



**Financial  
statements**  
for the year ended  
31st December 2016

The Institute of Practitioners in Advertising  
*The Institute is a company limited by guarantee. Registered no: 221167 England*

## **Financial statements for the year ended 31st December 2016**

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## Report on behalf of the Council

Report on behalf of the Council by Maggie Frost, Honorary Treasurer and Chairman of the Finance Committee.

Under CA2006 s414C(11), the information relating to future developments and risk management are included in the strategic report.

### Council members

The members, who were directors for the purposes of the Companies Act 2006, who served on Council during the year were:

Zaid Al-Zaidy	Above+Beyond.
Tom Bazeley	
Ben Bilboul	Karmarama Ltd.
Karen Buchanan	Publicis Ltd.
Tim Clyde	The Minimart Ltd.
Claudine Collins	MediaCom UK Ltd.
Magnus Djaba (from March 2016)	Saatchi & Saatchi
Mel Exon	Bartle Bogle Hegarty Ltd.
Colin Fleming (to March 2016)	Abbott Mead Vickers BBDO Ltd.
Paul Frampton	Havas Media.
Dale Gall	Lowe Profero Ltd.
Sarah Golding	CHI & Partners Ltd.
Jason Goodman	Albion Brand Communication Ltd.
Camilla Harrisson	Anomaly London LLP.
Neil Henderson	St Luke's Communications Ltd.
Chris Hirst	Havas Worldwide.
Rick Hirst	mcgarrybowen.
Kate Howe	Gyro London.
Annette King	Ogilvy & Mather Group UK.
Mike Leeson	Golley Slater & Partners Ltd.
Janet Markwick (from March 2016)	Grey.
Sera Miller	Material.
Andrew Pinkess (from March 2016)	AMV BBDO.
Melissa Robertson	Now Advertising Ltd.
Pete Robins	agena21.
Ed Shorthose (from March 2016)	woolley pau gyro.
Dan Shute	Creature of London.
Martin Telling	OMD Group Limited.
Nicky Unsworth	BJL Group Ltd.
Nigel Vaz	Sapient Ltd.
Liz Wilson	Karmarama Ltd.

THE INSTITUTE OF PRACTITIONERS IN ADVERTISING

**Representing Fellows and Members**

Jane Asscher	23red Ltd.
Kate Bruges	J Walter Thompson Group Ltd.
Neil Christie	Wieden & Kennedy UK Ltd.
Jason Dormieux	MEC London.
Maggie Frost	V C C P Ltd.
Chris Hunton	RKCR/Y&R.
Tom Knox	Mullen Lowe London.
Stephen Maher	Maher B Associates Ltd.
James Murphy	DDB UK Ltd.
Liz Nottingham (to December 2016)	
Chris Whitelaw (to December 2016)	iProspect.
Stephen Woodford (to December 2016)	ODD London.

**Ex officio members of the Council**

*IPA England & Wales*

Ben Quigley Different Advertising, Design & Marketing Ltd.

*Scottish IPA*

Brian Coane The Leith Agency Ltd.

Northern Ireland Group

Stephen Roycroft RLM Group

*The 44 Club Chairman*

Juliet Du Vivier Blue 449.

**Secretary**

Tom Mott



**Statement of Council members' responsibilities**

The Council is responsible for preparing this Report and the financial statements in accordance with applicable law.

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council has elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice. Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Institute at the end of each financial year, and of the surplus or deficit of the Institute for the year to that date.

In preparing the accounts, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Council is responsible for keeping proper 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 Institute and to enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Institute and hence for taking such reasonable steps to prevent and detect fraud and other irregularities.

**Charitable donations**

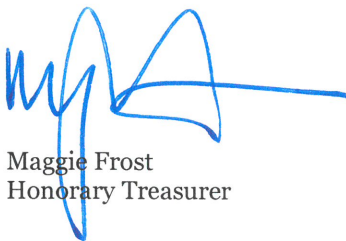
During the year charitable donations amounting to £7,772 (2015: £4,630) were made.

**Disclosure of information to auditors**

So far as the Council is aware, there is no relevant audit information of which the company's auditors are unaware. The Council has taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Kingston Smith LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006.



Maggie Frost  
Honorary Treasurer

Date: 23<sup>rd</sup> March 2017

## Strategic Report

Strategic report by Maggie Frost, Honorary Treasurer and Chairman of the Finance Committee, on the IPA's finances as at 31st December 2016, and on the income and expenditure for the year then ended.

### Principal activities

The principal activities of the Institute are the representation of its members on issues of common concern and the provision to members of advisory, training, information services, TouchPoints and media research (BARB, PAMCo and JICRIT).

The IPA's three pillars of activity provide thought leadership for members on creating, delivering and capturing value. Along with the President's Agenda, each pillar sets itself objectives and measures progress in achieving these.

### Financial Performance

Membership of the Institute at the end of the year consisted of 235 corporate members. This is an increase from 225 in 2015.

There was a surplus before taxation of £153,608 compared with £87,695 for 2015.

Total operating income and expenditure increased to £13,710,820 and £13,604,335 respectively. Income from subscriptions increased by 7.5% (£5,637,461) and income from activities increased by 18.2%, with media research income after rebates decreasing by 5.7% (£194,634). Media research expenditure decreased by 11.5% (£360,126).

The accumulated funds at 31st December 2016 were standing at £1,556,074. It is the IPA's intention to retain accumulated funds at a level which represents between 20% and 40% of the annual operating charges.

### Risk management

The Council, through its committees, has an established process for evaluating and managing the risks faced by the Institute: A detailed budget is set each year and actual results are tracked against it. Revised forecasts are prepared and reported three times a year. Price risk is managed by separately chargeable services being priced to cover the cost of such services. Credit risk relates primarily to subscriptions which are strictly managed within the terms laid down in the Articles of Association. Liquidity and cash flow risks are managed within agreed policies and procedures.

### Future Developments

Future plans for the IPA include a new form of personal membership, marking its centenary in 2017 and acting as a Chartered body. At 12.01am on 1 January 2017 the IPA transferred trade and assets from a company limited by guarantee to the Royal Charter Body.



Maggie Frost  
Honorary Treasurer

Date: 23<sup>rd</sup> March 2017

### **Independent auditors' report to the members of the Institute**

We have audited the financial statements of The Institute of Practitioners in Advertising for the year ended 31st December 2016, which comprise the statement of income and retained earnings, the statement of financial position, the cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

This report is made solely to the Institute's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the Institute's 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 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.

### **Respective responsibilities of the Council and auditors**

As explained more fully in the Council members' responsibilities set out on page 4, the Institute's Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Institute's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 December 2016 and of its surplus 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 Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Report on behalf of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

  
**Esther Carder (Senior Statutory Auditor)**

For and on behalf of **Kingston Smith LLP**  
Chartered Accountants and Statutory Auditor  
Charlotte Building, 17 Gresse Street, London, W1T 1QL

Date: 23<sup>rd</sup> March 2017

**Statement of Income and Retained Earnings  
for the year ended 31st December 2016**

	Note	2016 £	2015 £
<b>Income</b>			
Subscriptions	3	5,637,461	5,242,707
Other operating income:			
Activities	4	4,345,059	3,675,530
Media research		3,246,522	3,441,156
Service charges		481,778	492,937
		<u>13,710,820</u>	<u>12,852,330</u>
<b>Expenditure</b>			
Staff costs	5	4,209,564	3,933,296
Other operating charges:			
Administration	6	1,556,245	1,548,647
Establishment	7	447,787	522,068
Industry subscriptions	8	237,776	234,585
Activities	4	4,183,540	3,250,630
Media research		2,764,048	3,124,174
Depreciation	9	205,375	203,720
		<u>13,604,335</u>	<u>12,817,120</u>
Operating profit / (loss)		106,485	35,210
Interest receivable		47,123	52,485
Surplus before tax		<u>153,608</u>	<u>87,695</u>
Taxation charge	10	59,831	(27,556)
Surplus and total comprehensive income	16	<u>213,439</u>	<u>60,140</u>
Retained surplus brought forward		<u>1,335,015</u>	<u>1,274,875</u>
Retained surplus carried forward		<u><u>1,548,454</u></u>	<u><u>1,335,015</u></u>

There were no items of other comprehensive income in either year.

All amounts derive from continuing operations.

**Statement of financial position as at 31st December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	<u>1,322,784</u>	<u>1,303,591</u>
<b>Current assets</b>			
Stock		6,482	6,431
Trade debtors		639,694	817,350
Other debtors		33,366	31,296
Prepayments and accrued income		226,096	349,526
Current asset investments	13	<u>1,748,794</u>	<u>1,719,231</u>
		2,654,432	2,923,834
Cash at bank and in hand		<u>1,359,336</u>	<u>1,532,579</u>
		<u>4,013,768</u>	<u>4,456,413</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		(274,968)	(569,433)
Other creditors		(1,572,961)	(1,949,752)
Corporation tax		(15,489)	(27,014)
Social security and other taxes		(26,338)	-
Accruals and deferred income		(1,220,131)	(1,142,486)
		<u>(3,109,887)</u>	<u>(3,688,685)</u>
<b>Net current assets</b>		903,881	767,728
<b>Total assets less current liabilities</b>		<u>2,226,665</u>	<u>2,071,319</u>
<b>Creditors: amounts falling due after one year</b>		(598,039)	(648,039)
<b>Provision for liabilities and charges</b>			
Deferred taxation	11	(80,172)	(88,265)
		<u>1,548,454</u>	<u>1,335,015</u>
<b>Reserves</b>			
Accumulated funds	16	<u>1,548,454</u>	<u>1,335,015</u>

Approved for issue on behalf of the council on 23<sup>rd</sup> March 2017



Tom Knox, President



Maggie Frost, Honorary Treasurer

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## Cash flow statement for the year ended 31st December 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		153,608	60,140
Adjustments for:			
Profit on disposal of property, plant and equipment		4,331	-
Income tax expense		(228)	27,556
Investment income		(47,123)	(52,485)
Depreciation of tangible fixed assets		205,375	203,720
Movement in working capital:			
(Increase)/Decrease in Stock		(51)	(205)
(Increase) /Decrease in trade and other debtors		299,016	(229,477)
(Decrease) /Increase in trade creditors and other creditors		(617,274)	(267,959)
<b>Cash generated from operations</b>		<b>(2,346)</b>	<b>(258,710)</b>
Income taxes paid		40,443	(38,385)
<b>Net cash generated from operations</b>		<b>38,097</b>	<b>(297,095)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		3,968	-
Purchases of property, plant and equipment	12	(232,868)	(92,407)
Interest received		47,123	52,485
<b>Net cash from investing activities</b>		<b>(181,777)</b>	<b>(39,922)</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	18	<b>(143,680)</b>	<b>(337,017)</b>
Cash and cash equivalents at beginning of year		3,251,810	3,588,827
<b>Cash and cash equivalents at end of year</b>		<b>3,108,130</b>	<b>3,251,810</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		1,359,336	1,532,579
Short term deposits (included in current asset investments)	13	1,748,794	1,719,231
<b>Cash and cash equivalents</b>		<b>3,108,130</b>	<b>3,251,810</b>



## Notes to the financial statements for the year to 31st December 2016

### 1. Constitution

The Institute of Practitioners in Advertising is domiciled in England and Wales, registration number 221167. The registered office is 44 Belgrave Square, London, SW1X 8QS.

The Institute a company limited by guarantee not having share capital, with each member undertaking to contribute up to £2 in the event of winding up. The Institute is permitted to dispense with the use of the word 'Limited'.

### 2. Accounting policies

*Accounting convention:* These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis, where applicable and as specified in the accounting policies below.

*Going concern:* The council members have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. On 1 January 2017 The Institute of Practitioners in Advertising (A company Limited by Guarantee) transferred its trade and assets and undertakings to The Institute of Practitioners in Advertising (A royal charter body). On this date the company limited by Guarantee ceased to trade and it will therefore be a dormant company going forward.

*Subscriptions:* Subscriptions from members are credited to the income and expenditure account on an accruals basis.

*Media research:* Payments by members in respect of media research subscriptions are credited to the income and expenditure account on an accruals basis.

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

*Current assets investments:* Investments in short term deposits have an original maturity of six months.

*Financial assets:* The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets are recognised in the company's statement of financial position when the company 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.

*Derecognition of financial assets:* Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

*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 profit or loss are measured at fair value.

*Derecognition of financial liabilities:* Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

**Notes to the financial statements for the year to 31<sup>st</sup> December 2016 (contd.)**

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

*Fixed assets:* Fixed assets are stated at cost less accumulated depreciation. The lease for the property was replaced with a long term lease without any premium to amortise. Other fixed assets are depreciated over their estimated useful lives by equal annual installments. Depreciation of leasehold improvements is charged at 5% or 10%, and the rates for equipment and furniture vary from 10% to 33%.

*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, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company 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 deferred tax.

*Critical accounting estimates and judgements:* In the application of the company's accounting policies, the directors are 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of liabilities include provisions for three months' running costs of our media currencies and calculation risk in estimates for revenue declared by members. Where income from members is to be rebated, this is shown in 'Other creditors'.

<b>3. Subscriptions</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Membership subscriptions	5,638,475	5,245,019
Bad debt expense	(1,014)	(2,312)
	<u>5,637,461</u>	<u>5,242,707</u>



**Notes to the financial statements for the year to 31<sup>st</sup> December 2016 (contd.)**

<b>4. Income and expenditure on activities</b>	<b>2016</b>		<b>2015</b>	
	Income	Expenditure	Income	Expenditure
	£	£	£	£
Training and other events	918,982	763,155	1,007,189	757,106
Value of advertising	940,194	1,040,370	519,022	603,645
Advisory services	250,000	96,349	250,000	94,020
Regional activities	111,630	183,214	69,595	164,775
Publications and research	2,124,253	1,941,546	1,829,724	1,546,099
Monitoring and public relations	-	158,906	-	84,985
	<u>4,345,059</u>	<u>4,183,540</u>	<u>3,675,530</u>	<u>3,250,630</u>
<b>5. Staff costs</b>		<b>2016</b>		<b>2015</b>
		£		£
Salaries		3,949,087		3,546,129
Media research salaries		(472,268)		(372,415)
Net salary costs		<u>3,476,819</u>		<u>3,173,714</u>
Social security costs		403,486		378,964
Other pension costs		151,429		161,341
Other staff costs		177,830		219,277
		<u>4,209,564</u>		<u>3,933,296</u>
Average number of full-time equivalent staff		72		68

None of the members of Council, who are directors for the purpose of the Companies Act 2006, received any remuneration (2015: nil).

<b>6. Administration</b>	<b>2016</b>	<b>2015</b>
	£	£
Travel, meetings and miscellaneous	491,241	437,843
Postage and telephone	50,298	57,424
Printing, stationery and photocopiers	113,486	112,460
Computer systems	625,398	729,293
Legal and professional	158,639	100,560
Publications	44,821	31,742
Other equipment	6,640	13,058
Subscriptions and donations	7,772	4,630
Staff training	14,890	24,296
Auditors' remuneration	17,026	12,700
Bank charges	21,703	24,641
Loss on sale of fixed assets	4,331	-
	<u>1,556,245</u>	<u>1,548,647</u>

Included in legal and professional costs is an amount of £2,400 (2015: £2,350) relating to non-audit remuneration of the auditors.

Notes to the financial statements for the year to 31st December 2016 (contd.)

<b>7. Establishment</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Rates and insurance	227,024	206,830
Building maintenance and cleaning	193,497	290,980
Lighting and heating	27,266	24,258
	<u>447,787</u>	<u>522,068</u>
<b>8. Industry subscriptions</b>		
	<b>£</b>	<b>£</b>
The Advertising Association	210,748	206,665
European Association of Communications Agencies	27,028	27,920
	<u>237,776</u>	<u>234,585</u>
<b>9. Depreciation charge</b>		
	<b>£</b>	<b>£</b>
Property, plant and equipment	<u>205,375</u>	<u>203,720</u>
<b>10. Taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of charge in period</b>		
<i>Current tax:</i>		
UK corporation tax on operating surplus for the year at 20% (2015: 20%)	15,714	34,328
Adjustments in respect of prior years	<u>(67,452)</u>	<u>(7,319)</u>
Current tax charge	<u>(52,738)</u>	<u>27,009</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	<u>(8,093)</u>	<u>547</u>
Deferred tax charge/(credit)	<u>(8,093)</u>	<u>547</u>
Tax on operating surplus	<u>(59,831)</u>	<u>27,556</u>
<b>(b) Factors affecting tax charge for the year</b>		
Surplus before taxation	<u>153,608</u>	<u>87,695</u>
Operating surplus multiplied by standard rate of UK corporation tax at 20% (2015: 20%)	<u>30,722</u>	<u>17,539</u>
Effects of:		
Non-deductible expenses	11,402	4,070
Depreciation	41,075	40,744
Capital allowances	(48,636)	(28,325)
Provision release	910	300
Relief for losses brought forward	(1,123)	-
R&D Tax Credit	<u>(18,636)</u>	<u>-</u>
	<u>(15,008)</u>	<u>16,789</u>
Current tax charge	<u>15,714</u>	<u>34,328</u>

**Notes to the financial statements for the year to 31st December 2016 (contd.)**

<b>11. Deferred taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Balance at 1st January 2016	88,265	87,718
Origination and reversal of timing difference	(8,093)	547
Balance at 31st December 2016	<u>80,172</u>	<u>88,265</u>

Deferred taxation has been provided in full in respect of other timing differences.

**12. Tangible assets**

	Leasehold improvements	Equipment & Furniture	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 <sup>st</sup> January 2016	2,515,638	697,927	3,213,565
Additions	105,520	127,348	232,868
Disposals	-	(127,173)	(127,173)
At 31st December 2016	<u>2,621,158</u>	<u>698,102</u>	<u>3,319,260</u>
<b>Depreciation</b>			
At 1 <sup>st</sup> January 2016	1,297,002	612,972	1,909,974
Charged in year	125,163	80,212	205,375
Eliminated on disposal	-	(118,873)	(118,873)
At 31st December 2016	<u>1,422,165</u>	<u>574,311</u>	<u>1,996,476</u>
<b>Net Book Value</b>			
At 31st December 2016	<u>1,198,993</u>	<u>123,791</u>	<u>1,322,784</u>
At 31st December 2015	<u>1,218,636</u>	<u>84,955</u>	<u>1,303,591</u>

<b>13. Current asset investments</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Short term deposits	<u>1,748,794</u>	<u>1,719,231</u>

<b>14. Financial instruments</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Trade Debtors	639,694	817,350
Other Debtors	33,366	31,296
Accrued Income	30,703	21,128
	<u>703,763</u>	<u>869,774</u>
<b>Carrying amount of financial liabilities</b>		
Trade Creditors	274,968	569,433
Other Creditors	1,572,961	1,949,752
Accruals	477,682	454,208
Non-Current Provisions	598,039	648,039
	<u>2,923,650</u>	<u>3,621,432</u>

**Notes to the financial statements for the year to 31st December 2016 (contd.)**

**15. IPA staff pensions**

Contributions to the group SIPP managed by Legal & General charged in the financial statements (see note 5) were £151,429 (2015: £161,341). The balance at 31st December 2016 amounting to £41,151 (2015: £43,244) has been included in other creditors.

**16. Reserves - accumulated funds**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1st January 2016	1,335,015	1,274,875
Surplus for the year	213,439	60,140
At 31st December 2016	<u>1,548,454</u>	<u>1,335,015</u>

**17. Related party transactions**

The IPA is a member of BARB (Broadcasters' Audience Research Board Limited, a company limited by guarantee). During the year the IPA made payments, before VAT, totaling £1,445,000 (2015: £1,867,992) to BARB for audience research work.

Under the terms of the agreement with BARB any payments in excess of costs for a financial year are to be credited to the members' account to be set off against the payments next falling due from the member concerned to the company. This amount is not accounted for in these financial statements because there is no right to the repayment of these monies.

The IPA is a member of PAMCo (Publishers Audience Measurement Company Limited, a company limited by guarantee, formerly NRS). During the year the IPA made payments, before VAT, totaling £489,996 (2015: £481,094) to PAMCo for research activities.

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	1,515,313	1,429,342

**18. Analysis of changes in cash during the year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Balance at 1st January 2016	3,251,810	3,588,827
Net cash inflow	(143,680)	(337,017)
Balance at 31st December 2016	<u>3,108,130</u>	<u>3,251,810</u>

**18. Post balance sheet event**

On 1 January 2017 The Institute of Practitioners in Advertising (A company Limited by Guarantee) transferred its trade and assets and undertakings to The Institute of Practitioners in Advertising (A royal charter body).

The Institute of Practitioners in Advertising  
 44 Belgrave Square, London SW1X 8QS  
 telephone: 020 7235 7020  
 fax: 020 7245 9904  
[www.ipa.co.uk](http://www.ipa.co.uk)