December 2023	2 600 673	608 469	3 209 142
	<i>Accumulated depreciation</i>			
	At 1 January 2023	2 109 305	541 328	2 650 633
	Charged in year	114 746	6 931	121 677
	Eliminated on disposal	-	-	-
	At 31 December 2023	2 224 051	548 259	2 772 310
	<i>Net book value</i>			
	At 1 January 2023	483 868	67 141	551 009
	At 31 December 2023	376 622	60 210	436 832
12	Intangible fixed assets	Licences, other software	CRM, website	Total
		£	£	£
	<i>Cost</i>			
	At 1 January 2023	53 715	469 025	522 740
	Additions	-	-	-
	Disposals	-	-	-
	At 31 December 2023	53 715	469 025	522 740
	<i>Accumulated amortisation</i>			
	At 1 January 2023	53 715	469 025	522 740
	Charged in year	-	-	-
	At 31 December 2023	53 715	469 025	522 740
	<i>Net book value</i>			
	At 1 January 2023	-	-	-
	At 31 December 2023	-	-	-
13	Current asset investments		2023	2022
			£	£
	Short-term deposits		1 929 767	1 869 570
	At 31 December		1 929 767	1 869 570

Notes to the financial statements for the year ended 31 December 2023

14 Carrying amounts at 31 December	2023	2022
	£	£
Trade debtors	510 496	348 923
Other debtors	1 963	-
Accrued income	104 508	24 153
Financial assets	616 967	373 076
Trade creditors	183 012	292 535
Other creditors	72 090	241 012
Accruals	473 295	459 752
Financial liabilities	728 397	993 299
15 Deferred tax	2023	2022
	£	£
Balance at 1 January	66 074	51 928
Origination and reversal of timing differences	(23 798)	14 146
At 31 December	42 276	66 074
16 Cash and cash equivalents	2023	2022
	£	£
At 1 January	6 471 504	4 407 713
Cash inflow (outflow)	(1 703 724)	2 063 791
Rounding	1	
At 31 December	4 767 781	6 471 504

17 Long term contract

Pursuant to a Members' Agreement signed on 25 May 2021, the IPA is committed to funding, jointly with the principal UK broadcasters, the annual net costs to be incurred by Barb between 2024 and 2029 inclusive. These annual net costs comprise (a) the sums payable by Barb pursuant to its contracts for the measurement of viewing on television, video-on-demand, and video-sharing platforms *plus* (b) the amount of overhead attributable to Barb's executive *less* (c) any revenues arising from persons registered with Barb as direct subscribers to its service.

The measurement costs are scoped out and defined in agreements between Barb and its principal suppliers to cover the period to 2029. The income from subscribers is typically contracted for a 12-month period.

Council approved entering into the Members' Agreement at a meeting held on 14 May 2021. At that time, the Secretariat estimated that the agreement committed the IPA to make payments to Barb of the order of £18m in aggregate over the period from 2024 to 2029. These payments will be recognized as an expense in the years to which they relate.

Notes to the financial statements

for the year ended 31 December 2023

18 Related party transactions

Barb

The IPA is a member of Barb Audiences Ltd (Barb), a company limited by guarantee. During the year, the IPA made payments, before VAT, totalling £3.1m (2022: £1.3m) to Barb for audience research work.

Under the terms of the Barb Members' Agreement, any underwriting payments in excess of costs for a financial year are credited to Barb members' accounts, to be set off in the following year against future payments due to Barb from the member concerned. As at 31 December 2023, none of the cumulative excess was attributable to the IPA (2022: £nil).

Barb will determine any surplus of underwriting payments in excess of costs for 2023, and how those are attributable to the Barb members, at its mid-year board meeting in 2024. The IPA will take any benefit arising into its statement of income for 2024.

PAMCo

The IPA is a member of Publishers Audience Measurement Company Limited (PAMCo), a company limited by guarantee. During the year, the IPA made payments, before VAT, totalling £379,000 (2022: £474,000) to PAMCo for research activities.

JICRIT

The IPA is a member of Joint Industry Commercial Radio IT Limited (JICRIT), a company limited by guarantee. During the year, the IPA made payments, before VAT, totalling £178,000 (2022: £173,000) for research activities.

Key management personnel

Key management personnel compensation is disclosed at Note 5 above.

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