



THE CHARTERED BODY FOR THE PROJECT PROFESSION

Association for Project Management

Annual report and
accounts **2019-20**



THE CHARTERED BODY FOR THE PROJECT PROFESSION

Association for Project Management

Financial statements

For the year ended 31 March 2020

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

Contents

| | Page |
|--|-------------|
| Legal and administrative information | 1 |
| Trustees' annual report | 3 |
| Independent auditor's report | 27 |
| Consolidated statement of financial activities | 31 |
| Consolidated balance sheet | 32 |
| Association balance sheet | 33 |
| Consolidated cash flow statement | 34 |
| Notes to the financial statements | 35 |

Legal and administrative information

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.'

| | | |
|--------------------------|---|--|
| APM board of trustees | S Boyce J Broome P Chapman S Gilbert S Forsyth A Godbold D Lewis M Mazilu J McGlynn A Morley N Smallwood M Wallace I Williams | (to 18 November 2019) (from 18 November 2019) (from 18 November 2019) (to 18 November 2019) (from 18 November 2019) (from 15 July 2019) |
| Company secretary | M Robinson | |
| Key management personnel | D Dore M Hepworth J Winfield | (chief executive) (chief financial officer from 12 August 2019) (chief financial officer until 24 June 2019) |
| Principal address | Ibis House Regent Park Summerleys Road Princes Risborough Buckinghamshire HP27 9LE | |

Legal and administrative information

External auditor
Moore 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

Principal bankers
Barclays Bank PLC
1 Churchill Place
London
E14 5HP

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

It has been a memorable year for the profession; one in which the value of successful project management has been powerfully and repeatedly demonstrated to the public.

As with almost all organisations in the UK, APM has been directly affected by lockdown. This had an immediate and significant impact on income as we were unable to offer face to face qualifications. We took swift action to extend our online qualifications and reduce spending whilst continuing to maintain service levels. Management and the board have continued to assess the situation, and scenario planning has been undertaken to ensure that APM has a viable response to potential outcomes. The Association is fortunate in having built reserves that means it can continue to operate whilst developing a considered response to an emerging situation and will also be ready to rapidly exploit opportunities as confidence returns.

Elsewhere, media coverage of projects such as HS2, Crossrail and the Brexit process mean that project management has faced unprecedented levels of public visibility and scrutiny. Towards the end of the year, as the UK and much of the world entered a period of lockdown, many professionals found projects being delayed or cancelled, greatly impacting the businesses and communities depending on them.

Public awareness of the profession - and the economic and societal benefits it creates - has arguably never been higher. This has placed greater onus on APM to support the profession; a responsibility we have embraced by cementing our position as a sustainable, modern professional body.

Focusing on the economic and societal benefits of project delivery have been at the core of our agenda throughout the year. Aligning business activity to strategic objectives has enabled us to grow membership, collaborate, innovate, set leading standards, and advance the art, science and theory of project management.

There has been a firm focus on the challenges and opportunities that will shape the world in the coming decade, and how project practitioners will help influence these and ensure our profession adapts to lead and shape change. Our 'Projecting the Future' series positioned APM as the definitive thought leaders in this respect, raising our profile through a 'big conversation' with the profession on topics such as climate change, AI and the future of work and skills.

We also reached the significant milestone of welcoming the 1,000th person as a Chartered Project Professional, reflecting the growing importance of chartered status within the profession and to the wider world. This has formed an important part of our international strategy to position chartership as *the* international standard for project management.

There have been many other successes and I would like to take this opportunity to thank all of APM's volunteers - including my fellow trustees - for the role they have played. Their hard work and commitment have helped APM to support and lead the project profession as it continues to shape the future.

John McGlynn
APM chair

Introduction (continued)

Chief executive's report

Reflecting back on APM's third year as the chartered body for the project profession, it is gratifying to see how our value proposition has continued to grow. Project management is all about delivering change and this has never been more important. As we continue to invest both in APM and the wider project profession, the importance of the profession and its ability to adapt remain at the heart of future national success. Significant progress continues to be made in establishing Chartered Project Professional (ChPP) status as the leading global standard for project practitioners both nationally and internationally.

Individual membership grew to record levels; 33,027 at March 2020 - an increase of 11 per cent. Our ongoing engagement with students and higher education institutions has been crucial to this, with more than 3,000 people joining as new student members between April 2019 and March 2020. As well as building a healthy pipeline for future membership, this represents a huge success in our efforts to establish project management as a career of first choice. New initiatives such as our Festival of Education and Research demonstrate our continued efforts to innovate and lead in this space.

We continue to invest in services that enable our members to engage, learn and develop wherever they are working in the world and to invest in our volunteer network to whom we give thanks for their ongoing commitment and passion.

Investing in our own people and organisation has also been key and we were pleased to be named as the best association over 1,000 members at the Association Excellence Awards in October 2019 reflecting the combined efforts of many who contribute to APM's success. For the first time we were included among the top 100 best not-for-profit organisations to work for in the Best Companies 2020 list, highlighting our commitment to create positive work environments where people can be at their best. We see this as great validation that we are helping to provide a platform to better support our members and advance standards in project management for public benefit.

At the end of the business year we were also responding to the then-emerging coronavirus pandemic. The investment decisions we have taken over the past few years - and continue to take - have put us in a strong position to respond and keep delivering value for our members, partners, suppliers and wider stakeholders. Details of our finances and our main successes throughout the year are contained within this annual report, showing how APM is delivering on its strategic objectives while also growing and evolving as an organisation to support the advancement of our profession.

I would particularly like to thank the chair John McGlynn and the board for their continued support.

Debbie Dore
Chief executive

Structure, governance and management

The board of trustees of the Association for Project Management (APM) is pleased to present the annual report and audited accounts for the year ended 31 March 2020. These comply with the Charities Act 2011, APM's Charter and the latest Charities Statement of Recommended Practice (FRS 102). APM is incorporated by Royal Charter (RC000890) and is a registered charity (1171112). Its object is: 'to advance the science, theory and practice of project and programme management for the public benefit.' APM's principal office is: Ibis House, Regent Park, Summerleys Road, Princes Risborough, Bucks, HP27 9LE.

APM's governance framework

The Royal Charter and By-laws are available on the 'About Us' section of the APM website. The Charter serves as APM's constitution and sets high-level governance arrangements such as the composition of the board of trustees. Having operated under the Charter for two years, APM sought minor amendments to it during the year. The changes were minor and primarily for clarity and to update terminology. Following approval by members at the November 2019 annual general meeting, the new Charter and By-laws were approved by Her Majesty and the Privy Council in February 2020.

The Charter authorises the board of trustees to manage the business of the Association. As part of this duty, the board agrees the APM regulations. The regulations are available online and set out detailed governance arrangements. These include a scheme of delegation confirming the matters that the board withholds to itself for approval, and the matters which it delegates to the chief executive to manage. To summarise the framework: the board sets APM's strategy and monitors its implementation, assuring itself that performance is on track. The board ensures that APM acts within its charitable objects and applicable law. As trustees, the board members are collectively required to manage the assets of the charity.

Individual APM members form an important part of APM's governance framework. Those in the full and fellow grades (MAPM/FAPM) are voting members. This status enables them to attend and vote at general meetings as well as to participate in the annual elections for trustees. 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 trustees are voting members who are nominated and elected by voting members.

The board has established sub-groups to oversee specific areas of its work. Duties and memberships are detailed on the APM website. The groups comprise: the audit and assurance committee; remuneration committee; professional standards and knowledge committee; and the nominations panel. Memberships and terms of reference for the groups are reviewed regularly. Some trustees also act as 'champions' for topics such as academia, membership, diversity and volunteering.

Detailed governance matters

The regulations require an annual board evaluation exercise to be undertaken; this is externally facilitated every third year. This year's exercise was held as an internal workshop on board behaviours and recent best practice reports on managing tension.

An action was taken forward from the review to limit the maximum number of years a trustee can serve to nine. The board believes this balances continuity with the need for diverse thinking and a healthy and regular refresh of trustees.

Structure, governance and management (continued)

Detailed governance matters (continued)

APM's trustees are not remunerated but do receive expenses. Trustees' biographies can be found on the APM website. The 2019 board elections had a record turnout of 19.9 per cent. This is an upper quartile performance for similar membership bodies. The board has agreed that the 2020 elections will be held by electronic ballot only to reduce its environmental footprint and the use of paper.

New trustees receive both internal induction and external governance training. All new trustees receive briefings from members of the leadership team and 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 board-wide training is organised regularly.

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 on process from the company secretary. Related party transactions between APM and its board members are detailed in note 23 to the accounts.

The trustees arrange an annual board evaluation. In 2019 this comprised an internal workshop on board dynamics and behaviours. In 2020, the evaluation will be an internal review on ways of working and previous evaluation recommendations.

APM purchases indemnity insurance which seeks to protect trustees against personal liability if legal claims are made against them.

The charity's wholly owned subsidiary, Ibis Trading Limited (06536096), is established as a trading arm. Ibis may undertake commercial activities which are not classed as charitable primary purpose trading, or those that might expose the charity to unnecessary risk. All profits are gift aided to APM. The presentation of the subsidiary in the accounts is explained in note 1 to the accounts.

All individual APM members are bound by a code of professional conduct. Details of the code and its associated procedural rules and indicative sanctions guidance are available on the 'About Us' section of the APM website.

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. APM risk management follows guidance set out by the Charity Commission (charities and risk management CC26).

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.

Structure, governance and management (continued)

Risk management (continued)

The risk registers are maintained as live documents within a cloud-based software solution and are available to management at all times. The corporate risk register is made available for review at each board meeting and also at regular leadership team meetings. As well as reviewing the corporate risk register, the board is asked to consider a 'deep dive' focussing on an area of specific risk at each meeting. Topics considered in 2019-20 included IT security and GDPR and business continuity. The audit and assurance committee maintain an oversight of the process. Key risks and the plans and strategies to manage those risks are detailed on pages 21 and 22.

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 financial statements. 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.

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.

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. This prudence has meant that whilst UK stock markets fell 24 per cent in the final quarter of the financial year, APM's investments lost only 12 per cent of their value in this period.

To date, £3.5m has been transferred to the portfolio for investment; of this £0.3m 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.

Structure, governance and management (continued)

Investment policy (continued)

Ethical investment guidelines

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

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

Objectives and activities

APM is the chartered body for the project profession, having received its Royal Charter in 2016. This achievement has brought additional prestige and credibility to APM and to the profession as a whole. It has also raised people's expectations of APM and the Association's expectations of itself. APM's strategy of 'inspiring positive change' has matured and evolved to help the Association continue to meet and exceed these expectations, fulfil its mission and realise its vision.

APM's vision

A world in which all projects succeed with project management as a life skill for all.

In addition to raising the profile of project management as a profession and establishing it as a desirable career of choice, APM wishes to reach out to different communities and generations and establish project management as a core skill for all.

APM's mission

Inspiring communities to deliver meaningful change for societal benefit
by advancing the art, science, theory and practice of project management.

This mission represents a significant shift towards a more outward and inclusive focus for APM, aligning with the Association's charitable objectives and its belief in a more adaptive and diverse profession aligned to delivering societal benefit.

APM's route to success is guided by five strategic objectives:



The strategy is delivered through a three-year rolling business plan that details how each of APM's departments will contribute to delivering the knowledge and standards the profession needs to succeed. The plan includes key performance indicators, reviewed and set at the start of each year, that enable APM to measure how successfully it is meeting its objectives. APM's business plan is reviewed annually by the board.

Objectives and activities (continued)

Public benefit

Project professionals face new challenges every day, but they also create new solutions that deliver social and economic benefits to the public. Helping the profession to fulfil this vital function is at the heart of APM's mission. The Association aims to deliver public benefit through its work supporting the project professional to address and overcome the challenges posed by an ever-changing world.

APM does this by:

- **Setting leading standards** - APM is proud to create and uphold leading standards for the project profession. Initiatives such as the revered Chartered Project Professional standard, its *Body of Knowledge* (now in its seventh edition) and *Competence Framework* ensure APM continually leads the way in setting and maintaining universally high standards for the project profession.
- **Promoting and facilitating education** - APM is the leading source of knowledge and insights designed to facilitate discussion, inspire improvement and assist application. Work in this area includes provision of qualifications, as well as promoting continuing professional development (CPD) through courses, learning materials and events.
- **Raising awareness** - APM promotes the power of the project profession for good, helping to recognise and celebrate the economic and social value that the professional creates. Awareness is raised through the Association's programme of flagship events (including the annual Project Management Awards), innovative PR and marketing campaigns, conferences and a wealth of information available on its website.
- **Growing the talent pipeline** - the future success of projects depends on a healthy pipeline of practitioners. APM holds events in partnership with educational institutions and promotes quality apprenticeships to create pathways into the profession and promote it as a career of first choice.
- **Supporting research** - in addition to commissioning its own research and thought leadership, APM assists academic research via a dedicated fund. The Association has also launched a new Festival of Education and Research to celebrate the achievements of new talent and excellence in academic research within the project profession. The inaugural event is scheduled to take place in October 2020.

In addition, APM collaborates with government and other professional bodies working in the public interest. The Association also invests in major research projects into the profession's economic contribution and plays a leading role in advocating for reducing the carbon footprint of projects.

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

Volunteers form an essential part of APM's community and play a crucial role in helping the Association to engage with the project profession, partner professions and the wider public. This includes the effective delivery of many wide-ranging activities for the benefit of individuals, organisations and society including events, publications and product development.

The Association operates a Volunteers Steering Group to determine how volunteers can help deliver APM's vision by engaging with members of the profession.

APM first gained 'Investing in Volunteers' accreditation in 2014 in recognition of its excellence in all aspects of working with its volunteers. It has successfully maintained this accreditation since.

APM volunteers also fulfil a broad range of important roles within our local branches and Specific Interest Groups (SIGs).

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

- apm.org.uk/about-us/volunteers
- apm.org.uk/event

Achievement and performance

Achievements and successes in 2019-20

The following section is arranged around APM's five key strategic themes. It reports on progress made across the year to March 2020 and sets out key proposed actions for the coming year.

Chartered standard

In December 2019, APM's internationally recognised Chartered Project Professional (ChPP) designation reached a major milestone as the 1,000th individual gained chartered status.

In total, 737 people were newly awarded chartered status with APM during the business year. The continued increase in ChPP numbers reflects the value and importance of chartered status to individuals and employers alike.

Chartered status enables those who meet the required standard to demonstrate a defined level of technical knowledge, professional practice and ethical behaviour. Debbie Dore, chief executive, commented at the time: "This is a significant milestone for APM and the profession. We are seeing a growing interest in chartership from both individuals and employers as they realise the benefit and value it can bring - both to people's careers and to businesses."

There is also clear evidence of the professional benefits to chartered individuals. According to APM's annual Salary and Market Trends Survey, completed in March 2020, 65 per cent of ChPPs are working on projects with the biggest budgets (£50m +). Furthermore, the research found that 80 per cent of ChPPs believe the project profession will be enhanced in the next five years, compared with 69 per cent of overall survey respondents.

Membership growth

APM's individual membership figure reached a record 33,027, including paying and non-paying members. This represents an increase of 11 per cent over the course of the year.

The biggest driver of growth among individual members was students. Between April 2019 and March 2020, 3,016 student members joined APM, which is a result of the Association's positive efforts to engage with higher education institutions and also with young people directly. More details of this are provided in the 'Collaborate and engage' section.

The number of APM corporate partners increased to 542; another record high.

This growth was supported by enhancements to APM's corporate partner proposition, including the creation of a corporate advisory group; a group of senior professionals who form a representative cross section of APM's corporate membership. This group meets with APM between three and four times per year to share best practice and discuss matters such as diversity, inclusion and future competencies.

Furthermore, APM held dedicated corporate partner forums and seminars throughout the year to facilitate direct engagement with its corporate members.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

International growth

The number of international members grew by 18 per cent.

In December, APM representatives joined approximately 3,000 attendees at the Dubai International Project Management Forum. The event demonstrated how smart, sustainable and innovative project management practices are executed to ensure successful outcomes.

Qualifications

Interest in APM's qualifications continues to grow, with a nine per cent increase in the number of people gaining a qualification from the Association between April 2019 and March 2020. Just under 20,700 people achieved an APM qualification during the year, reflecting the growing importance and recognition of these qualifications within the project profession. This includes 7,600 people who gained an APM Project Fundamentals Qualification (PFQ) and 12,000 who gained an APM Project Management Qualification (PMQ).

Towards the end of the year, APM made a concerted effort to launch its online qualifications platform three months earlier than planned, enabling us to support the profession at a time when classroom-based learning and exams were unavailable due to the coronavirus pandemic.

Knowledge and research

The 7th edition of the *APM Body of Knowledge* launched in May 2019. The flagship publication is a foundational resource that provides the concepts, functions and activities that make up professional project management. The new edition covers a wider range of topics including the strategic case for beneficial change, the use of linear and iterative lifecycles in project delivery and the critical role people play in delivering success. Scott Walkinshaw, head of knowledge at APM, commented at the time of launch: "We have looked to reflect the developing profession; recognising that project-based working happens at all levels, and across all sectors. It is a keystone in the APM portfolio helping us to continue to set, support and maintain high standards for the profession."

APM continued its focus on supporting research into the project profession by investing at least two per cent of its revenue to help fund innovative research to advance new and existing knowledge. Submissions to APM's annual research fund in 2019 were at record levels. Six studies have been awarded funding, covering a range of subjects from artificial intelligence and data, benefits management and eliminating modern slavery from mega projects. Research publications in the business year 2019-2020 included over 20 research summaries and a report on *the Wellbeing of Project Professionals*, with research led by Dr Clara Cheung (University of Manchester) alongside academics from Cape Town and Maryland University. During the year, APM's research team worked with volunteers, higher education institutions, corporate and individual members and learned societies to lead and support a broad range of research events, workshops and conferences.

APM's *Salary and Market Trends Survey 2020*, completed in partnership with YouGov, launched in March 2020 and provided a detailed analysis of the state of the profession, including salaries (broken down by sector and location), job satisfaction, diversity and inclusion, and a snapshot of the future trends likely to impact the project management profession.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

In April 2019, APM launched *The Golden Thread* in partnership with PwC. This landmark piece of research explored the contribution of the project profession to the UK economy. It went on to become one of APM's most downloaded items of the year. Following highly positive feedback and numerous requests, APM commissioned PwC to further explore the impact projects are making on UK regional development. The resulting publication, *The Golden Thread: The Regional Picture*, launched in March 2020 to take a deeper look at challenges, opportunities and growth drivers in five regional hubs across the UK.

Organisational innovation

A pan-sector working group was established by APM to help the Association provide research, guidance and resources on the use of project data from and for its members, stakeholders and the profession. The objective is to provide benefit to our members and the wider project community, to drive success in project delivery. APM is currently working with a range of partners including UK Research and Innovation, the Office for National Statistics, the Major Projects Association and leading academics on a collaborative project to explore how best to utilise project data on behalf of the project profession. A data summit involving these partners and others was held in January to look at the opportunities, challenges and barriers associated with the use of project data. Further summits are planned, to determine how APM can focus its efforts around research, pilot studies and collaborations.

In April 2019, the Association further enhanced its educational offering by launching APM Learning, an online platform available to fee-paying members that gives users on-demand access to learning resources to help them develop their understanding of project management. APM Learning hosts interactive learning modules, templates and checklists, along with downloadable APM content. By the end of the business year APM Learning had acquired over 2,400 registered users, who provide consistently positive feedback.

“Great, easy to access and bitesize content which was really useful.”
“Really interesting articles and a great, clear and concise e-learning module which really helped me understand the topic.”
“An informative and enjoyable learning experience.”

Helping the environment

Several innovative measures were introduced during the year to minimise the impact of APM's business operations on the environment. These include:

- a paperless renewal option that allows paying members to pay for their renewals via direct debit;
- making the print version of *Project*, the Association's official journal, 100 per cent recyclable and swapping the outer plastic wrapper for a compostable alternative;
- joining forces with 27 other professional bodies in pledging to tackle climate change in the built environment;
- publishing a pledge to develop an action plan to support the project profession's efforts to reduce environmental impacts of projects, and to make APM carbon-neutral by 2050, if not sooner.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

Awards and recognition

- APM was named as one of the top 100 best not-for-profit organisations to work for in the Best Companies 2020 list, published in February of that year;
- APM was named the overall best association over 1,000 members at the Association Excellence Awards in October 2019;
- in February 2020, APM was shortlisted in the Best Not-for-Profit/Charity/Social Marketing category at the prestigious CIM Marketing Excellence Awards for its 'Make Change Happen' campaign. The following month, the Association was shortlisted in three categories at the upcoming Memcom Membership Excellence Awards: 'Best Integrated Marketing or Membership Campaign', 'Best Social Media Campaign' and The Louis Armstrong CEO Leadership Award.

Projecting the Future

Projecting the Future is a pioneering initiative for APM; a 'big conversation' with the profession about the future of project management, involving project professionals, senior decision makers, policy makers and other external stakeholders. This conversation focused on six key challenges for the future:

- the fourth industrial revolution: data, automation and artificial intelligence;
- climate change, clean growth and sustainability;
- demographics and ageing: the 100-year life;
- the future of mobility and transport;
- smart cities, urbanisation and connectivity; and
- the future of work and skills.

Beginning in summer 2019, APM launched a challenge paper on each of these topics and invited the profession to share their thoughts and ideas with us at events, on social media and via email. The contributions will influence APM's future learning resources, qualifications and Continuing Professional Development (CPD) programme, as well as shape thinking about the adaptive project professional for the future.

By the end of the business year 2020, the Projecting the Future pages on APM's website had been viewed over 17,000 times.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

Collaborate and engage

Academic engagement

APM demonstrated its continued commitment to engaging with academic institutions, students and young people by participating in more than 100 university, school and college events during the business year.

A ground-breaking schools engagement campaign - 'Make it Happen' - reached over 75,000 students during the year. The aim of the campaign was to engage with schools and colleges to raise awareness of project management and how it relates to things students were already doing, such as organising events. APM worked with an external agency to make its content available for download and encouraged direct engagement with APM after this.

An enhanced version of APM's 'Project-You' student guide was launched, supported by 65 of the Association's corporate partners. The downloadable guide offered insight into the project profession, as well as case studies, details of APM Student membership and information about the companies who supported the guide. The number of companies featured in this second version of Project-You was 50 per cent greater than in the first version launched the previous year, underlining its value to corporate partners.

In November, APM, supported by Turner & Townsend, delivered an insight session to 60 students at the University of Limerick, Ireland. This was the first university event delivered by APM outside the UK. Further events with international universities are anticipated; possibly 'virtual' events that can be accessed online. Feedback was unanimously positive, both from Turner & Townsend and from the university's students and staff.

APM community forums

APM's Volunteers' Forum, held in Newcastle in June, provided an opportunity for delegates from the Association's Branches and Specific Interest Groups (SIGs) to learn more about the APM strategy and receive an update on progress across a wide range of activities. The event was dedicated to the issue of diversity and inclusion. There was particular emphasis on unconscious bias and how it can impact levels of engagement that groups are able to achieve. Engagement levels during a session on sharing best practice and feedback from attendees was very positive.

Fellows forums were held in December in Bristol and Birmingham with 85 senior APM members in attendance. Feedback was positive, with 95 per cent of the respondents stating they were either 'satisfied' or 'very satisfied'. Feedback informed the planning for fellow events for 2020.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

Collaborations

Professional Associations Research Network

APM's chartered campaign and research papers were featured as a major case study in the latest research project by the Professional Associations Research Network (PARN), titled *Promoting Professionalism in the 21st Century*. Debbie Dore, chief executive, was among the keynote speakers at the PARN conference at the Royal College of Nursing to elaborate on APM's chartered story and how chartered status has helped galvanise the project profession.

Confederation of British Industry

APM engaged actively with the Confederation of British Industry (CBI) throughout the year as a member. Debbie Dore served on the CBI's Trade Association Council, while the CBI provided speakers for a number of APM events including two fellow events and the keynote speaker at the March 2020 Projecting the Future corporate partner event.

Institute for Government

One of APM's closest collaborations throughout the year was with the Institute for Government (IfG). In June 2019, APM was co-sponsor of the IfG's 10-year Anniversary Conference. This took place over two days and included senior figures from across Westminster and Whitehall, including the keynote address from cabinet secretary, Sir Mark Sedwill. There was also a summer gathering at which APM was well represented.

Further collaboration with the IfG followed later in the year, as APM supported a breakfast event with the IfG in January 2020, where Nick Smallwood (former trustee of the APM board) provided the keynote address, 'Fixing the Project Delivery System', in his new role as chief executive of the Infrastructure and Projects Authority (IPA). During this address, Mr Smallwood set out his vision for the IPA and the Government Project Delivery Function. APM president Sue Kershaw provided a brief introduction to the event, which was attended by over 150 people, with more watching online. The IfG reported that the event was the highest watched of its non-Brexit events from this period.

United Nations Office of Project Services

In October, senior APM representatives travelled to the United Nations Office of Project Services (UNOPS) in Copenhagen to discuss opportunities for engagement and for supporting senior project delivery staff to gain chartered status. UNOPS is the operational arm of the United Nations, dedicated to implementing projects for the United Nations System - international financial institutions, governments and other partners - often in challenging locations and circumstances. John McGlynn, APM's board chair, Debbie Dore, chief executive and Rebecca Fox, head of membership, met with Nick O'Regan, UNOPS director of implementation practices and standards, and Steve Crosskey, head of strategic initiatives.

The following March Mr Crosskey ran a workshop for heads of the project profession at APM's Corporate Advisory Group meeting on the UN's sustainable development goals. The group discussed how they could make small changes in the project planning process to ensure better project outcomes.

Achievement and performance (continued)

Achievements and successes in 2019-20 (continued)

Events

The annual Women in Project Management conference took place on 26 September and broke all previous attendance records with more than 650 people attending. New initiatives trialled at the conference included an Emerging Professionals Zone for career starters and informal ChPP support sessions which proved highly popular. Feedback was highly positive, with 93 per cent of attendees stating they were very likely to attend another APM conference in future, and 95 per cent stating that the conference had a positive effect on their perception of APM.

The APM Awards 2019 ceremony was a great success. Held on 18 November at Old Billingsgate, London, the event attracted more than 600 guests, with a 12 per cent increase on entries from the previous year. The event achieved significant coverage in the trade/sector press, as well as significant engagement on social media.

APM's annual conferences - held in London and Manchester in May and June 2019 respectively - were well received by attendees, exhibitors and speakers. Feedback received on both events was highly positive.

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. Indicators comprise both financial and non-financial measures. Progress is reviewed monthly by the leadership team, and remedial action taken when necessary. Business performance, covering KPIs and a detailed financial review is also considered at every board meeting.

Plans for the future

APM continues to adapt and focus its primary objectives in response to the coronavirus pandemic. The Association will adapt operations and delivery channels to ensure that it remains relevant to project professionals and the wider communities that they serve.

Provision of online qualifications was brought forward to help reduce the impact on revenue from the loss of paper qualifications. To date, there has been significant growth in bookings for this format.

APM continues to increase the value proposition to members, including development of the recently launched APM Hub, the online community exclusively for APM individual members, and the development of an enhanced CPD programme, via APM Learning. The Association will ensure it maintains focus on delivering service to members despite the challenges presented by the impact of the coronavirus.

The competence framework will be reviewed to reflect the *Body of Knowledge 7th edition* and the outcomes of the Projecting the Future research.

The Chartered Project Professional (ChPP) standard will be promoted, continuing the ambition for it to be recognised as the de facto standard for project professionals by 2022.

All major conferences and events for 2020 are being redeveloped and will be delivered virtually, including the APM Awards in November 2020. The inaugural event, Power of Projects Takeover, ran successfully in early June 2020 and the launch of the 'Festival of Education and Research', a new event, will make its debut in October 2020. This event aims to celebrate excellence and achievement in project management academia, education, and research as well as providing a link between employers and new talent in the profession.

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 category | Risk | Mitigating strategy/assurance/controls |
|---------------|---|--|
| Governance | A lack of diversity in board, committee or volunteer roles is not delivered leading to a lack of diversity of thought and fresh ideas. | <p>Promotion of vacancies invites applications from diverse backgrounds and sectors and the ability to appoint three trustees provides an opportunity to target broadening diversity.</p> <p>There is a limit on the maximum term of office for trustees and committee appointments which sends the message that re-fresh and new ideas is helpful to balance continuity.</p> <p>The APM board has agreed a diversity action plan to help drive better understanding and representation across the project profession.</p> |
| Operational | Business continuity - an event limits APM's ability to operate. This may arise from fire, flood, adverse weather, IT failure or denial of service attack, media crisis, epidemic/pandemic, etc. | <p>Business continuity and disaster recovery plans are in place and tested.</p> <p>Tools and approaches for remote working are embedded.</p> <p>IT controls are in place, as is standard insurance cover.</p> |
| Operational | IT security/GDPR - a malicious IT attack or malware infection leads to data loss. Failure of internal controls, including significant GDPR breach results in loss of personal data, leading to financial penalties and reputational damage. | <p>Annual IT security penetration testing is undertaken.</p> <p>Anti-malware is deployed, and web and email filtering are applied.</p> <p>'Cyber Essentials' standards are followed, and accreditation has been achieved.</p> <p>Cyber security insurance cover is in place.</p> <p>There are mandatory operating system updates applied across end user devices and backups are in place for all systems.</p> <p>A data protection consultant has reviewed data protection approaches and policies and a data protection officer were appointed. Data protection training is mandatory for staff.</p> |

Principal risks and uncertainties (continued)

| Risk category | Risk | Mitigating strategy/assurance/controls |
|---------------|---|---|
| External | <p>Economic conditions - actual or threatened recession leads to reduced investment across government and economy as a whole.</p> <p>Reduced investment in projects and/or budgets for training and memberships.</p> | <p>APM works with partners to make the case for project management being especially vital in such circumstances e.g. Golden Thread research.</p> <p>The Chartered standard provides confidence in delivery and use of resource.</p> <p>The Association continues to improve evidence of value and proposition for each stakeholder group.</p> |
| Financial | <p>There is a failure to manage reserves appropriately and maintain funds at an appropriate level. Either reserves become excessive (failure to deliver value to members) or inadequate funds limits ability to deliver the APM strategy.</p> | <p>A risk-based reserves policy is in place.</p> <p>Diversification is maintained through cash and long-term investment.</p> <p>There is regular reporting to the board to inform evidence-based decision-making.</p> |
| Compliance | <p>There is a failure of systems or processes to adhere to acceptable standards and/or regulatory requirements. For example, corporate governance, financial regulations, health and safety, bribery act, IR35.</p> | <p>The policy register is regularly reviewed and there are policy controls in place.</p> <p>APM has qualified and experienced staff in place to address areas of compliance.</p> <p>The organisation is subject to external and internal audit.</p> <p>Annual board evaluation exercises are undertaken.</p> <p>There are robust regulations and board governance - delegations are clear and in operation.</p> |

All risks were reviewed and updated following the coronavirus lockdown, including:

- a review of priorities that resulted in fast-tracking digital products (qualifications, events, etc);
- business critical activities were identified and were the focus for the first quarter of the new financial year; non-essential expenditure has been deferred;
- enhanced reporting, scenario planning and cashflow forecasting mechanisms have been introduced;
- it has been noted that previous recessions indicate that membership bodies with a recognised training offer are sought after by employees and employers looking for credibility in the workplace;
- the operational and security risks of home working have been assessed.

Financial review

Overview

The financial year saw further growth for APM with turnover increasing by ten per cent to £12.7m. APM closed the year with a deficit of £128k including an investment loss of £307k. Net assets at 31 March 2020 are £6.4m.

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

Income

Total income was £12.7m in the year. This was an increase of £1.1m (ten per cent) over the prior year.

Subscriptions income from individual members and corporate partners grew by five per cent to £4.2m. Individual membership increased from 29,745 to 33,027 during the year. APM continued to develop corporate partnerships and closed the year with 542 partners and affiliates.

Examination and other contractual income increased from £6.3m to £7.1m, an increase of fourteen per cent. The APM Project Management Qualification (PMQ) continued to be the lead contributor to examination revenues with 12,095 candidates compared to 10,201 for the previous year.

Event income decreased by six per cent from £761k to £716k. APM's key conferences built on the success of previous years, with Women in Project Management sold out with 600 attendees. Unfortunately, the Power of Projects conference scheduled for March in Edinburgh had to be cancelled at the last-minute following government advice on social gatherings.

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 income from investments in the year and bank interest on deposits was £66k compared to £52k 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 41.

The total costs of charitable activities increased from £10.0m to £11.6m; an increase of £1.6m or sixteen per cent. Costs increased as APM continues to invest in professional staff to deliver the strategy, IT infrastructure to better enable interaction with members and students, research and development, and promoting the profession.

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 104 to 118.

The costs associated with events fell from £1.2m to £0.9m in the year; a decrease of 21 per cent.

Financial review (continued)

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, pandemic, 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, Barclays, Bank of Scotland, or Unity Trust. It is unlikely that there would be a sudden and complete loss of all deposit funds from all banks simultaneously but there may be an impact on short-term liquidity.

Credit events - debtors

Credit risk is also present in APM's trade debtors although this is spread over multiple debtors with individual balances rarely substantive. Credit insurance is considered for our largest customers.

Market volatility

APM specifically recognises the risk of market volatility causing a reduction in the value of the investment portfolio.

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 standard business discontinuity events. However, the coronavirus pandemic has demonstrated that there is a risk that APM may be affected by an uninsured risk or event.

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.

Risk-based reserves at 31 March 2020

Based on the calculations for the risks generated from the above APM estimated that risk-based reserves of £2.6m were required at the year-end date.

Designated funds

At 31 March 2020 the designated funds were £2.0m. This is unchanged in the year and is maintained to ensure that the net book value of tangible and intangible fixed assets was fully covered.

Reserves policy (continued)

Adequacy of reserves at 31 March 2020

APM had net assets of £6.4m at 31 March 2020 (2019: £6.6m). Free reserves amounted to £4.5m (2019: £4.5m) being total funds less the designated funds.

After accounting for designated funds of £2.0m and risk-based reserves £2.6m, APM held a surplus of reserves of £1.9m. Surplus reserves have arisen due to stronger revenue performance than budgeted.

Coronavirus pandemic

Lockdown has had a significant impact on income from qualifications, as APM has been unable to offer face to face exams since it started. Whilst the online offering has been built up, this is yet to achieve the same volumes and is expected to take some time to fully recover. A communities' platform was launched in April to enable members to have a visible forum, and membership numbers and responses remain positive. All costs have been reviewed and non-essential spending suspended.

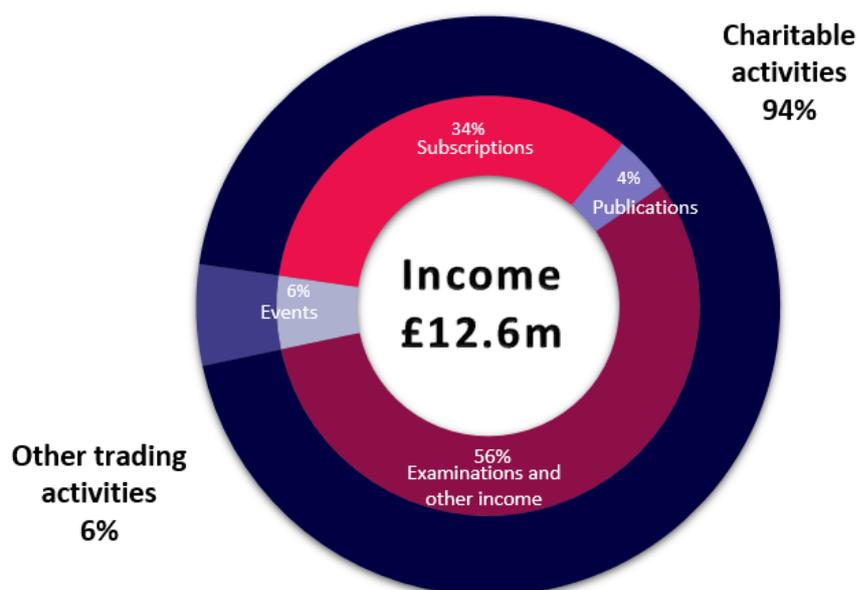
Whilst APM's investment portfolio fell sharply through February and March, the magnitude was much less than experienced in global markets. By the end of May, although not recovered to its peak in the year, the portfolio balance was higher than at the start of the 2019/20 financial year.

Scenario planning has been undertaken to ensure that APM has a viable response to potential outcomes and this has also included maintaining an appropriate level of reserves.

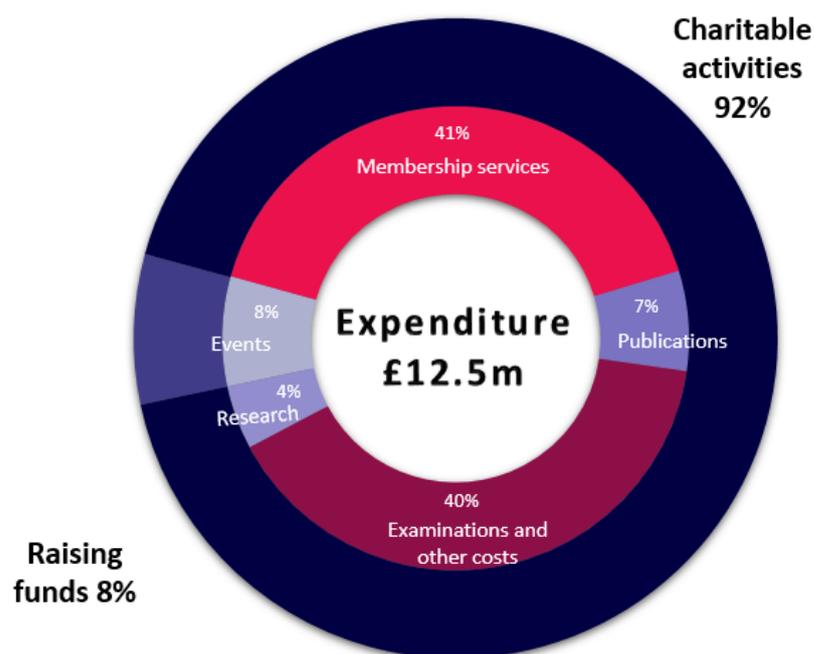
Taken together, this means that APM has sufficient reserves to enable it to continue to operate and be ready to exploit opportunities as confidence returns.

Graphical representation of income and expenditure for the 12 months ending 31 March 2020

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

Moore Kingston Smith LLP 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
20 July 2020

Opinion

We have audited the financial statements of Association for Project Management for the year ended 31 March 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association Balance Sheets, the Consolidated 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 2020 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 26, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 17 August 2020

Moore 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 2020

| | Notes | Total funds 2020 £ | Total funds 2019 £ |
|--|----------|-----------------------------|-----------------------------|
| Income: | | | |
| Income from charitable activities: | | | |
| Subscriptions | | 4,205,044 | 4,009,660 |
| Examination and other contractual income | | 7,148,432 | 6,258,305 |
| Publications | | 553,614 | 502,131 |
| Income from other trading activities: | | | |
| Events | | 715,796 | 761,037 |
| Investment income | 10 | 65,620 | 52,411 |
| Total income | | <u>12,688,506</u> | <u>11,583,544</u> |
| Expenditure: | | | |
| Expenditure on charitable activities | 4 | 11,561,354 | 9,972,625 |
| Expenditure on raising funds: | | | |
| Events | | 927,719 | 1,175,696 |
| Investment management costs | | 20,389 | 19,188 |
| Total expenditure | | <u>12,509,462</u> | <u>11,167,509</u> |
| Net (loss)/gains on investment | 12 | (306,719) | 151,223 |
| Net (expenditure)/income and net movement in funds for the year | 7 | <u>(127,675)</u> | <u>567,258</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | | 6,564,883 | 5,997,625 |
| Total funds carried forward | | <u>6,437,208</u> | <u>6,564,883</u> |

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

The notes on pages 35 to 52 form part of these financial statements.

Association for Project Management

Consolidated balance sheet For the year ended 31 March 2020

| | Notes | 2020 | | 2019 | |
|--|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible fixed assets | 11 | | 1,026,316 | | 914,438 |
| Tangible fixed assets | 11 | | 924,780 | | 1,125,645 |
| Investments | 12 | | 3,753,332 | | 4,008,247 |
| | | | <u>5,704,428</u> | | <u>6,048,330</u> |
| Current assets | | | | | |
| Investments | 13 | 2,192,227 | | 2,589,153 | |
| Stocks | 14 | 22,198 | | 12,316 | |
| Debtors | 15 | 1,972,466 | | 1,717,165 | |
| Cash at bank and in hand | | 899,767 | | 646,096 | |
| | | <u>5,086,658</u> | | <u>4,964,730</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (3,890,665) | | (3,892,320) | |
| Net current assets | | | <u>1,195,993</u> | | <u>1,072,410</u> |
| Total assets less current liabilities | | | 6,900,421 | | 7,120,740 |
| Provisions for liabilities | 17 | | (463,213) | | (555,857) |
| Net assets | | | <u>6,437,208</u> | | <u>6,564,883</u> |
| The funds of the charity: | | | | | |
| Unrestricted income fund-designated | 18 | | 1,951,096 | | 2,040,083 |
| Unrestricted income fund-general | 19 | | 4,486,112 | | 4,524,800 |
| | | | <u>6,437,208</u> | | <u>6,564,883</u> |

The notes on pages 35 to 52 form part of these financial statements.

Approved by the board of trustees on 20 July 2020 and signed on its behalf by:



J McGlynn, Chair

Incorporated by Royal Charter RC000890

Association for Project Management

Association balance sheet As at 31 March 2020

| | Notes | 2020 | | 2019 | |
|--|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible fixed assets | 11 | | 1,026,316 | | 914,438 |
| Tangible fixed assets | 11 | | 924,780 | | 1,125,645 |
| Investments | 12 | | 3,753,333 | | 4,008,248 |
| | | | <u>5,704,429</u> | | <u>6,048,331</u> |
| Current assets | | | | | |
| Investments | 13 | 2,185,921 | | 2,414,938 | |
| Stocks | 14 | 22,198 | | 12,316 | |
| Debtors | 15 | 1,943,676 | | 1,672,634 | |
| Cash at bank and in hand | | 885,501 | | 618,344 | |
| | | <u>5,037,296</u> | | <u>4,718,232</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (3,818,465) | | (3,667,935) | |
| | | | <u>1,218,831</u> | | <u>1,050,297</u> |
| Net current assets | | | | | |
| | | | <u>6,923,260</u> | | <u>7,098,628</u> |
| Total assets less current liabilities | | | | | |
| Provisions for liabilities | 17 | | (463,213) | | (555,857) |
| | | | <u>6,460,047</u> | | <u>6,542,771</u> |
| Net assets | | | | | |
| The funds of the charity: | | | | | |
| Unrestricted fund-designated | 18 | | 1,951,096 | | 2,040,083 |
| Unrestricted fund-general | 19 | | 4,508,951 | | 4,502,688 |
| | | | <u>6,460,047</u> | | <u>6,542,771</u> |

The notes on pages 35 to 52 form part of these financial statements.

Approved by the board of trustees on 20 July 2020 and signed on its behalf by:



J McGlynn, Chair
Incorporated by Royal Charter RC000890

Consolidated cash flow statement
For the year ended 31 March 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|-----------|-------------|
| Net cash provided by operating activities | A | 427,089 | 1,638,550 |
| Cash flows from investing activities: | | | |
| Return on investment and servicing of finance | | | |
| Investment income | | 65,620 | 52,411 |
| Purchase of fixed assets | | (584,160) | (1,625,277) |
| Acquisition of long-term investments | | (959,560) | (1,259,583) |
| Proceeds from sale of investments and decrease in cash held within investments | | 907,756 | 1,207,988 |
| Net cash used in investing activities | | (570,344) | (1,624,461) |
| Change in cash and cash equivalents | | (143,255) | 14,089 |
| Cash and cash equivalents at the beginning of the reporting period | | 3,235,249 | 3,221,160 |
| Cash and cash equivalents at the end of the reporting period | | 3,091,994 | 3,235,249 |
| Analysis of cash and cash equivalents: | | | |
| Cash in hand | | 899,767 | 646,096 |
| Notice deposits (less than three months) | | 2,192,227 | 2,589,153 |
| | | 3,091,994 | 3,235,249 |
| Note A | | | |
| Reconciliation of net incoming resources to net cash flow from operating activities | | | |
| Net (outgoing)/incoming resources for the year | | (127,675) | 567,258 |
| Investment income | | (65,620) | (52,411) |
| Loss/(gains) on investment activities | | 306,719 | (151,223) |
| Loss on disposal of fixed assets | | - | 239,597 |
| Correction of an over accrual in the previous period (note 11) | | 132,775 | - |
| Depreciation and amortisation | | 540,372 | 274,325 |
| (Increase)/decrease in inventories | | (9,882) | 11,841 |
| Decrease/(increase) in trade and other receivables | | 145,084 | (383,589) |
| (Increase)/decrease in prepayments | | (400,385) | 215,799 |
| (Decrease)/increase in trade and other payables | | (44,794) | 723,904 |
| (Decrease)/increase in accruals and deferred income | | 43,139 | 193,049 |
| (Decrease) in provisions | | (92,644) | - |
| Net cash provided by operating activities | | 427,089 | 1,638,550 |

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 have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Association and group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the impact of the coronavirus pandemic.

The onset of lockdown immediately stopped the ability of the organisation to offer face to face exams, which form a significant part of APM's income. However, the Association was able to bring forward the extension of its online qualifications offer and uptake has been promising. Assessments are being made to provide a safe environment for the return of face to face exams as lockdown restrictions ease. Costs are being managed to mitigate the impact on reserves and scenario planning has confirmed that by drawing on reserves, the organisation can continue to operate under a variety of conditions. Significant reserves are held on deposit and in the form of investments which are readily available to convert into cash

On this basis the trustees consider that the Association 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.

1 Accounting policies (continued)

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Ibis Trading Limited on a line-by-line basis.

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

| | 2020 | 2019 |
|--------------------------------|------------|------------|
| | £ | £ |
| Gross income | 12,342,600 | 11,316,984 |
| (Deficit)/surplus for the year | (82,722) | 696,148 |

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.

Accounting policies (continued)

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

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

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:

| Description | Method of apportionment |
|------------------------|---|
| 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.

Accounting policies (continued)

Intangible fixed assets (continued)

Intangible fixed assets include software licences, website and e-learning development costs and the costs of producing new APM qualifications and the *APM Body of Knowledge 7th edition* which have been capitalised on the grounds that they underpin APM's examination syllabuses, and that they have an economic life beyond 12 months. E-learning and certain website development costs are capitalised on the basis that they aid and assist members taking qualifications and as such are enduring assets which will assist in the creation of future revenue.

Tangible fixed assets

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

| | |
|--|---|
| Leasehold improvements 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

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

APM 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 balance sheet when the Association 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 Association's accounting policies, the trustees 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.

2 Income

All income was derived from the provision of services, with the exception of income from publications of £553,614 (2019: £502,131).

Interest income received was £13,815 (2019: £8,022). Dividend income from investments was £51,805 (2019: £44,389).

3 Governance costs

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs | 202,267 | 193,681 |
| Audit and legal fees | 35,411 | 27,756 |
| Cost of trustee meetings, travel and support | 34,720 | 30,103 |
| | <u>272,398</u> | <u>251,540</u> |

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

The costs of £272k (2019: £252k) above are representative of total governance costs of which £15,446 (2019: £16,601) were apportioned to raising funds the remainder were apportioned to charitable activities (note 6).

4 Breakdown of cost of charitable activities

| | Activities undertaken directly | Support costs | Total |
|---------------------------------|---|--------------------------|-------------------|
| 2020 | £ | £ | £ |
| Membership subscriptions | 3,355,325 | 1,719,273 | 5,074,598 |
| Examination and other fees | 2,150,997 | 2,922,706 | 5,073,703 |
| Publications | 636,534 | 226,352 | 862,886 |
| Research & development projects | 550,167 | 0 | 550,167 |
| | <u>6,693,023</u> | <u>4,868,331</u> | <u>11,561,354</u> |
| | | (Note 6) | |
| 2019 | | | |
| 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 |
| | <u>5,674,686</u> | <u>4,297,939</u> | <u>9,972,625</u> |
| | | (Note 6) | |

5 Total support cost breakdown by activity

| | Staff Costs | Other Costs | Total |
|-----------------------|------------------------|------------------------|------------------|
| 2020 | £ | £ | £ |
| Cost of raising funds | 129,622 | 163,038 | 292,660 |
| Charitable activities | 2,156,231 | 2,712,099 | 4,868,330 |
| | <u>2,285,853</u> | <u>2,875,137</u> | <u>5,160,990</u> |
| 2019 | | | |
| Cost of raising funds | 128,345 | 175,356 | 303,701 |
| Charitable activities | 1,816,317 | 2,481,622 | 4,297,939 |
| | <u>1,944,662</u> | <u>2,656,978</u> | <u>4,601,640</u> |

6 Support cost apportionment

Charitable activities

| | Membership subscriptions | Examination and other fees | Publications | Total |
|------------------------|-----------------------------|-------------------------------|----------------|------------------|
| 2020 | £ | £ | £ | £ |
| Depreciation | 180,013 | 306,017 | 23,700 | 509,730 |
| Finance | 170,442 | 289,746 | 22,440 | 482,628 |
| Information technology | 260,219 | 442,364 | 34,259 | 736,842 |
| Support staff costs | 761,483 | 1,294,495 | 100,253 | 2,156,231 |
| Office costs | 256,372 | 435,823 | 33,753 | 725,948 |
| Governance costs | 90,744 | 154,261 | 11,947 | 256,952 |
| Total | 1,719,273 | 2,922,706 | 226,352 | 4,868,331 |
| | (Note 4) | (Note 4) | (Note 4) | (Note 4) |
| 2019 | | | | |
| 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 |
| Total | 1,600,104 | 2,497,453 | 200,382 | 4,297,939 |
| | (Note 4) | (Note 4) | (Note 4) | (Note 4) |

7 Net incoming resources for the year

This is stated after charging:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Loss on disposal of fixed assets | - | 121,422 |
| Depreciation and amortisation of fixed assets | 540,372 | 274,325 |
| Operating lease payments - premises | 217,660 | 183,478 |
| Auditor's remuneration - current year | 19,600 | 20,370 |
| - prior year under provision | 1,080 | - |
| Auditor's remuneration for non-audit services | 2,750 | 1,050 |

8 Staff costs and numbers

| | 2020 | 2019 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,473,307 | 4,043,998 |
| Social security costs | 401,157 | 409,190 |
| Pension costs | 331,932 | 224,379 |
| Private medical insurance | 43,965 | 40,004 |
| Group life assurance | 16,752 | 14,320 |
| | <u>5,267,113</u> | <u>4,731,891</u> |

Included in the above are redundancy and termination payments in the year amounting to £23,783 (2019: £0).

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

| | 2020 | 2019 |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 6 | 5 |
| £70,001 - £80,000 | 4 | 3 |
| £80,001 - £90,000 | 3 | 1 |
| £90,001 - £100,000 | - | 1 |
| £120,001 - £130,000 | 1 | 1 |

The above staff have retirement benefits accruing under defined contribution schemes at a cost of £88,121 (2019: £62,739) to APM.

Key management personnel are deemed to be the chief executive and the chief financial 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 who have held the positions in the year amounted to £250,479 (2019: £319,478).

| Average employee numbers: | 2020 | 2019 |
|------------------------------------|-------------|-------------|
| Business development and marketing | 53 | 46 |
| Customer services | 28 | 27 |
| Office and administration | 37 | 31 |
| | <u>118</u> | <u>104</u> |

9 Taxation

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

10 Investment income

| | 2020 | 2019 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Bank interest | 13,815 | 8,022 |
| Income from investments | 51,805 | 44,389 |
| | <hr/> | <hr/> |
| | 65,620 | 52,411 |
| | <hr/> <hr/> | <hr/> <hr/> |

11 Fixed assets

Intangible fixed assets - group and Association

| | Computer software | Customer relationship management system | Publications | Qualifications | Total |
|-----------------------|-------------------|---|--------------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2019 | 806,513 | 378,831 | 569,598 | 466,903 | 2,221,845 |
| Over accrual* | (7,019) | - | (7,942) | (5,578) | (20,539) |
| Additions | 391,440 | - | - | 178,993 | 570,433 |
| At 31 March 2020 | 1,190,934 | 378,831 | 561,656 | 640,318 | 2,771,739 |
| Amortisation | | | | | |
| At 1 April 2019 | 451,696 | 217,961 | 425,218 | 212,532 | 1,307,407 |
| Charge for the year | 193,572 | 78,722 | 47,850 | 117,872 | 438,016 |
| At 31 March 2020 | 645,268 | 296,683 | 473,068 | 330,404 | 1,745,423 |
| Net book value | | | | | |
| At 31 March 2020 | 545,666 | 82,148 | 88,588 | 309,914 | 1,026,316 |
| At 31 March 2019 | 354,817 | 160,870 | 144,380 | 254,371 | 914,438 |

Tangible fixed assets - group and Association

| | Leasehold improvements & dilapidations | Furniture & computer equipment | Total |
|-----------------------|--|--------------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2019 | 1,299,309 | 580,255 | 1,879,564 |
| Over accrual* | (112,236) | - | (112,236) |
| Additions | 6,440 | 7,287 | 13,727 |
| Disposals | - | - | - |
| At 31 March 2020 | 1,193,513 | 587,542 | 1,781,055 |
| Depreciation | | | |
| At 1 April 2019 | 239,468 | 514,451 | 753,919 |
| Over accrual* | (2,620) | - | (2,620) |
| Charge for the year | 84,328 | 20,648 | 104,976 |
| At 31 March 2020 | 321,176 | 535,099 | 856,275 |
| Net book value | | | |
| At 31 March 2020 | 872,337 | 52,443 | 924,780 |
| At 31 March 2019 | 1,059,841 | 65,804 | 1,125,645 |

*Represents a correction of an over accrual in the previous period

12 Fixed asset investments

Movement in fixed asset investments

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| <u>Investment portfolio</u> | | |
| Market value brought forward | 3,962,979 | 3,403,122 |
| Acquisitions at cost | 959,560 | 1,259,583 |
| Less disposal proceeds | (897,533) | (850,949) |
| (Loss)/gains on revaluation | (306,719) | 151,223 |
| | 3,718,287 | 3,962,979 |
| <i>Historical costs</i> | <i>959,561</i> | <i>1,259,583</i> |
| Geographical analysis | | |
| United Kingdom investments | 1,615,968 | 1,902,230 |
| Overseas investments | 2,102,319 | 2,060,749 |
| | 3,718,287 | 3,962,979 |
| Total investments | | |
| Listed investments | 3,718,287 | 3,962,979 |
| Cash held by investment fund manager | 35,045 | 45,268 |
| | 3,753,332 | 4,008,247 |
| Asset allocation | 2020 | 2019 |
| Equity | 51% | 53% |
| Bonds | 13% | 17% |
| Other | 29% | 25% |
| Fund cash (includes cash held within investments) | 7% | 5% |

Cash is held for investment pending suitable market conditions.

Fixed asset investments (continued)

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

| Investments | Holding (units) | Value £ |
|--|----------------------------|--------------------|
| Twentyfour absolute return credit | 2,485 | 248,232 |
| TB Evenlode income | 122,277 | 243,796 |
| MI Twentyfour dynamic bond | 2,418 | 240,116 |
| Stewart investors Asia pacific leaders | 35,335 | 239,538 |
| Liontrust special situations | 64,507 | 232,964 |
| Trojan funds | 77,578 | 203,170 |
| Fundsmith equity | 45,222 | 195,299 |

Investment in subsidiary

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 and Wales. The subsidiary is used for trading activities and made a loss of £23k (2019: profit of £151k) on income of £482k (2019: £523k) before the distribution of surplus funds from the financial year 2018-19 to the Association. 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 (2019: £1).

13 Current asset investments

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash held on deposit | 2,192,227 | 2,589,153 | 2,185,921 | 2,414,938 |
| | <u>2,192,227</u> | <u>2,589,153</u> | <u>2,185,921</u> | <u>2,414,938</u> |

14 Stocks

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Publication materials and sundry sale items | 22,198 | 12,316 | 22,198 | 12,316 |

15 Debtors: amounts falling due within one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 1,130,476 | 1,275,560 | 1,065,699 | 1,155,877 |
| Prepayments and sundry debtors | 841,990 | 441,605 | 728,415 | 329,498 |
| Amounts owed by group undertakings | - | - | 149,562 | 187,259 |
| | <u>1,972,466</u> | <u>1,717,165</u> | <u>1,943,676</u> | <u>1,672,634</u> |

16 Creditors: amounts falling due within one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 597,198 | 641,992 | 595,745 | 561,281 |
| Other creditors and accruals | 1,096,994 | 1,108,217 | 1,033,004 | 971,008 |
| Subscriptions received in advance | 1,935,759 | 1,885,124 | 1,935,643 | 1,885,009 |
| Other taxes and social security | 260,714 | 256,987 | 254,073 | 250,637 |
| | <u>3,890,665</u> | <u>3,892,320</u> | <u>3,818,465</u> | <u>3,667,935</u> |

17 Provisions for liabilities

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Dilapidation provision for leased premises | | | | |
| Bought forward | 555,857 | - | 555,857 | - |
| Addition | - | 555,857 | - | 555,857 |
| Re-measurement of estimate | (92,644) | - | (92,644) | - |
| | <u>463,213</u> | <u>555,857</u> | <u>463,213</u> | <u>555,857</u> |

18 Designated funds

| 2020 | At 1 April 2019 | Incoming | Outgoing | Transfers | At 31 March 2020 |
|---------------------------|----------------------------|-----------------|-----------------|------------------|-----------------------------|
| | £ | £ | £ | £ | £ |
| Group and Company | | | | | |
| Fixed asset fund | 2,040,083 | - | - | (88,987) | 1,951,096 |
| | <u>2,040,083</u> | <u>-</u> | <u>-</u> | <u>(88,987)</u> | <u>1,951,096</u> |
| 2019 | At 1 April 2018 | Incoming | Outgoing | Transfers | At 31 March 2019 |
| | £ | £ | £ | £ | £ |
| 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> |

The fixed asset fund of £1,951,096 represents tangible and intangible fixed assets.

During 2019, 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 balance of the designated development fund was released to general funds as this is fully funded from operational income.

19 Unrestricted general funds

| 2020 | At 1 April 2019 £ | Incoming £ | Outgoing £ | (Loss) on investments £ | Transfer from designated funds £ | At 31 March 2020 £ |
|-----------------------|--------------------------------------|-----------------------|-----------------------|--|---|---------------------------------------|
| Group Retained fund | 4,524,800 | 12,995,227 | (12,816,183) | (306,719) | 88,987 | 4,486,112 |
| Company Retained fund | 4,502,688 | 12,035,881 | (11,811,886) | (306,719) | 88,987 | 4,508,951 |
| 2019 | At 1 April 2018 £ | Incoming £ | Outgoing £ | Gains on investments £ | Transfer from designated funds £ | At 31 March 2019 £ |
| 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 |

20 Net assets by fund

| 2020 | Designated | General | Total |
|--------------------------------|-------------------|------------------|------------------|
| | £ | £ | £ |
| Intangible fixed assets | 1,026,316 | - | 1,026,316 |
| Tangible fixed assets | 924,780 | - | 924,780 |
| Investments | - | 3,753,332 | 3,753,332 |
| Current assets | - | 5,086,658 | 5,086,658 |
| Current liabilities | - | (3,890,665) | (3,890,665) |
| Creditors due in over one year | - | (463,213) | (463,213) |
| | <u>1,951,096</u> | <u>4,486,112</u> | <u>6,437,208</u> |
| | | | |
| 2019 | Designated | General | Total |
| | £ | £ | £ |
| 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> |

21 Trustee remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2019: £0). The reimbursement to 12 (2019: 14) trustees of expenses for travel and subsistence incurred on behalf of the Association totalled £7,985 (2019: £13,824) during the year. The Association receives subscriptions from the trustees and provides examination services to some trustees on the same basis as any other member.

22 Financial commitments

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

| Operating leases: | Land and buildings | |
|----------------------------|--------------------|-----------|
| | 2020 | 2019 |
| | £ | £ |
| Due: | | |
| Within one year | 171,371 | 186,747 |
| Between two and five years | 685,484 | 685,484 |
| After five years | 597,773 | 769,144 |
| | 1,454,628 | 1,641,375 |
| | 1,454,628 | 1,641,375 |

23 Related party transactions

During the year the charity had no related party transactions with trustees (2019: £0).

Intercompany transactions between the charity and its wholly owned subsidiary, Ibis Trading Limited were £15,577 for the master trading agreement (2019: £16,724) and £98,661 (2019: £89,830) for shared resources. Amounts owed by Ibis Trading Limited to the charity at the balance sheet date were £149,562 (2019: £187,259).

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

24 Coronavirus pandemic

In March 2020 the coronavirus COVID-19 became a global pandemic. For the protection of staff and high-risk dependents, the APM offices were closed to all but essential staff on 18 March and then fully on 20 March prior to UK lockdown on 24 March. The lockdown had an immediate and significant impact on income as APM could no longer deliver face-to-face exams. A rapid assessment of the likely effect was undertaken, and business continuity plans were enacted.

The board had a scheduled meeting on 24 March and special meetings were arranged in April, May and June.

Work on the online qualifications' platform was accelerated to make it available for April and the communities' platform was also launched in April to enable members to have a visible forum. Costs were reviewed and non-essential spending suspended.

Large face-to-face conferences and events have been replaced by virtual meetings until the end of 2020.

The fall in the global equity markets that negatively impacted the value of APM's investment portfolio has been largely reversed in 2020-21.

Management and the board continue to assess the situation.

Association for Project Management

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

Tel (UK) 0845 458 1944
Tel (Int) +44 1844 271 640
Email info@apm.org.uk
Web apm.org.uk