



THE CHARTERED BODY FOR THE PROJECT PROFESSION

Association for  
Project Management  
Annual report and  
accounts **2018-19**



**THE CHARTERED BODY FOR THE PROJECT PROFESSION**

## **Association for Project Management**

### **Financial statements**

**For the year ended 31 March 2019**

**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). Its charitable object is 'to advance the science, theory and practice of project and programme management for the public benefit.'

Board of trustees	S Boyce J Broome S Carver P Chapman S Gilbert A Godbold J Gordon S Jones D Lewis A Macklin M Mazilu J McGlynn R Millard R Sidhu N Smallwood B Wernham	(deputy chair) (from 19 November 2018) (from 19 November to 3 December 2018)  (from 19 November 2018) (deputy chair) (to 19 November 2018) (to 17 July 2018) (from 19 November 2018) (to 19 November 2018)  (chair) (to 19 November 2018) (to 19 November 2018) (from 21 January 2019) (to 24 May 2018)
Company secretary	M Robinson	
Key management personnel	D Dore S Drake J Winfield	(chief executive from August 2018, formerly chief operating officer) (chief executive until July 2018) (chief financial officer)
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 UK 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: charting the future for our profession

Last year's report focused on our considerable investment in the creation, and launch, of the chartered register which paved the way for the first professional designations to be awarded last October. This was a huge challenge but APM delivered in true project management style - outcomes achieved, on time and on budget.

Other ambitious initiatives were in hand at the same time: building the talent pipeline in APM and enhancing qualifications, training and with a strong focus on ethics. Results had to be achieved on top of the Association's essential everyday activities and I am pleased to say both staff and volunteers worked together to deliver on every front.

The board continues to focus on building a sustainable, modern professional body able to support a dynamic and visibly confident profession. This means building organisational capability via investment in new content, people and processes, developing a clear pathway into the profession, raising project management's profile and increasing its societal impact. These goals are underpinned by our 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'.

A strong revenue performance, achieved in the face of uncertain economic and political conditions, has allowed us to maintain a laser-like commitment to this investment.

We welcomed our new chief executive Debbie Dore from within APM's own ranks in August 2018. This continuity, a strengthened management team and a revised structure, has allowed us to maintain our momentum in what I believe has been a significant year in APM's history.

In January I had the pleasure of addressing an audience of over 400 members and guests celebrating the first two cohorts of successful Chartered Project Professionals (ChPPs). This wonderful occasion epitomised the pride of both our new ChPPs and our young but growing profession. I am impressed with the impact chartered status is having and delighted that we ended the year a mere hair's breadth short of 500 ChPPs, and with a pipeline full of new applicants.

We continue to test our current strategy and I was pleased with the outcome of our strategy review in March this year with the entire board, the APM executive team and key members of APM staff. This is an annual event which gives us the opportunity to step back, take stock of the changes that are happening in the world and make any adjustments or additions to our plans and activities.

Finally, I would like to pay tribute to all APM's dedicated volunteers, including my fellow trustees, who in various guises have helped make this such a successful year. My heartfelt thanks to you all.

John McGlynn  
APM chair

## Introduction (continued)

### Chief executive's report: building our profession

The launch of the new chartered standard for the project profession has had significant positive impact on our 18-19 results. At the beginning of the year we were still preparing to launch the register; we ended it in March by achieving the tremendous milestone of 495 registered individuals.

Chartered status has given us an unprecedented opportunity to grow APM in size and stature - recruiting students as well as full members and taking us into new sectors as well as extending our international reach.

I was delighted to take on the mantle of chief executive from Sara Drake in August 2018. My priority was to maintain momentum through a crucial year as we completed our capacity for chartered status. This meant building APM's infrastructure and investing in the people and processes to support our members on this ambitious journey.

There is much to celebrate as the Association reached the end of its second year as a chartered body. We build from strong foundations. Revenue has grown by 17 per cent in 2018-19 and our reach and influence continues to increase. Individual membership now stands at over 29,000, with almost 500 Chartered Project Professionals. We've launched the *APM Body of Knowledge 7<sup>th</sup> edition* alongside a major refresh of qualifications and learning content.

APM has already gone a long way to delivering on its strategic objectives and the business plan approved by the board for the coming year provides for continued investment in both the Association and profession.

Outlined below are APM's major achievements in 2018-19:

- the successful launch of the Chartered Project Professional (ChPP) standard with 495 ChPPs registered by 31 March and 768 applications for ChPP status in the year;
- membership up 16 per cent from 25,691 to 29,745 including a 5.2 per cent growth in paying members and a 17 per cent growth in international members;
- an increase of 79 per cent in student members;
- qualifications and standards candidates up by 12 per cent to 19,830;
- launching our educational engagement strategy with an innovative school's programme;
- developing and delivering the *APM Body of Knowledge, 7<sup>th</sup> edition*;
- launching of our new digital platform, APM Learning;
- revising the International Project Management Association (IPMA) qualifications, for which we remain the sole UK provider;
- revising the full member standard (MAPM) and introducing new joining and operational processes;
- running a successful national conference programme with a unifying theme and the highest ever attendance, including the 'Women in Project Management' conference;
- a record number of entrants from 17 countries for the APM awards and 660 attendees on the night; and
- delivering on APM's commitment to invest at least two per cent of commercial revenue in research.

**Introduction (continued)**

**Chief executive's report: building our profession (continued)**

The pace of change and development will continue in 19-20 as we continue to build value for our members:

- aligning our qualifications to the *APM Body of Knowledge 7<sup>th</sup> edition*;
- heightening awareness of APM as a chartered body through increased advertising, marketing and PR;
- driving awareness and engagement for the chartered standard amongst government and employers;
- raising project management's profile as a profession and a career of first choice;
- highlight the link between membership/qualifications and earning potential/career advancement;
- stimulating demand for APM-qualified professionals in the UK and internationally; and
- further expanding our international reach.

The annual report provides a detailed update on our journey. There is much still to do, but the commitment and investment are there, and we will continue to deliver our strategic objectives to develop the profession in the public interest.

I too would like to add my thanks to all of who have supported APM on this journey and particularly to our board, staff and volunteers whose passion for the profession makes it so rewarding.

Debbie Dore  
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 2019. 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 voting members in November each year.

APM members are bound by a code of professional conduct. During the year updates to the Code of Professional Conduct and its associated procedural rules were introduced; largely to reflect its new applicability to Chartered Project Professionals (ChPPs) but also to update processes in accordance with best practice advice. New Indicative Sanctions Guidance was produced setting out the factors which an assessor or committee will take into consideration when determining any sanction under the Code. A new e-learning module has also been developed to assist members and ChPPs develop and consider their understanding of business ethics and professionalism.

#### 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 up to nine elected trustees and up to three appointed trustees. The latter are generally appointed by the board to fill gaps in skills and experience. The elected board trustees must be voting members of the Association and are nominated and elected by the voting members. The current trustees can be found on the APM website. The board elections in 2018 saw a joint record number of candidates and the highest ever turnout at 18.4%. This remains an upper quartile performance for similar membership bodies.

#### Board member induction and training

New trustees receive both internal induction and external training. They are given access to an electronic repository of governance material and are provided with the mentoring support of an established board colleague. All new board members receive 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 briefings are available for individual trustees 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)**

### **Board member induction and training (continued)**

Individual board members hold review meetings with the chair of the board. The trustees arrange an annual board evaluation process. In 2018-19 this comprised a detailed review of APM's processes against the new Charity Governance Code. This was on an 'apply or explain' basis and yielded positive results and assurance. The board agreed actions to take forward some areas for improvement including diversity and inclusion and the adoption of the Nolan Principles. The 2019 board evaluation will be based on a self-assessment of board dynamics and trustee behaviours.

### **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 some 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, membership, diversity and volunteers.

Responsibility for operational management and delivery of the agreed strategy and business plan objectives is delegated to the chief executive as detailed in the regulations. The staff leadership 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), is 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.

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

**Structure, governance and management (continued)**

**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 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.

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.

The risk registers are maintained as live documents within a cloud-based software solution and are available to 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 maintain 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 chief executive and leadership team. The leadership team include the chief executive and chief financial officer, who are considered the key management personnel within the organisation. Following a revised structure of the key management team, and the change in role of the outgoing chief operating officer, this position has not been replaced.

Remuneration of the executive team 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**

APM takes 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.

## Structure, governance and management (continued)

### Reserves policy (continued)

#### 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.

#### 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 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 2019-20.

#### Risk-based reserves at 31 March 2019

Based on the calculations for the risks generated from the above APM estimated that risk-based reserves of £2,607k were required at the year-end date.

#### Designated funds

During the year the board made changes to the funds designated for particular purposes. The office dilapidations fund of £280k was released back to reserves as the Association entered into new 10-year leases on the properties at Princes Risborough. The development fund of £1m was deemed to be no longer required as planned development work is now expected to be fully funded from operational income; the balance of £1m was transferred to the fixed asset fund and a further transfer of £40k was made from general reserves to ensure that the net book value of tangible and intangible fixed assets was fully covered. At 31 March 2019 the designated funds were £2,040k.

## Structure, governance and management (continued)

### Reserves policy (continued)

#### Adequacy of reserves at 31 March 2019

APM had total net assets of £6,565k at 31 March 2019. After accounting for designated funds £2,040k and risk-based reserves £2,607k, APM held a surplus of reserves of £1,918k. Surplus reserves have arisen due to stronger revenue performance than budgeted. The board closely monitors reserves at each meeting and, whilst mindful of the need for prudent reserves and uncertainties in the UK economy, performance has allowed it to set an ambitious three-year business plan to grow the Association and its support for the project profession. This includes investment in marketing, branding, a new qualifications platform and e-learning developments. The Board has also been investigating further options for investment including working with international bodies and providing enhanced support for SMEs.

### Investment policy

The investment policy was reviewed by the board during the year. 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 has oversight of the implementation of the Association's investment policy by the APM executive. The board has 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) 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 £202k 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 investment guidelines

The ethical guidelines were reviewed by the board during the year. 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 are 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 leading body for the UK's project professionals. APM is dedicated to the development of project, programme and portfolio management via its committed volunteer base, professional staff and a growing number of corporate partners.

APM received its Royal Charter in October 2016 and became a fully-operationally chartered body six months later. The register for Chartered Project Professionals (ChPP) opened in May 2018.

APM's strategy of 'inspiring positive change', launched in 2017, reflects the growing public demand for projects yielding lasting legacies as well as current benefits. Improving delivery and practice, and promoting understanding of how projects succeed, is at the heart of the Association's work. Chartered status has given APM demonstrably greater momentum in promoting the profession and raising awareness of its contribution.

APM's vision poses a challenge, not only to the profession, but to society at large: to create 'a world in which all projects succeed, with project management as a life skill for all'. That gives the Association a mission of 'inspiring communities to deliver meaningful change for societal benefit by advancing the art, science, theory and practice of project management'. This in turn requires leadership from 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 seeks to leverage APM's chartered status. It is delivered through a business plan which builds APM's capability to deliver the knowledge and standards the profession needs to succeed. The board reviews the plan annually, with the latest version being approved in March 2019.



## 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 an essential aspect of wealth creation in today's highly competitive markets. The demands on project managers continue to grow: benefits are expected to be delivered quicker, to a higher standard and with greater value for money. It follows that the project management professionalism is a crucial public benefit, particularly during a period of uncertainty and transition.

This commitment to the highest standards is expressed in APM's FIVE Dimensions of Professionalism and the new ChPP designation. Detail is set out in the *APM Body of Knowledge* (an updated edition, the seventh, was published in 2019) and the *APM Competence Framework*. Professionalism also entails provision of a development framework designed to help a diverse range of people reach the standards, and enjoy the benefits, of a challenging career. APM, of course, promotes continuing professional development (CPD) through courses, learning materials and events.

APM requires all members to adhere to a strict code of professional conduct upheld by effective advisory and disciplinary processes. This system provides assurance for clients, and the public at large of the Association's commitment to high levels of service and behaviour.

Awareness of the profession's wider contribution is raised via numerous influencing and profile-raising activities, such as the annual Project Management Awards, conferences and events, together with a wealth of information on the Association's website.

Research is an important aspect of influencing and profile raising. APM commissions its own 'signature' research projects, assists academics via a special fund and publish easy-to-grasp summaries of technical papers. APM issues guidance on issues such as apprenticeships for external audiences being principally teachers and parents.

APM works with government, academic institutions, other professional bodies and learned societies working in the public interest. APM accredits academic courses, invests in major research projects on improving Britain's productivity and benchmarks the profession's wider economic contribution.

Promoting quality apprenticeships is central to the Association's goal of enhancing and creating pathways into the profession. APM helped employers obtain government approval for the level 6 degree apprenticeship in project management. It is highly unfortunate that funding for the successful level 4 apprenticeship has been drastically cut but APM remains committed to its success.

APM works constantly with schools, colleges and its education and lifelong learning strategy is being rolled-out to a warm welcome.

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, Debbie Dore, emphasised that "APM's volunteers have an important role as champions of the profession in external arenas and across our partner professions".

The Association very much appreciates and recognises the added value provided by its volunteer community, demonstrated by the Volunteers Steering Group's role to determine how volunteers can help deliver the APM vision by engaging with members of our increasingly diverse profession. APM's accreditation of the 'Investing in Volunteers' quality standard underlines 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 project to develop 'communities of interest' in 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.

The achievements of the various volunteer groups are acknowledged elsewhere in this report in detail which help to deliver significant member benefits, ambassadorial reach and continuing professional development (CPD) for the whole profession.

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

## Achievement and performance

### Achievements and successes in 2018-19

The following section is arranged around APM's five key strategic themes. It reports on progress made across the year to March 2019 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.

The financial year began with a huge effort to ensure that all processes, guidance and assessors were ready for the 16 May launch of the Register of Chartered Project Professionals. This milestone was successfully achieved.

APM has supported over 750 applicants through the Chartered Project Professional (ChPP) process, with 495 awards by the end of March and the remainder in the pipeline. The first were announced in October 2018 when 271 individuals were awarded Chartered Project Professional status; another two cohorts were announced by March 2019. Ninety-two per cent of applications were from active members, with a current split of 85 per cent male and 15 per cent female. It was particularly gratifying to see that applicants were drawn from over 40 sectors of the economy.

APM is seeing the growth of a pool of recognised project professionals. 768 applications had been received by March 2019, more than double the 2018-19 target.

A dedicated team provides support for applicants. One wrote that *"I have really enjoyed the whole process. The interview was a great experience and the assessors were fantastic, as were the whole APM charter team. There's always been guidance, from the written submission onwards. There was even help when I had travel disruption on the day of the interview. I am now working to encourage, help and offer guidance to colleagues undertaking the same process"*. An assessor quoted: *"I was left with a feeling of really belonging to something special for the future of our profession. I'm grateful to be part of this great achievement"*.

APM developed several recognised assessments for ChPP, including APM Registered Project Professional (RPP) (Route 2), APM Practitioner (PQ) (Route 1) and the APM Project Professional Qualification (PPQ) (Route 1). Further recognised assessments were processed in time to go live in April 2019 including: AIPM RegPM Certified Practising Project Director (CPPD) (Route 2); Shell Project Engineering (PE) (Route 2); Portfolio Management (PM) (Route 2), and Brownfield Project Management (PMB) (Route 2). APM hopes to build on these successes as more employers appreciate the benefits of chartered status.

The Register of Chartered Project Professionals will lead to increased recognition of APM as a chartered body. A successful marketing campaign resulted in over 6,700 downloads of the chartered standard, 6,400 downloads of the application guidance, 32,000 unique visitors to the chartered homepage and record-breaking levels of engagement via email and social media.

The standard is part of a professional development route which will help increase take-up of APM's qualifications and standards. A key purpose of the register is to raise awareness of professional and ethical conduct and the part it plays in creating public trust in the profession. This is a mandatory component of both the chartered standard and the assessment process.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

Over 400 guests attended a major event in January recognising the first two cohorts of Chartered Project Professionals (ChPPs). Feedback captured the sense of pride and professionalism sparked by the chartered process and conveyed a vivid sense of how it can contribute to APM's future.

APM commissioned a survey, *'Taking a seat at the table'* which found that 78 per cent of employers are more likely to recruit a project manager with chartered status over one who did not have that status. Eighty-nine per cent of employers surveyed believe ChPP had a positive impact on a professional's employability, 86 per cent felt that an individual's chartered status would help improve the reputation of any firm they worked for.

APM published three new thought papers in the 'Road to chartered' series addressing issues around the development of a larger and more diverse profession: *"Joining the dance? Creating an inclusive profession"*; *"APM as a chartered body - Supporting the journey of chartered professionals"*, and *"Relate, democratise, transform - Opening doors to project management for young people"*.

#### Impacts

- 271 ChPPs awarded in October 2018.
- 495 ChPPs and 768 applicants by 31 March 2019.
- Several recognised assessments for ChPP were developed, including APM RPP (Route 2), APM PQ (Route 1) and APM PPQ (Route 1).
- 6,700 downloads of the standard, 6,400 downloads of application guidance, 32,000 unique visitors to the chartered homepage and record-breaking engagement via social media.
- 78 per cent of employers are more likely to recruit a project manager holding chartered status over another who did not; 89 per cent cite ChPP as having a positive impact on a professional's employability; 86 per cent believe that an individual's chartered status would have a positive impact on their business's reputation.

#### Looking to the future

APM will build on the strong first year by seeking to register a further 1,000 registered Chartered Project Professionals by 31 March 2020. The Association will continue to raise employer awareness of the value of recruiting a ChPP and for ChPP to be recognised as the de facto standard for project professionals by 2022. Clear pathways from secondary education to ChPP will enable students to select project management as a first career of choice. APM will continue to build the evidence base for the value contributed by ChPP standard.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Membership growth

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

Sixty of APM's members acquired Association Fellowships in 2018, a result of the Association's positive effort to encourage applications from eligible individuals. The March 2019 Fellows Forum, held in conjunction with The Confederation of British Industry (CBI), was attended by over 80 Fellows. APM will hold at least two such events every year.

The membership team continues to implement sectoral strategies and has run seven successful events for project managers in life sciences, legal and financial services. This has resulted in higher membership in all three sectors, greater sectoral representation at APM's major conferences and five new corporate partners. APM has continued to develop its offering for corporate partners, organising three networking breakfasts, two networking dinners, three round tables and one full-day forum, attended by over 600 people from 300 organisations.

APM branches (there are 13 across the UK and one in Hong Kong) have staged 135 CPD and networking events for over 4,544 participants, including 1,205 non-members. A notable meeting was 'Tea with the Taliban', featuring a leading female military leader. A key aim for 2019-20 is for branches to be more involved in supporting student members.

#### Enhancing qualifications

Qualification reviews are a fundamental part of APM's activities. Considerable time and investment went into renewing and updating qualifications and supporting content.

The full membership standard (MAPM) standard was revised, and new candidate guidance prepared alongside changes in input and testing. The revision introduces a new route for holders of agreed qualifications such as the APM Project Management Qualification (PMQ).

Work has started on a new platform aimed at increasing the Association's reach in international markets, improving customer experience and providing innovative assessment solutions. This has included working with a supplier to pilot an online version of PMQ - now ready for testing; identifying a longer-term supplier to develop a complete online qualification platform enabling improved exam creation, processing, testing and results notification. The process will be completed during 2019.

The Association updated its level A-D International Project Management Association (IPMA) qualifications to ensure compliance with new guidelines. This included producing new live papers, updated syllabuses and specifications, candidate application forms, guidance notes and other supporting materials; preparing new web pages with links to exam application forms; ensuring there are sufficient supplies of trained exam markers, accreditation assessors and accredited training providers. APM remains the UK's sole provider of IPMA qualifications.

Qualification governance was reviewed to enable more efficient working, clearer role demarcation and terms of reference, more robust systems and enhanced quality of output.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

Member support has been improved by 'My Development', a new section of APM's website launched in April 2019. This provides easier access to APM Learning, events and work-based development and training courses. Online logbooks allow users to record and reflect on what they have learnt and share the results with their managers if they wish.

APM's new international team visited the Middle and Far East to meet stakeholders and potential customers. International membership increased by 17 per cent during the year to just under 2,000.

### Educational outreach

Student membership has grown by 79 per cent year on year, prompting APM to set up a new and easier joining process. The switch to free membership for school, as well as university, students together with better support and engagement has helped the Association bring this increase to over 6,600 student members. The 2019-20 focus will be on supporting APM's student members and moving them up the membership ladder as their careers progress.

Since being set up in 2017 the APM ambassador network has grown to include more than 200 professionals in two sub-networks, one for current and former apprentices, the other for graduates on any course who are working in projects. The network helped run some 80 events last year while creating content across a range of media and advising school students about their own projects.

The '*Project: You*' guide was written specially for students and featured the logos of 35 corporate members plus testimonials from graduates and apprentices. It has given APM and the profession greater visibility in schools, colleges and universities. A new version is being developed for use later in 2019 and will feature over 50 corporate members.

'Make it Happen' is a campaign for schools reaching over 75,000 students. It is aimed at helping students working on projects outwith their studies such as arranging an exhibition or trip. Two hundred and seventy-five schools registered for the student/teacher information packs by 31 March and will also receive help from APM's ambassadors.

### Apprenticeships

APM is committed to promoting apprenticeships. Some 4,000 young people have begun work on the Associate Project Manager apprenticeship standard since its launch in late 2016.

APM joined last year with employers and providers in a Sellafeld-led launch of the long-awaited level 6-degree level apprenticeship at the BBC's London HQ. The Association believes that a consistently funded level 6 will be a main pathway into project management and anticipate over 100 starts by the end of 2019.

### Conferences and Awards events

2018 was record breaking year for the annual Awards with a 40 per cent increase on entries, a more diverse judging panel (for example with 50 per cent more women than the previous year), 648 attendees (up six per cent) and more international entries than ever before (up 70 per cent). The awards triggered 25,000 Twitter impressions, up from 23,000 in 2017.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

Over 500 people attended the April 2018 London conference. Two hundred came to the Manchester conference (10 per cent up on the previous year), the first in the new 'Power of the Profession' series. Seventy-six per cent of attendees had not attended an APM event before, and the same proportion felt the conference left them with a "very good" or "excellent" perception of APM. The national conference for Women in Project Management continues to go from strength to strength with a 58 per cent increase in revenue and a 48 per cent increase in delegates. The main APM conference programme welcomed 1,445 people across host cities London, Manchester and Edinburgh. The 2017 conference for Women in Project Management won a bronze award at the following year's Association's Excellence Awards, with a silver going to the London conference.

#### Impacts

- APM branches organised 135 CPD and networking events for over 4,544 participants, including 1,205 non-members (equating to 250 CPD hours).
- Overall membership up 16% from 25,691 to 29,745.
- Paid membership up 5.2%.
- International membership up 17%.
- Corporate partner numbers up from 163 to 172.
- Student membership up 79%.
- 88 new Fellows of APM.
- 4,000 starts on the Associate Project Manager apprenticeship standard since its 2016 launch.
- 100-degree apprenticeship starts expected in its first year.
- 250-plus APM education ambassadors promoting the profession.
- More than 250 schools downloaded the '*Making it Happen*' content.
- Successful launch of the ChPP standard with 495 Chartered Project Professionals to date.
- Successful conference programme with a higher than ever attendance.
- Record number of awards entrants 158 from 17 countries.
- 6% growth in number of qualifications taken.

#### Looking to the future

APM will further invest in new digital capability to grow membership across countries and segments of the profession. APM will build an international perspective into core outputs such as project case studies. Governance processes will be reviewed to ensure key committees reflect APM's diverse membership, including new professionals. The Association will augment lifelong learning opportunities by ensuring that content and delivery meets the need of members at all stages of their careers. A new corporate network will be set up with a clear plan of work to engage senior professionals. Award categories have been revised to encourage entries from new sectors. 2019-20 will also see a new sectoral focus on technology and space.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Knowledge and research

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

This year saw completion of the 7<sup>th</sup> edition of the Association's flagship publication, the *APM Body of Knowledge*. Written and edited by a team led by Dr Ruth Murray-Webster and Professor Darren Dalcher, the *APM Body of Knowledge 7<sup>th</sup> edition* reflects two online consultations and a meeting with APM's Specific Interest Groups (SIGs) which together generated more than 2,000 items of feedback from members, corporate partners and government. The publication provides a broader view of project management, from the strategic case for projects to delivering change via linear and iterative life cycles, leadership and stakeholder engagement. A print run of 5,000 copies were published in March 2019.

APM Learning is an online platform providing extensive resources for professional development. Easy to navigate content is aimed at those looking to refresh knowledge or fill a gap in their understanding. There are expanded modules on

life cycles, stakeholder engagement and professionalism, plus a comprehensive library of APM publications. APM Learning is a fully functioning and tested learning management system (LMS) and includes: selected SIG and branch publications; a new set of tools and templates developed by APM; a comprehensive glossary of professional terms; single sign on functionality; new web pages allowing enhanced searches for learning content. Access is available as a member benefit and was launched to associate, full, fellow and honorary fellow members in 2019.

APM publishing has achieved record revenues, evidence that the Association's efforts at knowledge dissemination are reaching further than ever before. New offerings included publications on *Project auditing* and updates to APM's governance guides, *Directing change* and *Sponsoring change*.

APM's award-winning *Project* journal was relaunched in March with a new digital service complementing the quarterly print publication.

APM produced a major piece of research on productivity in conjunction with Manchester University in July 2018. Most of the research and writing for the APM/PwC study into the *Contribution of projects and project management*, published in April 2019 was undertaken in 2018.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

The second year of APM's research fund series saw three major reports: *How is systems thinking used in projects?* by Dr Michael Emes (University College London/Systems Thinking SIG); *Where are the women in major project leadership?* by Sue Pritchard and Emily Miles (UCL), and *Project leadership* by Professor Mike Bourne and Sarah Coleman ChPP (Cranfield University).

APM published 18 research summaries throughout the year, including *Project studies - What it is, Where is it going?*; *Portfolio management in practice and in context*; *Skills and behaviours for a project manager*; *Project capabilities - Case of Heathrow Terminal 2*; *Errors, lies and misunderstandings - Systemic review of behavioural decision making*; *Benefits realisation management and its influence on projects success and the execution of business strategies*; *Human resource management and project-based organising*; *The influence of local community stakeholders in megaprojects: Rethinking their inclusiveness to improve project performance*; *An exploration of the extent to which project management tools and techniques can be applied across creative industries through a study of their application in the fashion industry in the North East of Scotland*; *A project sponsor's impact on practice-based learning within projects*.



Over 50 pieces of thought leadership were produced across the year. Three policy papers were produced and 10 monthly public affairs monitors were also published.

APM published two salary and market trends surveys this year which received over 9,000 responses with 11,000 uses of the accompanying salary calculator.

#### Impacts

- Over 50 pieces of thought leadership published.
- 18 research summaries and three research fund reports produced.
- Two salary and market trends survey reports with a total of 9,660 responses.

#### Looking to the future

APM continues to invest at least two per cent of commercial revenues in research each year, including via collaboration with international member bodies. The Association will continue to develop its e-learning platform while highlighting the role of collective experience in improving project delivery. APM will develop international guidance and benchmarks for professional practice and raise APM's global profile via representation at significant conferences and events. Plans for a 2020 research conference are underway. APM's ongoing investment in digital and content will help position APM as the principal 'go to' resource for project delivery and APM will be recognised as the knowledge hub for research and public/private sector learning legacies.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Organisational innovation

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

During 2018 APM launched digital badges, an online, and therefore fully transparent, method for members to display and share their achievements. These have proved very popular with 43,635 badges issued since October 2018. Having APM's logo on each badge has increased brand awareness and broadened its appeal to Generation X and Y as 17,307 badges were shared on social media (56 per cent via LinkedIn).

The APM Project Professional Qualification (PPQ) has been redeveloped following extensive market research and testing of new techniques. The selected method was warmly received by key corporate partners in March 2019. It is now being refined for further engagement with corporates, followed by a launch in the coming year.

A key operational project was the delivery of year one of the qualifications development project which included revisions to PPQ and the full membership standard (MAPM). A review of online options for qualifications, events and publishing is underway and customer relationship system (CRM) development continues together with a range of other initiatives to ensure cost-effective, customer-focussed delivery.

APM has initiated work on a new qualifications platform to help increase its reach into international markets, improve customer experience and provide innovative assessment solutions. This has included working with a supplier on an online version of the APM Project Management Qualification (PMQ) which will be tested by 75 candidates early in the coming financial year.

November 2018 saw the launch of a 'live chat' service, allowing APM to field enquiries through the website with the majority of questions relating to membership and ChPP. This contributed to the Association's objective of ensuring digital access to all APM's offerings. The service has been well received with the first 760 'chats' averaging a 4.7 (out of 5) quality rating.

The Association completed the final phase of the corporate packages project in June, enabling better partner engagement, for instance by allowing corporate partners and affiliates to book exclusive events online. An easy-to-navigate online joining process for individual members was launched in April 2018.

The Association improved its marketing and sales capability by introducing automated and highly targeted communications which are more relevant to the APM audiences. This should generate an opportunity cost saving of approximately £5,840 per annum.

Office redevelopment has been a major aspect of APM's internal programme. The Ibis House consolidation and extension (ICE) project, undertaken in the first few months of 2019, is bringing all business operations and staff under one roof and improving operational cohesion. New technology combines with the new space to enhance functionality and create a working environment fit for a thriving Association.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

Work was finalised to ensure that APM was ready for the General Data Protection Regulation (GDPR) by May 2018 with system and process changes, additionally there was communications activity to demonstrate that the Association takes data protection seriously.

APM's portfolio team implemented and embedded a robust approach for managing internal projects including a new, flexible governance approach and revised project management framework, tools and templates.

In human resources, activities included: a new interview method, tailored to each role and the external market; revision of the induction process using survey feedback from inductees; establishment of an APM employee engagement group; and completion of the Best Companies (BC) engagement survey, which resulted in an increased score.

Other items worth mentioning are achieving 100 per cent up take for the auto-enrolment pension scheme; and a 100 per cent score on the facilities team insurance audit.

A new management training programme received positive survey feedback: managers feel more supported and provided with the right tools to help them run high-performing teams. APM now has two mental health first aiders and has introduced a 'wellness action plan' to help managers conduct sensitive conversations. On diversity and inclusion, APM engaged with Stonewall and produced an action plan. APM's 'giving something back' group is coming up with ideas for volunteering and charity events and has devised on an action plan for 2019-20.

In terms of technology support, a project to migrate users to a new Microsoft platform is on track to complete in September 2019. IT helpdesk software has been introduced and the expenses system digitised.

### Impacts

- 43,635 digital badges issued since October 2018 with 17,307 shared on social media.
- Delivery of year one of the qualifications development project.
- Redeveloping PPQ and corporate packages.
- Work began on a new qualification platform.
- Launch of the 'live chat' enquiry service, securing a 4.7 (out of 5) average quality rating.
- Implementing a new approach to managing internal projects.
- Moving all business operations and staff under one roof to improve operational cohesion.

Examples of feedback via the web chat channels:

*"Some of the best customer service I have ever received. Efficient and informative. Really helped guide me through it all."*

*"Very impressed with the speed of response. As someone who worked for a professional body (and can appreciate the volume of requests and queries that come in alongside day-to-day activities) it impressed me. Many thanks for a great service."*

**Achievement and performance (continued)**

**Achievements and successes in 2018-19 (continued)**

Looking to the future

APM will further diversify funding streams via competitive products and services together with increased exploitation of its intellectual assets. This will ensure a robust financial model and refine feedback systems to help generate annual improvements in member satisfaction. APM will reinforce its qualifications, events and publishing capabilities with new investment in digital and online options. The volunteering strategy will reflect the diversity of membership, provide flexible options and support a high standard of contribution. APM's profile and influence will grow year on year with high satisfaction levels measured through surveys and media monitoring. APM will further develop the customer relationship management system to ensure more cost-effective and customer-focussed delivery to build a scalable business which can cope with a 20 per cent increase in members and qualification takers with a similar cost base.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Collaborate and engage

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

APM worked closely with the International Project Management Association (IPMA) to implement the processes required to deliver its new qualifications, accrediting the first training provider in January 2019.

#### Joint activities

APM organised a half-day session to support an Arup hosted Icelandic delegation. The session featured presentations on the 'future of project management', 'the road to chartered', an overview of APM research and the latest findings from Iceland.

APM was actively involved with the Infrastructure and Project Authority's Project X research initiative, helping select research projects for the 'value and data' and 'knowledge and capability' themes.

APM co-sponsored the recent British leg of the International Centre for Complex Project Management (ICCPM)/John Grill Centre for Project Leadership 2018 roundtable series on '*Project leadership - the game changer in large scale complex projects*'.

APM collaborated with the influential Institute for Government (IfG) on several projects. The first was a well-attended panel event on 'how to be an infrastructure minister' (with a report published in July) and an IfG event on the National Infrastructure Assessment (NIA). APM's then, chief executive, Sara Drake joined National Infrastructure Commission chair, Sir John Armitt and a recent transport minister on a live broadcast panel discussing how to ensure that the NIA acts as a catalyst for a more strategic approach to infrastructure planning. In February 2019 the Association participated in an IfG panel discussion on 'how to engage the public in decisions on infrastructure' which included the chief executives of the National Infrastructure Commission and the National Institute for Health and Care Excellence.

In January 2019 APM was a headline supporter of the government's inaugural Infrastructure and Project Authority (IPA) 2019 conference for the project delivery profession, attended by over 1,200 civil servants. APM led two workshops on chartered progress, supported by three civil servant ChPPs and had excellent feedback. Nearly 40 ChPPs were publicly acknowledged on stage by the new head of the government project profession, Fiona Spencer. The event demonstrated the ties between APM and IPA and highlighted the Association's role in supporting project professionalism within government.

#### Promoting and advertising

APM's first ever national advertising campaign to raise awareness of the profession ran during April and May 2018. Outdoor advertising reached 3.2m people and was supported by digital methods generating 12,152 clicks and 7,124 visits to the APM website. The success of this campaign, and the accompanying research insights led to a follow-on campaign in January 2019.

The 'Make Change Happen' campaign aimed at 25 to 34-year-olds was viewed 31.4m times on Facebook, Instagram, YouTube and *the Guardian* website and generated over 81,000 hits to the APM website.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Policy engagement

APM responded to several public consultations including: the Institute for Apprenticeships on the level 4 funding review; a parliamentary select committee response to inquiry into major government projects; a submission to the Department of International Trade (via PARN, the Professional Associations Research Network) on professional body requirements for support in exporting educational expertise and professionalism; CBI surveys on skills, workplace pensions and Brexit; PARN surveys on CPD, apprenticeships for input into sector skills bid, and professional body involvement in Commonwealth markets; the Academy for Social Sciences on research funding ('Plan S').

#### Educational engagement

APM launched 'Making it Happen', a pathbreaking research study of student/teacher views on project management to tie-in with August's A-level results. It examined 1,000 plus 16–21-year-old students' attitudes to different careers, including project management. The research, conducted by Opinium, also explored careers advisers'/teachers' attitudes, and ways in which APM can promote itself more effectively to those audiences.



#### Key findings:

- Project management is the joint-top career choice for 21-year old students (and becomes a more popular choice with age).
- Male and female students have equal levels of interest in project management (three times as many males than females are interested in engineering).
- Project management ranks in the top 10 out of over 30 career choices (scoring above well-established and heavily-promoted fields such as law and architecture).
- Nearly 60 per cent of careers advisers and teachers say chartered status encourages them to recommend a particular career to their students.

The report was widely distributed to volunteers, corporates, accredited providers, schools, colleges and universities, careers and business organisations, MPs interested in skills issues and via the influential PoliticsHome.com website. Feedback has been positive, and the report continues to provide an important fact base for APM's educational outreach.



APM developed and published a student guide to project management - *Project: You* - for use in schools and colleges (and, where appropriate, at university events). Feedback from teachers and employers has been very positive and the guide has been reprinted.

Over 30 of APM's corporate members sought for their logo to feature in the first edition, helping to position APM as player in a wide range of sectors.

## Achievement and performance (continued)

### Achievements and successes in 2018-19 (continued)

#### Impacts

- 4,000 starts on the Associate Project Manager apprenticeship since the 2016 launch.
- Over 250 APM education ambassadors, promoting the profession through a range of media.
- Over 6,600 student members - a strong talent pipeline for the profession.
- More than 250 schools involved in *'Making it Happen'*.
- Improved collaboration and engagement with the APM volunteer community.
- 134 branch events covering 250 CPD hours.
- Engagement with over 4,500 members via events and webinars.
- APM's first ever national advertising campaign to raise awareness of the profession reached 3.2m people, generated 12,152 clicks, and 7,124 visits to the APM website.
- Make Change Happen aimed at 25 to 34-year-olds was seen 31.4m times across various media generating over 81,000 clicks to the website.
- The busiest year ever for the website with visits up 42% from 1.7m to 2.5m.
- Followers have grown to over 75,700 across APM's social media channels.

#### Looking to the future

APM will collaborate with other project management bodies in Britain and abroad to establish a universal 'language' for project management. The Association will link APM qualifications and accreditation to government sponsored courses and promote project management as a career in schools, colleges and universities with application of project management principles embedded in youth group activity. Routes into the profession will be explained to meet the needs and expectations of the widest range of candidates. The Association will continue to promote and disseminate APM research and thought leadership to a wide group of stakeholders and new ways of volunteering will be trialled. APM will ensure that ChPP is promoted as the standard of choice by a growing number of international project management bodies and make sure that APM will truly be the voice of the profession positively engaged with government, media, academia and a wide range of business sectors.

## 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 the key performance indicators for 2018-19 are listed below:

Indicator	Progress
<p><b>Chartered standard</b></p> <p>Manage 350 plus applications by March 2019.</p>	<p><b>Achieved</b></p> <p>The first cohort of Chartered Project Professionals were added to the register in October 2018. The first year of chartered has been extremely successful and there were 495 Chartered Project Professionals on the register on 31 March 2019.</p>
<p><b>Membership growth</b></p> <p>Successfully deliver the year one improvements in the membership growth project leading to a 3% growth in paying members by March 2019.</p>	<p><b>Achieved</b></p> <p>APM continues to strive to enhance the value proposition for all grades of membership and are delighted to report that paying membership grew by 5.2% in the year to March 2019.</p>
<p><b>Knowledge and research</b></p> <p><i>APM Body of Knowledge 7<sup>th</sup> edition</i> to be ready for publication by March 2019.</p>	<p><b>Achieved</b></p> <p><i>APM Body of Knowledge 7<sup>th</sup> Edition</i> was formally launched on 2 May 2019.</p>
<p><b>Organisational innovation</b></p> <p>Complete the development of the e-learning platform with at least five hours of content available by March 2019.</p>	<p><b>Achieved</b></p> <p>The e-learning platform is fully tested and fully functioning; with more than five hours of content available and ready to go live.</p>
<p><b>Collaborate and engage</b></p> <p>Develop a new network of 100+ apprentice and graduate ambassadors to support delivery of at least 50 events in schools, colleges and universities to deliver student growth of 10 per cent by March 2019.</p>	<p><b>Achieved</b></p> <p>At 31 March 2019 APM had an ambassador network of 234 apprentices and graduates; 83 events were held during the year and growth in student members was 79%.</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.
Economic and political	Changes to the local or global economy as a result of Brexit and other factors 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 to continue 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 16.8 per cent to £11.6m. APM closed the year with a surplus of £567k including investment gains of £151k. Total assets at 31 March 2019 are £6.6m.

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

### **Income**

Total income was £11.6m in the year. This was an increase of £1.7m (16.8 per cent) over the prior year.

Subscriptions income from individual members and corporate partners grew by 9.8 per cent to £4.0m. Individual membership increased from 25,691 to 29,745 during the year. APM continued to develop corporate partnerships and closed the year with 523 partners and affiliates.

Examination and other contractual income increased from £5.0m to £6.3m, an increase of 25.3 per cent. The APM Project Management Qualification (PMQ) continued to be the lead contributor to examination revenues with 10,201 candidates compared to 9,566 for the previous year.

Event income decreased slightly by 1.4 per cent from £772k to £761k. Attendance at the key APM events including the Northern and Scottish conferences and the Women in Project Management conference were directly comparable with the prior year.

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 £52k compared to £59k in the previous year.

### **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 £9.1m to £10.0m; an increase of £0.9m or 9.4 per cent. The main area of increase was in relation to staff costs (including contractors) as APM continued to invest in the additional professional staff required to deliver the 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 101 to 104.

APM continued to invest in research and development activities.

The costs associated with events rose from £0.9m to £1.2m in the year; an increase of £0.3m or 31 per cent.

**Financial review (continued)**

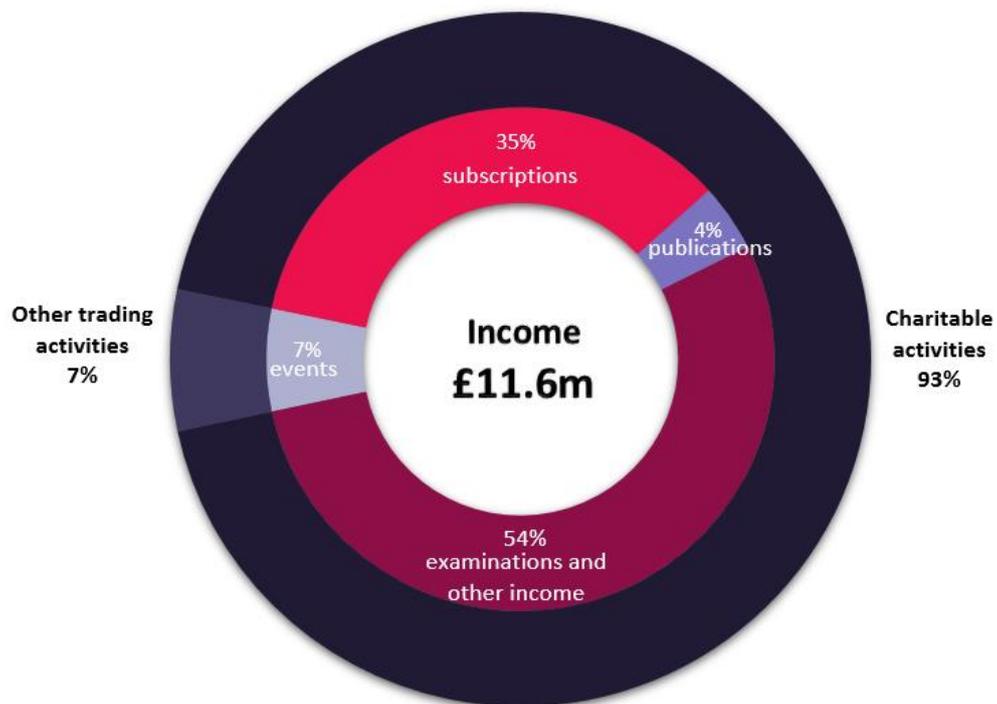
**Reserves**

At 31 March 2019 APM's total funds were £6.6m (2018: £6.0m). Free reserves amounted to £4.5m (2018: £3.7m) being unrestricted funds less the designated funds. This is in excess of the amount required by APM's risk-based reserves policy of £2.6m (for detail of identified risks please refer to the reserves policy on pages 8 to 10).

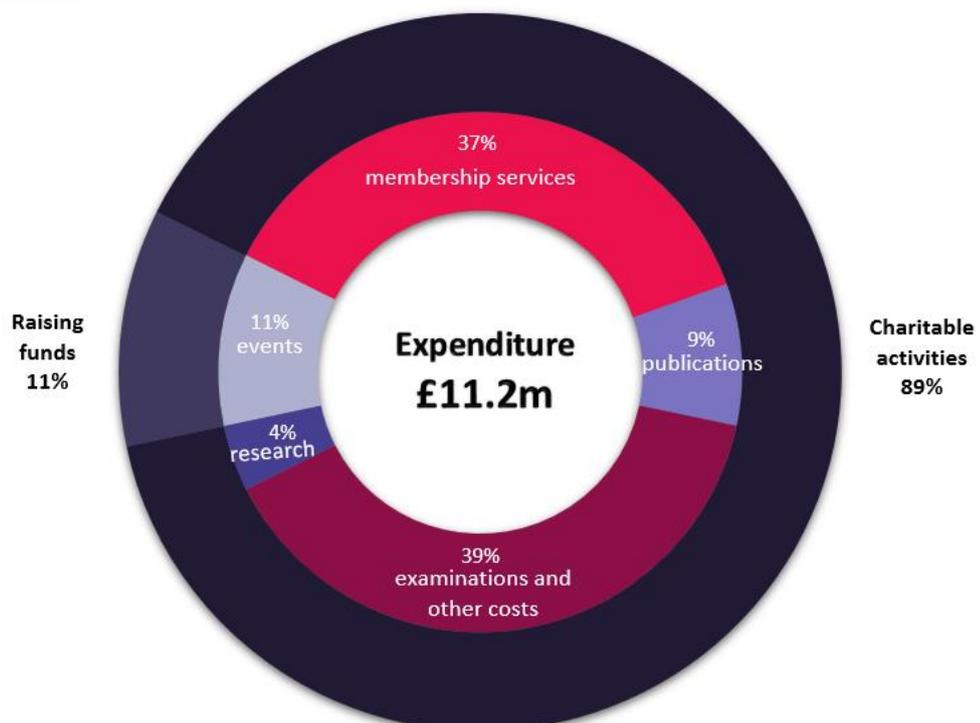
The board closely monitors reserves at each meeting and whilst mindful of the need for prudent reserves and uncertainties in the UK economy this performance has allowed it to set an ambitious three-year business plan to grow the Association and its support for the project profession. This includes investment in marketing, branding, a new qualifications platform and e-learning developments. The Board has also been investigating further options for investment including working with international bodies and providing enhanced support for SMEs.

Graphical representation of income and expenditure for the 12 months ending 31 March 2019

Income by type



Expenditure by type



**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



J McGlynn, Chair  
15 July 2019

### **Opinion**

We have audited the financial statements of Association for Project Management for the year ended 31 March 2019, 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 2019 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.

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

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**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.



Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 18 July 2019

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

## Association for Project Management

### Consolidated statement of financial activities For the year ended 31 March 2019

	Notes	Total funds 2019 £	Restated Total funds 2018 £
<b>Income:</b>			
Income from charitable activities:			
Subscriptions		4,009,660	3,651,439
Examination and other contractual income		6,258,305	4,992,784
Publications		502,131	442,226
Income from other trading activities:			
Events		761,037	771,750
Investment income	10	52,411	59,243
Total income		<u>11,583,544</u>	<u>9,917,442</u>
<b>Expenditure:</b>			
Expenditure on charitable activities	4	9,972,625	9,118,266
Expenditure on raising funds:			
Events		1,175,696	895,223
Investment management costs		19,188	17,983
Total expenditure		<u>11,167,509</u>	<u>10,031,472</u>
Net gains/(loss) on investment	12	151,223	(15,415)
<b>Net (expenditure)/income and net movement in funds for the year</b>	<b>7</b>	<b>567,258</b>	<b>(129,445)</b>
Reconciliation of funds			
Total funds brought forward		5,997,625	6,127,070
Total funds carried forward		<u>6,564,883</u>	<u>5,997,625</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.

Subscriptions and examination and other contractual income for 2017-18: due to reclassification the comparatives have been re-stated.

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

## Association for Project Management

### Consolidated balance sheet As at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	11		914,438		626,202
Tangible fixed assets	11		1,125,645		302,526
Investments	12		4,008,247		3,805,429
			<u>6,048,330</u>		<u>4,734,157</u>
<b>Current assets</b>					
Investments	13	2,589,153		2,790,776	
Stocks	14	12,316		24,157	
Debtors	15	1,717,165		1,549,375	
Cash at bank and in hand		646,096		430,384	
		<u>4,964,730</u>		<u>4,794,692</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(3,892,320)		(3,526,621)	
			<u>1,072,410</u>		<u>1,268,071</u>
<b>Net current assets</b>			<u>1,072,410</u>		<u>1,268,071</u>
<b>Total assets less current liabilities</b>			<u>7,120,740</u>		<u>6,002,228</u>
Creditors: amounts falling due after more than one year	17		(555,857)		(4,603)
			<u>6,564,883</u>		<u>5,997,625</u>
<b>Net assets</b>			<u>6,564,883</u>		<u>5,997,625</u>
<b>The funds of the charity:</b>					
Unrestricted income fund-designated	18		2,040,083		2,280,000
Unrestricted income fund-general	19		4,524,800		3,717,625
			<u>6,564,883</u>		<u>5,997,625</u>

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

Approved by the board of trustees on 15 July 2019 and signed on its behalf by:



J McGlynn, Chair

Incorporated by Royal Charter RC000890

Association balance sheet  
As at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	11		914,438		626,202
Tangible fixed assets	11		1,125,645		302,526
Investments	12		4,008,248		3,805,430
			<u>6,048,331</u>		<u>4,734,158</u>
<b>Current assets</b>					
Investments	13	2,414,938		2,573,252	
Stocks	14	12,316		24,157	
Debtors	15	1,672,634		1,372,884	
Cash at bank and in hand		618,344		410,505	
		<u>4,718,232</u>		<u>4,380,798</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(3,667,935)		(3,263,730)	
			<u>1,050,297</u>		<u>1,117,068</u>
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>					
			7,098,628		5,851,226
Creditors: amounts falling due after more than one year	17		(555,857)		(4,603)
<b>Net assets</b>					
<b>The funds of the charity:</b>					
Unrestricted fund-designated	18		2,040,083		2,280,000
Unrestricted fund-general	19		4,502,688		3,566,623
			<u>6,542,771</u>		<u>5,846,623</u>

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

Approved by the board of trustees on 15 July 2019 and signed on its behalf by:



J McGlynn, Chair

Incorporated by Royal Charter RC000890

Consolidated cash flow statement  
For the year ended 31 March 2019

	Notes	2019 £	2018 £
<b>Net cash provided by operating activities</b>	A	1,638,550	520,239
Cash flows from investing activities:			
Return on investment and servicing of finance			
Investment income		52,411	59,243
Purchase of fixed assets		(1,625,277)	(254,552)
Acquisition of long-term investments		(1,259,583)	(1,025,516)
Proceeds from sale of investments and decrease in cash held within investments		1,207,988	979,349
Net cash used in investing activities		(1,624,461)	(241,476)
Change in cash and cash equivalents		14,089	278,763
Cash and cash equivalents at the beginning of the reporting period		3,221,160	2,942,397
Cash and cash equivalents at the end of the reporting period		3,235,249	3,221,160
Analysis of cash and cash equivalents:			
Cash in hand		646,096	430,384
Notice deposits (less than three months)		2,589,153	2,790,776
		3,235,249	3,221,160
<b>Note A</b>			
<b>Reconciliation of net incoming resources to net cash flow from operating activities</b>			
Net incoming/(outgoing) resources for the year		567,258	(129,445)
Investment income		(52,411)	(59,243)
Gains/(loss) on investment activities		(151,223)	15,415
Loss on disposal of fixed assets		239,597	-
Depreciation and amortisation		274,325	242,908
Decrease/(increase) in inventories		11,841	(9,221)
(Increase) in trade and other receivables		(383,589)	(17,259)
Decrease/(Increase) in prepayments		215,799	(86,202)
Increase in trade and other payables		723,904	320,071
Increase in accruals and deferred income		193,049	243,215
<b>Net cash provided by operating activities</b>		1,638,550	520,239

### Notes to the accounts

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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 06536096). 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.

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.

##### 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:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gross income	11,316,984	9,530,463
Surplus/(Deficit) for the year	696,148	(192,753)

**Accounting policies (continued)**

**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 for services are accounted for in the period in which the service is provided.

Income from delegate fees and sponsorship for events is recognised in the period in which the event occurs.

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

Income represents amounts receivable net of VAT and discounts.

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

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

**Accounting policies (continued)**

**Expenditure (including allocation of expenditure)**

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

Costs of 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 and governance costs, 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:

<b>Description</b>	<b>Method of apportionment</b>
Depreciation	Apportioned in relation to income
Finance	Apportioned in relation to income
Information technology	Apportioned in relation to income
Other 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.

Intangible fixed assets include software licences, website development costs and the costs of producing new APM qualifications and the *APM Body of Knowledge 6th and 7th editions* which have been capitalised on the grounds that they underpin APM's examination syllabuses, and that they have an economic life beyond 12 months. Certain website development costs are capitalised on the basis that the APM website is an enduring asset which will assist in the creation of future revenue.

**Accounting policies (continued)**

**Tangible fixed assets**

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

Leasehold improvements and dilapidations	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.

**Pension costs**

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

**Cash and cash equivalents**

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

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

#### **Financial instruments**

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

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

#### **Fixed asset investments**

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

#### **Judgments and key sources of estimation uncertainty**

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

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

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

- Useful economic lives: the annual depreciation charge for property, plant and equipment and the annual amortisation charge for intangible assets is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.
- Allocation of membership income on a time apportioned basis: which results in an estimation of deferred income carried forward at each balance sheet date.
- Dilapidations provision for leased premises due at the end of the leases.

Notes to the accounts

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**2 Income**

All income was derived from the sale of services, with the exception of income from publications of £502,131 (2018: £442,226).

Interest income received was £8,022 (2018: £5,869). Dividend income from investments was £44,389 (2018: £53,374).

**3 Governance costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs	193,681	169,093
Audit and legal fees	27,756	66,719
Cost of trustee meetings, travel and support	30,103	55,709
	<hr/>	<hr/>
	251,540	291,521
	<hr/>	<hr/>

Staff costs contain a proportion of executive time in addition to the company secretarial function.

The costs of £252k (2018: £291k) above are representative of total governance costs of which £16,601 (2018: £22,822) were apportioned to raising funds the remainder were apportioned to charitable activities (note 6).

Notes to the accounts

**4 Breakdown of cost of charitable activities**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total</b>
<b>2019</b>	<b>£</b>	<b>£</b>	<b>£</b>
Membership subscriptions	2,515,862	1,600,104	4,115,966
Examination and other fees	1,924,719	2,497,453	4,422,172
Publications	777,215	200,382	977,597
Research & development projects	456,890	-	456,890
	5,674,686	4,297,939	9,972,625
		(Note 6)	
<b>2018</b>			Restated
Membership subscriptions	2,337,500	1,483,413	3,820,913
Examination and other fees	1,927,546	2,028,340	3,955,886
Publications	661,397	179,656	841,053
Research & development projects	500,414	-	500,414
	5,426,857	3,691,409	9,118,266
		(Note 6)	

The restatement of 2018 figures above is to reflect the reclassification of certain subscription costs as examination and other fees as it was felt this more accurately reflected the description of the costs involved.

**5 Total support cost breakdown by activity**

	<b>Staff Costs</b>	<b>Other Costs</b>	<b>Total</b>
<b>2019</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost of raising funds	128,345	175,356	303,701
Charitable activities	1,816,317	2,481,622	4,297,939
	1,944,662	2,656,978	4,601,640
<b>2018</b>			
Cost of raising funds	147,024	166,503	313,527
Charitable activities	1,731,030	1,960,379	3,691,409
	1,878,054	2,126,882	4,004,936

Notes to the accounts

**6 Support cost apportionment**

**Charitable activities**

	<b>Membership subscriptions</b>	<b>Examination and other fees</b>	<b>Publications</b>	<b>Total</b>
<b>2019</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation	178,703	278,921	22,379	480,003
Finance	153,363	239,369	19,206	411,938
Information technology	189,720	296,116	23,759	509,595
Support staff costs	676,206	1,055,428	84,682	1,816,316
Office costs	314,645	491,100	39,403	845,148
Governance costs	87,467	136,519	10,953	234,939
<b>Total</b>	<b>1,600,104</b>	<b>2,497,453</b>	<b>200,382</b>	<b>4,297,939</b>
	(Note 4)	(Note 4)	(Note 4)	(Note 4)
<b>2018</b>				Restated
Depreciation	89,975	123,027	10,897	223,899
Finance	118,896	162,572	14,400	295,868
Information technology	163,505	223,568	19,802	406,875
Support staff costs	695,625	951,160	84,247	1,731,032
Office costs	307,434	420,369	37,233	765,036
Governance costs	107,978	147,644	13,077	268,699
<b>Total</b>	<b>1,483,413</b>	<b>2,028,340</b>	<b>179,656</b>	<b>3,691,409</b>
	(Note 4)	(Note 4)	(Note 4)	(Note 4)

The restatement of 2018 figures above is to reflect the reclassification of certain subscription costs as examination and other fees as it was felt this more accurately reflected the description of the costs involved.

**7 Net incoming resources for the year**

This is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loss on disposal of fixed assets	121,422	-
Depreciation and amortisation of fixed assets	274,325	242,908
Operating lease payments - premises	183,478	184,289
Auditor's remuneration - current year	20,370	19,425
- prior year under provision	-	2,598
Auditor's remuneration for non-audit services	1,050	4,099

Notes to the accounts

**8 Staff costs and numbers**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,043,998	3,709,262
Social security costs	409,190	372,092
Pension costs	224,379	187,460
Private medical insurance	40,004	31,632
Group life assurance	14,320	14,320
	<u>4,731,891</u>	<u>4,314,766</u>

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

	<b>2019</b>	<b>2018</b>
£60,001 - £70,000	5	5
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1

The above staff have retirement benefits accruing under defined contribution schemes at a cost of £62,739 (2018: £52,191) 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 £319,478 (2018: £337,048).

Average employee numbers:	<b>2019</b>	<b>2018</b>
Business development and marketing	46	45
Customer services	27	28
Office and administration	31	28
	<u>104</u>	<u>101</u>

Notes to the accounts

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**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>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank interest	8,022	5,869
Income from investments	44,389	53,374
	<u>52,411</u>	<u>59,243</u>

Notes to the accounts

**11 Fixed assets**

**Intangible fixed assets - group and Association**

	Computer software	Customer relationship management system	Publications	Qualifications	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2018	552,589	378,831	480,276	201,666	1,613,362
Additions	253,924	-	89,322	265,237	608,483
At 31 March 2019	806,513	378,831	569,598	466,903	2,221,845
<b>Amortisation</b>					
At 1 April 2018	353,657	101,021	414,293	118,189	987,160
Charge for the year	98,039	116,940	10,925	94,343	320,247
At 31 March 2019	451,696	217,961	425,218	212,532	1,307,407
<b>Net book value</b>					
At 31 March 2019	354,817	160,870	144,380	254,371	914,438
At 31 March 2018	198,932	277,810	65,983	83,477	626,202

**Tangible fixed assets - group and Association**

	Leasehold improvements & dilapidations	Furniture & computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	578,630	523,737	1,102,367
Additions	960,276	56,518	1,016,794
Disposals	(239,597)	-	(239,597)
At 31 March 2019	1,299,309	580,255	1,879,564
<b>Depreciation</b>			
At 1 April 2018	293,664	506,177	799,841
Charge for the year	63,979	8,274	72,253
Disposals	(118,175)	-	(118,175)
At 31 March 2019	239,468	514,451	753,919
<b>Net book value</b>			
At 31 March 2019	1,059,841	65,804	1,125,645
At 31 March 2018	284,966	17,560	302,526

Notes to the accounts

**12 Fixed asset investments**

**Movement in fixed asset investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<u>Investment portfolio</u>		
Market value brought forward	3,403,122	3,115,769
Acquisitions at cost	1,259,583	1,025,516
Less disposal proceeds	(850,949)	(722,748)
Gains/(loss) on revaluation	151,223	(15,415)
	<b>3,962,979</b>	<b>3,403,122</b>
<i>Historical costs</i>	<u>1,259,583</u>	<u>1,025,516</u>
<b>Geographical analysis</b>		
United Kingdom investments	1,902,230	1,837,686
Overseas investments	2,060,749	1,565,436
	<b>3,962,979</b>	<b>3,403,122</b>
<b>Total investments</b>		
Listed investments	3,962,979	3,403,122
Cash held by investment fund manager	45,268	402,307
	<b>4,008,247</b>	<b>3,805,429</b>
<b>Asset allocation</b>	<b>2019</b>	<b>2018</b>
Equity	53%	39%
Bonds	17%	20%
Other	25%	28%
Fund cash (includes cash held within investments)	5%	13%

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>
Fundsmith Equity I	65,990	282,486
Liontrust Special Situations I Inc	64,507	266,579
Stewart Investors Asia Pacific Leaders B	35,335	264,135
JO Hambro CM UK Dynamic Y Inc	221,674	260,246
Twentyfour Absolute return credit G	2,485	253,923
Ishares Corporate Bond 0-5yr UCITS ETF	2,409	253,134
FP Crux European Special Situations	81,134	210,417

Investment in subsidiary

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Ibis Trading Limited	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The Association owns all of the issued share capital of Ibis Trading Limited, a company registered in England. The subsidiary is used for trading activities and made a profit of £151k (2018: £88k restated) on income of £523k (2018: £539k) before the distribution of surplus funds from the financial year 2017-18 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 (2018: £1).

**13 Current asset investments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash held on deposit	2,589,153	2,790,776	2,414,938	2,573,252
	<u>2,589,153</u>	<u>2,790,776</u>	<u>2,414,938</u>	<u>2,573,252</u>

Notes to the accounts

**14 Stocks**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Publication materials and sundry sale items	12,316	24,157	12,316	24,157

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,275,560	891,971	1,155,877	817,072
Prepayments and sundry debtors	441,605	657,404	329,498	491,492
Amounts owed by group undertakings	-	-	187,259	64,320
	<u>1,717,165</u>	<u>1,549,375</u>	<u>1,672,634</u>	<u>1,372,884</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	641,992	479,261	561,281	465,117
Other creditors and accruals	1,108,217	978,971	971,008	747,068
Subscriptions received in advance	1,885,124	1,821,321	1,885,009	1,821,321
Other taxes and social security	256,987	247,068	250,637	230,224
	<u>3,892,320</u>	<u>3,526,621</u>	<u>3,667,935</u>	<u>3,263,730</u>

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

The group and Association creditor of £555,857 relates to the dilapidations provision for leased premises. The amount of £4,603 from 2018 related to an amount outstanding on a finance lease for a photocopier which is due to expire in September 2019.

Notes to the accounts

18 Designated funds

<b>2019</b>	<b>At 1 April 2018</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31 March 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Group and Company					
Fixed asset fund	1,000,000	-	-	1,040,083	2,040,083
Development fund	1,000,000	-	-	(1,000,000)	-
Office dilapidations fund	280,000	-	-	(280,000)	-
	<u>2,280,000</u>	<u>-</u>	<u>-</u>	<u>(239,917)</u>	<u>2,040,083</u>
<b>2018</b>	<b>At 1 April 2017</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31 March 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>

The fixed asset fund of £2,040,083 represents tangible and intangible fixed assets.

During the year, the designated funds for office dilapidations were utilised to cover the fixed asset write off for leasehold improvements on the surrender of the lease of one of the two buildings leased in Princes Risborough in April 2019.

The designated development fund is expected to be fully funded from operational income and therefore the balance was released to general funds.

Notes to the accounts

**19 Unrestricted general funds**

<b>2019</b>	<b>At 1 April 2018 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Gain on investments £</b>	<b>Transfer from designated funds £</b>	<b>At 31 March 2019 £</b>
Group Retained fund	3,717,625	11,432,321	(11,016,286)	151,223	239,917	4,524,800
Company Retained fund	3,556,623	11,316,984	(10,762,059)	151,223	239,917	4,502,688
<b>2018</b>	<b>At 1 April 2017 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Gains 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
Restated Company Retained fund	3,599,106	9,530,733	(9,707,801)	(15,415)	160,000	3,566,623

**20 Net assets by fund**

<b>2019</b>	<b>Designated</b>	<b>General</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	914,438	-	914,438
Tangible fixed assets	1,125,645	-	1,125,645
Investments	-	4,008,247	4,008,247
Current assets	-	4,964,730	4,964,730
Current liabilities	-	(3,892,320)	(3,892,320)
Creditors due in over one year	-	(555,857)	(555,857)
	<u>2,040,083</u>	<u>4,524,800</u>	<u>6,564,883</u>
<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>

**21 Trustee remuneration and expenses**

The trustees neither received nor waived any emoluments during the year (2018: £Nil). The reimbursement to 14 (2018: 13) trustees of expenses for travel and subsistence incurred on behalf of the Association totalled £13,824 (2018: £15,163) 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.

Notes to the accounts

**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	
	2019	2018	2019	2018
	£	£	£	£
<b>Due:</b>				
Within one year	186,747	174,434	2,667	3,556
Between two and five years	685,484	482,304	-	2,667
After five years	769,144	30,144	-	-
	<u>1,641,375</u>	<u>686,882</u>	<u>2,667</u>	<u>6,223</u>

Finance leases:

	Office equipment	
	2019	2018
	£	£
<b>Due:</b>		
Within one year	4,603	9,205
Between two and five years	-	4,603
	<u>4,603</u>	<u>13,808</u>

**23 Related party transactions**

During the year the charity had no related party transactions with trustees.

The charity bought services amounting to £13k from a recruitment agency owned by a relative of the key management personnel, John Winfield, chief financial officer, to appoint a member of the senior management team.

Intercompany transactions between the charity and its wholly owned subsidiary, Ibis Trading Limited were £16,724 for the master trading agreement (2018: £17,170) and £89,830 (2018: £47,150) for shared resources. Amounts owed by Ibis Trading Limited to the charity at the balance sheet were £67,255 (2018: £64,320).

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

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