



APM

ANNUAL REPORT AND ACCOUNTS

2015/2016





Association for Project Management

(A company limited by guarantee)

Financial Statements

For the year ended 31 March 2016

Company Registration No.	1218334
Charity Registration No.	290927

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Legal and administrative information

The organisation is a charitable company limited by guarantee (company registration number 1218334), incorporated on 3 July 1975 and registered as a charity on 23 January 1985 (charity registration number 290927).

Board of trustees

R Baker
K Barton (to 28 June 2015)
S Boyce
C Burt
P Chapman
S Coleman (to 9 November 2015)
A Godbold
J Gordon (from 9 November 2015)
S Kershaw
A Macklin
J McGlynn
R Millard (from 14 July 2015)
M Sasso (to 9 November 2015)
S Taylor (from 8 December 2015)
S Wake (Chair)
B Wernham

Secretary

M Robinson

Key management personnel

S Drake (chief executive officer)
D Dore (chief commercial officer)
H Dolan (chief finance officer)

Principal address

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

Legal and administrative information (continued)

External auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Internal auditor	Crowe Clarke Whitehill LLP St Brides House 10 Salisbury Square London EC4Y 8EH
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2AD
Principal solicitors	Blake Morgan LLP New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG
Investment fund managers	Tilney Bestinvest 6 Chesterfield Gardens Mayfair London W1J 5BQ

Introduction

We live in a world that is ever changing. The challenges and choices we have to make to deal with this are never going to disappear. Ever. The requirement to fix, change or improve things is also never going to stop.

Today, it is more important than ever that work is delivered successfully, every time. We must strive to improve ourselves and the ways we deliver as project professionals to ensure we continue to deliver success.

Improved capability, competence and strong leadership are key elements of our profession.

The UK economy requires innovation and ingenuity to prosper and grow. This can only be achieved with highly skilled project professionals able to deliver successfully. The challenges of economic regeneration, climate change, security, technology and globalization make the professional management of change more crucial than ever. The scope of our work and its impact on society grows. Where we once delivered outputs, we now focus on benefits, and from benefits, we increasingly talk of creating learning legacies.

APM, through its membership, continues to meet these challenges with transformation and growth and a policy of Listening Learning and Leading.

Membership growth has passed 22,000 for the first time. Our influence among key decision makers has been reinforced with a new external affairs function and the formation of a research fund.

We have reinforced our executive team with the appointment of a chief commercial officer. Our board has created a post to focus APM's volunteers' activity. David Waboso is our new president, a new leader recruited from the next generation of project professionals.

We launched the APM Competence Framework 2nd edition and completed work on the new APM Project Professional Qualification, which was launched in April 2016. APM's 2015 Salary and Market Trends Survey was the largest of its kind in the UK. Building on this success, our digital activities continue to thrive in line with accelerated growth on APM's website and through social media.

The step-change record turnout for our board elections emphasises and reinforces the commitment of our members.

Investment in our IT infrastructure continues and we remain on track to deliver a new customer relationship management system in 2016/17 providing a much enhanced experience, greater efficiencies across the association and a new website.

The year has seen strong performances in all areas of the business as well as a year of transition with a new executive team and investment in new staff. The foundations are very much in place for our future growth, chartered status and beyond

A handwritten signature in black ink, appearing to read 'Steve Wake'.

Steve Wake
Chair

A handwritten signature in black ink, appearing to read 'Sara Drake'.

Sara Drake
Chief executive officer

Structure, governance and management

The board of trustees of the Association for Project Management (APM) presents its annual report and audited accounts for the year ending 31 March 2016. These comply with the Companies Act 2006, the Charities Act 2011, APM's governing documents and the latest Charities Statement of Recommended Practice (FRS 102) effective from 1 January 2015.

Governance structure

The Association for Project Management is a charity registered with the Charity Commission in England and Wales. It is incorporated as a company limited by guarantee. The charitable objects of APM are to advance the science, theory and practice of project, programme and portfolio management for the public benefit.

APM is governed by its articles of association, adopted on 25 September 2006. These articles are approved by the membership of APM. In accordance with the articles, the board of APM agrees regulations to cover more detailed aspects of governance. The articles and the regulations are published on the APM website.

Full members of APM are also members of the company and provide a guarantee that they will each contribute £5 in the event that APM is dissolved. APM holds an annual general meeting for members in November each year. Its members are bound by a code of professional conduct.

Board members

APM started 2015 with a board structure of 12 elected members and up to three appointed members. The elected board members are selected by full members of APM with the elected term being three years. Up to three board members may be appointed by the board to provide additional expertise as required. The chair is elected annually by the board. In accordance with the articles of association, the board may vary its size and in 2015 it agreed that from the autumn 2015 elections the number of elected members will gradually reduce from 12 to 9. This will be achieved over a period of three years. Accordingly in November 2015 the number of elected members of the board reduced to 11 and will similarly reduce further in 2016 and 2017.

Members of the board act as both charity trustees and company directors. They cannot be remunerated for the role but do receive expenses. They may be paid for work undertaken for APM outside of their position as a board member within the restrictions set out in the constitution and in accordance with Charity Commission guidance.

Board member induction and training

New board members receive both internal induction and external 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 its governance committee provides oversight and guidance in respect of 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 and a programme of board-wide training and development is in place.

Structure, governance and management (continued)

Individual board members undertake review meetings with the chair of the board. The board as a whole undertook an external board evaluation during 2014/15 and an internal board evaluation with external assistance in 2015/16.

Board member indemnity insurance

APM purchases indemnity insurance which seeks to protect board members against personal liability if legal claims are made against them in their capacity as APM board members.

Board structure

The board sets APM's strategy and monitors its implementation, assuring itself that performance is on track. The board ensures that APM acts within its charitable objects and applicable 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 to oversee specific areas. During 2015/16 there was a review of the structure and the committees now comprise governance, audit and assurance, advocacy and nominations, remuneration, professional standards and knowledge and strategy. Some members of the board also act as 'champions' for various areas such as academia, diversity, engagement with branches, corporate and individual members and specific interest groups.

Responsibility for operational management and delivery of the agreed strategy and business plan objectives is delegated to the chief executive officer. The executive team is part of a headquarters staff numbering around 76, based in Princes Risborough, Buckinghamshire.

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. 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 donates to APM by way of gift aid. The presentation of the subsidiary in the accounts is explained in note 1 to the accounts.

Related party transactions between APM and its board members are detailed in note 24 to the accounts.

Risk management

APM has a policy for the management of risk. The board acknowledges responsibility for the management of risk within the organisation. Risk management is embedded within operational management and APM's project, programme and portfolio management.

The company secretary acts as risk champion and maintains the strategic risk register. APM has developed a 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.

Structure, governance and management (continued)

Risk registers exemplify APM's risk management processes and set out the topic, risk assessment, risk owners, impacts, mitigations, actions, net risk and risk acceptability.

Risk registers are maintained as live documents and are available to the board and management at all times. The strategic risk register is made available for review at each board meeting and also at regular heads of department meetings. The board has asked its audit and assurance committee to maintain an oversight of the register and to report accordingly. The board also regularly reviews an overarching assurance framework which examines the current position against a number of thematic areas facing the association. It complements the specific entries on the strategic risk register with a wider assessment. Specific key risks are detailed on page 16 (principal risks and uncertainties).

Pay policy for senior staff

All board members give their time freely and received no remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 21 and 24 to the accounts. Day-to-day management of APM is delegated to a remunerated executive team (senior staff), who are considered key personnel within the organisation.

Remuneration of senior staff is reviewed annually in accordance with the APM performance related pay policy along with all APM staff and approved by the remuneration committee.

Reserves policy

The reserves policy was reviewed by the board in the year. Overall the level of reserves is considered adequate for APM needs and reasonable when compared to those seen in similar organisations. Due to the strong results in the year reflecting the continued growth of APM, the board decided to maintain the same minimum free reserves threshold of £2.0m as last year. If free reserves i.e. those which are not designated for a specific purpose, fall below this level the board will take appropriate action to redress the situation to ensure that sufficient funds are available to continue day-to-day activities. At 31 March 2016, free reserves stood at £2.8m.

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.

During the year, the board designated funds for particular purposes. £75k was designated to the office dilapidations fund, which provides funds required for any dilapidation liability arising at the end of the leases of APM's premises. The fixed asset fund was increased by £600k to £1.4m which is deemed adequate to cover both existing fixed assets and planned capital expenditure over the coming year. This contains investment in IT infrastructure, including a new customer relationship management system (CRM) and the development of new professional qualifications.

Structure, governance and management (continued)

The board also designated £500k of funds for development purposes to be used for further enhancement of the customer relationship management system and website, new qualifications and potential additional costs of the conversion of APM to a Chartered body. It is not expected that this expenditure will be fully funded from operational income. The time frame for the use of this reserve is anticipated to be within the next one to two years.

Investment policy

The investment policy was reviewed by the board in the year. The policy in effect at the end of the last financial year has been replaced by a revised policy with the aim of protecting APM's financial assets in real terms.

The previous policy required surplus funds to be maintained in bank deposit accounts, which in the prevailing economic climate attracted low rates of interest, below the rate of inflation. To achieve better returns and thereby prevent the erosion of financial resources, APM appointed an external investment manager who manages the association's investments on a discretionary basis. The manager operates under an 'investment management agreement' with APM which in turn is directed by the investment policy determining the structure and appropriateness of the investments.

The investment objectives of the association are to maintain the purchasing power of the current assets and all future contributions over a normal market/economic cycle (5-7 years) to achieve returns within reasonable and prudent levels of risk. An appropriate asset allocation is maintained based on a total return policy that is compatible with a flexible spending approach, while still having the potential to produce positive real returns.

To date £2.5m out of a total of £3.5m approved for investment has been transferred to the portfolio. As investment in the diversified portfolio is still in transition, £528k remained in cash at the year-end pending investment when market conditions are suitable.

The remaining cash funds not required on a day-to-day basis are placed on deposit. Funds are spread over three banks to mitigate risk.

Ethical guidelines

Investments are carried out in line with APM's aims and objectives. An exclusionary policy has not been adopted but individual investments may be excluded if perceived to conflict with the association's purpose.

Investments with organisations having any involvement in supporting oppressive regimes or the production of certain banned munitions are prohibited. Companies with significant involvement (>10% of turnover) in gambling and pornography will also be excluded. The total exposure of the portfolio to any form of conventional weapons manufacturing will not exceed 1% of total investment assets.

Objectives and activities

For over 40 years the Association for Project Management has dedicated itself to the development of professional project, programme and portfolio management delivered through a committed volunteer base, dedicated professional staff, partners and out-sourced specialist services.

The APM 2020 Strategy reflects the growing public demand for projects and programmes which deliver not only benefits to society but also provide lasting legacies.

Improving standards of delivery and practice and our understanding into how projects succeed is at the heart of APM's offering.

APM's vision presents an ambitious challenge to the profession and for society at large; to create *A World in which All Projects Succeed*.

Its mission recognises that this vision can only be achieved through the collective will of practitioners, employers, government and standard setters:

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

The strategy is being delivered through a business plan which builds capability to deliver the knowledge and standards required for the profession to succeed. In 2014/15 this capability was applied to ensure that the provision of knowledge and standards meets the needs of the profession and wider stakeholders both now and in the future. Throughout 2015/16 the association began to deliver the outputs of that work including the launch of its new qualification, the APM Project Professional Qualification, the 2nd edition of the *APM Competence Framework* and a comprehensive programme to upgrade its customer relationship management system and website.

Public benefit

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

Effective project management is essential in today's competitive domestic and international markets. The demands on project delivery grow; benefits are expected to be delivered quicker, better and offer greater value for money. Increasingly, society looks for projects to go further, providing benefits to society and legacies for others to learn from.

Project management professionalism is a key benefit to the public and the UK, particularly during a period of continued austerity. 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. The association not only sets core standards delivered in part via the Body of Knowledge and the Competence Framework, it also works to provide a professional development framework that allows a diverse range of people to achieve the standards and enjoy the benefits of a fulfilling and challenging career.

Professionalism extends beyond the attainment of professional standards. APM promotes lifelong learning and continuing professional development (CPD) through publications, qualifications and events hosting more than 1,000 CPD and networking events over the last four years.

Objectives and activities (continued)

Public benefit (continued)

APM also maintains the highest standards in ethical practice through its code of professional conduct, which all members are required to adhere to. This provides assurance for the users of their project management services.

Raising awareness of the effectiveness of professional project management is achieved through a wide range of influencing and profile raising activities, including the annual APM Project Management Awards, the APM Conference, nationwide events on a diverse range of project management related topics and the provision of free access advice and guidance on the APM website. In addition, APM has undertaken and contributes to research and has engaged with government consultation exercises.

APM actively supports other bodies working in the public interest and supports the development and awareness of project management through its accreditation of university courses, and has planned funding for future research into project management. APM also maintains good working relationships with other professional bodies. Specific interest groups are set up by APM to develop particular project management topics, and produce publications available to both members and the wider public.

Since launching the Higher Apprenticeship in 2012, there have been 744 'learners' registered on the programme up to March 2016, proving that the Higher Apprenticeship is gaining traction as a route into the profession. The apprenticeship has also been approved in Scotland.

In England, work has taken place to move the Higher Apprenticeship on to a 'Trailblazer' footing and work is on track to submit the standard and assessment plan for approval and sign off by the end of July 2016.

This statement takes account of Charity Commission guidance on public benefit including 'public benefit: running a charity' (PB2).

Achievement and performance

Successes 2015/16

APM has enjoyed another year of significant success including steady growth in membership, a sold out awards event and the launch of the 2nd edition of the *APM Competence Framework*.

Growing the profession

- APM continues to grow the number of people engaging with professional project management and achieving formal qualifications and accreditations. Membership grew to 22,356 individual and 597 corporate members by the end of the financial year.
- 16,446 candidates sat the association's professional qualifications while 838 professionals have now achieved APM's highest designation, APM Registered Project Professional. This success reflects the increasing value that the profession places on APM and its professional standards.
- Digital access to APM's resources grew significantly with 930,000 unique visitors to the APM website - 33% growth - accessing over 5.4 million pages during the year. Growing public awareness of the profession was illustrated through the launch of APM's 'What is Project Management?' video on YouTube. This now attracts 1,000 views a week while APM's LinkedIn community has over 47,700 members and its Twitter account attracts in excess of 13,400 followers.
- These activities further APM's aim to improve professionalism within project management which is another step towards the aspirations contained within Strategy 2020.

Promoting the profession

- APM has a growing reputation for delivering and raising the profile of the profession and project management more generally. This was illustrated by APM winning the prestigious 'Best Conference in London' award for the APM Project Management Conference at the Association Excellence Awards.
- The acclaimed APM Project Management Awards saw a record number of entrants and 560 guests at its gala dinner hosted by BBC journalist Justin Webb.
- APM's first *Salary and Market Trends* survey was the largest of its kind in the UK with 2,770 respondents and over 13,000 downloads.
- Through these activities APM is helping develop the awareness and understanding of professional project management.

Achievement and performance (continued)

Developing knowledge and standards

- APM published its well-received *Planning Scheduling Monitoring and Control* guide with the APM Project Management Controls SIG and launched the 2nd edition of the *APM Competence Framework*.
- In April 2016, APM launched the APM Project Professional Qualification. The qualification, which will provide a developmental route towards APM Registered Project Professional, covers all aspects of project management across four modules. It is the most comprehensive project management qualification available and the first to offer elective modules in project, programme and portfolio management within the same qualification.
- Following an extensive review of the project management research landscape APM created a new research fund for practitioners, academics and students which launched in 2015, showing APM's increasing commitment to research lead knowledge development.

Chartered status

Chartered status is widely recognised as offering formal recognition of a profession that has come of age. In 2007, the then APM board decided that chartered status on behalf of the UK project management profession should be the association's top priority.

APM's application for a Royal Charter received support from 50 government bodies and corporate organisations, the most ever supported petition.

In February 2013, the association 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. In July 2013, APM was informed that this committee had unanimously reached its recommendation that a Royal Charter should be granted to APM.

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, with APM as an interested party.

A substantive hearing of the judicial review claim was held in 2014 at the High Court. The judge, Sir Justice Mitting handed down his judgment in July 2014 dismissing the PMI claim on all grounds.

PMI subsequently sought permission from the judge to appeal this decision, which was refused. PMI then sought leave to appeal directly from the Court of Appeal. In December 2014, APM was informed that permission had been granted to PMI to appeal Sir Justice Mitting's decision.

The Court of Appeal met in November 2015, and in January 2016, confirmed the earlier decision of the High Court to reject PMI's appeal. The Court of Appeal has refused permission for PMI to appeal further to the Supreme Court.

Upon the successful outcome from the courts, APM continues to move forward with its application for chartered status.

Background information on the application for a Royal Charter can be found on APM's website.

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 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 categories: learning and growth, internal, customer and financial. Each category contains a number of KPIs, highlights of which are shown below:

Indicator	Progress
<p>Internal Replacement of the current customer relationship management (CRM) system will allow APM to effectively and efficiently meet the needs of its customers into the future, whilst also enabling current work processes to be streamlined.</p>	<p>Whilst not implemented in the financial year, development of the new system is now largely complete, with implementation due in 2016/17.</p>
<p>Customer Launch of the 2nd edition of the <i>APM Competence Framework</i> to take place by 2 June 2015.</p>	<p>The revised <i>Competence Framework</i> was launched on 2 June 2015 identifying 27 competencies with indicators for both knowledge and application. 14 role profiles have also been developed, creating a comprehensive resource for all in the project management profession and the organisations they represent.</p>
<p>Customer Membership review to be developed within the year.</p>	<p>A review of the current membership structure and processes took place in the year, with changes to be implemented in 2016/17. This will create membership packages that better reflect the requirements of APM members and followers, and simplify the processes by which they engage with APM.</p>
<p>Learning and growth A new 'Project Professional Qualification' (PPQ) to be launched in the year.</p>	<p>The new PPQ qualification was launched on 19 April 2016 at the annual APM Project Management Conference. Aimed at practicing project professionals, the PPQ qualification offers a progressive and strategic step to further their careers.</p>
<p>Financial A consolidated surplus of at least £21k to be achieved.</p>	<p>The actual surplus of £968k far exceeded the target, mainly due to lower than budgeted expenditure including payroll. APM completed restructuring in the year, and now has all roles in place to take advantage of this surplus to aid future development.</p>

Plans for future periods

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.

APM has now begun a refresh of its corporate strategy, led by one of its two deputy chairmen. Many issues and developments have influenced project management in the four years since the current strategy was written, so it is important that it is updated to take account of current and future pressures and opportunities facing the project management community. It is anticipated that, subject to board approval, the revised strategy will be presented at the annual general meeting in November 2016.

Membership review

During 2014 APM undertook extensive independent research into its individual and corporate membership offerings. In response to part of that research, *Project* magazine was re-launched as a more in-depth journal. Throughout 2016/17 APM will implement further improvements for its membership offering including an improved application process, greater professional recognition, better communication and an enhanced membership package providing incremental benefits as members progress through each grade.

APM Project Professional qualification

The APM Project Professional qualification reflects the need for clear career pathways for project professionals. The four-paper examination will examine the candidate's abilities to reflect on their practice and apply their professional knowledge, demonstrating a core understanding of what it means to be a project professional. The APM Project Professional qualification was launched in April 2016 offering an excellent foundation for those aspiring to attain the APM Registered Project Professional standard.

Review of Registered Project Professional (RPP)

The RPP standard and application process are being reviewed and are planned to launch in early 2017. The review includes:

- alignment of the standard with the *APM Competence Framework 2nd* edition;
- recognition that RPP represents a key milestone in a professional development journey including the contribution the new APM Project Professional Qualification makes on the path to RPP;
- the option of an experiential route for those to assess the breadth of knowledge and ability to apply the principles of project management.

RPP continues to be a pan-sector standard for those able to demonstrate responsible leadership and the competences necessary for effective project, programme and portfolio management.

Trailblazer

The level 4 Trailblazer in project management is due to be signed off by the Minister for Skills by the end of July 2016, following which it will replace the Higher Apprenticeship in England. Apprenticeships will continue to run in the existing format in Wales and Scotland.

The expression of interest for the level 6 degree apprenticeship in project management has been approved and development work on this is due to start in July 2016.

Plans for future periods (continued)

Application infrastructure transformation

In order to support and sustain the development of the association into the future, a project to replace APM's customer relationship management system will be delivered in 2016 alongside a refreshed website with enhanced content and a more streamlined membership joining process.

Jobs board

APM will launch an enhanced jobs board alongside its new website designed to provide both individuals and employers with access to the best roles and candidates.

Extended conference programme

The multi-award winning sold-out APM Project Management Conference will be complemented with a much extended programme of events including a second conference in the north of England, the APM Scottish Conference and the APM Conference for Women in Project Management.

External affairs

APM will continue to develop its influence amongst key decision makers with the aim of increasing the adoption of professional project management across all sectors and building the movement of those committed to APM's vision.

In August 2015, a new post of head of external affairs was recruited. This role is supported by a research manager and this function aims to maximise the impact and credibility of APM's research programme. External affairs works to improve and safeguard APM's reputation through outreach to third parties such as Government and professional bodies, creation and publication of news and articles, engaging with volunteers and developing and promoting innovative research.

Investing in volunteers

APM recognises volunteers as a key partner and resource in achieving the aims of the association and relies on the expertise and commitment of its volunteer community to aid in the development and promotion of project, programme and portfolio management. In support of this activity, APM has published a community charter that sets out the key principles by which all those involved with APM collaborate towards achieving the vision of *A world in which All projects succeed*.

APM gained the 'Investing in Volunteers' UK quality standard in 2014 which demonstrates APM's commitment to volunteering and effective volunteer management. The reassessment process to renew the accreditation has begun and APM is determined to again reach the necessary standards to be successful for another three year period.



Principal risks and uncertainties

During the course of the year, the board has considered a number of risks and mitigating strategies. A number of the key topics are set out below:

Risk area	Possible impact and mitigating strategy
Chartered application	Stakeholder expectations over achieving chartered status are high. Effective messaging has helped manage expectations in light of the judicial process and continuing the administrative steps required to obtain a Royal Charter.
IT security	Threats from third party attack are ever present. Improvements to system security have been made and are proportionate to the risks faced. APM has achieved independent cyber-security accreditation.
Product suite	A failure to maintain and develop a robust offering to members would risk APM's position as a professional body of choice. Development of a career framework continues including the new APM Project Professional Qualification and a review of the Registered Project Professional designation.
Infrastructure	APM's capability and 'back-office' needs to be able to support its aspirations. APM has invested in a new customer relationship management IT system. Additionally, an organisational restructuring exercise has been completed, including investment in new commercial skills and capacities.

Financial review

Overview

APM achieved a surplus of £968k in the financial year despite the continuing economic constraints, with funds standing at £4.8m. Thanks are extended to APM members, Ibis House staff, partners and many unremunerated volunteers for their huge contribution which has facilitated continued growth in the year.

Income

Total income in the year of £8.5m was broadly similar to that of last year. There was growth in most areas, but increases in income were mitigated by the lack of revenue from the annual conference, which due to practical reasons, was held just after the year-end. Due to timing of the events, two conferences were included last year, whereas none fell within this year.

Subscription income from individual and corporate members grew some 5.7%, from £3.4m to £3.6m. Individual membership increased from 21,650 to 22,356 in the year, with corporate membership growing from 570 to 597 over the same period.

Examination and other contractual income increased 0.8% from £3.9m to £4.0m. The refreshed Project Fundamentals qualification (previously Introductory Certificate) accounted for the largest increase, partially counteracted by a reduction in the number of Project Management (previously APMP) examinations taken.

Publications income increased from £424k to £448k although income from advertising in the *Project* journal was below that of last year as it transitioned from a monthly to quarterly publication. Sales of the new study guides have been encouraging, and grew during the year.

Event income decreased by 44.2% from £737k to £411k. This large decrease was mainly due to timing as no annual APM conference fell into the financial year, as compared to two last year.

Expenditure

SORP FRS 102 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 23 of the accounts). The expenditure is detailed in note 4 on page 33.

The costs of running membership-focused events fell from £665k last year to £377k this year, a 43.4% decrease. This was due to no annual conference being held in the year for reasons explained in the income section above.

The total costs of charitable activities at £7.1m was broadly similar to last year. Variable costs of examination related activities which increased in the year, as did volumes, were partially offset by a fall in expenditure on publications as the *Project* journal moved from monthly to quarterly, and lower research project expenditure.

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 4 and 5 to the financial statements.

Financial review (continued)

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 over the year increased to 76 from 71 the previous year, as APM completed the organisation transformation which ensures that APM is in a strong position to achieve its plans for future growth. APM continues to implement a human resource strategy to support increased delivery of professional services demanded by the membership across all streams of 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 £291k (including inter-company transactions). Ibis Trading Limited is used for trading activities, largely comprising the annual APM Conference and Awards, sponsorship and the activities of the Hong Kong branch. Additionally, using a trading subsidiary protects the assets of APM by carrying out activities with perceived increased risk.

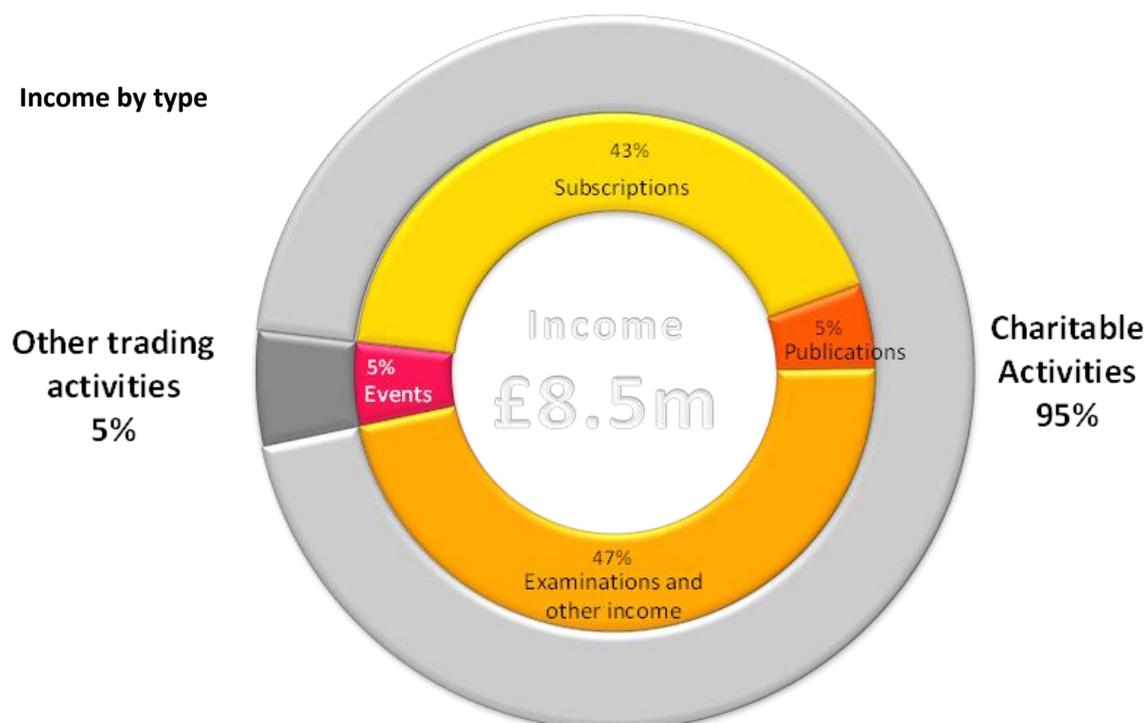
This financial review is based on the financial statements shown from page 23 onwards. The layout follows the latest Charities Accounting Statement of Recommended Practice (SORP FRS 102) - Accounting and Reporting by Charities effective from 1 January 2015.

Reserves

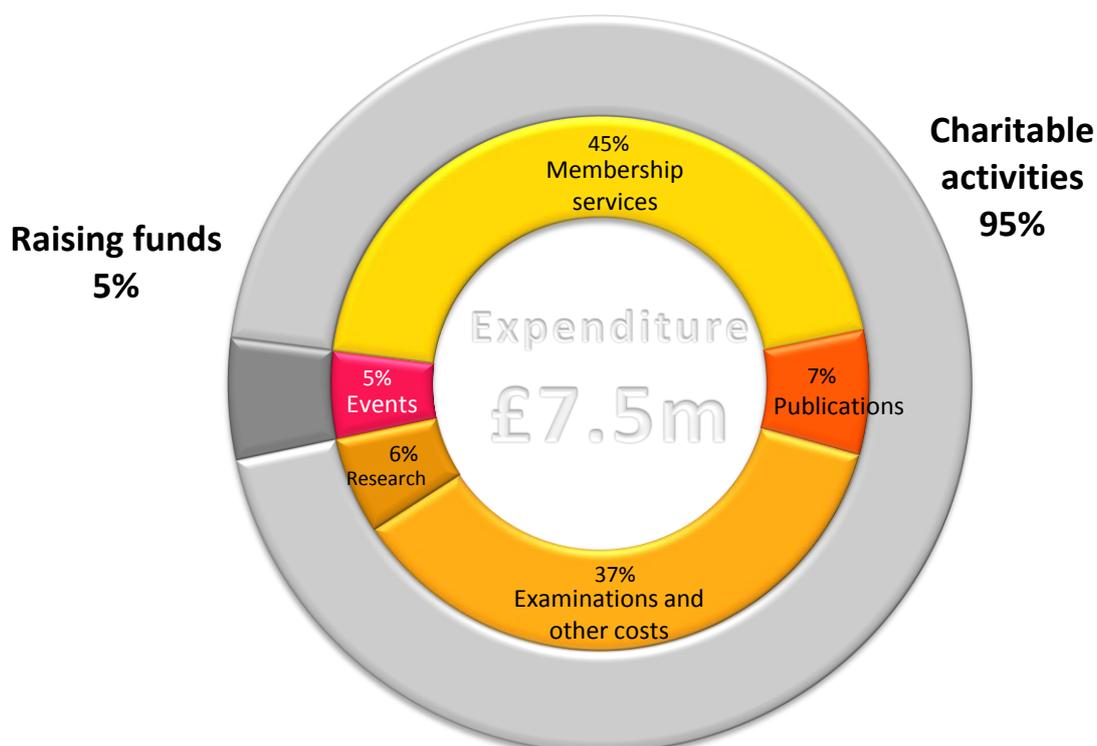
At the end of the financial year, funds stood at £4.8m (2015: £3.8m). Free reserves amounted to £2.8m (2015: £3.0m) being unrestricted funds less the designated funds, which is in excess of the minimum requirement of £2.0m as required by APM's reserves policy. The higher than expected surplus achieved this year was partly due to the later than anticipated appointment of the executive team and the subsequent hold on activities while this was developed. The reserves will be used over the next one to two years to fund further development.

Graphical representation of APM income and expenditure for the 12 months ending 31 March 2016

Income by type



Expenditure by type



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' 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 adequate 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.

Signed on behalf of the trustees/directors

.....
S Wake, Chair

18 July 2016

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 2016 which comprise the group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 20, 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, and
- the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102; 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 the 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 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 charitable company 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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

Consolidated statement of financial activities
(including consolidated income and expenditure account)
For the year ended 31 March 2016

	Notes	Total funds 2016 £	Total funds 2015 £
Income:			
Income from charitable activities:			
Subscriptions		3,607,865	3,414,802
Examination and other contractual income		3,974,865	3,943,705
Publications		448,348	423,537
Income from other trading activities:			
Events		411,264	736,731
Investment income	10	25,416	18,291
Total income		<u>8,467,758</u>	<u>8,537,066</u>
Expenditure:			
Expenditure on charitable activities	4	7,120,614	7,059,964
Expenditure on raising funds:			
Events		376,553	665,450
Investment management costs		9,347	5,083
Total expenditure		<u>7,506,514</u>	<u>7,730,497</u>
Net gains on investment		6,590	-
Net income and net movement in funds for the year	7	967,834	806,569
Reconciliation of funds			
Total funds brought forward		3,841,109	3,034,540
Total funds carried forward		<u>4,808,943</u>	<u>3,841,109</u>

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 27 to 43 form part of these financial statements.

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible fixed assets	11		543,160		153,994
Tangible fixed assets	11		392,288		436,599
Investments	12		<u>2,515,159</u>		<u>-</u>
			3,450,607		590,593
Current assets					
Investments	13	2,818,672		4,526,311	
Stocks	14	27,379		42,623	
Debtors	15	1,194,033		1,123,770	
Cash at bank and in hand		<u>48,038</u>		<u>192,609</u>	
		4,088,122		5,885,313	
Liabilities					
Creditors: amounts falling due within one year	16	<u>(2,706,076)</u>		<u>(2,599,097)</u>	
Net current assets			<u>1,382,046</u>		<u>3,286,216</u>
Total assets less current liabilities			4,832,653		3,876,809
Creditors: amounts falling due after more than one year	17		(23,710)		(35,700)
Net assets			<u>4,808,943</u>		<u>3,841,109</u>
The funds of the charity:					
Unrestricted income fund-designated	18		2,050,000		875,000
Unrestricted income fund-general	19		<u>2,758,943</u>		<u>2,966,109</u>
			4,808,943		3,841,109

The notes on pages 27 to 43 form part of these financial statements.

Approved by the board of trustees on 18 July 2016 and signed on its behalf by:

.....
S Wake, Chair

Company number 1218334

Association balance sheet
As at 31 March 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible fixed assets	11		543,160		153,994
Tangible fixed assets	11		392,288		436,599
Investments	12		<u>2,515,160</u>		<u>1</u>
			<u>3,450,608</u>		<u>590,594</u>
Current assets					
Investments	13	2,652,145		4,290,105	
Stocks	14	27,379		42,623	
Debtors	15	1,151,222		1,298,619	
Cash at bank and in hand		<u>47,810</u>		<u>192,216</u>	
		<u>3,878,556</u>		<u>5,823,563</u>	
Liabilities					
Creditors: amounts falling due within one year	16	<u>(2,496,511)</u>		<u>(2,537,348)</u>	
Net current assets			<u>1,382,045</u>		<u>3,286,215</u>
Total assets less current liabilities			4,832,653		3,876,809
Creditors: amounts falling due after more than one year	17		(23,710)		(35,700)
Net assets			<u>4,808,943</u>		<u>3,841,109</u>
The funds of the charity:					
Unrestricted fund-designated	18		2,050,000		875,000
Unrestricted fund-general	19		<u>2,758,943</u>		<u>2,966,109</u>
			<u>4,808,943</u>		<u>3,841,109</u>

The notes on pages 27 to 43 form part of these financial statements.

Approved by the board of trustees on 18 July 2016 and signed on its behalf by:

.....
S Wake, Chair

Company number 1218334

	Notes	2016 £	2015 £
Net cash provided by operating activities	A	1,113,022	961,272
Cash flows from investing activities:			
Return on investment and servicing of finance			
Investment income		25,416	18,291
Purchase of fixed assets		(482,079)	(485,971)
Acquisition of long term investments		(2,508,569)	-
Net cash used in investing activities		(2,965,232)	(467,680)
Change in cash and cash equivalents		(1,852,210)	493,592
Cash and cash equivalents at the beginning of the reporting period		4,718,920	4,225,328
Cash and cash equivalents at the end of the reporting period		2,866,710	4,718,920
Analysis of cash and cash equivalents:			
Cash in hand		48,038	192,609
Notice deposits (less than three months)		2,818,672	4,526,311
		2,866,710	4,718,920
Note A			
Reconciliation of net incoming resources to net cash flow from operating activities			
Net incoming resources for the year		967,834	806,569
Investment income		(25,416)	(18,291)
Gains on investment activities		(6,590)	-
Loss on disposal of fixed assets		-	5,250
Depreciation and amortisation		137,224	160,139
Decrease/(increase) in inventories		15,244	(10,528)
(Increase) in trade and other receivables		(20,106)	(68,866)
(Increase)/decrease in prepayments		(50,157)	44,022
(Decrease)/increase in trade and other payables		(93,227)	40,718
Increase in accruals and deferred income		188,216	2,259
Net cash provided by operating activities		1,113,022	961,272

Association for Project Management is a registered charity (number 290927) and a company limited by guarantee, registered in England and Wales (number 1218334). The registered office is Ibis House, Regent Park, Summerleys Road, Princes Risborough, Buckinghamshire HP27 9LE.

Ibis Trading Limited is a wholly owned subsidiary of the Association for Project Management and is a limited company registered in England and Wales (number 6536096). The registered office is Ibis House, Regent Park, Summerleys Road, Princes Risborough, Buckinghamshire HP27 9LE.

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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 - (Charities SORP (FRS 102) published in July 2014), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Charities SORP FRS 102 has been adopted for the first time for the year ending 31 March 2016 as required by legislation for accounting periods starting on or after 1 January 2015. The date of transition is 1 April 2014.

Association for Project Management meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 restatement of comparative items was required. Restatement of opening balances was not required. Website and software costs with a net book value of £32,662 (2015: £34,198) were re-classified as intangible fixed assets. Previously they were included within furniture, equipment and website under tangible fixed assets (see note 11)

Governance costs are no longer disclosed on the Statement of Financial Activities (SOFA) but are included as part of support costs in the notes to the accounts.

These accounts are prepared in sterling which is the functional currency of the charity.

Preparation of the accounts on a going concern basis

The trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the annual financial statements.

Accounting policies (continued)

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 408 of the Companies Act 2006.

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

	2016	2015
	£	£
Gross income	8,306,501	8,169,449
Surplus for the year	967,834	806,569

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. The charity currently has no restricted funds.

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 or are receivable.

All income is recognised as receivable when there is legal entitlement to the income, probability of receipt and amounts can be reliably measured.

Accounting policies (continued)

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 project, programme and portfolio 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 the cost allocation note below.

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

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
Governance costs	Apportioned in relation to income

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Publications	33.33% straight line
Website development costs	33.33% straight line
Qualifications and other intangible assets	33.33% straight line
Customer relationship management system	20% straight line

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

Intangible fixed assets include software licences, website development costs and the external costs of producing new APM qualifications and the *APM Body of Knowledge 6th edition* which have been capitalised on the grounds that they underpin APM's examination syllabuses, and that they have an economic life beyond 12 months. 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.

Accounting policies (continued)

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:

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

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

Stocks

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

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).

Operating leases

The cost of operating leases is charged to the SOFA over the period to which they relate.

Finance leases

Leases which entail APM taking substantially all the risks and rewards of ownership of an asset are treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Pension costs

APM operates a funded defined contribution pension scheme. Contributions to the scheme are charged to the SOFA in the period to which they relate. The scheme is open to all eligible APM staff.

Cash and cash equivalents

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

Accounting policies (continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Basic financial instruments are recognised initially at transaction value and subsequently at their settlement value. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments, deferred income and amounts due to or from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 15, 16 and 17 for the debtor and creditor notes.

Fixed asset investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses on revaluation and disposals throughout the year.

Judgments and key sources of estimation uncertainty

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

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

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives: the annual depreciation charge for property, plant and equipment and the annual amortisation charge for intangible assets is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Recognition of membership income: members' subscriptions are allocated on a time apportioned basis across the financial period covered from subscription payment through to renewal, on the assumption that this is a fair reflection of the period over which value is provided to the member. This results in an estimation of deferred income carried forward at each balance sheet date.

Accounting policies (continued)

2 Income

All income was derived from the sale of services, with the exception of income from publications of £448,348 (2015: £423,537).

Interest income received was £16,847 (2015: £18,291). Dividend income from investments was £8,569 (2015: £Nil).

3 Governance costs

Under FRS 102 governance costs are included within expenditure on charitable activities on the face of the SOFA and no longer require separate disclosure, although this has been included for consistency and transparency.

	2016	2015
	£	£
Staff costs	213,151	174,304
Audit and legal fees	19,812	18,451
Cost of trustee meetings, travel and support	29,932	66,388
	<u>262,895</u>	<u>259,143</u>

Staff costs contain a proportion of executive time in addition to the company secretarial function. The increase in costs over last year relate to the timing of recruitment and the increased administrative support in the executive and company secretarial teams. Meeting and travel costs have reduced substantially during the year due to a change in length and format of board meetings.

4 Breakdown of cost of charitable activities

	Activities undertaken directly	Support costs	Total
2016	£	£	£
Subscriptions	2,188,983	1,171,688	3,360,671
Examination and other fees	1,482,235	1,290,876	2,773,111
Publications	416,546	145,606	562,152
Research & development projects	424,680	-	424,680
	<u>4,512,444</u>	<u>2,608,170</u>	<u>7,120,614</u>
		(Note 5)	
2015			
Subscriptions	1,864,361	1,062,621	2,926,982
Examination and other fees	1,496,136	1,227,209	2,723,345
Publications	579,788	131,797	711,585
Research & development projects	698,052	-	698,052
	<u>4,638,337</u>	<u>2,421,627</u>	<u>7,059,964</u>
		(Note 5)	

5 Total support cost breakdown by activity

	Staff Costs	Other Costs	Total
2016	£	£	£
Cost of generating funds	52,632	76,814	129,446
Charitable activities	1,166,726	1,441,444	2,608,170
	<u>1,219,358</u>	<u>1,518,258</u>	<u>2,737,616</u>
2015			
Cost of generating funds	87,694	122,113	209,807
Charitable activities	1,078,173	1,343,454	2,421,627
	<u>1,165,867</u>	<u>1,465,567</u>	<u>2,631,434</u>

6 Support cost apportionment

Charitable activities

	Subscriptions	Examination and other fees	Publications	Total
2016	£	£	£	£
Depreciation	58,422	64,365	7,260	130,047
Finance	156,152	172,037	19,405	347,594
Information technology	98,941	109,005	12,295	220,241
Support staff costs	428,382	471,958	53,235	953,575
Office costs	311,689	343,395	38,734	693,818
Governance costs	118,102	130,116	14,677	262,895
Total	1,171,688	1,290,876	145,606	2,608,170
	(Note 4)	(Note 4)	(Note 4)	(Note 4)
2015				
Depreciation	64,055	73,977	7,945	145,977
Finance	179,936	207,806	22,317	410,059
Information technology	85,933	99,243	10,658	195,834
Support staff costs	396,622	458,054	49,193	903,869
Office costs	222,362	256,803	27,580	506,745
Governance costs	113,713	131,326	14,104	259,143
Total	1,062,621	1,227,209	131,797	2,421,627
	(Note 4)	(Note 4)	(Note 4)	(Note 4)

7 Net incoming resources for the year

This is stated after charging:

	2016	2015
	£	£
Loss on disposal of fixed assets	-	5,250
Depreciation and amortisation of fixed assets	137,224	160,139
Operating lease payments - premises	154,358	158,220
Auditor's remuneration - current year	16,450	16,250
- prior year under/(over) provision	1,650	(373)
Auditor's remuneration for non-audit services	6,347	3,547

The increase in non-audit related services is due to consultancy in respect of VAT and regulatory reporting changes (FRS 102).

8 Staff costs and numbers

	2016	2015
	£	£
Wages and salaries	2,743,884	2,647,586
Social security costs	265,630	238,597
Pension costs	132,439	135,637
Private medical insurance	22,872	24,078
Group life assurance	12,087	13,007
	<u>3,176,912</u>	<u>3,058,905</u>

Included in the above are redundancy and termination payments in the year amounting to £60,747 (2015: £196,763).

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

	2016	2015
£60,001 - £70,000	4	4
£70,001 - £80,000	1	2
£80,001 - £90,000	2	-
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
£180,001 - £190,000	-	1
	<u>-</u>	<u>1</u>

Emoluments include salaries and payments made upon termination of service.

The above staff have retirement benefits accruing under defined contribution schemes at a cost of £36,648 (2015: £53,770) to APM.

Pay and benefits including pension contributions to the three key management personnel in the year amounted to £297,808 (2015: £338,278).

Average employee numbers:

	2016	2015
Business development and marketing	27	24
Customer services	26	25
Office and administration	23	22
	<u>76</u>	<u>71</u>

9 Taxation

The activities of the charity and its trading subsidiary are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects. The trading subsidiary does not pay UK corporation tax as its taxable profits are paid to its charitable holding company as gift aid.

10 Investment income

	2016	2015
	£	£
Bank interest	16,847	18,291
Income from investments	8,569	-
	<u>25,416</u>	<u>18,291</u>

11 Fixed assets

Intangible fixed assets - group and association

	Computer software	Customer Relationship Management system	Publications	Qualifications	Total
	£	£	£	£	£
Cost					
At 1 April 2015	291,846	-	415,107	73,364	780,317
Additions	19,200	309,405	3,000	105,106	436,711
Disposals	-	-	-	-	-
At 31 March 2016	311,046	309,405	418,107	178,470	1,217,028
Amortisation					
At 1 April 2015	257,648	-	368,675	-	626,323
Charge for the year	20,736	-	26,809	-	47,545
At 31 March 2016	278,384	-	395,484	-	673,868
Net book value					
At 31 March 2016	32,662	309,405	22,623	178,470	543,160
At 31 March 2015	34,198	-	46,432	73,364	153,994

Tangible fixed assets - group and association

	Leasehold improvements	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2015	535,060	498,393	1,033,453
Additions	36,239	9,129	45,368
Disposals	-	-	-
At 31 March 2016	571,299	507,522	1,078,821
Depreciation			
At 1 April 2015	229,914	366,940	596,854
Charge for the year	20,375	69,304	89,679
At 31 March 2016	250,289	436,244	686,533
Net book value			
At 31 March 2016	321,010	71,278	392,288
At 31 March 2015	305,146	131,453	436,599

Fixed assets (continued)

Included within furniture and equipment are assets held under a finance lease with a net book value as at 31 March 2016 of £28,168 (2015: £38,614).

As required under FRS 102 website costs and associated charges have been reclassified from tangible assets to intangible assets for 2015/16.

12 Fixed asset investments

Movement in fixed asset investments

	2016
	£
Market value brought forward	-
Acquisitions at cost	1,980,439
Less disposal proceeds	-
Realised gains/(loss) on disposal	-
Gains on revaluation	6,590
	<hr/>
Market value carried forward	1,987,029
<i>Historical costs</i>	<hr/> <i>1,980,439</i> <hr/>
Geographical analysis	
United Kingdom investments	1,231,958
Overseas investments	755,071
	<hr/> 1,987,029 <hr/>
Total investments	
Listed investments	1,987,029
Cash held within investments	528,130
	<hr/>
Total - group	2,515,159
	<hr/>
Investment in subsidiary (eliminated on consolidation)	1
	<hr/>
Total - association	<hr/> 2,515,160 <hr/>

There were no fixed asset investments other than the investment in the subsidiary in 2015.

Asset allocation

Equity	34%
Bonds	22%
Other	19%
Fund cash	25%

Investment in the diversified portfolio started in November 2015 and is still in transition. The remaining cash is held for investment pending suitable market conditions.

Fixed asset investments (continued)

The following investments comprise the most significant holdings in the portfolio:

Investments	Holding (units)	Value £
Invesco Perpetual Global Targeted Returns	65,320	151,398
Standard Life Global Absolute Return Strategy	178,529	144,769
Majedie UK Equity	99,617	127,431
Liontrust Special Situations	41,855	127,377
M&G Feeder of Property Portfolio	141,163	127,343

Investment in subsidiary

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Ibis Trading Limited	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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, and made a profit of £Nil (2015: £Nil) on income of £291k (2015: £608k) following the gift aid of surplus funds to the parent company. This largely comprised the annual APM awards ceremony in the period, sponsorship and branch activities in Hong Kong. Ibis Trading 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 total net assets were £1 (2015: £1).

13 Current asset investments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash held on deposit	2,818,672	4,526,311	2,652,145	4,290,105
	<u>2,818,672</u>	<u>4,526,311</u>	<u>2,652,145</u>	<u>4,290,105</u>

The fall in the value of cash was due the change in investment strategy from holding funds solely on deposit to the implementation of an investment portfolio, reference note 12, fixed asset investments.

Notes to the accounts

14 Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Publication materials and sundry sale items	27,379	42,623	27,379	42,623

15 Debtors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	862,310	842,204	787,376	798,885
Prepayments and sundry debtors	331,723	281,566	254,720	271,105
Amounts owed by group undertakings	-	-	109,126	228,629
	<u>1,194,033</u>	<u>1,123,770</u>	<u>1,151,222</u>	<u>1,298,619</u>

16 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	284,347	377,574	275,464	343,875
Other creditors and accruals	721,037	530,369	521,365	504,970
Subscriptions received in advance	1,537,357	1,518,082	1,537,357	1,518,082
Other taxes and social security	163,335	173,072	162,325	170,421
	<u>2,706,076</u>	<u>2,599,097</u>	<u>2,496,511</u>	<u>2,537,348</u>

17 Creditors: amounts falling due after more than one year

The group and association creditor of £23,710 (2015: £35,700) related to amounts outstanding on finance leases. The leases are in respect of photocopiers and a franking and folding machine which are due to expire in 2019 and 2017 respectively.

18 Designated funds

	At 1 April 2015 £	Incoming £	Outgoing £	Transfers £	At 31 March 2016 £
Group and Company					
Tangible and intangible fixed asset fund	800,000	-	-	600,000	1,400,000
Development fund	-	-	-	500,000	500,000
Office dilapidations fund	75,000	-	-	75,000	150,000
	<u>875,000</u>	<u>-</u>	<u>-</u>	<u>1,175,000</u>	<u>2,050,000</u>

The fixed assets fund, which represents the value of fixed assets in the balance sheet and allows for future asset additions, was increased by £600k. This is to allow for investment in infrastructure including the new customer relationship management system, the website and the development of new qualifications.

A development fund was included at £500k as development work which, in line with the strategic plan is due to take place over the next one to two years, may not be fully funded from operating activities.

During the year, the board designated £75k to the dilapidations fund from the undesignated fund. The dilapidations fund is increased each year to provide funds towards the dilapidations liability payable at the end of the leases on APM's Princes Risborough offices. The leases relate to two buildings and are due to expire in 2023.

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

19 Unrestricted general funds

2016	At 1 April 2015 £	Incoming £	Outgoing £	Transfer to designated funds £	At 31 March 2016 £
Group					
Retained fund	2,966,109	8,474,348	(7,506,514)	(1,175,000)	2,758,943
Company					
Retained fund	2,966,109	8,306,501	(7,338,667)	(1,175,000)	2,758,943
2015	At 1 April 2014 £	Incoming £	Outgoing £	Transfer from designated funds £	At 31 March 2015 £
Group					
Retained fund	1,174,540	8,537,066	(7,730,497)	985,000	2,966,109
Company					
Retained fund	1,174,540	8,169,449	(7,362,880)	985,000	2,966,109

20 Net assets by fund

	Designated £	General £	Total £
Intangible fixed assets	543,160	-	543,160
Tangible fixed assets	392,288	-	392,288
Investments	-	2,515,159	2,515,159
Current assets	1,114,552	2,973,570	4,088,122
Current liabilities	-	(2,706,076)	(2,706,076)
Creditors due in over one year	-	(23,710)	(23,710)
	<u>2,050,000</u>	<u>2,758,943</u>	<u>4,808,943</u>

21 Trustee remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2015: £Nil). The reimbursement to 16 (2015: 15) trustees of expenses for travel and subsistence incurred on behalf of the association totalled £7,664 (2015: £17,411) 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.

22 Capital status

Full members 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 13,128 (2015: 13,116) members, each with a guarantee potential of £5.

23 Financial commitments

The total amounts payable over the lease term are shown below, analysed according to when the payments are due.

Operating leases:

	Land and buildings	
	2016	2015
	£	£
Due:		
Within one year	167,628	144,102
Between two and five years	568,566	615,618
After five years	271,296	391,872
	<u>1,007,490</u>	<u>1,151,592</u>

Finance leases:

	Office equipment	
	2016	2015
	£	£
Due:		
Within one year	11,991	11,991
Between two and five years	23,710	35,933
After five years	-	-
	<u>35,701</u>	<u>47,924</u>

24 Related party transactions

During the year the charity sold services amounting to £7,063 (2015: £4,498) to The APM Group Limited, a company in which a trustee was a director during the year. At 31 March 2016 £1,136 (2015: £1,113) was owed to the charity by The APM Group Limited.

During the year the charity bought services amounting to £4,464 (2015: £7,923) from three (2015: two) trustees.

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



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Registered in England No: 1218334. Registered office as above.
Association for Project Management Ltd is a registered charity No. 290927.