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| Company Registration No. | 1218334 |
| Charity Registration No. | 290927 |

**ASSOCIATION FOR PROJECT MANAGEMENT
(A COMPANY LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

CONTENTS

| | Page |
|--|-------------|
| Legal and administrative information | 1 |
| Trustees' annual report | 3 |
| Strategic report | 10 |
| Independent auditor's report | 21 |
| Consolidated statement of financial activities | 23 |
| Consolidated balance sheet | 24 |
| Association balance sheet | 25 |
| Consolidated cash flow statement | 26 |
| Notes to the accounts | 27 |

LEGAL AND ADMINISTRATIVE INFORMATION

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

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

Board of trustees

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

Secretary

| | |
|---------------|--|
| J F Salisbury | (Retired 20 September 2013) |
| P G Van Duzer | (Appointed 12 November 2013) (Resigned 11 March 2014) |
| M S Robinson | (Appointed 11 March 2014) |

Chief executive

A Bragg

Principal address

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

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

| | |
|-------------------|--|
| Auditor | Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD |
| Bankers | Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR |
| Solicitors | Blake Laphorn New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG |

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

Introduction

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

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

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

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

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

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

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

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

As in previous years, APM's achievements in 2013/14 were not borne out of luck, but resulted from the close collaboration between trustees, volunteers, professional staff, specialist advisors and like-minded supporters. Through this collaborative commitment, APM will continue to meet the new and emerging challenges of the profession to ensure that project management enjoys the recognition it richly deserves.

Mike Nichols

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

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

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

Under his leadership, the APM board committed to achieving Chartered status on behalf of the profession. Mike played a leading part in the subsequent campaign which has taken APM to the cusp of achieving a Royal Charter. In doing so, Mike galvanised the profession behind a radical and challenging vision of a world in which all projects succeed, a vision inspired by his time at British Leyland and the revolution of the car industry in the 1970s.

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

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

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

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

Andrew Bragg, Chief Executive

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance structure

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

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

Appointment of trustees

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

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

Trustee induction and training

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

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

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

Trustee indemnity insurance

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board structure

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

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

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

Subsidiary company and related parties

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

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

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

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

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

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

The vision is ambitious, challenging and radical. Above all, it reflects what society expects.

*A world in which **All Projects Succeed**.*

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

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

The association will lead activities that deliver benefit:

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

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

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

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

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

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

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

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

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

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

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

Achievement and performance

Successes 2013/14

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

- Membership continued to grow, reaching 21,150 individual and 547 corporate members by the end of the financial year. This furthers APM's aim to improve professionalism within project management and is another step towards the aspirations contained within Strategy 2020.
- A record 14,400 candidates sat the association's professional qualifications, with APMP leading the way, reflecting the value that the profession places in APM qualifications.
- Revenues grew by £300k from last year to £7.4m highlighting the growth across all areas of the charity.
- £600k was invested in projects to support the realisation of the aspirations laid out in Strategy 2020. This was the first phase in realising APM's ambitious vision of a world in which **All Projects Succeed**.
- APM's first online qualification was launched in the form of the APM Introductory Certificate (since the year end renamed the 'Project Fundamentals' qualification). This is an important step in making APM's qualifications more accessible both domestically and globally.
- Refreshed syllabi were introduced for the Introductory Certificate and APMP qualifications in line with the *APM Body of Knowledge 6th edition*.
- The APM conference was well received. The event was themed 'Adapt!' and included presentations from leading psychologist Professor Richard Wiseman and 'undercover economist' Tim Harford. With 262 delegates, it had the highest attendance of any APM conference to date.
- The APM awards, hosted in November 2013, saw a fresh roster of winners with BBC, B&Q and DHL Supply Chain representing new sectors and fresh names to be added to the list of past winners, as an increasing number of organisations place value on APM endorsement.
- APM continued to play a leading role in the International Project Management Association (IPMA). In September 2013 it launched a collaboration with the Finnish project management association, PMAF, based around APM's 'FIVE Dimensions of Professionalism'.
- APM was the first professional body to be awarded the 'Investors in Volunteers' accreditation, a reflection of the invaluable contribution of time, expertise and commitment by APM's loyal volunteers.
- APM launched the new 'enabling change' SIG, and published a guide on the emerging trend of gamification, created by members of APM's Thames Valley branch. Successful collaboration with other professional bodies included a second well-received joint RICS-APM conference, this year examining the differences between 'management' and 'leadership'.
- The APM website attracted 530,000 unique visitors in the year, accessing almost four million pages during the year. In addition, APM's LinkedIn community has 34,500 members and its Twitter account attracts 8,200 followers.

Successes 2013/14 (continued)

Steve Wake – APM Chairman

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

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

On becoming chairman, Steve said:

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

The APM board needs the support of the membership and the profession. We are working on something called ‘Listening, Learning and Leading’. These are words we want APM to stand for and our members to be.

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

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

Successes 2013/14 (continued)

FIVE Dimensions of Professionalism

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

Breadth

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

Depth

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

Achievement

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

Commitment

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

Accountability

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

Successes 2013/14 (continued)

Chartered status

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

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

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

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

APM is now in a position to provide an update on its application for the benefit of its members, supporters and other stakeholders.

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

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

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

A substantive hearing of the Judicial Review claim has now been scheduled for 8th and 9th July 2014 at the High Court in London. In the event that the claim is finally rejected by the court, this would allow APM's application for chartered status to progress to a formal meeting of the Privy Council."

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

<http://www.apm.org.uk/CharteredStatus>

Successes 2013/14 (continued)

Measurement

APM's success in meeting its objectives is measured by key performance indicators (KPIs) which are set annually at the start of each year as part of the business planning process. The KPIs are contained within a balanced scorecard which sets targets for each area of the association. Progress against these indicators is reviewed quarterly, and remedial action taken when necessary. These indicators include both financial and non-financial measures. They are subdivided into four areas, the financial perspective, the customer perspective, deliver core activities well and grow our capability. Each category contains a number of key performance indicators, some of which are shown below.

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

Plans for future periods

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

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

Develop strategic partnerships

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

Develop new and existing standards and knowledge solutions

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

Develop new membership subscriptions model

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

Develop customer focused processes

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

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

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

Principal risks and uncertainties

As detailed on page 7, APM manages risk through established and developing risk management policies, supported by the executive and 'risk champion'. A strategic risk register is maintained and reviewed on a regular basis. During the course of the year, the trustees have considered a number of risks and mitigating strategies, including the following risks:

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

Financial review

This financial review is based on the financial statements shown from page 23 onwards. The layout follows the latest Charities Accounting Statement of Recommended Practice (SORP 2005) - Accounting and Reporting by Charities 2005.

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

Surplus

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

Income

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

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

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

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

Event income increased by 22.7% from £290k to £356k. This was largely due to the increased number of delegates attending the annual APM events. Although fewer branch and SIG events were held than last year, income increased due to the higher level of paying delegates.

Expenditure

The latest applicable SORP 2005 requires expenditure to be analysed into the same categories as the income described above (and as shown in the consolidated statement of financial activities on page 23 of the accounts). The expenditure is detailed in note 3 on page 29.

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

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

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

Financial review (continued)

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

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

Reserves policy

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

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

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

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

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

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

Investment policy

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

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

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

Statement of trustees' responsibilities

The trustees (who are also directors of the Association for Project Management for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

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

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

Signed on behalf of the Trustees/Directors

.....
S Wake

Chairman

8 July 2014

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION FOR PROJECT MANAGEMENT

We have audited the financial statements of the Association for Project Management for the year ended 31 March 2014 which comprise the Statement of Financial Activities incorporating the summary income and expenditure account, the group and parent charitable company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors;
- the overall presentation of the financial statements.

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

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION FOR PROJECT MANAGEMENT
(CONTINUED)**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounts records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent and charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sandra De Lord, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2014**

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

APM has no restricted funds.

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

The notes on pages 27 to 36 form part of these financial statements.

(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2014**

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

The notes on pages 27 to 36 form part of these financial statements.

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

.....
S Wake

.....
J Gordon

Company number 1218334

(A company limited by guarantee)

**ASSOCIATION BALANCE SHEET
AS AT 31 MARCH 2014**

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

The notes on pages 27 to 36 form part of these financial statements.

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

.....
S Wake

.....
J Gordon

(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

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

(A company limited by guarantee)

Notes to the accounts

1 Accounting policies**1.1 Basis of preparation**

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

Group financial statements

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

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

| | 2014 | 2013 |
|----------------------|----------------|----------------|
| | £ | £ |
| Gross income | 7,244,935 | 6,935,682 |
| Surplus for the year | <u>165,055</u> | <u>720,716</u> |

1.2 Unrestricted funds

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

Designated funds

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

Restricted funds

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

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

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

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

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

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

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

(A company limited by guarantee)

Notes to the accounts**1.4 Expenditure (including allocation of expenditure)**

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

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

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

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

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

1.5 Cost allocation

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

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

1.6 Tangible fixed assets

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

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

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

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

(A company limited by guarantee)

Notes to the accounts

1.6 Tangible fixed assets (continued)

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

1.7 Stocks

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

1.8 Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date.

Resulting gains or losses are included in the SOFA.

2 Governance costs

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

3 Breakdown of cost of charitable activities

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

(Note 5)

4 Total support cost breakdown by activity

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

(A company limited by guarantee)

Notes to the accounts

5 Support cost apportionment

Cost of generating funds

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

Charitable activities

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

6 Net incoming resources for the year

This is stated after charging:

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

(A company limited by guarantee)

Notes to the accounts

| 7 Staff costs and numbers | 2014 | 2013 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,503,157 | 2,286,026 |
| Social security costs | 275,970 | 238,598 |
| Pension costs | 119,403 | 106,804 |
| | <u>2,898,530</u> | <u>2,631,428</u> |

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

| | 2014 | 2013 |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 3 | 2 |
| £70,001 - £80,000 | 1 | 1 |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | - |
| £120,001 - £130,000 | - | 1 |
| £140,001 - £150,000 | <u>1</u> | <u>-</u> |

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

Average employee numbers:

| | 2014 | 2013 |
|---------------------------|-------------|-------------|
| Development and marketing | 26 | 23 |
| Customer services | 22 | 21 |
| Office and administration | 23 | 20 |
| | <u>71</u> | <u>64</u> |

8 Taxation

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

9 Income from investments

| | 2014 | 2013 |
|---------------|---------------|---------------|
| | £ | £ |
| Bank interest | <u>30,709</u> | <u>27,493</u> |

(A company limited by guarantee)

Notes to the accounts

10 Tangible fixed assets

| Group | Publications | Leasehold | Furniture, | Total |
|-----------------------|----------------|----------------|----------------|------------------|
| | £ | improvements | equipment | |
| | £ | £ | & website | £ |
| | | | £ | |
| Cost | | | | |
| At 1 April 2013 | 362,369 | 260,168 | 823,542 | 1,446,079 |
| Additions | - | - | 38,421 | 38,421 |
| Disposals | - | - | (178,979) | (178,979) |
| Reclassification | - | 35,295 | (35,295) | - |
| At 31 March 2014 | <u>362,369</u> | <u>295,463</u> | <u>647,689</u> | <u>1,305,521</u> |
| Depreciation | | | | |
| At 1 April 2013 | 225,593 | 190,995 | 616,393 | 1,032,981 |
| Charge for the year | 62,262 | 10,657 | 107,429 | 180,348 |
| Disposals | - | - | (177,819) | (177,819) |
| Reclassification | - | 7,274 | (7,274) | - |
| At 31 March 2014 | <u>287,855</u> | <u>208,926</u> | <u>538,729</u> | <u>1,035,510</u> |
| Net book value | | | | |
| At 31 March 2014 | <u>74,514</u> | <u>86,537</u> | <u>108,960</u> | <u>270,011</u> |
| At 31 March 2013 | <u>136,776</u> | <u>69,173</u> | <u>207,149</u> | <u>413,098</u> |
| Company | | | | |
| | Publications | Leasehold | Furniture, | Total |
| | £ | improvements | equipment | |
| | £ | £ | & website | £ |
| | | | £ | |
| Cost | | | | |
| At 1 April 2013 | 389,897 | 260,168 | 823,542 | 1,473,607 |
| Additions | - | - | 38,421 | 38,421 |
| Disposals | - | - | (178,979) | (178,979) |
| Reclassification | - | 35,295 | (35,295) | - |
| At 31 March 2014 | <u>389,897</u> | <u>295,463</u> | <u>647,689</u> | <u>1,333,049</u> |
| Depreciation | | | | |
| At 1 April 2013 | 253,121 | 190,995 | 616,393 | 1,060,509 |
| Charge for the year | 62,262 | 10,657 | 107,429 | 180,348 |
| Disposals | - | - | (177,819) | (177,819) |
| Reclassification | - | 7,274 | (7,274) | - |
| At 31 March 2014 | <u>315,383</u> | <u>208,926</u> | <u>538,729</u> | <u>1,063,038</u> |
| Net book value | | | | |
| At 31 March 2014 | <u>74,514</u> | <u>86,537</u> | <u>108,960</u> | <u>270,011</u> |
| At 31 March 2013 | <u>136,776</u> | <u>69,173</u> | <u>207,149</u> | <u>413,098</u> |

(A company limited by guarantee)

Notes to the accounts

11 Fixed asset investments

| | Group 2014 £ | Group 2013 £ | Company 2014 £ | Company 2013 £ |
|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Ibis Trading Limited | - | - | 1 | 1 |
| | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>1</u></u> | <u><u>1</u></u> |

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

12 Current asset investments

| | Group 2014 £ | Group 2013 £ | Company 2014 £ | Company 2013 £ |
|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash held on deposit | 4,077,349 | 3,510,926 | 3,993,418 | 3,459,368 |
| | <u>4,077,349</u> | <u>3,510,926</u> | <u>3,993,418</u> | <u>3,459,368</u> |

13 Stocks

| | Group 2014 £ | Group 2013 £ | Company 2014 £ | Company 2013 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Publication materials and sundry sale items | 32,095 | 29,543 | 32,095 | 29,543 |
| | <u>32,095</u> | <u>29,543</u> | <u>32,095</u> | <u>29,543</u> |

(A company limited by guarantee)

Notes to the accounts

14 Debtors

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

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

15 Creditors: amounts falling due within one year

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

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

(A company limited by guarantee)

Notes to the accounts

16 Designated funds

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

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

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

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

17 Unrestricted general funds

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

(A company limited by guarantee)

Notes to the accounts

18 Trustee remuneration and expenses

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

19 Capital status

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

20 Financial commitments

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

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

21 Post balance sheet event

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

22 Related party transactions

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

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

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

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