

REGISTERED COMPANY NUMBER: 00648436 (England and Wales)
REGISTERED CHARITY NUMBER: 200468

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
INVOLVEMENT AND PARTICIPATION ASSOCIATION

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INVOLVEMENT AND PARTICIPATION ASSOCIATION

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FOR THE YEAR ENDED 31 DECEMBER 2022

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INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S REVIEW (January to December 2022)

2022 was a busy and eventful year for IPA as the UK reopened after the pandemic and projects postponed following the Omicron Covid outbreak at the end of 2021 were rescheduled and new work commissioned. After the difficulties of previous years, it is therefore very pleasing to be able to report that the hard work of the IPA team during the year generated an operating surplus in 2022.

During the year IPA produced further case studies for CIPD examining the function of employee information and consultation forums in two organisations, and for NHS Employers looking at employee engagement during Covid. We also produced a briefing note on remote working for Acas and worked with the London Progression Collaborative to develop and pilot an innovative new 'progression support programme' for line managers working with apprentices. We also produced an online guide to employee engagement for members of the Recruitment and Employment Confederation. During the year, we commenced collaboration on two long-term ESRC funded projects with the them Voice and Power, and worked with Nottingham Trent University and Engage for Success on a timely refresh of the seminal Engaging for Success first published in 2009. All this was achieved despite our well-respected head of policy and research, Patrick Bri  ne, moving on from the IPA. I would like to take this opportunity to thank Patrick for leaving our policy and research function in such a strong position.

Employee voice was a central theme for the consultancy and training projects the IPA team undertook during 2022, with many organisations – small and large and across all sectors – having recognized the importance that a strong employee voice played during the pandemic and seeking to build on the lessons learned from Covid and strengthen their structures for hearing voice at all levels of the organization. Building better industrial relations was also a key theme for the year, with organisations looking for help and advice to strengthen relationships with their trade unions.

Looking forward we are confident that demand for the services of IPA's expert team will continue to grow in 2023 and beyond, and so I am pleased to be able to report that following extensive conversations that began pre-pandemic, the IPA will be merging with the Institute for Employment Studies (IES) from April 2023 in a move that will see IPA retain operational independence within a single organisation with shared overarching aims and objectives.

The combining of our two organisations creates a unique opportunity to expand and develop not only our respective products and services but to also create exciting new ones which can improve the capability and productivity of businesses of all types whilst also enhancing the quality and experience of work for thousands of employees. This is the challenge our two organisations look forward to meeting as one creative and influential voice.

This will therefore be my last statement as Chair of IPA, and I would like to take this opportunity to thank all the IPA's Trustees and the IPA Team who have worked so hard to bring the charity to this next exciting chapter in its 140-year history.

Graham Steel


Graham Steel (May 15, 2023 15:38 GMT+1)

Chair
IPA
31 March 2023

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

- To extend, increase and disseminate knowledge and to exchange information and ideas in relation to the practice of employee participation in industry.
- To hold conferences and meetings for the discussion of employee participation and involvement and industrial relations in all their aspects.
- To collect, collate and publish information which will in any way assist in promoting the first of these objects and to furnish examples and advice to those who wish to introduce employee participation or similar schemes.
- To initiate encourage and maintain investigation and research into the principle of employee participation in industry and to publish the results of such investigation and research.

There have been no changes in the objects of the charity since the last annual report.

Significant activities

The IPA is the UK's leading organisation developing employee engagement, partnership and consultation strategies in the workplace. It is a not for profit, independent body which works with clients in the public, private and voluntary sectors to help managers and employees develop new ways of working - based on collaboration and trust - which deliver better workplaces and better outcomes - increased productivity and improved services.

In addition to a range of **consultancy and training** services, the IPA carries out **research**, provides **policy advice** to government bodies and co-sponsors **conferences and events**. The IPA works closely with other institutions on research and advice both in the UK and in Europe. Many of Britain's best known companies are IPA members, as well as leading trade unions.

The IPA is supported in its work by an informal group of advisers, known as the Work Insights Group, drawn from leading employer, union and representative bodies. It acts as a sounding board for the organisation, helping to identify future trends of topics of interest in the world of work.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

The Executive Committee members confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

The Charity Commission in its "Charities and Public Benefit" Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and secondly, that the benefit must be to the public or a section of the public. The Executive Committee are satisfied that the aims and objectives of the charity, and the activities reported on here to achieve those aims, meet these principles.

- The IPA helps organisations to develop new ways of working, based on collaboration and trust, which improve the well-being of all employees and their experience of working life.
- The IPA works to disseminate good practice in this area, by providing speakers at conferences; organising free-to-attend events, workshops and networking opportunities; providing an information service; and producing free good practice guides, case studies and research reports.
- The IPA aims to work with organisations of all types and sizes and offers reduced fee rates to smaller organisations and organisations in the not-for-profit or voluntary sectors.
- The IPA's knowledge and experience are made freely available for public benefit through the publication of research and case studies on the IPA website.
- The IPA responds to enquiries from students pursuing relevant studies and offers guidance and information. The IPA also provides materials to teachers and lecturers relevant to our area of work.
- The IPA also provides advice and guidance to policymakers, trade unions, academics and employer organisations on employee engagement, partnership, information and consultation and collaborative ways of working.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The IPA is committed to the highest quality of service and delivery. IPA's quality management system was updated and audited against the new ISO9001:2015 standard in 2019 and re-audited by external auditors SGS in February 2022 and certified as compliant.

IPA is also recognised as a QIP "Qualified Independent Person" for the purpose of ballots under trade union law.

Membership, Consultancy & Training

The range of services provided by the IPA has continuously evolved to meet the changing needs of UK organisations. IPA members, SMEs and not-for-profit organisations benefit from a discount on fees.

IPA supported organisations to achieve higher levels of employee engagement by providing training, coaching and mentoring for managers as well as undertaking high-level employee engagement and industrial relations diagnostics and audits.

To meet the evolving needs of clients, IPA has developed training and development programmes focussed on working with trade unions, employee voice and corporate governance, employee engagement and transition to net zero carbon and how the adoption of new technologies will impact the workplace.

In 2022 IPA worked on 90 projects with 60 organisations (85 projects with 66 organisations in 2021).

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

ACHIEVEMENT AND PERFORMANCE

Clients

In 2022, the IPA provided membership and research, consultancy and training services to the following organisations:

ACCORD	Golding Homes	Recruitment & Employment
Anglo American	Guardian News & Media	Confederation
ASOS	Hampshire Fire & Rescue	Royal College of Physicians
B&Q plc	Heineken	Sanctuary Group
BAE Systems	High Pay Centre	Santander UK Ltd
Bar Standards Council	Jaguar Land Rover	Schroders Wealth
BP	Kingfisher	Management
British Business Bank	Labour Relations	South East Water
Bron Afon	Agency	Southern Water
CAC	LifeArc	Summer Berry
CapGemini	Liverpool University	Ted Baker
Cellnex	Lloyds Banking Group	Thermofisher
Chemical Industries	London School of Economics	Trades Union Congress
Association	LPC	Transport for Wales
CIPD	Mind	UNICEF UK
City & Guilds	Motorpoint	USDAW
Clarion Housing Group Ltd	Network Housing	Victrex
Coleg Cambria	NHS Employers	VPK
Cushman & Wakefield	Nottingham Trent	WaterAid
DFDS	University	Wellbeing at Work
DHL Supply Chain	Order of St John Care Trust	Wellcome Trust
DMG Media	Parkinson's UK	Welsh Government
Engage for Success	Pepsico UK & Ireland	Whitbread Group
Equinor UK	Pfizer UK	WorldSkills UK
FI	Queen Mary University	Young & Co Brewery
General Medical Council	Queens University	Zoetis

Research

The IPA's research programme is focussed on voice and the changing workplace: just transition to net zero carbon; innovation and productivity; Good Work and employee wellbeing; good governance and regulation; new technology; and diversity and inclusivity.

IPA's research reports and case studies are freely available via the IPA website – www.ipa-involve.com.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

Financial position

IPA showed net surplus for the year of £13,623 (2021 deficit of £8,929). Net movement on unrestricted funds were £13,623 (2021 – (£8,929)) and no restricted income was received in the year. Total income for the year was £415,664 (2021 - £420,493) and total expenditure was £402,041 (2021 - £429,422). At the year-end reserves were £15,133 (2021 - £1,510).

Investment policy and objectives

The Memorandum and Articles of Association provides that the company invests moneys not immediately required for its own purposes in or upon such investments, securities or property, as may be thought fit. At the present time the Executive Committee's policy is to maintain any such monies on deposits earning a market rate of interest.

Reserves policy

A key component of the Executive Committee strategy is to mitigate risk using the policy of maintaining a level of unrestricted reserves to ensure that there are adequate funds to meet all current and known future liabilities. In practice, the Executive Committee consider that holding unrestricted reserves equivalent to three months' core costs provides sufficient resources to respond to unexpected adverse changes in IPA's funding or activities. This is currently equivalent to £84,151.

The costs comprise:

- Three months' staff costs, of all employees on permanent contracts of employment, which are currently £68,662 (salary, pension, life insurance and NI)
- The unexpired portion of term commitments, for maintenance and lease agreements on property and equipment, which currently amounts to £12,410 (property) £3,079 (copier).

At the end of 2022 the free funds amounted to £15,133 (2021: £1,510).

Financial performance is reviewed fortnightly by the IPA's Finance Task Group – a sub-group of the Executive Committee. Particular attention is paid to cash flows, work in progress and level of reserves. Overheads were reduced in 2022 and the Executive Committee has further plans in hand to restore the reserves to the level stated in the reserves policy. These are outlined in the section "Future Plans" below. A prudent budget was set for 2023. It is recognised that IPA continues to operate in a volatile environment, and the business plan for 2023 will be regularly reviewed and updated as needed. Cash flow is forecast as sufficient to meet debts as they fall due. An overdraft agreement is in place with IPA's bankers, Unity Trust. Cash flow assumptions have been made on the basis of this agreement and there is no anticipation that changes to the agreement will be necessary.

The Executive Committee has reviewed the circumstances of the IPA and consider that adequate resources continue to be available to support the activities of the IPA for the foreseeable future. The Committee is of the view that the IPA is a going concern.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

FUTURE PLANS

On 18th November 2022, the IPA Executive and staff participated in an “Awayday” to reflect on the progress towards the targets set in the development plan 2021, review IPA strategy and plan the future direction of the IPA. The outcome of this meeting was an updated IPA Business Plan and budget for 2023.

The actions and targets set in the plan are reviewed regularly by the IPA staff in monthly team meetings and by the IPA Executive Committee. They are included in the ISO9001:2015 Quality Management System which is subject to an annual independent audit by SGS.

The “Awayday” will next take place in November 2023 to continue to review and update the Business Plan.

The following key objectives emerged from the Awayday and are prioritised in the current Business Plan for 2023.

How we work

1. To continue with registration to ISO9001:2015, and to continuously improve in how we work.
2. To develop a cloud-based customer relationship management system so that we work smarter.
3. To continuously improve our website and optimise for searches and further develop social media presence, leading to increased client enquiries.
4. To continuously improve the service we offer to our members and clients.

What we do

5. To grow our impact in our three strategic priority areas:
 - Employee relations and developing positive workplace relationships.
 - Environmental, Social and Governance strategies.
 - Employee engagement and the four key enablers:
 - Strategic narrative
 - Engaging managers
 - Employee Voice
 - Integrity – values and behaviours
6. To grow our influence as advocates for better ways of working – based on collaboration and trust – that deliver improved productivity, quality of products and services, and employee wellbeing.

Financial sustainability

7. To continue to deliver on budget income performance for training, consultancy and research operations.
8. To explore opportunities for merger with Institute for Employment Studies.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is registered in England and Wales as a charitable company limited by guarantee (Company number 0648436, Charity number 200468) and is governed by its Memorandum and Articles of Association as incorporated on 1 February 1960, amended by special resolutions, April 1961, October 1972 and May 1989.

Recruitment and appointment of new trustees

The management of the company is the responsibility of the Executive Committee who are elected and co opted under the terms of the Articles of Association.

The Executive Committee members of the charitable company are its Executive Committee for the purpose of charity law. There are no other Executive Committee. The Executive Committee members who served throughout the period and at the date of this report are set out on page 10.

The Executive Committee governs the company. In accordance with the IPA's constitution, the maximum number of Committee members is determined by the company in general meeting and the minimum number in office at any given time must be 10. The Executive Committee has the power to appoint new Board members at any time up to the maximum fixed amount of 20, currently the Committee comprises 12 persons.

On joining the Executive Committee, new members are provided with a briefing pack in the IPA - its history, purpose, activities, finances and governance. New members then spend an induction day meeting IPA staff and becoming familiar with the organisation and its activities. Training in the role of the trustee is regularly provided to all Executive Committee members.

Organisational structure

The Executive Committee is responsible for overall control of the IPA's operations and meets regularly to review the performance of the IPA, and to plan and authorise strategic decisions. The Director, Nita Clarke is responsible for the day to day administration of the charity.

Setting pay and remuneration

A sub-committee of the Executive Committee - the IPA Remuneration Committee - is responsible for reviewing and making recommendations to the Executive Committee regarding the salaries and benefits paid to IPA staff. The Remuneration Committee is currently composed of four Executive Committee members and makes its recommendation to the full Executive Committee in January each year. The recommendation is debated by the full Committee, without the presence of staff, and the level of staff pay and benefits for the coming year is agreed.

Executive committee's liability

The Executive Committee of the company guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Related parties and co-operation with other organisations

None of the IPA's Executive Committee receive remuneration or other benefit from their work with the Charity. In compliance with the IPA's Articles of Association, all Executive Committee members are either individual members of the Association, or a representative of a member organisation. Any other connection between an Executive Committee member and an IPA client or other organisation with which there is a working relationship must be disclosed to the Executive Committee in the same way as any other related party relationships. No such related party transactions were reported in 2020 or 2021.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management

A detailed review of the IPA's activities, risks and opportunities is conducted annually by the Executive Committee members and staff and forms an integral part of the charity's strategic planning. The Executive Committee are confident that a full spectrum of the risks faced by the charity has been identified, quantified and, where appropriate, action has been taken to mitigate those risks.

Our responses to the external risks identified play a key part in shaping our strategy and our operational plans. Internal risks are addressed by periodic reviews of internal controls and improvements in systems designed to minimise such risks. Examples include:

- Written procedures governing the delegation of authority to the Director and to other IPA staff.
- Formal limits of authorised expenditure for each staff member and the requirement for at least two signatories to approve transactions above specified levels.
- Segregation of duties amongst members of staff as far as possible.
- Responding to any control issues highlighted by our auditors.

The significant risks identified by the Executive Committee are summarised below, along with steps taken to mitigate these risks:

OPERATIONAL RISK		
	Mitigation	Actions
Covid-19 pandemic – further variants emerging	As in 2020/21 IPA will take advantage of any government schemes, such as furlough that are re-opened. In 2020, service delivery was transferred online, and investment made in technology.	Monitor news reports on pandemic. Contingency plans for return to remote working in place.
Loss of key staff members	Appropriate remuneration (agreed by Remuneration Committee) Performance reviews Sick pay set at 6 months full pay Notice periods consistent for all staff and stated in contract of employment. Ensure all staff take holidays and have access to wellbeing resources	RemCo review of pay & benefits. PDRs. Regular team meetings and workload planning. Employee Assistance Programme.
Loss of data due to IT Failure or Cyber Crime (ransoming data)	IT security advice taken. Procedures in place to identify phishing emails. Regular upgrades to equipment and maintenance contracts. IPA network located in cloud.	Regular sought from IT support company and recommendations for strengthening security implemented.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

FUNDING		
	Mitigation	Actions
Loss of IPA members and failure to recruit new organisations into IPA network	Review of membership – existing and potential - at monthly team meetings and scheduling of member contacts.	New members recruited as part of on-going projects.
Failure to secure contracts for consultancy, training and research	Weekly team meetings to identify opportunities. Fortnightly Task Group teleconference to monitor opportunities and financial performance. Horizon-scanning function of Executive Committee	development plan identifies focus for segmenting and targeting opportunities for IPA.
Competition	Review and horizon scanning by IPA team and Executive Committee at Executive meetings and Awayday. IPA team maintain awareness of and contact with competitor organisations. Identify new market opportunities at Awayday	Continue horizon scanning activity.
Price erosion as client organisations come under increasing cost pressures	Review rates for IPA work regularly and with the support of the Executive Committee. IPA has adopted a variable pricing structure according to type of work and level of team member delivering and type of commission organisation (eg charities receive discounted rates) Where daily rates are negotiated downwards consideration is given to increasing the number of project days chargeable	Monitor competition's rates and review at team meetings.
FINANCIAL RISKS		
	Mitigation	Actions
Cash Flow	Weekly preparation of cash flow statements. Early chasing for payment from clients. Close liaison with IPA bankers. Contingency plans to deal with project cancellations.	Processes in place to monitor debtors and provide early warning of cash flow "pinch points".
Taxation	PAYE compliance procedures through payroll VAT compliance and review of status Registration for MTD completed 2020	Processes in place to ensure all returns are submitted on time. Regular liaison with HMRC when necessary
Inflationary pressures – including increases in costs due to war in Ukraine/energy costs, staff costs and costs from suppliers	Where negotiable, increasing fee rates for clients. Where possible, payment of cost of living one off payments to staff. Increase in staff salaries – although it will not be possible to maintain pace with inflation	RemCo process in place New clients will be moved to higher rates.

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00648436 (England and Wales)

Registered Charity number

200468

Registered office

2nd Floor

West Wing

Somerset House

Strand

London

WC2R 1LA

Trustees

Mr N Bentley-Gockmann

Dr D I Brown

Mr D R G Coats

Mr S D Elliott

Ms S Gorton

Ms L C Gregory

Mr G J Nichols

Ms M P Simpson

Dr E C Soane

Mr G P Steel

Dr A A Thom

Mr D J Yeandle Obe

Company Secretary

Ms I N Clarke

Senior Statutory Auditor

Mark Partridge FCA

Auditors

Chariot House Limited

Chartered Accountants and Statutory Auditor

44 Grand Parade

Brighton

BN2 9QA

Solicitors

Mackrell Turner Garrett

31 Bedford Street

Strand

London

WC2E 9EH

Bankers

Unity Trust Bank PLC

PO Box 7193

Planetary Road

Willenhall

WV1 9DG

INVOLVEMENT AND PARTICIPATION ASSOCIATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Involvement and Participation Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

May 15, 2023

Approved by order of the board of trustees on and signed on its behalf by:


Continued from (May 15, 2023 15:38 GMT+1)

.....
Mr G P Steel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVOLVEMENT AND PARTICIPATION ASSOCIATION

Opinion

We have audited the financial statements of Involvement and Participation Association (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its result, 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.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVOLVEMENT AND PARTICIPATION ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level. We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

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 obtained an understanding of the legal and regulatory framework that the charity 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 charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale
- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:
 - o Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

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 were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

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.

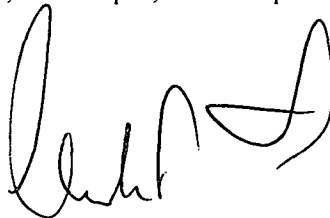
This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Partridge FCA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA



Date:

21st May 2023

The notes form part of these financial statements

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	28,385	34,620
Charitable activities	3		
Research and advice		380,003	354,317
Other income		<u>7,276</u>	<u>31,556</u>
Total		<u>415,664</u>	<u>420,493</u>
 EXPENDITURE ON			
Raising funds		29,307	21,577
Charitable activities			
Research and advice		<u>372,734</u>	<u>407,845</u>
Total		<u>402,041</u>	<u>429,422</u>
 NET INCOME/(EXPENDITURE)		13,623	(8,929)
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,510</u>	<u>10,439</u>
 TOTAL FUNDS CARRIED FORWARD		<u>15,133</u>	<u>1,510</u>

The notes form part of these financial statements

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

BALANCE SHEET
31 DECEMBER 2022

		2022 Total funds £	2021 Total funds £
CURRENT ASSETS	Notes		
Debtors	9	136,900	116,179
CREDITORS			
Amounts falling due within one year	10	(121,767)	(114,669)
NET CURRENT ASSETS		<u>15,133</u>	<u>1,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,133</u>	<u>1,510</u>
NET ASSETS/(LIABILITIES)		<u>15,133</u>	<u>1,510</u>
FUNDS	13		
Unrestricted funds		<u>15,133</u>	<u>1,510</u>
TOTAL FUNDS		<u>15,133</u>	<u>1,510</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on May 15, 2023
and were signed on its behalf by:


Graham Steel (May 15, 2023 12:38 GMT+1)

.....
Mr G P Steel - Trustee

The notes form part of these financial statements

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Executive Committee consider there are no material uncertainties about the charity's ability to continue as a going concern. At the close of 2022 the bank overdraft was £8,532 (£21,713 at end 2021). IPA's agreed overdraft facility with Unity Trust Bank was £10,000 and in place until May 2023. Operating costs were reduced during 2022, with a reduction in staffing contributing to improved cash flows. Forward work bookings, projects currently under discussion and in the pipeline and anticipated expenditure are reflected in a cash flow forecast for 2023 and show a positive cash position for the next twelve months.

Income

All income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, receipt of the income is probable, and the amount can be quantified with reasonable accuracy. Income received in advance of a training, consultancy or research project being delivered is deferred until the criteria for income recognition is met. Income from donations and subscriptions is received on the invoice date.

Expenditure

All expenditure is accounted for on an accruals basis as a liability is incurred and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources. Overheads have been allocated on the basis of staff time spent on the activities. Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of obligation can be measured reliably.

Expenditure on raising funds include direct costs and where appropriate an allocation of support costs. Fundraising and publicity costs include a portion of advertising, direct costs of administration and other promotional activities. Remaining costs relate to direct costs of maintaining rental property, and an allocation of support costs.

Charitable activities comprise mainly of the provision of training, consultancy and research which are undertaken to further the purposes of the Charity and their associated support costs.

Support costs have been allocated between governance costs and other support costs.

Governance costs have been allocated in line with costs of administration and include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Governance and support costs have been apportioned between all activities based on amount of staff time spent on the activities. The allocation of support and governance costs is analysed in note 6.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment- 33.33% straight line

Office furniture - 20% straight line

All assets costing more than £1,000 are capitalised.

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

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

Pensions

The company operates a defined contribution pension scheme, and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Employee benefits

- Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	200	75
Subscriptions	<u>28,185</u>	<u>34,545</u>
	<u>28,385</u>	<u>34,620</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Fees for consultancy services	380,003	351,617
Other income	<u>7,276</u>	<u>2,700</u>
	<u>387,279</u>	<u>354,317</u>

4. DIRECT COSTS OF RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Journals and publications	1,063	550
Marketing and advertising	8,659	4,422
Other costs	4,382	1,804
Support costs	<u>15,203</u>	<u>14,801</u>
	<u>29,307</u>	<u>21,577</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	117,401	154,277
Office costs	38,349	36,076
Project & consultancy costs	51,065	48,967
Other costs	3,354	2,698
Support costs	<u>162,565</u>	<u>165,827</u>
	<u>372,734</u>	<u>407,845</u>

6. SUPPORT COSTS ALLOCATION TO ACTIVITIES

	Fundraising Costs	Charitable activity costs	Total 2022
2022	£	£	£
Staff costs	13,637	135,000	148,637
Office costs	523	6,426	6,949
Consultancy	1,043	12,814	13,857
Governance costs	-	8,325	8,325
	<u>15,203</u>	<u>162,565</u>	<u>177,768</u>

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

6. SUPPORT COSTS ALLOCATION TO ACTIVITIES - continued

	Fundraising Costs	Charitable activity costs	Total 2021
2021	£	£	£
Staff costs	13,120	135,000	148,120
Office costs	633	7,774	8,407
Consultancy	1,036	12,728	13,764
Other costs	12	150	162
Governance costs	-	10,175	10,175
	<u>14,801</u>	<u>165,827</u>	<u>180,628</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration - audit services	6,950	9,100
Pension Costs	<u>11,650</u>	<u>13,868</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	229,314	259,141
Social security costs	23,508	27,706
Pension costs	<u>11,650</u>	<u>13,868</u>
	264,472	300,715
Life assurance	3,354	2,698
	<u>267,826</u>	<u>303,413</u>

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2022	2021
Charitable activities	4	5
Support	<u>1</u>	<u>1</u>
	<u>5</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key Management Personnel

The senior management team comprises the director, training and development directors, and head of policy and research. Their total remuneration benefits and pensions paid to them in the year was £156,682 (2021: £209,354).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	34,620
Charitable activities	
Research and advice	354,317
Other income	<u>31,556</u>
Total	<u>420,493</u>
EXPENDITURE ON	
Raising funds	21,577
Charitable activities	
Research and advice	<u>407,845</u>
Total	<u>429,422</u>
NET INCOME/(EXPENDITURE)	(8,929)
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>10,439</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,510</u>

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	105,954	45,323
Other debtors	7,446	7,446
Accruals	14,463	7,989
Prepayments	9,037	55,421
	<u>136,900</u>	<u>116,179</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 11)	8,532	21,713
Trade creditors	32,411	33,228
Social security and other taxes	45,085	21,997
Other creditors	19,181	20,334
Accruals and deferred income	5,638	8,025
Accrued expenses	10,920	9,372
	<u>121,767</u>	<u>114,669</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>16,066</u>	<u>21,713</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Between one and five years	<u>3,079</u>	<u>16,218</u>

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
TOTAL FUNDS	<u>1,510</u>	<u>13,623</u>	<u>15,133</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
TOTAL FUNDS	<u>415,664</u>	<u>402,041</u>	<u>13,623</u>

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	10,439	(8,929)	1,510
TOTAL FUNDS	<u>10,439</u>	<u>(8,929)</u>	<u>1,510</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	420,493	(429,422)	(8,929)
TOTAL FUNDS	<u>420,493</u>	<u>(429,422)</u>	<u>(8,929)</u>

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. RELATED PARTY DISCLOSURES

None of the IPA's Executive Committee receive remuneration or other benefit from their work with the Charity. In compliance with the IPA's Articles of Association, all Executive Committee members are either individual members of the Association, or a representative of a member organisation. Any other connection between an Executive Committee member and an IPA client or other organisation with which there is a working relationship must be disclosed to the Executive Committee in the same way as any other related party relationships. No such related party transactions were reported in 2021 or 2020.

17. PENSION COMMITMENTS

The Association is a participating employer in a number of money purchase schemes. The pensions cost charge represents contributions made by the Association to various pension providers and amounted to £11,650 (2021: £13,868). Contributions totalling £11,220 (2021: £12,339) were payable to the pension companies at the balance sheet date and are included in creditors.

**INVOLVEMENT AND PARTICIPATION
ASSOCIATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	200	75
Subscriptions	<u>28,185</u>	<u>34,545</u>
	28,385	34,620
Charitable activities		
Fees for consultancy services	380,003	351,617
Other income	<u>7,276</u>	<u>2,700</u>
	387,279	354,317
Other income		
Furlough grant	<u>-</u>	<u>31,556</u>
Total incoming resources	415,664	420,493
EXPENDITURE		
Raising donations and legacies		
Journals and publications	1,063	550
Marketing and advertising	8,659	4,422
Other costs	4,382	1,804
Support costs	<u>15,203</u>	<u>14,801</u>
	29,307	21,577
Charitable activities		
Staff costs	117,401	154,277
Office costs	38,349	36,076
Project & consultancy costs	51,065	48,967
Other costs	3,354	2,698
Support costs	<u>162,565</u>	<u>165,827</u>
	<u>372,734</u>	<u>407,845</u>
Total resources expended	<u>402,041</u>	<u>429,422</u>
Net income/(expenditure)	<u>13,623</u>	<u>(8,929)</u>

This page does not form part of the statutory financial statements