



2013  
2014

APM Annual Report  
and Accounts **2013/14**

## Legal and administrative information

The organisation is a charitable company limited by guarantee, incorporated on 3 July 1975 and registered as a charity on 23 January 1985.

The company was established under a memorandum of association which outlined the objects and powers of the charitable company which is governed under its Articles of Association.

Company number 1218334

Charity number 290927

### Board of trustees

R Baker  
(elected 11 November 2013)  
K Barton  
(elected 11 November 2013)  
S Boyce  
(elected 11 November 2013)  
C Burt  
(elected 11 November 2013)  
P Chapman  
(appointed 11 March 2014)  
S Coleman  
C Egbu  
A Godbold  
(retired 11 November 2013)  
J Gordon  
D Hart  
(retired 11 November 2013)  
A Macklin  
M McKinlay  
M Nichols  
(retired 3 December 2013)  
N Redon  
(appointed 14 January 2014)  
M Sasso  
J Simcock  
F Van Schelle  
(retired 1 December 2013)  
S Wake  
(Chair)

### Secretary

J Salisbury  
(retired 20 September 2013)  
P Van Duzer  
(appointed 12 November 2013)  
(resigned 11 March 2014)  
M Robinson  
(appointed 11 March 2014)

### Chief executive

A Bragg

### Principal address

Ibis House  
Regent Park  
Summerleys Road  
Princes Risborough  
Buckinghamshire  
HP27 9LE

### Auditor

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

### Bankers

Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

### Solicitors

Blake Morgan  
New Kings Court  
Tollgate  
Chandler's Ford  
Eastleigh  
SO53 3LG

# Introduction

The board of trustees of the Association for Project Management (APM) presents its annual report and audited accounts for the year ending 31 March 2014. These comply with the Companies Act 2006, APM's governing documents and the latest Charities Statement of Recommended Practice (SORP 2005) – Accounting and Reporting by Charities published in October 2005.

The APM conference held in June 2013 carried the theme 'Adapt!'. This theme reflected the changing expectations that are being placed on a project management profession that is required to deliver more, often for less, and in an ever changing, complex and global environment.

Opening the conference, Professor Richard Wiseman challenged the audience to think about the concept of 'luck'. As a psychologist who specialises in the public understanding of his subject, luck is something he has researched extensively.

What he discovered is that the concept of luck is more complicated than simply splitting the world into those who appear to have it and those who don't.

As a result of his research, Professor Wiseman found that those who considered themselves unlucky have a similar number of positive and negative experiences as those who consider themselves to be lucky. What makes the difference between the two groups is their ability and willingness to shape and adapt to the change that happens around them.

The theme of 'Adapt!' is as relevant to APM as it is to the profession as a whole.

APM has continued to proactively influence and respond to its changing environment. The profession faces the challenges of globalisation and technology, together with the ever-growing expectations held by a public which increasingly recognises what project professionals do and what they can achieve. As a result of this positive response to change, APM has enjoyed another record year of growth.

By the end of March 2014 the association had exceeded the 21,000 individual member mark and seen over 14,000 people taking APM qualifications annually. Candidates taking APMP, now titled the 'Project Management' qualification, grew by 26% from last year. We saw both the annual APM conference and APM awards ceremony enjoy record numbers of delegates. Over and above these results, we have continued to embrace change and adapt to the needs of our members, the profession and the wider public.

The association has welcomed a new chairman, Steve Wake, to the board of trustees. Steve brings many years of experience gained from his involvement with APM's specific interest group network. One of his early initiatives has been the introduction of 'Listening, Learning and Leading', a community wide enabling behaviour which will help APM respond further to the changing expectations of its stakeholders.

As in previous years, APM's achievements in 2013/14 were not born out of luck, but resulted from the close collaboration between trustees, volunteers, professional staff, specialist advisors and like-minded supporters. Through this collaborative commitment, APM will continue to

meet the new and emerging challenges of the profession to ensure that project management enjoys the recognition it richly deserves.

**Andrew Bragg** Chief Executive



# Mike Nichols



With great sadness APM had to say farewell to its former chairman, Mike Nichols, who passed away in December after a short illness.

Mike enjoyed a long and varied career at the forefront of some of the most ground-breaking projects of the late 20th century. As an adviser on the London 2012 Olympic Games he was the catalyst behind APM's relationship with the Olympic Delivery Authority which saw APM become its learning legacy partner for project and programme management.

Mike became an APM member in 1992 and joined the APM council in 2004. He became chairman of its newly constituted board of trustees in 2006, managing the transition to its new governance arrangements. He led the creation of a clear and ambitious strategy to position APM as a key influencer in the profession. He was re-elected as chairman six consecutive times by his fellow board members.

Under his leadership, the APM board committed to achieving Chartered status on behalf of the profession. Mike played a leading part in the subsequent campaign which has taken APM to the cusp of achieving a Royal Charter. In doing so, Mike galvanised the profession behind a radical and challenging vision of a world in which all projects succeed.

Over the last six years he led APM to achieve ever greater heights. The association's membership grew to over 21,000, its qualifications now attract 14,000 candidates a year and its annual turnover has grown to over £7.4 million. In 2012/13, Mike's final year as chairman, APM enjoyed a record year of growth.

Mike was part of the steering group that advised on the development of the APM Body of Knowledge 6th edition, was a driving force behind the APM Registered Project Professional standard and was an enthusiastic supporter of the first Higher Apprenticeship in Project Management.

In November 2013, he was awarded both an honorary fellowship and the Sir Monty Finniston award, celebrating a life of achievement.

Mike's passing was a sad loss to the profession as a whole and to APM in particular. He provided leadership, encouragement, guidance, integrity and calmness with a friendly grace. His legacy is an association of huge strength, fired by the ambition and courage to realise his vision of a world in which all projects succeed.



# Structure, governance and management

## Governance structure

APM is an educational charity registered with the Charity Commission in England and Wales. It is incorporated as a company limited by guarantee under the Companies Act. As such, it has a constitution comprising a memorandum and articles of association. The articles are adopted by the membership of APM and approved by the Charity Commission which grants charitable status. In accordance with the articles, the board of APM also agrees regulations to cover more detailed aspects of governance. The articles and the regulations are published on the APM website.

Full members of the association provide a guarantee that they will contribute £5 in the event of APM being dissolved. APM members are bound by a code of professional conduct. APM holds a formal meeting for members in November each year.

## Appointment of trustees

APM has a board of 12 elected trustees and up to three appointed trustees. The 12 elected trustees are nominated by full members of APM who also then elect their preferred candidates to the board. Four vacancies are filled each year by rotation with the appointments being for three years. Up to three appointed trustees may be selected by the board to provide additional expertise as required. The chair is elected annually by the board from amongst the trustees.

The members of the board act as both charity trustees and company directors. They cannot be remunerated for the role but may receive reimbursement for expenses. They may be paid for any work undertaken for APM outside of their position as a trustee, but within restrictions in accordance with the constitution and Charity Commission requirements.

## Trustee induction and training

New board members receive both internal induction and external trustee training. They are given access to an electronic repository of governance material and are provided with the mentoring support of an established board colleague. All new board members receive a detailed briefing from members of the executive team and are encouraged to attend a volunteers' orientation day.

APM operates a formal code of conduct for board members and has a policy in relation to conflicts of interest. The board is updated on governance related matters as required and has established a governance committee to review documentation and procedures.

Additional training and briefing is available for individual board members on request. Regular briefings are given to the whole board on various aspects of APM's activities.



### **Trustee indemnity insurance**

APM purchases trustee indemnity insurance which covers trustees against personal liability if legal claims were to be made against them.

### **Board structure**

The board sets APM's strategy and monitors its implementation, assuring itself that performance is on track. For example, it approves and then monitors performance against the business plan and portfolio of programmes and projects. The board ensures that APM acts within its charitable objects and the law. As trustees, the board is required to manage the assets of the charity on behalf of its members. The board usually meets every other month.

The APM board has established a number of committees which report to the board on a number of matters. These include strategic policy, audit, nominations, remuneration, professional standards and knowledge, governance and investment. Members of the board also act as 'champions' for various areas such as engagement with branches and specific interest groups, academia and IT.

Responsibility for operational management and delivery of the agreed strategies and business plan objectives are delegated to the chief executive. The executive team is part of a headquarters staff numbering around 71, based at Ibis House in Princes Risborough.

### **Subsidiary company and related parties**

The charity's wholly owned subsidiary, Ibis Trading Limited, was established as a trading arm. It provides conference and event services for APM, and facilitates the running of the APM branch in Hong Kong. Essentially, Ibis Trading undertakes commercial activities which are not classed as charitable primary purpose trading, or that might expose the charity to unnecessary risk. The objects of the company include generating a profit which it can then donate to APM by way of gift aid. The presentation of the subsidiary in the accounts is explained in the notes to the accounts (1.1).

The accounts detail any related party transactions between APM and its trustees. See note 22.

### **Risk management**

APM has a policy for the management of risk. The aim is to operate a system to manage risk by minimising threats and maximising opportunities. The board acknowledges responsibility for the management of risk within the organisation. It is embedded within operational management and APM's project and programme management processes.

APM appointed the company secretary as risk champion to support the policy during 2013/14. The risk champion maintains the strategic risk register. APM has developed a new process for risk management which cascades risk management and risk registers to operational and programme management across APM. Each functional area manages its own risks, which are reviewed at the appropriate level and escalated as necessary. The risk champion is responsible for raising the risk management competency of the association.

Risk registers embody the required risk management processes and set out the topic, risk assessment, risk owners, impacts, mitigations/actions and net risk/risk acceptability. A set of work instructions has been developed to support staff in meeting the aims of the policy and all staff received a risk management briefing in 2013/14.

Risk registers are maintained as live documents and are available to the trustees and management at all times. The strategic risk register is subject to review at each board meeting and also at executive meetings. Other risk registers are reviewed at team, project and programme meetings and are overseen for consistency by the risk champion. The risk policy is reviewed and approved by the board annually.

Oversight of the risk management policy is undertaken by the audit committee and the APM board has satisfied itself that systems and procedures have been appropriately established to manage risks. A thorough review of risk management was carried out during the year. This included an internal audit programme carried out by a highly qualified audit firm. The resulting recommendations are being progressed and are being tracked by the audit committee.



# Objectives and activities

APM is dedicated to the development of professional project, programme and portfolio management. It enjoys the benefits of a large and committed volunteer base, dedicated professional staff and out-sourced specialist services.

In May 2010, the board began the process of formulating a vision for the association that built on its then existing strategy which ran to March 2012.

The resulting vision and strategy (Strategy 2020) recognised the growing public demand for a step change in the delivery of projects and programmes and the realisation that UK membership bodies must deliver ever greater public benefit. The board recognised that standards and knowledge continue to lie at the heart of APM's offering.

The strategic horizon of 2020 was set to enable a more ambitious vision. It sought to identify themes and guiding principles, recognising the dynamic nature of the profession and of society as a whole.

The vision is ambitious, challenging and radical. Above all, it reflects what society expects: *a world in which **all Projects Succeed***.

It cannot deliver this vision alone, therefore the **APM mission** is:

*To provide leadership to the movement of committed organisations and individuals who share our passion for improving project outcomes.*

The association will lead activities that deliver benefit:

- For **individuals**; by developing the leadership capability of all those impacting on project success through globally recognised professional qualifications and certifications.
- For **organisations**; by enhancing organisational capacity to deliver successful change through accredited standards of management practice.
- For **society**; by investing in the creation and dissemination of valuable knowledge in the management of projects and driving its effective application.

The vision was announced at the APM awards in October 2011, and subsequently discussed at both branch and specific interest groups (SIGs) forums as well as with government departments, academic institutions and major corporate organisations.

During 2013/14 a programme of projects was initiated to build the capability to effectively deliver the knowledge and standards required of the profession. In 2014/15 the association will build on this capability through a portfolio of programmes and projects designed to ensure that the provision of knowledge and standards meets the needs of the profession and wider stakeholders now and in the future.

*A world in which **all Projects Succeed***



£600k

was invested in projects to support the realisation of the aspirations laid out in **Strategy 2020**. This was the next phase in realising APM's ambitious vision of '**a world in which All Projects Succeed**'.

# Public benefit

The APM website attracted **530,000** unique visitors in the year, accessing almost four million pages during the year. In addition, APM's LinkedIn community has **34,500** members, its Twitter account attracts **8,200** followers and its Facebook page has **2,290** likes.



The association's charitable objects are 'to advance the science, theory and practice of project and programme management for the public benefit'.

Project management is essential in today's competitive domestic and international markets. Projects are expected to be quicker, better and deliver greater value for money. The improvement of professional standards is at the heart of APM through its 'FIVE Dimensions of Professionalism' and the APM 'Registered Project Professional' (RPP) designation. Project management professionalism is a key benefit to the public and the UK, particularly during a period of austerity.

APM promotes professionalism by providing opportunities for continuing professional development (CPD) through publications, qualifications and events. It has hosted in excess of 1,000 events over the last four years which are open to all and operate throughout the UK.

APM members are bound by its code of professional conduct, which is supported by a complaints and disciplinary procedure. This provides protection to the users of project management services.

Raising awareness of the effectiveness of professional project management is achieved through presentations at third party conferences and events, the APM project management awards, the APM conference, regional conferences and the provision of free-access advice and guidance on the APM website.

APM actively supports other bodies working in the public interest such as the British Standards Institute and International Standards Organisation. The association supports the development and awareness of project management through its accreditation of university courses, and has set aside funds for future research into project management. APM also maintains a working relationship with other professional bodies including the Institution of Civil Engineers (ICE), the Royal Institution of Chartered Surveyors (RICS), and the Chartered Institute of Building (CIOB). Specific interest groups are set up by APM to research and investigate particular project management topics which result in publications available to both membership and the wider public.

This statement takes account of Charity Commission guidance on public benefit.

**14,400**

candidates sat the association's professional qualifications, with APMP leading the way, reflecting the value that the profession places in APM qualifications.

# Successes 2013/14



APM continued to play a leading role in the International Project Management Association (IPMA). In September 2013 it launched a collaboration with the Finnish project management association, PMAF, based around APM's 'FIVE Dimensions of Professionalism'.

6th EDITION

Refreshed syllabuses were introduced for the Introductory Certificate and APMP qualifications in line with the APM Body of Knowledge 6th edition.



APM's first online qualification was launched in the form of the APM Introductory Certificate (now renamed the 'Project Fundamentals' qualification). This is an important step in making APM's qualifications more accessible both domestically and globally.



Revenues grew by over  
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**£7.5M**  
 highlighting the growth across all areas of the charity.



The APM conference was well received. The event was themed

# ADAPT!

and included presentations from leading psychologist Professor Richard Wiseman and 'undercover economist' Tim Harford. It had the highest attendance of any APM conference to date.

## Successes 2013/14

APM enjoyed a record year of growth. By the year end, it had recorded its highest number of members to date, as well as achieving record revenues from qualifications. Selected highlights are as follows:

- ▲ Membership continued to grow, reaching 21,150 individual and 547 corporate members by the end of the financial year. This furthers APM's aim to improve professionalism within project management and is another step towards the aspirations contained within Strategy 2020.
- ▲ A record 14,400 candidates sat the association's professional qualifications, with APMP leading the way, reflecting the value that the profession places in APM qualifications.
- ▲ Revenues grew by £300k from last year to £7.5m highlighting the growth across all areas of the charity.
- ▲ £600k was invested in projects to support the realisation of the aspirations laid out in Strategy 2020. This was the first phase in realising APM's ambitious vision of *a world in which **All Projects Succeed***.
- ▲ APM's first online qualification was launched in the form of the APM Introductory Certificate (since the year end renamed the 'Project Fundamentals' qualification). This is an important step in making APM's qualifications more accessible both domestically and globally.
- ▲ Refreshed syllabuses were developed for the Introductory Certificate and APMP qualifications in line with the *APM Body of Knowledge 6th edition*.
- ▲ The APM conference was well received. The event was themed 'Adapt!' and included presentations from leading psychologist Professor Richard Wiseman and 'undercover economist' Tim Harford. With 262 delegates, it had the highest attendance of any APM conference to date.
- ▲ The APM awards, hosted in November 2013, saw a fresh roster of winners with the BBC, B&Q and DHL Supply Chain representing new sectors and fresh names to be added to the list of past winners, as an increasing number of organisations place value on APM endorsement.
- ▲ APM continued to play a leading role in the International Project Management Association (IPMA). In September 2013 it launched a collaboration with the Finnish project management association, PMAF, based around APM's 'FIVE Dimensions of Professionalism'.
- ▲ APM was the first professional body to be awarded the 'Investing in Volunteers' accreditation, a reflection of the invaluable contribution of time, expertise and commitment by APM's loyal volunteers.
- ▲ APM launched the new 'enabling change' SIG, and published a guide on the emerging trend of gamification, created by members of APM's Thames Valley branch. Successful collaboration with other professional bodies included a second well-received joint RICS-APM conference, this year examining the differences between 'management' and 'leadership'.
- ▲ The APM website attracted 530,000 unique visitors in the year, accessing almost four million pages during the year. In addition, APM's LinkedIn community has 34,500 members and its Twitter account attracts 8,200 followers.

*"My aim has always been to ensure that APM members are at the heart of the profession in general and the association in particular."*

**Steve Wake – APM Chairman**





# Inspired

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APM launched the new **'enabling change' SIG**, and published a guide on the emerging trend of gamification, created by members of APM's Thames Valley branch. Successful collaboration with other professional bodies included a second well-received joint **RICS-APM** conference, this year examining the differences between 'management' and 'leadership'.

# Successes 2013/14

## **Steve Wake – APM Chairman**

In November 2013, APM's board elected Steve Wake as its new chairman, taking over from Mike Nichols.

Steve, who joined the APM board in 2012, was previously a member of the APM council, the APM governing body at that time. He has been a long standing chairman of the APM planning, monitoring and control specific interest group and is a management consultant specialising in earned value project management. Steve is acknowledged as one of the leading global experts in earned value (EV) and has established reciprocity between the US ANSI EV standard and the UK APM guideline. On becoming chairman, Steve said:

"My aim has always been to ensure that APM members are at the heart of the profession in general and the association in particular.

The APM board needs the support of the membership and the profession. We are working on something called 'Listening, Learning and Leading'.

These are words we want APM to stand for and our members to be.

'Listening, Learning and Leading' aims to open up a conversation and engage with the project management community. We want to capture the needs of the many, rather than the will of the few. We want to work quickly; in weeks and months, not years, and we want as many people as possible to play their part.

I'm looking forward to engaging with as many people as possible on Chartered status; the 2020 strategy; and Listening, Learning and Leading. The world in which we live may be challenging, but I can think of a no more hopeful place to be than within the community of project management. We are emphatically part of the solution."

## **FIVE Dimensions of Professionalism**

Underpinning its drive for improved professionalism in project management are the 'APM FIVE Dimensions of Professionalism'. This is a universal framework for individuals, organisations and academic institutions seeking to develop professional project management.

### **Breadth**

The APM Body of Knowledge defines the knowledge needed to manage any kind of project. It underpins many project management standards and methods including the National Occupational Standard in Project Management.

### **Depth**

The APM Competence Framework provides a guide to project management competences. It is part of the project professional's toolkit; mapping levels of knowledge and experience to help them to progress their skills and abilities.

### **Achievement**

APM qualifications take the project professional's career in new and exciting directions. They are recognised across the profession, some being aligned with IPMA's 4 level certification programme.

### **Commitment**

Continuing professional development helps develop professional project management practice. A targeted development plan will enhance the project professional's career.

### **Accountability**

The APM Code of Professional Conduct outlines the standards and behaviour expected of a professional. Becoming an APM member shows commitment to the code and sets a project professional apart from others.

## **Chartered status**

Chartered status has been debated by the profession for a number of years because it is widely recognised as offering formal recognition of a profession that has come of age. In 2007, the board led by then chairman Mike Nichols, directed that Chartered status on behalf of the UK project management profession was the association's top priority. In March 2014 APM was able to make the following statement regarding the process of its application:

"The Chartered campaign has created a huge momentum for raising professionalism within project management."

In August 2012, the then APM chairman Mike Nichols released a statement on behalf of the association restating its case for achieving Chartered status on behalf of the project management profession.

The statement reiterated APM's belief that it remains for the Privy Council to decide, in the light of its published guidance and the individual circumstances of the organisation, whether a Charter ought to be granted.

In February 2013, APM was informed that, in his role as the Lead Privy Council Adviser in this matter, the Minister for the Cabinet Office had decided to recommend that a Royal Charter should be granted to APM.

APM's application was then considered by a committee of the Privy Council that included the Secretary of State for Business, Innovation and Skills, and the Secretary of State for Defence. In July 2013, APM was informed that this committee had unanimously reached its recommendation that a Royal Charter should be granted to APM, and that this recommendation would be placed on the list of business for the meeting of the Privy Council to be held in October 2013.

This decision was subsequently challenged by the Project Management Institute (PMI) who sought permission for Judicial Review, naming the Minister for the Cabinet Office, the Privy Council Office and the Attorney General as defendants, and APM as an interested party.

Having reserved judgment at the substantive hearing of the Judicial Review claim which ended on 9 July 2014 at the High Court in London, the Judge, Mr Justice Mitting, handed down his judgment on 17 July 2014.

The Judge dismissed the claim on all grounds.

PMI sought permission from the Judge to appeal this decision, which he refused.

PMI now has a limited period in which to seek leave to appeal directly from the Court of Appeal.

Background information on APM's application for a Royal Charter can be found by using the link below:

[apm.org.uk/CharteredStatus](http://apm.org.uk/CharteredStatus)



## Measurement

APM's success in meeting its objectives is measured by key performance indicators (KPIs) which are set annually at the start of each year as part of the business planning process. The KPIs are contained within a balanced scorecard which sets targets for each area of the association. Progress against these indicators is reviewed quarterly, and

remedial action taken when necessary. These indicators include both financial and non-financial measures. They are subdivided into four areas: the financial perspective, the customer perspective, deliver core activities well and grow our capability. Each category contains a number of key performance indicators, some of which are shown below:

Indicator	Achieved
<p><b>Financial perspective</b></p> <p>Meet budgeted deficit of £120.5k for the year.</p>	<p>An actual surplus of £165k was achieved, outperforming the budgeted deficit, enabling APM to increase its funds necessary to enable future growth plans.</p>
<p><b>Customer perspective</b></p> <p>Build and develop strong relationships.</p>	<p>An agreement with the Finnish project management association, PMAF was signed whereby APM benefited from commercialising its impressive portfolio of intellectual property.</p>
<p><b>Deliver core activities well</b></p> <p>Maximise volunteer effectiveness by delivering the volunteer development strategy.</p>	<p>The volunteer development strategy was delivered in the year, and the APM community charter was introduced. APM achieved the 'Investing in Volunteers' accreditation, the first professional body to do so.</p>
<p><b>Grow our capability</b></p> <p>Deliver portfolio programmes and projects.</p>	<p>Two major projects, the digital business model and qualification refresh programme met their targets for the year, which are critical steps towards achieving Strategy 2020 aspirations.</p>

## Future plans

APM has embarked on an ambitious strategy in support of its vision for a world in which **All Projects Succeed**. Strategy 2020 aims to build a movement of committed individuals and organisations dedicated to the improvement of project outcomes. During 2013/14 a programme of projects was delivered to provide the knowledge and standards delivery capability that underpin the delivery of Strategy 2020.

### **Deliver portfolio**

From 2014/15 APM will embark on a portfolio of programmes designed to change the business to meet its strategic objectives. It will aim to provide a more coherent and customer focussed product set through a new career framework and membership offerings. It also will provide the infrastructure to support these and future activities.

### **Develop strategic partnerships**

Developing partnerships and working collaboratively with similarly minded organisations is the fastest route to achieving APM's Strategy 2020 aspirations. APM has been in discussions with third parties aiming to establish an effective way of working together to increase standards in project management and widen their reach. APM will continue to look for other opportunities to accelerate the success of Strategy 2020.

### **Develop new and existing standards and knowledge solutions**

APM will develop a career framework meeting the needs of organisations, individuals and educational institutes including higher education and schools. In particular, it will develop IPMA level A-C qualifications. Each of the new IPMA accredited qualifications and designations will also align to the competence framework to ensure a coherent approach to both individuals and organisations.

### **Develop new membership subscriptions model**

Membership subscriptions remain a core income stream. Using customer research to inform decision making, a membership review will research current attitudes to the existing membership offerings including communications, joining processes, motivations for joining, tangible and intangible benefits and attitudes to professional standards. It will also consider the growing demands from international and corporate customers and the growing expectations around the digital delivery of services.

### **Develop customer focused processes**

APM will progress towards increasingly customer focussed product development processes for all its knowledge and standards products and services. The processes will be responsive to customer need, built on evidence based decisions being both efficient and robust in their delivery. Initially, this will focus on implementing a core product development capability. This capability will then be broadened to address a more diverse range of needs before evolving towards a more tailored offering to address individual customer requirements.

### **Transforming APM into a 'Listening, Learning and Leading' organisation**

APM needs to evolve in order to create the foundation from which a successful future will be possible. Investment in APM's infrastructure will give APM the capability to achieve its objectives.

# Principal risks and uncertainties

APM manages risk through established and developing risk management policies, supported by the executive and 'risk champion'. A strategic risk register is maintained and reviewed on

a regular basis. During the course of the year, the trustees have considered a number of risks and mitigating strategies, including the following risks:

Risk	Mitigating strategy
<p><b>Strategic aspirations will not be attained.</b></p>	<p>A review of organisational capacity and capability has been carried out in some detail to be actioned in 2014/15. This will streamline decision-making and allow greater focus on strategic objectives.</p>
<p><b>APM internal processes are not followed or do not operate effectively.</b></p>	<p>A process of internal audit took place during 2013/14, and a new programme is underway for 2014/15. This was carried out by a professional audit practice and is monitored and reviewed by the audit committee.</p>
<p><b>Risks are not identified, and/or ownership of risk is not taken by the appropriate person.</b></p>	<p>The company secretary is also now the APM 'risk champion'. Department heads have been identified as 'risk owners', and each maintain their own risk register. These are updated and reviewed on a regular basis. Staff understanding and input is being developed.</p>

## Financial review

This financial review is based on the financial statements shown from page 18 onwards. The layout follows the latest Charities Accounting Statement of Recommended Practice (SORP 2005) – Accounting and Reporting by Charities 2005.

The economic climate during the year has been challenging, and APM is very grateful for the contribution of its members, Ibis House staff, partners and many unremunerated volunteers that have facilitated further growth in the year.

### Surplus

Despite the economic challenges of the year, a surplus of £165k was posted. Reserves stand at £3.0m.

### Income

Total income in the year grew to £7.5m from £7.1m in 2012/13. This was despite the additional income earned from a one-off project last year.

Subscription income from individual and corporate members grew some 6.7%, from £3.0m to £3.2m.

Examination and other contractual income increased 2.3% from £3.4m to £3.5m. This increase is higher if the one-off higher apprenticeship project income received in 2012/13 is excluded. APMP, including APMP for PRINCE2® Practitioners, and Introductory Certificate accounted for the largest part of the increase.

Publications income decreased from £405k to £390k due to a fall in volumes including the *International Journal of Project Management*, although income from advertising in *Project* magazine increased from £79k to £88k in the year.

Event income increased by 22.7% from £290k to £356k. This was largely due to the increased number of delegates attending the annual APM events.

Although fewer branch and SIG events were held than last year, income increased due to the higher level of paying delegates.

### Expenditure

The latest applicable SORP 2005 requires expenditure to be analysed into the same categories as the income described above (and as shown in the consolidated statement of financial activities on page 18 of the accounts). The expenditure is detailed in note 3 on page 24.

The costs of running membership-focused events increased from £403k last year to £433k, a 7.3% increase. This is lower than the percentage increase in event income due to the additional cost last year resulting from APM's 40th anniversary celebrations.

The total costs of charitable activities rose 14.1% from £5.8m to £6.7m. This was caused mainly by the variable costs of membership and examination related activities. The membership cost increase in the year was greater than the level of increase in income and reflects the investment made in staff needed to grow membership and to provide services to the existing membership base. The increase in examination related costs, which include support costs, was proportionately greater than the increase in income. This was due to the increase in staffing necessary to facilitate future growth and support new qualifications. Research and development costs largely comprised project staff costs and the cost of third party products and services.

These financial movements are shown in detail under notes 3 and 4 to the financial statements.

APM continued to adopt a staffing model of core employees augmented by volunteers and paid external consultants, retained for specific projects and/or specific domain expertise. Where appropriate, staff have been employed on fixed term contracts where it is likely that the role will not be required long term. Average in-house head-count increased during the year from 64 to 71. The increase largely reflects the investment in resources necessary as part of the APM Strategy 2020. APM continues to implement an HR strategy to support APM's increased delivery of professional services demanded by the membership across all streams of APM activity.

The charity's wholly owned trading subsidiary, Ibis Trading Limited, made no profit or loss in the year, after making a gift aid payment to the association, on an income of £305k (including inter-company transactions). Ibis Trading Limited is used for trading activities; this largely comprised the annual APM conference and the APM awards, and membership development in Hong Kong during the year.

## Reserves and investment policies

### Reserves policy

The reserves policy was reviewed by the board during the year. The board maintained the minimum free reserves threshold at £1.1m. If available free reserves fall below this level the board will take appropriate action to redress the situation.

At the year end, the reserves stood at £3.0m (2013: £2.9m). Free reserves amounted to £1.2m (2013: £1.3m) being unrestricted funds less the designated funds, which is in excess of the minimum requirement of £1.1m referred to above.

The reserves policy aims to hold adequate reserves to maintain the quality and continuity of APM's activities and, in particular, to meet the following:

- short-term expenditure in the event of temporary business interruption;
- day-to-day working capital (given that the timing of income and expenditure varies during the financial year);
- expenditure to meet new developments over and above expenditure paid out of the annual surplus generated by business-as-usual activities.

The board may decide to designate or un-designate funds from the unrestricted reserves in order to set aside funds for specific purposes.

During the year the board designated funds from the unrestricted funds. £10k was designated to the dilapidations fund. The dilapidations fund is increased each year to provide funds towards the dilapidations liability payable at the end of the lease at APM's offices. The tangible fixed asset fund was increased to £800k from £500k as planned capital expenditure on additional premises and new qualifications will be required in order to facilitate future growth.

### Investment policy

The investment policy was reviewed by the board in the year. Whilst the existing policy remains in place, the board has initiated a further review of the adequacy of the policy in the long term and the process to appoint an investment manager. An investment committee has been formed to facilitate this. The recommendation of that review will be considered in 2014/15.

The principal aim of APM's investment policy is to generate a return on surplus funds, whilst ensuring that there are always adequate liquid funds to meet fluctuations in cash-flow and to deal with unexpected expenditure.

The board has therefore decided that cash funds not required on a day-to-day basis should be placed on deposit to earn a high interest rate of return within an acceptable level of financial risk. Funds are spread across three banks.

## Statement of trustees' responsibilities

The trustees (who are also directors of the Association for Project Management for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 the group and

hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

### Auditor

Kingston Smith has expressed its willingness to remain in office as auditor of the charitable company.

The Trustees' Annual Report is approved by the trustees of the association. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the association.

On behalf of the trustees/directors



**S Wake**  
Chairman

8 July 2014

## Independent auditor's report to the members of the Association for Project Management

We have audited the financial statements of the Association for Project Management for the year ended 31 March 2014 which comprise the Statement of Financial Activities incorporating the summary income and expenditure account, the group and parent charitable company balance sheets, the group 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).

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 16, 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.

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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors;
- 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 group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- 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 Trustees' Annual Report 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:

- the parent and charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent and charitable company's 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.



**Sandra De Lord, Senior Statutory Auditor, for and on behalf of Kingston Smith LLP, Statutory Auditor**  
22 September 2014  
Devonshire House, 60 Goswell Road  
London EC1M 7AD

**Consolidated statement of financial activities  
(including income and expenditure account)  
for the year ended 31 March 2014**

	Notes	Total funds 2014 £	Total funds 2013 £
<b>Incoming resources</b>			
<b>Incoming resources from generated funds</b>			
Activities for generating funds		355,910	290,177
Investment income	9	30,709	27,493
<b>Incoming resources from charitable activities</b>			
Subscriptions		3,216,383	3,013,707
Examination and other contractual income		3,473,586	3,395,304
Publications		390,235	405,447
<b>Total incoming resources</b>		<b>7,466,823</b>	<b>7,132,128</b>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Events		432,517	403,199
Investment management costs		9,521	8,205
<b>Charitable activities</b>	3	6,650,893	5,828,063
<b>Governance costs</b>	2	208,837	171,945
<b>Total resources expended</b>		<b>7,301,768</b>	<b>6,411,412</b>
<b>Net incoming resources for the year</b>	6	165,055	720,716
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>		2,869,485	2,148,769
<b>Total funds carried forward</b>		<b>3,034,540</b>	<b>2,869,485</b>

APM has no restricted funds.

All of the above results are derived from continuing activities. The company has no recognised gains or losses other than those dealt with in the statement of financial activities.

The notes on pages 22 to 32 form part of these financial statements.

**Consolidated balance sheet  
As at 31 March 2014**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		270,011		413,098
<b>Current assets</b>					
Investments	12	4,077,349		3,510,926	
Stocks	13	32,095		29,543	
Debtors	14	1,098,926		942,477	
Cash at bank and in hand		147,979		152,797	
		<u>5,356,349</u>		<u>4,635,743</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<u>(2,591,820)</u>		<u>(2,179,356)</u>	
<b>Net current assets</b>			2,764,529		2,456,387
<b>Total assets less current liabilities</b>			3,034,540		2,869,485
<b>Net assets</b>			<u>3,034,540</u>		<u>2,869,485</u>
<b>Funds</b>					
Unrestricted income fund-designated	16		1,860,000		1,550,000
Unrestricted income fund-general	17		1,174,540		1,319,485
			<u>3,034,540</u>		<u>2,869,485</u>

The notes on pages 22 to 32 form part of these financial statements.

Approved by the board of trustees on 8 July 2014 and signed on its behalf by:



**S Wake**  
Chairman



**J Gordon**  
Trustee

Company number 1218334

## Association balance sheet as at 31 March 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		270,011		413,098
Investments	11		1		1
			<u>270,012</u>		<u>413,099</u>
<b>Current assets</b>					
Investments	12	3,993,418		3,459,368	
Stocks	13	32,095		29,543	
Debtors	14	1,045,814		967,382	
Cash at bank and in hand		118,680		152,461	
		<u>5,190,007</u>		<u>4,608,754</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<u>(2,425,479)</u>		<u>(2,152,368)</u>	
<b>Net current assets</b>			<u>2,764,528</u>		<u>2,456,386</u>
<b>Total assets less current liabilities</b>			<u>3,034,540</u>		<u>2,869,485</u>
<b>Net assets</b>			<u>3,034,540</u>		<u>2,869,485</u>
<b>Funds</b>					
Unrestricted fund-designated	16		1,860,000		1,550,000
Unrestricted fund-general	17		1,174,540		1,319,485
			<u>3,034,540</u>		<u>2,869,485</u>

The notes on pages 22 to 32 form part of these financial statements.

Approved by the board of trustees on 8 July 2014 and signed on its behalf by:



**S Wake**  
Chairman



**J Gordon**  
Trustee

Company number 1218334

## Consolidated cash flow statement for the year ended 31 March 2014

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	<b>A</b>	569,317	989,986
Return on investment and servicing of finance investment income		30,709	27,493
<b>Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets		(38,421)	(235,406)
<b>Management of liquid resources</b>			
(Increase) in short term deposits		(566,423)	(773,139)
<b>(Decrease)/increase in cash</b>		<b>(4,818)</b>	<b>8,934</b>
<b>Reconciliation of net cash flow movement to net debt to net cash</b>			
(Decrease)/increase in cash		(4,818)	8,934
Cash used to increase liquid resources		566,423	773,139
Movement in net cash		561,605	782,073
Net cash as at 1 April		3,663,723	2,881,650
<b>Net cash as at 31 March</b>		<b>4,225,328</b>	<b>3,663,723</b>
<b>Note A</b>			
<b>Reconciliation of net incoming resources to net cash flow from operating activities</b>			
Net incoming resources for the year		165,055	720,716
Investment income		(30,709)	(27,493)
Loss on disposal of fixed assets		1,160	-
Depreciation		180,348	214,645
(Increase) in inventories		(2,552)	(9,613)
(Increase) in trade and other receivables		(78,383)	(213,367)
(Increase)/decrease in prepayments		(78,066)	101,336
Increase in trade and other payables		37,283	19,834
Increase in accruals and deferred income		375,181	183,928
<b>Net cash inflow from operating activities</b>		<b>569,317</b>	<b>989,986</b>

## Notes to the accounts for the year ended 31 March 2014

### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, and the *Charities Accounting Statement of Recommended Practice (SORP)*, "Accounting and Reporting by Charities" published in October 2005.

#### Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Ibis Trading Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 230 of the Companies Act 2006 and paragraph 397 of the SORP.

Information in respect of the charitable holding company is as follows:

	2014	2013
	£	£
Gross income	7,244,935	6,935,682
Surplus for the year	165,055	720,716

#### 1.2 Unrestricted funds

Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. All funds are unrestricted during the year and at the year end.

#### Designated funds

Designated funds are unrestricted funds earmarked by the board of trustees for particular purposes.

#### Restricted funds

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets these criteria is charged to the fund.

#### 1.3 Income (including subscriptions, examination fees, contributions, grants, donations, contractual services and investment income)

Subscription income represents amounts receivable during the year. Subscriptions are receivable from members annually.

Fees receivable and charges for services are accounted for in the period in which the service is provided.

Investment income is recognised in the accounts when it is receivable.

Income from sales of publications represents amounts receivable net of VAT and discounts.

Voluntary income represents donations which are recognised in the accounts in the period they are received.

#### 1.4 Expenditure (including allocation of expenditure)

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT in the instances that it cannot be recovered.

Costs of generating funds are those costs incurred for holding a variety of events on portfolio, programme and project management and related fields.

The resources expended on charitable activities comprise direct costs associated with subscriptions, examinations and publications, together with a share of the support costs.

Support costs are the costs of central and administrative functions, which are allocated to activity cost categories as detailed in note 1.5 below.

Governance costs relate to the governance arrangements of the association including the costs relating to strategic management, constitutional and statutory requirements.

#### 1.5 Cost allocation

Overhead and support costs have been allocated on the following basis to charitable activities and cost of generating funds:

Description	Method of apportionment
Depreciation	Apportioned in relation to income
Finance	Apportioned in relation to income
Information technology	Apportioned in relation to income
Support staff	Apportioned in relation to income/expenditure
Office costs	Apportioned in relation to income

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Publications	33.33% straight line
Leasehold improvements	Over the life of the lease, straight line
Furniture and equipment	25% straight line
Computer equipment	33.33% straight line
Website development costs	33.33% straight line

Expenditure below £1,000 is written off in the year of purchase.

Publications tangible fixed assets include the external costs of producing the *APM Body of Knowledge 5th and 6th editions* and the *APM Competence Framework* which have been capitalised on the grounds that they underpin the Association for Project Management's examination syllabuses, and that they have an economic life beyond 12 months. The costs for the *APM Body of Knowledge 5th edition* and *APM Competence Framework* have now been fully depreciated.

Certain website development costs are capitalised on the basis that the APM website is an enduring asset which will assist in the creation of future revenue.

## Notes to the accounts for the year ended 31 March 2014 (continued)

### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

### 1.8 Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the Statement of Financial Activities (SOFA).

## 2 Governance costs

	2014 £	2013 £
Staff costs	129,141	102,596
Audit and legal fees	21,857	23,621
Cost of trustee meetings and travel	57,839	45,728
Total	208,837	171,945

## 3 Breakdown of cost of charitable activities

	Activities undertaken directly £	Support costs £	Total 2014 £	Total 2013 £
Subscriptions	1,939,367	997,257	2,936,624	2,650,691
Examination and other fees	1,398,161	1,077,004	2,475,165	2,103,159
Publications	492,593	120,994	613,587	576,192
Research and development projects	625,517	–	625,517	498,021
Total	4,455,638	2,195,255	6,650,893	5,828,063

(Note 5)

## 4 Total support cost breakdown by activity

	Staff costs £	Other costs £	Total 2014 £	Total 2013 £
Cost of generating funds	52,920	66,953	119,873	91,919
Charitable activities	969,127	1,226,128	2,195,255	1,862,297
Governance costs	129,141	79,696	208,837	171,945
Total	1,151,188	1,372,777	2,523,965	2,126,161

## 5 Support cost apportionment

### Cost of generating funds

	Activities for generating funds	Investment income	Total 2014	Total 2013
	£	£	£	£
Depreciation	8,652	746	9,398	10,096
Finance	16,987	1,466	18,453	15,388
Information technology	9,901	854	10,755	7,368
Support staff costs	48,716	4,203	52,919	34,505
Office costs	26,096	2,252	28,348	24,562
<b>Total</b>	<b>110,352</b>	<b>9,521</b>	<b>119,873</b>	<b>91,919</b>

### Charitable activities

	Subscriptions	Examination and other fees	Publications	Total 2014	Total 2013
	£	£	£	£	£
Depreciation	78,186	84,438	9,486	172,110	204,548
Finance	153,514	165,790	18,625	337,929	311,764
Information technology	89,475	96,630	10,856	196,961	149,274
Support staff costs	440,253	475,459	53,415	969,127	699,095
Office costs	235,829	254,687	28,612	519,128	497,616
<b>Total</b>	<b>997,257</b>	<b>1,077,004</b>	<b>120,994</b>	<b>2,195,255</b>	<b>1,862,297</b>
	<b>(Note 3)</b>	<b>(Note 3)</b>	<b>(Note 3)</b>	<b>(Note 3)</b>	

## 6 Net incoming resources for the year

This is stated after charging:

	2014	2013
	£	£
Loss on disposal of fixed assets	1,160	–
Depreciation of tangible fixed assets	180,348	214,645
Auditor's remuneration		
– current year	15,695	12,800
– prior year under provision	1,752	961
Auditor's remuneration for non-audit services	1,275	1,541

**Notes to the accounts  
for the year ended 31 March 2014 (continued)**

**7 Staff costs and numbers**

	2014	2013
	£	£
Wages and salaries	2,503,157	2,286,026
Social security costs	275,970	238,598
Pension costs	119,403	106,804
Total	2,898,530	2,631,428

The number of employees whose emoluments fell into the following bands were:

	2014	2013
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£90,001 - £100,000	–	1
£100,001 - £110,000	1	–
£120,001 - £130,000	–	1
£140,001 - £150,000	1	–

The above staff have retirement benefits accruing under defined contribution schemes at a cost of £26,214 (2013: £22,195) to APM.

Average employee numbers:

	2014	2013
Development and marketing	26	23
Customer services	22	21
Office and administration	23	20
	71	64

**8 Taxation**

The company is a registered charity and no provision is considered necessary for taxation.

**9 Income from investments**

	2014	2013
	£	£
Bank interest	30,709	27,493

**10 Tangible fixed assets – Group**

	Publications	Leasehold improvements	Furniture, equipment and website	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2013	362,369	260,168	823,542	1,446,079
Additions	–	–	38,421	38,421
Disposals	–	–	(178,979)	(178,979)
Reclassification	–	35,295	(35,295)	–
At 31 March 2014	362,369	295,463	647,689	1,305,521
<b>Depreciation</b>				
At 1 April 2013	225,593	190,995	616,393	1,032,981
Charge for the year	62,262	10,657	107,429	180,348
Disposals	–	–	(177,819)	(177,819)
Reclassification	–	7,274	(7,274)	–
At 31 March 2014	287,855	208,926	538,729	1,035,510
<b>Net book value</b>				
At 31 March 2014	74,514	86,537	108,960	270,011
At 31 March 2013	136,776	69,173	207,149	413,098

## Notes to the accounts for the year ended 31 March 2014 (continued)

### 10 Tangible fixed assets – Company

	Publications	Leasehold improvements	Furniture, equipment and website	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2013	389,897	260,168	823,542	1,473,607
Additions	–	–	38,421	38,421
Disposals	–	–	(178,979)	(178,979)
Reclassification	–	35,295	(35,295)	–
At 31 March 2014	389,897	295,463	647,689	1,333,049
<b>Depreciation</b>				
At 1 April 2013	253,121	190,995	616,393	1,060,509
Charge for the year	62,262	10,657	107,429	180,348
Disposals	–	–	(177,819)	(177,819)
Reclassification	–	7,274	(7,274)	–
At 31 March 2014	315,383	208,926	538,729	1,063,038
<b>Net book value</b>				
At 31 March 2014	74,514	86,537	108,960	270,011
At 31 March 2013	136,776	69,173	207,149	413,098

### 11 Fixed asset investments

	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Ibis Trading Limited	–	–	1	1

The association owns all of the issued share capital of Ibis Trading Limited, a company registered in England. The subsidiary is used for trading activities. This largely comprised the APM conference and the APM awards events in the period, and business development and branch activities in Hong Kong. It was incorporated on 17 March 2008 and commenced trading on 27 July 2009. Event income from Hong Kong branch events is the only activity currently attributable to a geographical market outside of the UK, and accounts for less than 0.5% of total turnover for the APM group. All activities have been consolidated line by line in the SOFA. The profit for the period to 31 March 2014 was £Nil (2013: £Nil) and the total net assets were £1 (2013: net assets £1).

## 12 Current asset investments

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Cash held on deposit	4,077,349	3,510,926	3,993,418	3,459,368

## 13 Stocks

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Publication materials and sundry sale items	32,095	29,543	32,095	29,543

## 14 Debtors

Amounts falling due within one year:	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	773,338	694,955	719,945	680,526
Prepayments and sundry debtors	325,588	247,522	270,598	211,856
Amounts owed by group undertaking	–	–	5,271	–
Loan to group undertaking	–	–	50,000	75,000
Total	1,098,926	942,477	1,045,814	967,382

The loan to the group undertaking of £50,000 is repayable on demand, and is secured by a charge over the assets of the subsidiary.

## Notes to the accounts for the year ended 31 March 2014 (continued)

### 15 Creditors

Amounts falling due within one year:	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Trade creditors	340,451	304,008	337,318	292,233
Other creditors and accruals	735,214	416,032	583,172	394,618
Subscriptions received in advance	1,346,678	1,290,679	1,346,678	1,290,679
Other taxes and social security	169,477	168,637	158,311	164,795
Amounts owed to group undertaking	–	–	–	10,043
<b>Total</b>	<b>2,591,820</b>	<b>2,179,356</b>	<b>2,425,479</b>	<b>2,152,368</b>

An amount of £Nil in 'Other creditors and accruals' relates to employee pension liabilities (2013: £15,374).

### 16 Designated funds

Group and company	At 1 April 2013	Incoming	Outgoing	Transfers	At 31 March 2014
	£	£	£	£	£
Tangible fixed assets fund	500,000	–	–	300,000	800,000
Development fund	1,000,000	–	–	–	1,000,000
Office dilapidations fund	50,000	–	–	10,000	60,000
<b>Total</b>	<b>1,550,000</b>	<b>–</b>	<b>–</b>	<b>310,000</b>	<b>1,860,000</b>

During the year the board designated funds from the unrestricted fund as follows: £10k for dilapidations and £300k for the fixed asset funds. The dilapidations fund will be increased each year to provide funds towards the dilapidations liability payable at the end of the lease at APM's Princes Risborough offices. The tangible fixed assets fund represents the value of tangible fixed assets in the balance sheet and allows for future additions to the assets.

The development fund sets aside funds to help meet the costs of development work and was not called upon in the year.

The amount designated for these funds will be reviewed regularly to ensure that sufficient funds are set aside for these activities.

## 17 Unrestricted general funds

	At 1 April 2013	Incoming	Outgoing	Transfer to designated funds	At 31 March 2014
	£	£	£	£	£
Group – retained fund	1,319,485	165,055	–	(310,000)	1,174,540
Company – retained fund	1,319,485	165,055	–	(310,000)	1,174,540

## 18 Trustee remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2013: £Nil). The reimbursement to 18 (2013:14) trustees of expenses incurred on behalf of the association totalled £24,381 (2013: £19,707) during the year. The association receives subscriptions from the trustees and provides examination services to some trustees on the same basis as any other member.

## 19 Capital status

Members and fellows of the association are also the members of the company. The liability of the members of the company is limited by guarantee. At the date of the financial statements, there were 12,675 (2013: 12,313) members, each with a guarantee potential of £5.

## 20 Financial commitments

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Office equipment		Land and buildings	
	2014	2013	2014	2013
	£	£	£	£
<b>Expiry date:</b> Within one year	904	4,223	–	–
Between two and five years	300	5,426	–	–
After 5 years	–	–	120,576	120,576
Total	1,204	9,649	120,576	120,576

## 21 Post balance sheet event

Subsequent to the year end a new lease for additional premises covering 3,035 square feet on the Regent Park estate was signed. The lease is for a ten year period to 2023 at an annual rent of £47,043 per annum. The additional space is required to provide for future growth in staff numbers and provide additional office facilities. The first 26 months of the lease will be at half rent. There is a tenant's break option after five years.

**Notes to the accounts  
for the year ended 31 March 2014 (continued)**

**22 Related party transactions**

During the year the charity sold services amounting to £2,150 (2013: £Nil) to The Nichols Group Limited, a company in which a trustee was a director and shareholder. At 31 March 2014 £Nil (2013: £Nil) was owed to the company by The Nichols Group Limited.

During the year the charity sold services amounting to £3,582 (2013: £3,369) to the APM Group Limited, a company in which a trustee was a director during the year. At 31 March 2014 £579 (2013: £Nil) was owed to the charity by APM Group Limited.

During the year the charity bought services amounting to £9,990 (2013: £2,140) from three trustees.

The services referred to above were conducted at arm's length.



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