



Annual report and  
accounts **2017-18**

THE **CHARTERED BODY** FOR  
PROJECT PROFESSION



**Association for Project Management**

**Financial Statements**

**For the year ended 31 March 2018**

**Incorporated by Royal Charter RC000890  
Charity registration number 1171112**

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Legal and administrative information

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The organisation is a body incorporated by Royal Charter (RC000890) and registered as a charity (1171112). On 1 April 2017 the members, assets and liabilities of the previous body known as Association for Project Management, which was a company limited by guarantee (1218334) and a registered charity (290927) were transferred to this Royal Charter body, which took over all the activities of the previous company. Its charitable object remains as ‘to advance the science, theory and practice of project and programme management for the public benefit.’

Board of trustees	S Boyce P Chapman A Godbold J Gordon S Jones S Kershaw A Macklin M Mazilu J McGlynn R Millard R Sidhu S Taylor S Wake B Wernham	(deputy chair)     (to 21 November 2017) (deputy chair)  (chair)  (from 21 November 2017) (to 29 September 2017) (to 12 May 2017) (to 18 September 2017 and from 21 November 2017 to 24 May 2018)
Company secretary	M Robinson	
Key management personnel	S Drake (chief executive) D Dore (chief operating officer) J Winfield (chief financial officer from October 2017)	
Principal address	Ibis House Regent Park Summerleys Road Princes Risborough Buckinghamshire HP27 9LE	

Legal and administrative information

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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 75 George Street Edinburgh EH2 3EW
Principal solicitors	Blake Morgan LLP New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG
Investment fund managers	Tilney 6 Chesterfield Gardens Mayfair London W1J 5BQ

## Introduction

### Chair's report: building a chartered body

In the report for 2016-17 I focused on the granting of the Royal Charter to the Association for Project Management (APM) and the subsequent transformation into a chartered body in legal terms by April 2017. It was a momentous achievement and the past year has been focused on the formidable task of implementing the required changes to create the standard and launch the register to create the chartered (ChPP) designation.

The year started with the unveiling of the Royal Charter at APM's HQ in Princes Risborough by the Speaker of the House of Commons, the Right Honourable John Bercow, and ended with the launch of the guidance and application process for chartered status.

Running in parallel to this programme of work, was the first year of APM's new strategy: **inspiring positive change**. I believe APM has made considerable progress along the road to building a sustainable and modern professional body able to support a dynamic and visibly confident profession. Underpinning this is an aspiration to grow the membership and support APM's mission - **'Inspiring communities to deliver meaningful change for societal benefit by advancing the art, science, theory and practice of project management'**. The APM board is intent on investing considerably in the future through building the organisational capability of APM to support the journey of the project profession. Investing in new content, people and processes, developing a clear pathway into the profession, increasing the visibility of the profession and its impact on society are central objectives of this investment.

The introduction from Sara Drake on the following page sets out the operational achievements and future activity in more detail, but I must end by paying tribute to Sara for the three years of strong leadership she has provided to APM through the most dramatic period in APM's history and her role in leading the profession to the launch of the chartered register. On a personal front I would like to thank Sara for her immense contribution and unstinting support and wish her well.

John McGlynn  
Chair

## Introduction (continued)

### Chief executive's report: investing in professionalism

Two main themes dominated APM's focus throughout the year - firstly, delivering commitment to developing the chartered standard and preparing for the chartered register and, secondly, beginning to implement the new corporate plan. On both these two themes APM can report substantial progress.

There is much to celebrate as the Association reaches the end of its first year as a chartered body. APM continues to deliver and to deliver well. Revenue growth of 7.4 per cent has been delivered this year and reach and influence continues to increase. Individual membership is now over 25,000, which is well worth celebrating, and the year ended in March 2018 on the cusp of opening the new chartered register.

This was built on a successful consultation process leading to the publication of the chartered standard (launched in the splendour of Speaker's House, Westminster), followed by the development of the application and guidance process, recruiting and training of assessors and the other essential support activity to allow APM to open the register as promised. A well-received series of thought leadership papers scoping themes for a chartered profession underpinned the work.

APM has a successful portfolio of projects underway, including updates to qualifications and to the *Body of Knowledge*. Two major research studies have been commissioned which should have significant impact when published later in the year and the Association's first significant advertising campaign on behalf of the profession was launched. APM has already gone a long way in its journey to deliver the new strategic objectives. The business plan approved by the board for the coming year provides a real platform to continue to invest in the Association and the profession.

It is also worth mentioning the following:

- the launch of the corporate member proposition for partners and affiliates which was supported by a number of successful network events and a plenary future leaders conference in Birmingham in February 2018;
- delivering on APM's commitment to invest at least 2 per cent of commercial revenue in research - including the first five in the research fund series and also launching the research summaries series for practitioners based on original academic work;
- developing a campaign for National Apprenticeship Week, working with employers and other partners, launching both an employer and an innovative parent guide and working with employers to develop the standard for the degree apprenticeship at level 6;
- APM's annual *Salary and Market Trends 2017* - with over 6,000 responses;
- developing new forms of knowledge content and debate, including the Agile Summit in July and new guidance in project controls, sponsorship and the competence framework;
- a huge range of volunteer events and webinars with over 11,000 attendees - including 900 new attendees - which demonstrates that the volunteers' contribution remains vital to APM and the content appreciated by members and non-members alike;
- another round of successful conferences - the APM conference in April 2017 had record attendance as well as the popular Women in Project Management conference in September and successful conferences in Manchester and Scotland;

## Introduction (continued)

### Chief executive's report: investing in professionalism (continued)

- the APM Project Management Awards - which continue to grow in size and impact;
- renewing APM's international scope and its relationship with IPMA during transition to a chartered body;
- developing for launch in the coming year an extensive educational engagement strategy to provide focus on the project management profession as a desirable first career and build content and links to clear and visible career paths;
- building the Association's external engagement and collaboration with a series of innovative projects including a unique 'future of project management' collaboration with University College London and Arup, as well as engaging with bodies ranging from the Institute of Business Ethics, the government's project X research project; the Confederation of British Industry, Infrastructure and Projects Authority, Construction Industry Council and many professional bodies.

It is therefore with some sadness I note that this will be my final CEO contribution to the annual report. I have enjoyed more than three years as APM's chief executive immensely and I am hugely proud of APM's achievements in that time. However, I have fresh challenges to pursue and I am gratified to be leaving APM in such rude health and with such great prospects and I wish the family of APM well as its chartered journey continues.

Sara Drake  
Chief executive



## 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 2018. These comply with the Charities Act 2011, APM's charter and other governing documents and the latest Charities Statement of Recommended Practice (FRS 102).

### Governance structure

Association for Project Management is incorporated by Royal Charter (RC000890) and a charity registered with the Charity Commission in England and Wales (1171112).

During the year, APM was governed by its Royal Charter and by-laws. In accordance with the charter and by-laws, the board of trustees of APM agrees regulations to cover more detailed aspects of governance. The charter, by-laws and the regulations are published on the APM website.

Changes to the charter and the by-laws require the approval of the APM membership and the Privy Council. APM holds an annual general meeting for full members in November each year. Its members are bound by a code of professional conduct.

On 1 April 2017, members, assets, liabilities and undertaking of the charitable company Association for Project Management, limited by guarantee (1218334) and registered as a charity (290927) were transferred to the Royal Charter body, Association for Project Management and all activities of the Association have been undertaken through the Royal Charter body since that date.

### Board of trustees

During the year, members of the board acted as charity trustees. They cannot be remunerated for the role but do receive expenses.

The board currently operates with nine elected members and up to three appointed members. The latter are generally appointed by the board to fill gaps in skills and experience. As at July 2018 there are 10 members of the board of whom eight are elected and two appointed. The elected board members must be full members of the Association who are nominated and elected by the full members.

### 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 are offered briefings from members of the executive team and are encouraged to attend a volunteers' orientation day.

APM operates a 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 receives guidance in respect of procedures from the company secretary.

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 hold review meetings with the chair of the board. An externally facilitated evaluation of the board took place in 2017-18. The review confirmed many continuing strengths in APM's governance. There were also, inevitably, areas for development which are being taken forward positively, including a new focus on board succession planning. The 2018-19 board evaluation will be based on an internal 'apply or explain' review of APM against the new Charities Governance Code.

### 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 roles and 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 members of the board are collectively 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 committees to oversee specific areas. These comprise the audit and assurance, remuneration, and professional standards and knowledge committees. The board has also established a nominations panel that oversees identification of candidates for voluntary roles, honorary fellowships and the Sir Monty Finniston Award. Some members of the board also act as 'champions' for various areas such as academia, diversity and engagement with branches and specific interest groups.

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

### Subsidiary company and related parties

The charity's wholly owned subsidiary, Ibis Trading Limited (06536096), was established as a trading arm. Ibis Trading may undertake 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. The ownership of Ibis Trading Limited passed from the previous company limited by guarantee to this chartered body on 1 April 2017.

Related party transactions between APM and its board members are detailed in note 23 to the accounts.

### Risk management

APM has a policy for the management of risk which is reviewed and approved by the board on the recommendation of the audit and assurance committee. Risk management is embedded within operational management and APM's project, programme and portfolio management.

The chief financial officer 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.

## Structure, governance and management (continued)

### Risk 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 audit and assurance committee maintains an oversight of the process. Specific key risks are detailed on page 28 (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 their expenses and related party transactions are disclosed in notes 21 and 23 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. The remuneration of the chief executive is approved by the remuneration committee.

### Reserves policy

The reserves policy was reviewed by the board and the audit and assurance committee during the year. As a result of the review APM has decided to adopt a risk-based approach to reserves so that reserve levels are automatically adjusted as perceptions of risk and other factors change.

Key risks with the potential to impact reserves have been identified. The focus is on the short-term potential drawdown of reserves which would allow time to undertake additional mitigation activities and allow APM to adjust to changed financial circumstances. Reserves are monitored monthly.

### Inability to raise income

Inability to raise income could have many root causes including economic recession, competitive threats or a reputation event. This risk is viewed as the single most important risk to APM business continuity.

### Credit events - banks

The material credit risk to APM is the failure of one of its banking partners, Bank of Scotland or Unity Trust. It is unlikely that there would be a sudden and complete loss of all deposit funds from both banks simultaneously but there may be an impact on short-term liquidity.

### Credit events - debtors

Credit risk is also present in APM's trade debtors although this is spread over multiple debtors with individual balances rarely substantive.

### Market volatility

APM specifically recognises the risk of market volatility causing a reduction in the value of the investment portfolio and this risk is considered to have increased during the year.

## Structure, governance and management (continued)

### Reserves policy (continued)

#### Fraud events leading to financial loss

APM operates stringent internal financial controls but financial loss due to fraud remains an operational risk. It is considered unlikely that any single instance of fraud would be material.

#### Business discontinuity events leading to financial loss

APM is insured against business discontinuity events, however there is a risk that APM may be affected by an uninsured risk such as terrorism or a political event. It is unlikely that an uninsured risk would cause a business discontinuity event but the effect could still be critical.

#### Other events leading to financial loss

APM faces other risks that could have a financial impact on reserves including mismanagement of resources, inaccurate forecasting, poor execution and 'black swan' events. It is considered unlikely that these risks would impact simultaneously.

#### Contingency in budget

APM includes a general contingency within the annual budget for 2018/19.

#### Risk-based reserves at 31 March 2018

Based on the calculations for the risks generated from the above APM estimated that risk-based reserves of £2,417k were required at the year-end date.

#### Designated funds

During the year the board made changes to the funds designated for particular purposes. £40k was added to the office dilapidations fund, which provides funds required for any potential dilapidation liability at the end of the leases of APM's premises. The sum of £200k had previously been held in designated funds to cover market volatility within APM's investment portfolio. This risk is now covered in the risk-based reserves and as a result the board released the sum previously designated back to reserves. No other changes were made. At 31 March 2018 designated funds were £2,280k.

#### Adequacy of reserves at 31 March 2018

APM had total net assets of £5,998k at 31 March 2018. After accounting for designated funds £2,280k and risk-based reserves £2,417k APM held a surplus of reserves of £1,301k. The board noted that cash and near cash assets in the investment portfolio provided cover of 150 per cent of the amount required.

## Structure, governance and management (continued)

### Investment policy

The policy aims to protect APM's financial assets in real terms by appointing an external investment manager to manage the Association's investments on a discretionary basis. The manager operates under an investment management agreement with APM which in turn is directed by a policy determining the structure and appropriateness of the investments.

The APM board have oversight of the implementation of the Association's investment policy by the APM executive. The board have appointed an investment board champion who acts as a conduit between the executive and board.

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 (considered to be 7-10 years) in order 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, £3.5m has been transferred to the portfolio for investment of this £402k remained in cash at the year-end pending investment under suitable market conditions.

The remaining cash funds not required on a day-to-day basis are placed on deposit.

### 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 objects.

Investments with organisations having any involvement in supporting oppressive regimes or the production of certain banned munitions are prohibited. Companies with significant involvement (>10 per cent 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 per cent of total investment assets.

## Objectives and activities

Association for Project Management is the premier body for the project management profession in the UK. It is dedicated 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.

APM's new strategy '**Inspiring positive change**' - which was launched at the beginning of this reporting year - reflects the growing public demand for projects, programmes and portfolios which deliver not only benefits to society but also provide lasting legacies. Improving standards of delivery and practice and promoting APM's understanding of how projects succeed is at the heart of the Association's work to support the profession. APM's vision under the new strategy presented an ambitious challenge to the profession and for society at large: to create '**a world in which all projects succeed with project management as a life skill for all**'.

APM's mission recognised that this vision can only be achieved by: '**inspiring communities to deliver meaningful change for societal benefit by advancing the art, science, theory and practice of project management**'. This will be supported through the collective will of practitioners, employers, government and standard setters to provide leadership to organisations and individuals who share the Association's passion for improving project outcomes.

The strategy sought to take account of APM's new chartered status. Strategy is delivered through a business plan which builds capability to deliver the knowledge and standards required for the profession to succeed.



### Objectives and activities (continued):

#### Public benefit

The Association's charitable objects are **'to advance the science, theory and practice of project and programme management for the public benefit'**. Effective project management is essential to supporting prosperity in today's competitive domestic and international markets. The demands on project delivery grow: benefits are expected to be delivered quicker, to a higher standard and provide greater value for money. This is at a time when projects often operate in conditions best described as volatile, uncertain, complex and ambiguous - VUCA.

Increasingly, we look to projects to provide 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 major uncertainty and transformation, both in Britain and beyond. The commitment to professional standards is at the heart of the Association's work, expressed through its FIVE Dimensions of Professionalism, and the new chartered designation Chartered Project Professional (ChPP).

The Association not only sets core standards delivered (in part) via the *APM Body of Knowledge and Competence Framework*, it also takes the view that professionalism entails the provision of a development framework which allows a diverse range of people to achieve the standards, and enjoy the benefits, of a fulfilling and challenging career. It promotes lifelong learning and continuing professional development (CPD) through publications, qualifications and events.

APM seeks to maintain the highest standards in ethical practice through the code of professional conduct, which all members are required to adhere to. This provides assurance for users of our members' project management services.

Raising awareness of the effectiveness of the profession is achieved through a wide range of influencing and profile-raising activities, including the annual APM Project Management Awards, conferences, nationwide events covering a diverse range of project management related topics as well as a wealth of advice and guidance on the Association's website.

In addition, APM undertakes and contributes to research (notably launching the 'research fund' series as well as the new suite of easy-to-read summaries of technical research papers) and engages with government consultation exercises. The Association has also issued guidance on issues such as apprenticeships in order to assist employers and parents.

APM actively supports and collaborates with other bodies working in the public interest and promotes both the development and awareness of project management through accreditation of academic courses, investing in major productivity research projects as well as benchmarking the profession's wider economic contribution. APM also maintains good working relationships with other professional bodies and learned societies. These relationships were consolidated during both the chartered consultation phase and pan-professional body initiatives, including a paper on best practice aspects of professionalism and joint work with the Professional Associations Research Network (PARN) and the Institute of Business Ethics.

### Objectives and activities (continued)

#### Public benefit (continued)

Momentum has continued to grow since the 2012 launch of the Higher Apprenticeship in Project Management. This year APM helped employers obtain government approval for the standard for a level 6 (degree level) apprenticeship in project management, expected to be launched later in 2018. This year saw a rising number of project management apprenticeships despite a decline in the overall number of all kinds of apprenticeships following introduction of the apprenticeship levy. Proof surely that the apprenticeship is gaining traction as a route into the profession. APM intends to develop a greater public interest focus and enhance its investment in building greater awareness and developing a better career path into the profession.

APM has produced an education and lifelong learning strategy, giving additional focus to the school, college and university sectors in the first instance. Outputs have already included new guidance on apprenticeships, written for the first time for parents as well as for employers, and the creation of new networks of relatable APM members to deliver and support APM's outreach activity through events and a range of media.

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



## Objectives and activities (continued)

### APM volunteer community

Volunteering represents a strong part of the nation's social and economic fabric. APM's chief executive, Sara Drake, emphasised that "APM's volunteers have an important role as champions of the profession in external arenas and across our partner professions".

APM branches offer opportunities for members to network and learn about latest developments in project management within their region. Specific Interest Groups (SIGs) are set up by APM to develop particular project, programme and portfolio management topics, and produce publications available to both members and the wider public. The Association very much appreciates and recognises the added value provided by its volunteer community, demonstrated by its formation of a Volunteers Steering Group (VSG) to determine how volunteers can help deliver the APM vision by engaging with members of our increasingly diverse profession. Last year's re-accreditation of the 'Investing in Volunteers' quality standard underlined APM's commitment to its volunteer community, and the trustees take this opportunity to thank those who give their valuable time freely, and who contribute so much to the progress both of APM and the project management profession. APM has instigated a review of 'communities of interest' for the coming year to see how it can build on, and diversify, forms of volunteering and learn from the best practice of other bodies (chartered and otherwise) to broaden the range of types of volunteering and volunteers themselves.

APM Specific Interest Groups have hosted 10 full day conferences during the year as well as supporting many branch events throughout the country in order to contribute to the development of the profession's expertise and knowledge for project, programme, portfolio and PMO professionals. Four new publications were launched during the year: *A Guide to Assurance of Agile Delivery*, *Guide to Contracts and Procurement*, *Introduction to Managing Change*, and the *Governance of Co-owned Projects* together with several thought leadership reports such as the 'managing the portfolio' series and *Project Risk Analysis and Management* mini guide. Twenty-three webinars were held to support the conferences and publications, adding to awareness of good practice and offering easy access to current knowledge and case studies.

APM branches hosted some 150 events offering continuing professional development (CPD) at convenient times and locations. These included a wide range of topics linked to the *APM Body of Knowledge* for professionals with varying levels of experience, together with site visits and the bringing together of students and corporate organisations. APM would like to thank the corporate organisations who have hosted and supported these events and the speakers who offered their time for the benefit of the profession. Several branches host competitions for students and early career professionals to encourage innovation. Additional CPD is supplied through mentoring given to each team during the judging process.

APM volunteers also promote project management as a career in schools and colleges through the 'Inspiring the Future' programme and opportunities such as school career fairs.

Links to volunteer opportunities and events can be found on the APM website at:

- [apm.org.uk/about-us/volunteers](http://apm.org.uk/about-us/volunteers)
- [apm.org.uk/event](http://apm.org.uk/event)

## Achievement and performance

### Achievements and successes in 2017-18

The following section is arranged around APM's five key strategic themes. It reports on progress made across the year to March 2018 and sets out key proposed actions for the coming year.

## Chartered standard

Successfully position, develop and launch the Chartered standard to become the accepted benchmark standard for project professionals.

APM received its Royal Charter at the end of 2016 and converted to full legal status as a chartered body in April 2017.

Necessary work for the chartered edifice has continued throughout the year. APM developed the necessary standard to underpin chartered status after holding an extensive public consultation launched in summer 2017 and concluding in November 2017. The publication of the final chartered standard was a significant milestone in APM's chartered journey.

The standard is a professional benchmark that demonstrates a defined level of technical knowledge, professional practice and ethical behaviour required to become a Chartered Project Professional (ChPP). This consultation saw more than 70 per cent of respondents indicating their support and recognition of the standard. Feedback from the consultation

contributed to significant modifications to the original proposals, ensuring that the chartered standard is both robust and inclusive.

These revisions allowed us to streamline the assessment process for applicants while maintaining integrity and rigour. Drawn from the *APM Competence Framework*, ChPP recognises the diverse paths individuals may take to achieving the standard and creates three routes to reflect their varied starting points.

The next stage involved: developing the assessment criteria; creating the assessor training process, and developing the guidance. This was completed by March 2018, ahead of the opening of the register on 16 May 2018. The Association hopes to create a society of chartered professionals who, will enhance the status and recognition of project management as a profession delivering effective change for our economy and society.

In support of this activity, APM produced a series of 10 chartered thought leadership papers prior to the launch of the register, as a means of raising awareness amongst corporate and individual members of what the profession's new status entails. This process also involved a major communication programme with other chartered bodies and interested parties. The first paper examined the concept of chartered itself while the next few papers looked at key components of the good professional, volunteering, ethics and continuing professional development (CPD). Further papers looked at how a profession should embrace change, the impact of technology and the significance of the millennial generation. Attention was paid to the importance of thought leadership and research and ensuring that project management develops as a genuinely inclusive profession. The final paper summarises the findings of the entire series and provided an overview of progress towards establishing the chartered standard and register.

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)



Other major initiatives under this strategic heading include raising the profile of project management as a profession and a preferred career. An agency was commissioned to develop an advertising campaign promoting the profession: creative work was

completed in March 2018 and the initial campaign ran until late spring. The impact of the advertisements will be reviewed in order to inform a possible follow-up campaign.

Work has begun on developing and ensuring a clear, easily understood career path to Chartered Project Professional whatever an individual's starting point. The APM qualifications framework (with changes to full membership (MAPM) and APM Project Professional Qualification (PPQ) will be aligned to ensure a clear route to chartered. Support for the career pipeline will also be developed.

#### Impacts

- 122 responses to the chartered consultation
- 5,600 downloads of the published chartered standard
- 10,000 plus downloads of the first six chartered papers alone by the end of 2017
- 1,600 people downloaded the ChPP application guidance in the first week - 5,200 by the end of March
- "Another key development in 2017 was APM becoming a chartered body...if we look at the established professions, the title 'chartered' is important when people are selecting their staff or suppliers. ...nowadays no one would think of promoting a major engineering development without chartered engineers leading the work or having a financial controller who isn't a chartered accountant; if APM is successful then we should see the same thing happening for project management". Robert Buttrick in Wired.Gov

#### Looking to the future

A major focus of the coming months will be the launch of the chartered register in May 2018 and the successful creation of the first cohort of chartered practitioners. APM has projected to achieve 1,000 registered Chartered Project Professionals by 2020. APM will continue to raise employer awareness of the value of recruiting a ChPP, so encouraging its use in recruitment and advertising. A corporate accreditation scheme will be established to enable corporates to align to the standard. Alliances will also be made with professional bodies and awarding organisations to encourage take up. The value of CPD, supported by the on-line CPD tool, will be promoted as a key method both of staff development and support for APM members in their own professional development.

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**Achievement and performance (continued)**

**Achievements and successes in 2017-18 (continued)**

**Membership  
growth**

Accelerate the growth, diversity and global reach of APM's membership by engaging with new sectors and communities.

2017 saw the 'refresh' of the APM corporate partner programme with improvements to the membership joining process, including changes to guidance and regular proactive follow up with those making applications in order to increase membership volumes. This has included three round table discussion forums in London, Leeds and Bristol respectively and a thought leadership event for future leaders in Birmingham in February 2018. The programme has driven effective engagement and networking among the corporate community and provided content and insights for three white papers and articles in *Project*, the Association's journal. APM now has 558 corporate partners and affiliates, an excellent platform for growth as it heads towards 2020.

APM has launched a sector development strategy with events planned for the legal and life sciences arenas and others across the country aimed at engaging with the wider project management community. These will help promote

chartered status and the benefits of APM membership.

An international member forum to support members living and working outside the UK was launched. This has led to a 15% increase in international members and paved the way for further growth. APM will now recruit an international development manager to expand its influence and presence in international markets.

2017 saw the delivery of a successful event programme, including major conferences in London, Edinburgh and Manchester with a 10% increase in conference attendance across the event portfolio. APM aspires to grow outside Britain and there is scope to leverage technology to reach a global audience.

The introduction of free student membership has been hugely successful, helping the Association to reach out and engage with a younger audience. Over 3,500 student members are now actively engaging with events and APM social media.

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

The Association has been developing the *APM Competence Framework* and career paths to reflect the diversity of opportunities in the profession and this work will continue into next year. New guidance to support the implementation of the *APM Competence Framework* was published. A key part of capacity building to attract new members and recruits into the profession has been the development of an engagement strategy with 15-19 year olds. This has included creation of a clear career path to chartered and highlighting project management as an identifiable first career. This work will be augmented by the introduction of the new project management degree level apprenticeship later in 2018.

### Impacts

- Membership has risen above 25,000 (to 25,691 - up 2,691 on last year)
- The corporate partnership programme has reached 558 partners and affiliates in the first year of the new structure
- Student membership has risen to 3,696 - up from 1,331 at the end of last year
- The number of APM fellows is up 51 to 399
- There has been a 15 per cent increase in international members - from 1,430 to 1,651

### Looking to the future

The next phase will focus on consolidating corporate support with extra content and events. There will be particular engagement with the sponsorship community and an emphasis on building APM's ability to support the development of this group. Further investment in digital capability will be made to help members across countries and segments of the profession. Close attention will be given to the international perspective in outputs such as *Project*, case studies and new publications. The content and delivery of lifelong learning materials will continue to meet the needs of members at all stages of their careers. Other projects will include developing the new full membership route (MAPM) for APM Project Management Qualification (PMQ) holders; facilitating further growth in student membership, and supporting the development of a level 6 apprenticeship offering.

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## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

#### Knowledge and research

Advance the art, science, theory and practice of project management with an innovative knowledge and research programme.

Significant progress has been made against this objective. A new knowledge strategy was prepared for the Board in January 2018. The research programme continues through the external affairs and research team with a commitment to investing at least 2 per cent of APM's commercial revenue in this. Work has been undertaken to identify appropriate collaboration tools, new 'LinkedIn' groups have been launched and e-learning guidance produced regarding delivery of projects involving digital technologies and business transformation.

Over 50 books, guides, white papers and digital texts have been published on project controls, sponsorship, 'agile', contracts and procurement, managing change, climate change, Brexit, apprenticeships and sustainability as well as a number of SIG publications, including the well-received 10 chartered thought leadership papers supporting the chartered strategic objective.

The *APM Body of Knowledge* consultation - the seventh - was launched with the aim of publishing an updated version in Spring 2019.

Two summits were held alongside corporate partners, government departments, and key stakeholders on the challenges of sponsorship and agile project management within organisations. The revised third edition of *'Starting Out in Project Management'* was published, a book to guide newcomers and assist our drive to diversify APM membership.

The innovative 'project management research summary' series was launched in October 2017. This offered short synopses of academic papers based on the *International Journal of Project Management (IJPM)* content, providing easy-to-absorb insights for busy practitioners. An initial 11 summaries were produced between November 2017 and March 2018.

Signature research projects on the *'Contribution of projects and project management to the UK economy'* and exploration of the *'Relationship between project management and productivity'* were scoped and commissioned.

An innovative research collaboration with Arup and University College London (UCL) on the *'Future of Project Management (FoPM)'* resulted in a report and interactive resources. Over 4,000 copies of the report have been downloaded or disseminated in hard copy. This work has been debated and discussed at a number of events and conferences attended by some 5,000 people and is now being used in presentations to students.

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

The first in the annual series of APM-commissioned research fund studies were published demonstrating the Association's commitment to seed-corn funding of relevant new research. Four studies were published this year, generating content in the *Sunday Telegraph* and external blogs, with over 1,000 registrations for the project handover webinar.

A collaborative research study on '*Successful delivery of change within the public sector*' was launched in July 2017 and generated significant public-sector interest.

APM supported an Economic and Social Research Council (ESRC) funded research event with Bournemouth University and UCL around 'putting social science into project management' in November 2017. ESRC is providing further funding for a subsequent meeting in 2018.

A policy development capability was established and resulted in a number of policy papers on subjects ranging from the government's industrial strategy to Brexit. APM's focus on encouraging careers in project management led to a guide for employers on apprenticeships which was then revised to take account of National Apprenticeship Week. Parents have also been provided with a new guide to apprenticeships. Both have been well received, including by the skills minister (see below).

Further innovation was delivered via a *Monthly monitor* report for members which shares insights from the best research on key issues. APM also created a further 'first' with its skills manifesto published to coincide with Britain's snap general election in June 2017.

APM's dedication to thought leadership led to a landmark publication on '*Climate change and project management*' by Professor Peter Morris. This was disseminated widely to government, politicians, academics and many other climate change stakeholders.

### Impacts

- Over 50 pieces of thought leadership published, creating impact and momentum
- Successfully achieving at least 2 per cent spend of commercial revenue on research
- Development of a monthly research monitor, a skills manifesto and guidance for employers and parents on apprenticeships
- Over 6,000 responses to the 2017 *Salary and Market Trends Survey*
- Over 10,000 downloads of chartered papers in 2017 alone
- Over 1,500 comments from 135 individuals in response to the online *APM Body of Knowledge 7* consultation
- Anne Milton, skills minister welcomed our apprenticeship work: "Thank you for giving me insight into the valuable work that APM is doing to support apprenticeships .. I am sure the guides you have produced will be of great interest to employers and to the parents of apprentices"

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

#### Looking to the future

APM will continue to invest 2 per cent of its annual commercial revenue in innovative research, publishing an evidence-driven book of knowledge by March 2019. The Association is committed to demonstrating the benefits of knowledge sharing within the profession, of collaboration with international member bodies, and of promoting public and private sector learning legacies. APM's e-learning capability and content will be further developed. The pace of APM's international work will be accelerated via relevant guidance and benchmarks for professional practice, and raising our profile on the international stage, including increased representation at major conferences and events.

The Association will continue to develop the new research fund and research summaries series. It will publish two major studies on the contribution of project management in the UK, and project management and productivity. Research collaboration with other professional bodies and learned societies will continue.



## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

#### Organisational innovation

Define and build APM as the model of a sustainable professional body for the 21st century.

A successful chartered body and an effectively-promoted profession requires sustainable support structures and capabilities if it is to fulfil its mission.

APM has a comprehensive project portfolio development plan and has defined and agreed a new approach for managing the Association's internal projects up to March 2019. A full review of digital policies has been undertaken and a digital strategy developed.

To attain the objective of becoming an employer of choice and attracting an increased number of high quality applicants APM has adopted a new approach to recruitment, including the appointment of 37 additional staff in the last 12 months. Progress has been made improving organisational structure and further activities will be undertaken on outsourcing and developing external partnerships.

Diversification of membership of our structures is well underway, including board committees, specific interest groups and branches.

In terms of qualification capability, APM has helped secure approval for the new level 6 Trailblazer standard and supported level 4 Trailblazer standard implementation. New International Project Management Association (IPMA) qualifications are being progressed in light of the new IPMA regulations. The APM Project Management Qualification (PMQ) for PRINCE2® has been mapped and aligned to reflect prior learning of PRINCE2® practitioners.

Processes for sending out examination results have been improved, decreasing the time that candidates must wait for their result and improving services for APM's accredited training providers.

There has been organisational innovation too, including the introduction of a robust customer relationship management system (CRM) testing process. Testing was carried out on over 2,000 scenarios to support chartered status, the new General Data Protection Regulation (GDPR) and corporate packages as well as ad-hoc developments. A test library is being built to support future projects, improve the efficiency of the development process and, ultimately, to reduce the resources and time needed to test complex projects.

A small team was formed to improve collaboration and engagement with APM's volunteer community.

A project is underway that will provide training and support for using APM's online collaboration tool (Projectplace).

A facility was opened in London (in shared offices) which allows APM to enhance engagement with government, corporate partners and other stakeholders.

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

#### Impacts

- The number of accredited courses/programmes grew from 251 to 273
- The number of organisations holding accreditation grew from 168 to 184
- Training provider applications for over 30 new courses were approved
- 17,780 qualifications were taken - broadly in line with last year

#### Looking to the future

APM will create an e-learning platform with at least five courses available for online purchase by March 2019. New live chat and marketing automation techniques will be trialled. A range of feedback systems will be established and refined, enabling the Association to respond to member needs and expectations, so generating annual improvements in member satisfaction. Work continued towards ensuring that APM was ready for the General Data Protection Regulation (GDPR) by May 2018. The Association's career framework links to membership and qualifications align to the International Certification Regulations version 4.0 ready for the October 2018 launch. The APM Project Fundamentals Qualification (PFQ) will be redeveloped along with a new membership (MAPM) standard.

APM will build digital and on-line options for qualifications, events and publishing. It will develop new models for volunteer recruitment and engagement which reflect the diversity of membership, provide flexible options for participation, and facilitate the highest standard of contribution. Further development of the CRM system will ensure cost-effective, customer-focused delivery.

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## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

#### Collaborate and engage

Accelerate the universal adoption of project management by people delivering change through collaboration and partnerships.

Excellent progress has been made on this strategic objective including the development of deeper relationships with Whitehall through joint events (including the Major Projects Leadership Academy) and support for the government's 'Project X' research programme. APM has accredited a training programme for senior leaders in government delivered by Oxford University's Said Business School. The Association has helped organise summits sharing best practice on key issues such as 'agile'. APM also played a significant role in the Construction Industry Council's (CIC) response to the Grenfell Tower tragedy, led by APM Honorary Fellow, Philip Isgar.

APM is working with professional bodies representing many sectors, leveraging APM's membership of the Confederation of British Industry (CBI), the Construction Industry Council and the Academy for Social Science (CEO Sara Drake was appointed to the CBI Trade Association panel). Thought

leadership publications have played an important role in engagement with external stakeholders as well as raising APM's profile and influence. Collaborative events included a joint thought leadership event with the Major Projects Authority in November 2017 on 'developing the next generation of leaders'.

The profession's profile was also heightened when an agency was engaged to develop striking and appealing billboard and online adverts. The campaign's impact will be evaluated in order to assess the potential benefits of any future campaign.

The advent of chartered status has been used to engage with a number of chartered bodies, a number of which contributed helpfully to the consultation process. APM joined other bodies in a research project on perceptions of chartered status amongst employers.

There was strong growth in accreditation activity with many applications received from organisations delivering the Associate Project Manager level 4 apprenticeship standard (Trailblazer). Application levels are expected to be maintained into 2018-19.

The Association worked closely with corporate partners to ensure the smooth implementation of the new corporate partnership programme.

Good progress was made in starting the new programme of educational outreach. A campaign for 2018's National Apprenticeship Week research promoted understanding of project management amongst students, career advisers and employers as well as engaging with higher education institutions in order to build strong support networks. The Association will build on the success of its guidance on apprenticeships for employers and parents.

## Achievement and performance (continued)

### Achievements and successes in 2017-18 (continued)

On an international front APM co-hosted the 38<sup>th</sup> Thought Leadership forum for the Global Alliance for the Project Profession (GAPPS) at London's South Bank University in June 2017.

APM received significant recognition from the Hong Kong government's use of *APM Body of Knowledge* as the preferred source of training for its 300 project managers.

### Impacts

- Over 11,000 attendees at APM volunteer events or webinars - with 900 new attendees
- APM's 'LinkedIn' group reached over 53,000 people by the end of the year
- There are now around 18,000 APM Twitter followers
- 80 per cent of project managers 'are satisfied in their role' (*APM Salary and Market Trends 2017*)
- Favourable responses to the apprenticeship guides: "I was particularly pleased to see Sellafield in the brochure which is of course in my own constituency. I would also like to thank APM for taking the time to put these guides together. As a government-appointed apprenticeship ambassador I speak with young people every day who tell me that their route into apprenticeships was not initially supported by their school or understood by their parents. We have much work to do, getting the message out about high quality apprenticeships schemes such as those at Sellafield, BAE and Lloyds is a vital part of that process".  
Trudy Harrison MP, Member of Parliament for Copeland

### Looking to the future

APM will continue to use thought leadership to highlight key issues, successes and good practice and as a valuable means of engaging with external stakeholders. The Association's research on the contribution to project management will play a key part in this.

The Association aims to increase public understanding of how project management results in successful project delivery.

APM will further develop its models of volunteer recruitment and engagement in order to better reflect the diversity of its membership, offer flexible options and ensure a high standard of contributions. The Association will also invest considerable energy in developing and implementing its new educational outreach and lifelong learning strategy and building a network of current and former apprenticeship ambassadors. An important part of this will involve explaining career opportunities in project management in schools, colleges and universities, as well as outlining routes into the profession which meet the needs and expectations of the widest range of candidates.

## Performance measurement

APM's success in meeting its objectives is measured by key performance indicators (KPIs) set at the start of each year in line with strategy as part of the business planning process. The KPIs are contained in a scorecard which sets targets for each part of the Association. Progress against these indicators is reviewed monthly, and remedial action taken when necessary. Indicators comprise both financial and non-financial measures. A selection of key indicators are listed below:

Indicator	Progress
<p><b>Chartered register</b></p> <p>Chartered register on track for launch by May 2018.</p>	<p><b>Achieved</b></p> <p>A pivotal objective for APM was the launch of its chartered register. The register was opened for applications on 16 May 2018, a milestone achievement in the evolution of APM as a leader of the project management profession.</p>
<p><b>Corporate engagement programme</b></p> <p>Launch the new corporate engagement programme delivering £650k of revenue in year one.</p>	<p><b>Not achieved</b></p> <p>The new corporate partner/affiliate offering commenced in the financial year, replacing corporate membership. Actual billing was in excess of £650k but not all of the revenue was attributed to this financial year due to the accounting policy for recognising income (reference pages 42-43).</p>
<p><b>Sector diversity</b></p> <p>Devising and implementing an engagement plan for at least three new sectors.</p>	<p><b>Achieved</b></p> <p>Strategies underway for three sectors not currently fully engaged; technology, financial services and life sciences. These have been mapped to APM's current customer base, individual prospects identified and an action plan agreed and implemented for each sector.</p>
<p><b>Key stakeholder engagement</b></p> <p>A minimum of three thought leadership papers published as a result of key stakeholder engagement throughout the year.</p>	<p><b>Achieved</b></p> <p>Six papers were published in the year:</p> <ul style="list-style-type: none"> <li><i>Climate change</i></li> <li><i>Skills manifesto</i></li> <li><i>Future of PM collaborative study</i></li> <li><i>Apprenticeship employer guidance</i></li> <li><i>Parents' apprenticeships guidance (two papers).</i></li> </ul>

**Performance measurement (continued)**

Indicator	Progress
<p><b>Research activity</b></p> <p>2 per cent of commercial revenues committed to research activity advancing the art, science, theory and practice of project management spent on research.</p>	<p><b>Achieved</b></p> <p>Total spend in the year totalled £224k, totalling 4 per cent of commercial revenue.</p>
<p><b>Education and lifelong learning strategy</b></p> <p>Publish an education and lifelong learning strategy for implementation in 2018-19.</p>	<p><b>Achieved</b></p> <p>Strategy completed and ready for publication by the year end, but published post year-end for strategic reasons.</p>
<p><b>Mainstream media coverage</b></p> <p>Increase mainstream media coverage for APM and the project profession, measured via Kantar and digital analytics.</p>	<p><b>Achieved</b></p> <p>APM is now appearing in higher value publications and reaching a wider audience (measured by Advertising Value Equivalency (AVE)).</p>

### Principal risks and uncertainties

The board has considered several strategic risks during the year, including those below, together with possible impacts and mitigating strategies.

Risk area	Possible impacts	Mitigating strategy
Viability	Changes to perceptions of the value of project management as a profession, or of the professional body model itself, could affect the long-term viability of APM.	This risk is monitored and is not considered likely at present. The Charter recognises the status of the profession and APM continues to grow both membership and revenues.
Legal/regulatory	Changes to compliance requirements could affect APM's ability and freedom to operate.	This risk is continually monitored, with no significant issues at present. For example, APM ensured the new General Data Protection Regulation and the Charity Governance Code were implemented.
Economic and political	Changes to the global economy could lead to decreased investment levels. This could impact APM's business model as members and partners adjust spending and their commitment to staff development.	This risk is regularly monitored. APM's new commercial focus and the opportunity afforded by achieving chartered status are significant mitigating factors.
Resourcing and governance	APM's capacity and capability to resource, manage and deliver plans.	This risk is regularly considered during business planning. APM has sustainable reserves and future income projections enabling it to invest and grow in order to support the profession.
Brand and reputation	Risk of damage to APM's brand and associated risks to revenues, capital or liquidity.	APM has strong governance, regularly engaging with key stakeholders and continues to develop brand awareness with strategic marketing.

## Financial review

### Overview

The financial year saw further growth for APM with turnover increasing by 7.4 per cent to £9.9m. The Association completed its transition to a chartered body with significant investment in both headcount and infrastructure as it started to deliver the new strategy. APM closed the year with a deficit of £129k which was lower than predicted due to deferred recruitment. Total assets are just less than £6m.

Percentage variances are calculated from the full financial results rather than the rounded figures contained in this review.

### Income

Total income was £9,917k in the year. This was an increase of £681k (7.4 per cent) over the prior year.

Subscriptions income from individual members and corporate partners grew by 0.9 per cent to £3,812k. Individual membership increased from 23,000 to 25,691 during the year. APM introduced new packages for corporate partnerships and closed the year with 558 partners and affiliates.

Examination and other contractual income increased from £4,324k to £4,831k, an increase of 11.7 per cent. The APM Project Management Qualification (PMQ) continued to be the lead contributor to examination revenues with 9,567 candidates compared to 9,481 for the previous year.

Event income increased by 26.2 per cent from £612k to £772k reflecting the popularity of APM events including the Northern and Scottish conferences and the Women in Project Management conference.

APM invests funds not required for working capital in an investment portfolio managed by a professional investment manager. Funds are actively managed and allocated across a range of asset types designed to yield the required rate of return for an acceptable level of risk. Returns are measured over a five to seven year term rather than on a year-on-year basis; volatility is expected within certain limits. The net income from investments in the year and bank interest on deposits was £59k compared to £37k in the previous year as APM's funds became fully invested.

### Expenditure

The Charities Accounting Statement of Recommended Practice (SORP) requires expenditure to be analysed into the same categories as the income described above. The expenditure is detailed in note 4 on page 47.

The total costs of charitable activities increased from £7,512k to £9,118k; an increase of £1,606k or 21.4 per cent. The main area of increase was in relation to staff costs (including contractors) as APM completed the transition to a chartered body and continued to invest in the additional professional staff required to deliver the new strategy.

APM continued to adopt a flexible staffing model of core employees augmented by volunteers and paid external consultants. The average in-house headcount over the year increased from 88 to 101.

APM continued to invest in research and development activities.

The costs associated with events rose from £622k to £895k in the year; an increase of £273k or 44 per cent.



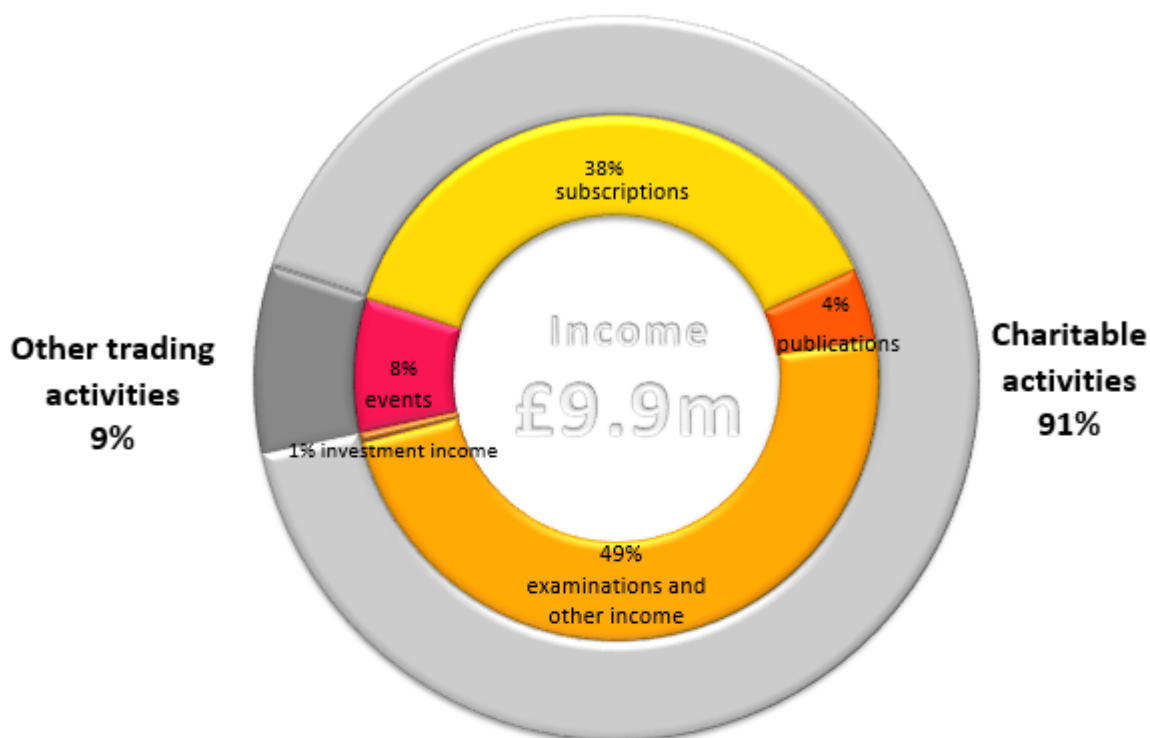
**Financial review (continued)**

**Reserves**

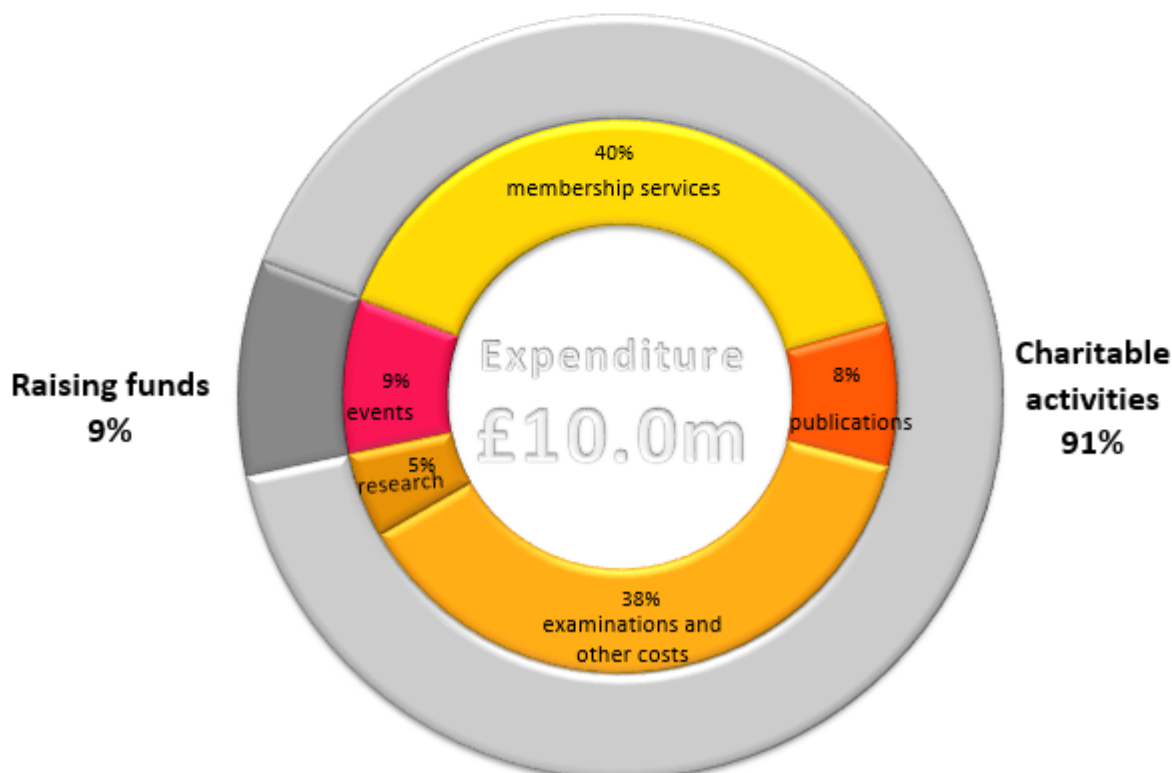
At 31 March 2018 APM's total funds were £5,998k (2017: £6,127k). Free reserves amounted to £3,718k (2017: £3,687k) being unrestricted funds less the designated funds. This is in excess of the amount required by APM's new risk-based reserves policy of £2,417k (for detail of identified risks please refer to the reserves policy on pages 8 and 9).

Graphical representation of income and expenditure for the 12 months ending 31 March 2018

Income by type



Expenditure by type



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### Statement of trustees' responsibilities

The trustees 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).

Charity 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 charity and the group and of the incoming resources and application of resources 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity 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 charity'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 charity'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 charity.

The trustees' annual report is approved by the trustees of the Association.

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to be 'J McGlynn', written over a horizontal line.

J McGlynn, Chair  
16 July 2018

### **Opinion**

We have audited the financial statements of Association for Project Management for the year ended 31 March 2018, which comprise the Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charity 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 charity'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; or

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

**Use of our report**

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters which 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 charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

A handwritten signature in black ink that reads 'Kingston Smith LLP'.

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: 8.08.18

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Consolidated statement of financial activities  
For the year ended 31 March 2018

	Notes	Total funds 2018 £	Total funds 2017 £
<b>Income:</b>			
Income from charitable activities:			
Subscriptions		3,812,601	3,777,248
Examination and other contractual income		4,831,622	4,324,582
Publications		442,226	486,025
Income from other trading activities:			
Events		771,750	611,770
Investment income	10	59,243	37,022
Total income		<u>9,917,442</u>	<u>9,236,647</u>
<b>Expenditure:</b>			
Expenditure on charitable activities	4	9,118,266	7,512,449
Expenditure on raising funds:			
Events		895,223	621,743
Investment management costs		17,983	14,511
Total expenditure		<u>10,031,472</u>	<u>8,148,703</u>
Net (loss)/gains on investment	12	(15,415)	230,183
<b>Net (expenditure)/income and net movement in funds for the year</b>	<b>7</b>	<b>(129,445)</b>	<b>1,318,127</b>
Reconciliation of funds			
Total funds brought forward		6,127,070	4,808,943
Total funds carried forward		<u>5,997,625</u>	<u>6,127,070</u>

APM has no restricted funds.

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

The notes on pages 41 to 58 form part of these financial statements.



Consolidated balance sheet  
As at 31 March 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	11		626,202		584,281
Tangible fixed assets	11		302,526		332,803
Investments	12		<u>3,805,429</u>		<u>3,774,677</u>
			4,734,157		4,691,761
<b>Current assets</b>					
Investments	13	2,790,776		2,695,742	
Stocks	14	24,157		14,936	
Debtors	15	1,549,375		1,445,914	
Cash at bank and in hand		<u>430,384</u>		<u>246,655</u>	
		4,794,692		4,403,247	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	<u>(3,526,621)</u>		<u>(2,954,127)</u>	
<b>Net current assets</b>			<u>1,268,071</u>		<u>1,449,120</u>
<b>Total assets less current liabilities</b>			6,002,228		6,140,881
Creditors: amounts falling due after more than one year	17		<u>(4,603)</u>		<u>(13,811)</u>
<b>Net assets</b>			<u>5,997,625</u>		<u>6,127,070</u>
<b>The funds of the charity:</b>					
Unrestricted income fund-designated	18		2,280,000		2,440,000
Unrestricted income fund-general	19		<u>3,717,625</u>		<u>3,687,070</u>
			<u>5,997,625</u>		<u>6,127,070</u>

The notes on pages 41 to 58 form part of these financial statements.

Approved by the board of trustees on 16 July 2018 and signed on its behalf by:



J McGlynn, Chair

Incorporated by Royal Charter RC000890

Association balance sheet  
As at 31 March 2018

	Notes	2018		Restated 2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	11		626,202		584,281
Tangible fixed assets	11		302,526		332,803
Investments	12		<u>3,805,430</u>		<u>3,774,678</u>
			<u>4,734,158</u>		<u>4,691,762</u>
<b>Current assets</b>					
Investments	13	2,573,252		2,484,259	
Stocks	14	24,157		14,936	
Debtors	15	1,372,884		1,335,010	
Cash at bank and in hand		<u>410,505</u>		<u>243,008</u>	
		<u>4,380,798</u>		<u>4,077,213</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	<u>(3,263,730)</u>		<u>(2,716,058)</u>	
<b>Net current assets</b>			<u>1,117,068</u>		<u>1,361,155</u>
<b>Total assets less current liabilities</b>			5,851,226		6,052,917
Creditors: amounts falling due after more than one year	17		<u>(4,603)</u>		<u>(13,811)</u>
<b>Net assets</b>			<u>5,846,623</u>		<u>6,039,106</u>
<b>The funds of the charity:</b>					
Unrestricted fund-designated	18		2,280,000		2,440,000
Unrestricted fund-general	19		<u>3,566,623</u>		<u>3,599,106</u>
			<u>5,846,623</u>		<u>6,039,106</u>

The notes on pages 41 to 58 form part of these financial statements.

Approved by the board of trustees on 16 July 2018 and signed on its behalf by:



J McGlynn, Chair  
Incorporated by Royal Charter RC000890

Consolidated cash flow statement  
For the year ended 31 March 2018

	Notes	2018 £	2017 £
<b>Net cash provided by operating activities</b>	A	520,239	1,240,291
Cash flows from investing activities:			
Return on investment and servicing of finance			
Investment income		59,243	37,022
Purchase of fixed assets		(254,552)	(173,684)
Proceeds from sale of plant, property and equipment		-	1,394
Acquisition of long term investments		(1,025,516)	(1,042,951)
Proceeds from sale of investments and decrease in cash held within investments		979,349	13,615
Net cash used in investing activities		(241,476)	(1,164,604)
Change in cash and cash equivalents		278,763	75,687
Cash and cash equivalents at the beginning of the reporting period		2,942,397	2,866,710
Cash and cash equivalents at the end of the reporting period		3,221,160	2,942,397
Analysis of cash and cash equivalents:			
Cash in hand		430,384	246,655
Notice deposits (less than three months)		2,790,776	2,695,742
		3,221,160	2,942,397
<b>Note A</b>			
<b>Reconciliation of net incoming resources to net cash flow from operating activities</b>			
Net (outgoing)/incoming resources for the year		(129,445)	1,318,127
Investment income		(59,243)	(37,022)
Gains on investment activities		15,415	(230,183)
Loss on disposal of fixed assets		-	(466)
Depreciation and amortisation		242,908	191,121
Decrease in inventories		(9,221)	12,443
(Increase) in trade and other receivables		(17,259)	(12,402)
(Increase) in prepayments		(86,202)	(239,479)
Increase in trade and other payables		320,071	197,403
Increase in accruals and deferred income		243,215	40,749
<b>Net cash provided by operating activities</b>		520,239	1,240,291

Association for Project Management is a registered charity (number 1171112) and incorporated by Royal Charter (RC000890). 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), and the Charities Act 2011.

Merger accounting has been adopted following the transfer of the members, assets, liabilities and undertaking of the charitable company Association for Project Management to the Royal Charter body on 1 April 2017, as there was no change in control or activities. Comparative figures are therefore included for the prior accounting period to reflect the activities of the Association continuing as before.

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).

These accounts are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

### **Preparation of the accounts on a going concern basis**

The trustees consider that the charity and the group have 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.

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

	2018	2017
	£	£
Gross income	9,530,463	8,971,024
(Deficit)/surplus for the year	(192,753)	1,318,127

#### 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)

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.

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 represents amounts receivable net of VAT and discounts.

### Accounting policies (continued)

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.

### 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 raising 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 raising 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:

Computer software costs	33.33 per cent straight line
Customer relationship management system	20 per cent straight line
Publications	33.33 per cent straight line
Qualifications and other intangible assets	33.33 per cent straight line

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

**Accounting policies (continued)****Expenditure (including allocation of expenditure) (continued)**

Intangible fixed assets include software licences, website development costs and the 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.

**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 per cent straight line
Computer equipment	33.33 per cent 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.

### **Accounting policies (continued)**

#### **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.

#### **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.



### Accounting policies (continued)

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

#### Judgments and key sources of estimation uncertainty

- 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.
- Allocation of membership income on a time apportioned basis: which results in an estimation of deferred income carried forward at each balance sheet date.

## 2 Income

All income was derived from the sale of services, with the exception of income from publications of £442,226 (2017: £486,025).

Interest income received was £5,869 (2017: £4,685). Dividend income from investments was £53,374 (2017: £32,337).

## 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.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs	169,093	191,728
Audit and legal fees	66,719	17,551
Cost of trustee meetings, travel and support	55,709	35,121
	<u>291,521</u>	<u>244,400</u>

Staff costs contain a proportion of executive time in addition to the company secretarial function. The decrease in staff costs was due to the reduction in the number of staff in the corporate secretarial team.

The increase in remaining expenditure on last year was largely due to legal and associated costs relating to the defence of a judicial review application and an external board evaluation exercise which takes place every three years.

The costs of £291k above are representative of total governance costs of which £22,822 relates to raising funds the remainder were incurred for charitable activities (note 6).

#### 4 Breakdown of cost of charitable activities

	Activities undertaken directly	Support costs	Total
<b>2018</b>	<b>£</b>	<b>£</b>	<b>£</b>
Subscriptions	2,452,996	1,548,886	4,001,882
Examination and other fees	1,812,050	1,962,867	3,774,917
Publications	661,397	179,656	841,053
Research & development projects	500,414	-	500,414
	<u>5,426,857</u>	<u>3,691,409</u>	<u>9,118,266</u>
		(Note 6)	
<b>2017</b>			
Subscriptions	2,213,506	1,223,404	3,436,910
Examination and other fees	1,733,015	1,400,678	3,133,693
Publications	395,414	157,418	552,832
Research & development projects	389,014	-	389,014
	<u>4,730,949</u>	<u>2,781,500</u>	<u>7,512,449</u>
		(Note 6)	

#### 5 Total support cost breakdown by activity

	Staff Costs	Other Costs	Total
<b>2018</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost of raising funds	147,024	166,503	313,527
Charitable activities	<u>1,731,030</u>	<u>1,960,379</u>	<u>3,691,409</u>
	<u>1,878,054</u>	<u>2,126,882</u>	<u>4,004,936</u>
<b>2017</b>			
Cost of raising funds	90,788	107,357	198,145
Charitable activities	<u>1,274,462</u>	<u>1,507,038</u>	<u>2,781,500</u>
	<u>1,365,250</u>	<u>1,614,395</u>	<u>2,979,645</u>

## 6 Support cost apportionment

### Charitable activities

	Subscription	Examination and other fees	Publications	Total
	£	£	£	£
<b>2018</b>				
Depreciation	93,946	119,056	10,897	223,899
Finance	124,145	157,324	14,400	295,869
Information technology	170,722	216,352	19,802	406,876
Support staff costs	726,326	920,457	84,247	1,731,030
Office costs	321,003	406,800	37,233	765,036
Governance costs	112,744	142,878	13,077	268,699
<b>Total</b>	<b>1,548,886</b>	<b>1,962,867</b>	<b>179,656</b>	<b>3,691,409</b>
	(Note 4)	(Note 4)	(Note 4)	(Note 4)
<b>2017</b>				
Depreciation	78,472	89,843	10,097	178,412
Finance	116,587	133,481	15,002	265,070
Information technology	146,393	167,606	18,837	332,836
Support staff costs	560,555	641,779	72,127	1,274,461
Office costs	221,050	253,081	28,443	502,574
Governance costs	100,347	114,888	12,912	228,147
<b>Total</b>	<b>1,223,404</b>	<b>1,400,678</b>	<b>157,418</b>	<b>2,781,500</b>
	(Note 4)	(Note 4)	(Note 4)	(Note 4)

## 7 Net incoming resources for the year

This is stated after charging:

	2018 £	2017 £
Profit on disposal of fixed assets	-	466
Depreciation and amortisation of fixed assets	242,908	191,121
Operating lease payments - premises	184,289	156,928
Auditor's remuneration - current year	19,425	16,560
- prior year under provision	2,598	590
Auditor's remuneration for non-audit services	4,099	3,178

The increase in premises costs was due to the acquisition of a short-term tenancy for a London facility.

**8 Staff costs and numbers**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,709,262	3,114,432
Social security costs	372,092	302,472
Pension costs	187,460	160,239
Private medical insurance	31,632	26,427
Group life assurance	14,320	12,481
	<u>4,314,766</u>	<u>3,616,051</u>

Included in the above are redundancy and termination payments in the year amounting to £0 (2017: £13,500).

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

	<b>2018</b>	<b>2017</b>
£60,001 - £70,000	5	6
£70,001 - £80,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

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 £52,191 (2017: £49,885) to APM.

Key management personnel are deemed to be the chief executive, the chief financial officer and the chief operating officer (as well as the trustees who are not remunerated).

Pay and benefits including pension and employer national insurance contributions to the three key management personnel in the year amounted to £337,048 (2017: £294,644).

Average employee numbers:

	<b>2018</b>	<b>2017</b>
Business development and marketing	45	36
Customer services	28	27
Office and administration	28	25
	<u>101</u>	<u>88</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**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank interest	5,869	4,685
Income from investments	53,374	32,337
	<u>59,243</u>	<u>37,022</u>

## 11 Fixed assets

### Intangible fixed assets - group and Association

	Computer software	Customer relationship management system	Publications	Qualifications	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2017	392,179	378,831	418,107	188,470	1,377,587
Additions	160,410	-	62,169	13,196	235,775
At 31 March 2018	552,589	378,831	480,276	201,666	1,613,362
<b>Amortisation</b>					
At 1 April 2017	307,798	25,255	404,887	55,366	793,306
Charge for the year	45,859	75,766	9,406	62,823	193,854
At 31 March 2018	353,657	101,021	414,293	118,189	987,160
<b>Net book value</b>					
At 31 March 2018	198,932	277,810	65,983	83,477	626,202
At 31 March 2017	84,381	353,576	13,220	133,104	584,281

### Tangible fixed assets - group and Association

	Leasehold improvements	Furniture and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2017	571,299	512,291	1,083,590
Additions	7,331	11,446	18,777
At 31 March 2018	578,630	523,737	1,102,367
<b>Depreciation</b>			
At 1 April 2017	271,412	479,375	750,787
Charge for the year	22,252	26,802	49,054
At 31 March 2018	293,664	506,177	799,841
<b>Net book value</b>			
At 31 March 2018	284,966	17,560	302,526
At 31 March 2017	299,887	32,916	332,803

Included within furniture and equipment are assets held under a finance lease with a net book value as at 31 March 2018 of £0 (2017: £7,723).

**12 Fixed asset investments****Movement in fixed asset investments**

	<b>2018</b>	<b>2017</b>
	£	£
<u>Investment portfolio</u>		
Market value brought forward	3,115,769	1,987,029
Acquisitions at cost	1,025,516	1,042,951
Less disposal proceeds	(722,748)	(144,394)
Realised gains/(loss) on disposal	1,573	(376)
(Loss)/gains on revaluation	(16,988)	230,559
Market value carried forward	<b>3,403,122</b>	<b>3,115,769</b>
<i>Historical costs</i>	<i>1,025,515</i>	<i>1,042,951</i>
<b>Geographical analysis</b>		
United Kingdom investments	1,837,686	1,775,988
Overseas investments	1,565,436	1,339,781
	<b>3,403,122</b>	<b>3,115,769</b>
<b>Total investments</b>		
Listed investments	3,403,122	3,115,769
Cash held within investments	402,307	658,908
Total - group	3,805,429	3,774,677
<b>Asset allocation</b>	<b>2018</b>	<b>2017</b>
Equity	39%	35%
Bonds	20%	22%
Other	28%	24%
Fund cash	13%	19%

Cash is held for investment pending suitable market conditions.

**Fixed asset investments (continued)**

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

<b>Investments</b>	<b>Holding (units)</b>	<b>Value £</b>
FP Cruz European Special Situations	81,135	221,312
Liontrust Special Situations	55,023	212,532
MW Tops Limited	1,236	174,283
Twentyfour Absolute Return	1,682	172,813
Old Mutual UK Specialist Equity	13,938	172,211

Investment in subsidiary

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Ibis Trading Limited	0	0	1	1
	0	0	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, and made a profit of £151k (2017: £88k restated) on income of £539k (2017: £426k) before the distribution of surplus funds to the parent company. This largely comprised the annual APM awards ceremony and conference 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 per cent of total turnover for the APM group. All activities have been consolidated line by line in the SOFA. The total net assets were £1 (2017: £1).

**13 Current asset investments**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Cash held on deposit	2,790,776	2,695,742	2,573,252	2,484,259
	2,790,776	2,695,742	2,573,252	2,484,259



## Notes to the accounts

**14 Stocks**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Publication materials and sundry sale items	24,157	14,936	24,157	14,936

**15 Debtors: amounts falling due within one year**

	Group 2018 £	Group 2017 £	Company 2018 £	Restated Company 2017 £
Trade debtors	891,971	874,712	817,072	818,160
Prepayments and sundry debtors	657,404	571,202	491,492	457,176
Amounts owed by group undertakings	-	-	64,320	59,674
	<u>1,549,375</u>	<u>1,445,914</u>	<u>1,372,884</u>	<u>1,355,010</u>

**16 Creditors: amounts falling due within one year**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	479,261	403,207	465,117	403,207
Other creditors and accruals	978,971	722,476	747,068	511,342
Subscriptions received in advance	1,821,321	1,578,106	1,821,321	1,578,106
Other taxes and social security	247,068	250,338	230,224	223,403
	<u>3,526,621</u>	<u>2,954,127</u>	<u>3,263,730</u>	<u>2,716,058</u>

**17 Creditors: amounts falling due after more than one year**

The group and Association creditor of £4,603 (2017: £13,811) related to an amount outstanding on a finance lease. The leases are in respect of photocopiers and are due to expire in 2019.

**18 Designated funds**

<b>2018</b>	<b>At 1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31 March</b>
	<b>2017</b>				<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Group and Company					
Fixed asset fund	1,000,000	-	-	-	1,000,000
Development fund	1,000,000	-	-	-	1,000,000
Office dilapidations fund	240,000	-	-	40,000	280,000
Investments fund	200,000	-	-	(200,000)	-
	<u>2,440,000</u>	<u>-</u>	<u>-</u>	<u>(160,000)</u>	<u>2,280,000</u>
<b>2017</b>	<b>At 1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31 March</b>
	<b>2016</b>				<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Group and Company					
Fixed asset fund	1,400,000	-	-	(400,000)	1,000,000
Development fund	500,000	-	-	500,000	1,000,000
Office dilapidations fund	150,000	-	-	90,000	240,000
Investments fund	-	-	-	200,000	200,000
	<u>2,050,000</u>	<u>-</u>	<u>-</u>	<u>390,000</u>	<u>2,440,000</u>

The fixed asset fund of £1m is deemed adequate to cover existing tangible and intangible fixed assets.

The £1m development fund is designated to be used for planned development work which is not expected to be fully funded from operational income. This includes launch and development of the new chartered standard, corporate accreditation, research and raising APM's profile. The time frame for the use of this reserve is anticipated to be within the next one to three years in line with the strategic plan.

During the year, the board designated an additional £40k to the dilapidations fund from the undesignated fund. The dilapidations fund is increased each year to provide funds towards the potential dilapidations liability payable at the end of the leases on APM's Princes Risborough offices. The leases relate to two buildings which are due to expire in 2023, although one has a break clause for April 2019. This is in line with the professional valuation of potential remedial work carried out in the year.

The designation of £200k to cover the APM investment portfolio was removed as it now forms an element of risk based reserves.

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**

<b>2018</b>	<b>At 1 April 2017 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Loss on investments £</b>	<b>Transfer from designated funds £</b>	<b>At 31 March 2018 £</b>
Group Retained fund	3,687,070	9,902,027	(10,016,057)	(15,415)	160,000	3,717,625
Company Retained fund	3,599,106	9,530,733	(9,707,801)	(15,415)	160,000	3,566,623
<b>2017</b>	<b>At 1 April 2016 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Gains on investments £</b>	<b>Transfer from designated funds £</b>	<b>At 31 March 2017 £</b>
Group Retained fund	2,758,943	9,236,647	(8,148,703)	230,183	(390,000)	3,687,070
Restated Company Retained fund	2,758,943	8,953,028	(7,953,048)	230,183	(390,000)	3,599,106

**20 Net assets by fund**

<b>2018</b>	<b>Designated</b>	<b>General</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	626,202	-	626,202
Tangible fixed assets	302,526	-	302,526
Investments	-	3,805,429	3,805,429
Current assets	1,351,272	3,443,420	4,794,692
Current liabilities	-	(3,526,621)	(3,526,621)
Creditors due in over one year	-	(4,603)	(4,603)
	<u>2,280,000</u>	<u>3,717,625</u>	<u>5,997,625</u>
<b>2017</b>	<b>Designated</b>	<b>General</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	-	584,281	584,281
Tangible fixed assets	332,803	-	332,803
Investments	200,000	3,574,677	3,774,677
Current assets	1,907,197	2,496,050	4,403,247
Current liabilities	-	(2,954,127)	(2,954,127)
Creditors due in over one year	-	(13,811)	(13,811)
	<u>2,440,000</u>	<u>3,687,070</u>	<u>6,127,070</u>

**21 Trustee remuneration and expenses**

The trustees neither received nor waived any emoluments during the year (2017: £Nil). The reimbursement to 13 (2017: 12) trustees of expenses for travel and subsistence incurred on behalf of the Association totalled £15,163 (2017: £19,780) 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 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		Office equipment	
	2018	2017	2018	2017
	£	£	£	£
<b>Due:</b>				
Within one year	174,434	167,628	3,556	3,556
Between two and five years	482,304	521,514	2,667	6,223
After five years	30,144	150,720	-	-
	<u>686,882</u>	<u>839,862</u>	<u>6,223</u>	<u>9,779</u>

Finance leases:

	Office equipment	
	2018	2017
	£	£
<b>Due:</b>		
Within one year	9,205	9,205
Between two and five years	<u>4,603</u>	<u>13,811</u>
	<u>13,808</u>	<u>23,016</u>

**23 Related party transactions**

During the year the charity had no related party transactions with trustees. For comparison in 2016-17 the charity sold and bought services amounting to £21,122 and £1,360 respectively from trustees, conducted at arm's length. At 31 March 2018 £0 (2017: £16,570) was owed to the charity from such transactions.

Intercompany transactions between the charity and its wholly owned subsidiary, Ibis Trading Limited were £17,170 for the master trading agreement (2017: £14,005) and £47,150 (2017: £45,669) for shared resources. Amounts owed by Ibis Trading Limited to the charity at the balance sheet were £64,320 (2017: £59,674 restated).

**24 Prior year adjustment**

The Financial Reporting Council have completed their first triennial review of FRS 102 and have ruled that gift aid payments from charity trading subsidiaries should not be recorded in the profit and loss account and are instead treated as dividends on the date of payment and cannot be accrued. Accordingly, gift aid payments of £151,003 paid in 2018 and £87,964 paid in 2017 have been included in the year paid, with the prior year debtor due from the subsidiary restated.

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