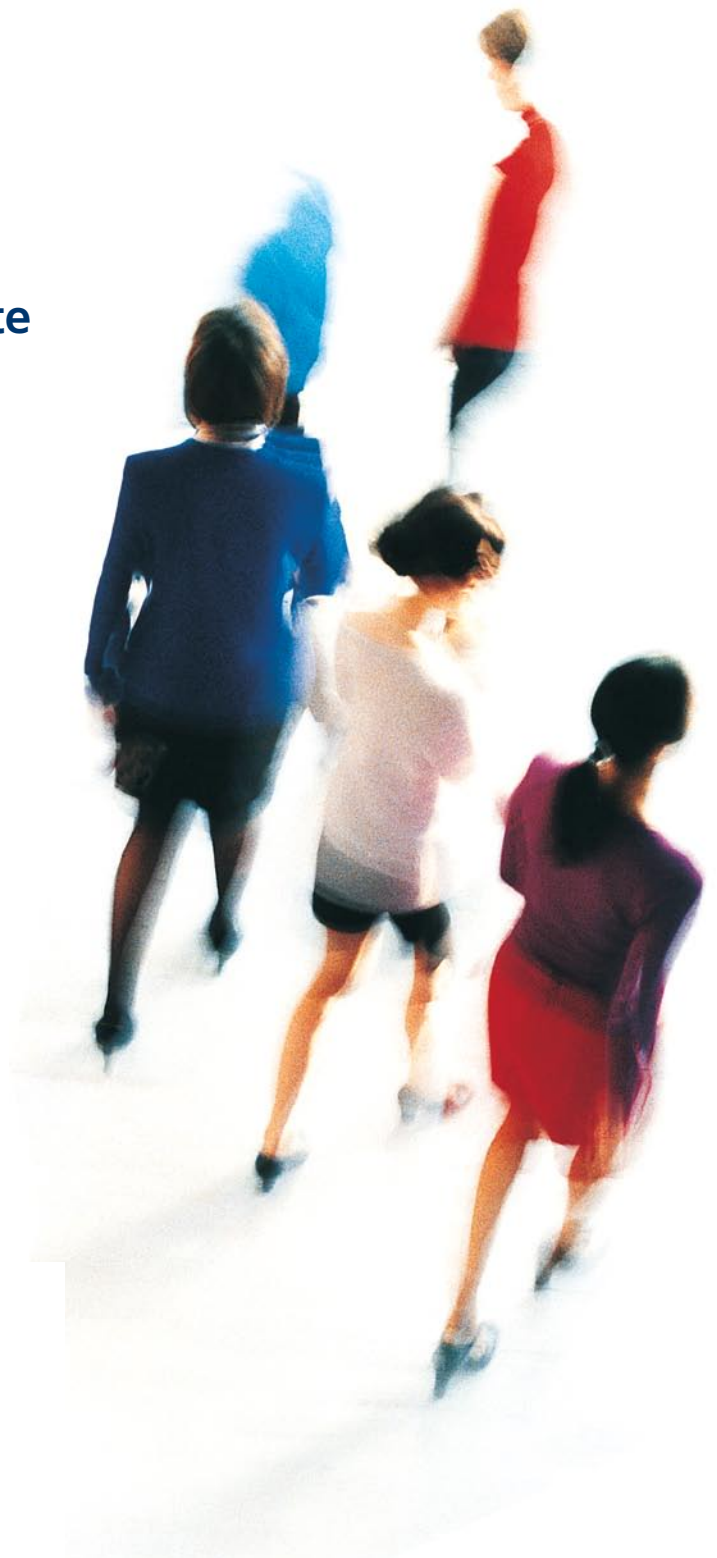


**Chartered Management Institute**  
Annual Report 2009



chartered  
management  
institute

*inspiring leaders*

# Chartered Management Institute

## Legal status

The Chartered Management Institute was incorporated by Royal Charter on 12 February 2002. The Institute is a charity, with registration number 1091035. The Institute is also a charity registered in Scotland (SCO38105).

The members of the Institute's Board of Trustees, other than the Chief Executive, serve as unpaid trustees. Its members are listed on page 32. The Institute insures the trustees in respect of their duties to the Institute.

CMI Enterprises Limited is a wholly owned trading subsidiary of the Institute, company number 4373145, offering commercial services in support of the Institute.

## Auditors

BDO Stoy Hayward LLP  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 1HS

## Bankers

Barclays Bank plc  
Level 27  
1 Churchill Place  
London  
E14 5HP

Charities Official Investment Fund (COIF)  
80 Cheapside  
London  
EC2V 6DZ

## Solicitors

Royds LLP  
65 Carter Lane  
London  
EC4V 5HF

## Investment fund agents

Barclays Private Bank Ltd  
12th Floor  
Churchill Place  
Canary Wharf  
London  
E14 5HP

## Registered office

2 Savoy Court  
Strand  
London  
WC2R 0EZ

## Head office

Management House  
Cottingham Road  
Corby  
Northants  
NN17 1TT

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## Chief executive's report

The past year can be divided into two. On one hand we have witnessed the successful development of relationships with major employers such as the RAF and Royal Navy, we have seen our sphere of influence grow across the medical, leisure and finance sectors, and we have seen a rise in the number of managers striving for recognition through our qualifications programmes. On the other hand the year was also about laying foundation stones for an ambitious five year plan of strategic development and growth. This plan is designed to enable the Institute to establish a more instrumental role in driving forward the UK's skills development in the area of management and leadership, therefore truly demonstrating progress towards achieving our wider charitable objectives.

I am particularly delighted to report that 2008-09 was a year in which we proved how management and leadership development delivers a return on investment. Leading seven other professional bodies under the umbrella of the Consultative Committee for Professional Management Organisations, we demonstrated to political and employer communities how investment in training reaps rewards. Evidence suggests that the message is being understood, with the proportion of Chartered Managers increasing 23 percent in twelve months.

2008-09 was also rewarding for the level of involvement in CMI strategic development from grass roots level, upwards. Our volunteers are the driving force behind the dissemination of our message throughout the regions. Their commitment and enthusiasm has once again resulted in highly successful regional conferences, conventions and branch events and I was encouraged by the clear endorsement given to our five year plan.

Our community of managers extends across 86,000 individual managers, employer organisations, and the wider management population whom we reach via the services, research findings, advice and guidance we provide. Moving forward, our goal is to double membership between now and 2014. Last year we became the first – and still, only – professional body able to award Level 8 qualifications. It's part of our charitable goal to do more to help the UK's management and employer community realise its potential and tackle the productivity gap.

There has never been a greater need for the CMI and one of our main challenges will be to put our excellent offer in front of our key audiences – young managers at the start of their careers, middle managers who are feeling the squeeze on their careers, aspiring senior managers and the boards of companies who need to set the example.

The 12 months ahead will be tough as the economic conditions continue to challenge all organisations but we have a strong foundation in place from which to build on our past successes and become the first port of call for management and leadership development.

**Ruth Spellman OBE CCMi**  
Chief executive





## Our vision

First-class management and leadership driving up personal and corporate performance, national productivity and social well being.

## Our mission

We benefit managers, employers and influencers by promoting the art and science of management. We:

- Encourage and support the lifelong development of managers
- Raise the level of competence and percentage of managers with qualifications
- Initiate, develop, evaluate and disseminate management thinking, tools, techniques and practices
- Influence employers, policy makers and opinion formers on management issues.

## Our objectives

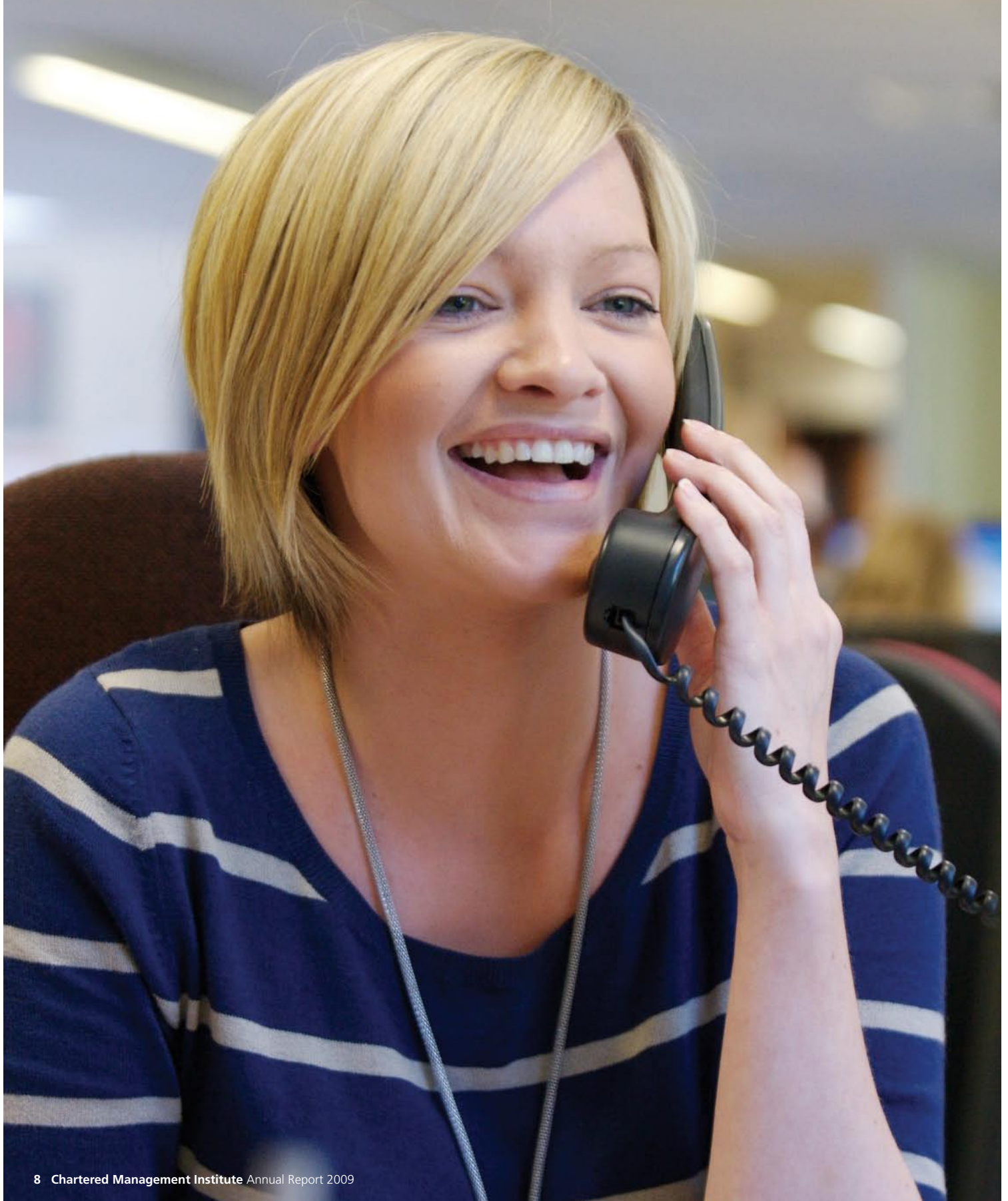
Our five year goal is to become the first port of call for management and leadership development, through:

- Doubling the number of members
- Increasing our penetration of the employer market as a provider of management qualifications, training and development services and information resources
- Demonstrating a return on investment from management and leadership development for employer organisations.





“NET NEW INVESTMENT IN OUR CAMPAIGN TO  
DOUBLE MEMBERSHIP OVER THE NEXT FIVE YEARS  
WILL BE £1.4M”





*“The CMI information service is a fantastic resource which I regularly use. I couldn't do my job without it. I particularly like the checklists, which are a great source of accumulated best-practice. I recently had to manage a number of redundancies and the checklists gave me the confidence that I was approaching this difficult task correctly.”*

**David McCormick**, Contract manager, Cobham Aviation Services UK



## Why membership matters

### **Effectively supporting a growing and diverse membership is vital to achieving our strategic goals.**

As managers and leaders run for cover in the current economic climate the support our members enjoy encourages them to develop and stay ahead of the competition. Our members have access to an unrivalled suite of benefits including online resources, networking events, career development advice and, of course, professional recognition. We are the perfect organisation to provide a career ladder for ambitious employees.

Overall, membership across the Chartered Management Institute (CMI) and the Institute of Business Consulting (IBC) grew by just under 6% to over 86,000 at the end of March 2009. The greatest proportion of growth came via studying members which grew by 13% to more than 39,000. This increase in membership means more managers are benefitting from opportunities to share best practice, develop their own professional contacts and perfect their competencies and skills. Plus, it increases the population we can draw upon for our cutting edge research ensuring we continue to represent the needs and views of senior managers at the heart of Government and other key agencies.

There were some notable successes during the year, not least the 20% increase in the recruitment of full members from those completing Institute qualifications programmes, and our Regional Manager team grew the number of studying members registering through business schools and universities by 34%.

Chartered Manager continued to grow strongly with another 400 managers registering for the programme and the total number of Chartered Managers seeing a 23 percent rise to 850. As time is a rare commodity for busy managers we introduced a 'professional discussion' route where an assessor will meet applicants to make the initial Chartered Manager assessment rather than applications having to be made online. 2008-09 also saw a growth in interest and take-up amongst Higher Education Institutions (HEIs) on the integration of Chartered Manager into their postgraduate business and management programmes; these came from the now more than 40 HEIs working closely with us.

Our research shows that managers want practical advice, accessible online. With this in mind we introduced a Find a Job service, a BusinessHR service and, in conjunction with the IBC, a Redundancy Support service. A new business unit was established within the IBC focusing on the generation of business for consultants. All these services are available directly through our website and, if purchased directly, would cost hundreds of pounds.

Our members continue to need support at every stage of their career so we've invested in our online resources, adding further content and enhancements to our core Subject Search and CPD systems, which remain 'leading edge' in the speed of access, flexibility and automated recording. Membership publications, including *Professional Manager* magazine, were circulated six times in the year. This valuable member resource continued to provide CMI news, topical features and profiles of leading business figures. The IBC has invested in their body of knowledge providing the consultant community with enhanced opportunities to develop their competences and skills, and there has been further development of the National Register.

*“The initial course approval to gain the CMI’s accreditation is rigorous but worthwhile. We know that the Chartered Management Institute will provide high-quality accreditation opportunities for our students in a very time effective and cost effective manner.”*

**Squadron Leader Doug Bain**

Head of Accreditation at HQ 22 (Training) Group RAF



## Employed to good effect

### **We have the tools and the expertise to enable employers to transform organisational performance.**

Our tailor-made training programmes and qualifications are designed to meet the needs of today’s management professionals in delivering management and leadership excellence across their organisations. Successful organisations place management development at the heart of their business and we pride ourselves on being one step ahead when it comes to understanding what might affect managers and leaders tomorrow.

To support our overall strategy of increased engagement with employers we’ve restructured to form a new Employer Engagement and Business Development directorate with considerable investment being made in the systems, structures and products needed to support this. New employer solutions have been introduced to boost our portfolio including accreditation, validation and licensed content making us a truly “one stop shop” for employers across all sectors. These give us the ability to offer employers a flexible, tailored solution which truly meets their organisation’s needs.

In the past year, over 25,500 managers have developed and improved their skills, competence and career prospects through studying one of our nationally recognised qualifications. Of this figure, over 17,000 individuals undertook our full qualifications, a significant 17.5 percent increase on the previous year.

Through our flexible products, diverse knowledge base and first class administrative support we have successfully developed and sustained strong working relationships with all of our clients including Fujitsu, OfCom, Lloyds and GMC.

In terms of professional recognition for management and leadership capability, the CMI has long been a traditional home for Forces personnel. Our strong relationship with the military was developed further with a major contract win with the RAF and Royal Navy to provide qualifications to over 6,000 military personnel each year for the next three years. This makes us the provider of choice for management and leadership qualifications throughout the Armed Forces. We further reinforced our strong working partnership with the National Police Improvement Agency and local Police Forces through the launch of our Police Guaranteed Membership Scheme. This scheme makes CMI membership more accessible to a further 250,000 individuals.

Our ability to deliver qualifications was improved with a significant increase in our Approved Centre network bringing the total number to 575 spanning public sector, higher education, further education, private sector, military and police and justice organisations.

“WE WILL BECOME A ONE STOP SHOP FOR DEVELOPING,  
ACCREDITING AND RECOGNISING EXCELLENCE  
IN MANAGEMENT AND LEADERSHIP”





“EMPLOYERS NEED WHAT THE INSTITUTE OFFERS  
BUT NOT ENOUGH OF THEM KNOW IT – YET!”



*"I was looking to make a career move, but began to realise that without any type of formal qualification I would find it difficult to progress much further. The CMI emerged as the organisation that would help me achieve the qualification I needed to move onwards and upwards. Becoming a Chartered Manager was a real high point in my career and testament to how hard I have worked."*

**Greg Evans**

Greg Evans, Site director, Magnox North Ltd



## Who do they think we are?

**Those who have heard of us often don't know what we do. Raising our profile is vital to our long term success.**

It is through raising our profile and generating interest in management and leadership issues that we will continue to grow our membership base, involve the wider community in our work and achieve greater employer engagement.

Press and PR activity for the year focused on building brand awareness and saliency. Based on our research agenda and issues in the news we achieved over 2,500 pieces of coverage and over 964 million people were exposed to our messages. With the continued importance of promoting good practice in management and leadership we have employed a PR agency to support us in this activity.

Our high profile events allow us to raise awareness of the benefits we offer managers and employers, provide networking opportunities, as well as providing a forum to debate topical management issues. Across the country we ran over 600 events. These included the National Convention at which Neil Carson CCMI, Chief executive of Johnson Matthey Plc, was awarded the Institute's Gold Medal. Regional conferences, branch events, research launches, the Companions' dining club, the IBC Awards event and breakfast debates all gave our stakeholders the chance to develop themselves and their organisations.

We ran another successful national advertising campaign and have also begun the process of updating and modernising our brand so that we are seen as a dynamic and leading organisation that attracts employers, managers and influencers. We want to be seen as the 'First port of call' in relation to all management and leadership issues and this is one of the many ways to achieve that.

*"It is clear to us that training and development opportunities are impacting on individuals. In terms of the impact on the wider organisation, our belief is that if you have good managers, who manage their teams effectively, this translates into better service provision and improved customer satisfaction."*

**Marie MacKenzie**

Training manager, Kingston Hospital



## Speak with authority and people will listen

**As the UK's leading authority on management and leadership, we challenge policy makers and opinion formers, ensuring issues affecting managers and leaders are firmly on the agenda.**

We work together with leading organisations and academics to identify and improve management and leadership skills, feeding into research programmes and policy initiatives to drive superior performance and long-term success.

We have increased investment in our policy and research activities to widen our influence in government, the corridors of Whitehall and the media. This initiative includes the appointment of a Director for Policy and Research.

Seven major reports were published in 2008-09. They included research into the changing delivery of management development; routes to increasing management diversity; younger managers, or 'Generation Y'; workplace bullying; business continuity management; and a comparative report on the quality of working life, jointly with the Australian Institute of Management. We also led on a joint report on the economic returns associated with professional qualifications published by the Consultative Committee for Professional Management Organisations.

Our dialogue with Government continued through a number of successful Ministerial meetings at which we called for a more strategic partnership between Government and professional bodies. Our submissions to Departmental and Select Committee inquiries included the Department for Business' consultation on extending the right to request flexible working; the Department for Innovation, Universities and Skills' "Time to Train" consultation; the Home Office's consultation on the Policing Green Paper; and the Welsh Assembly Government's consultation on "Skills that Work for Wales".

The IBC gained Government sponsorship to support small practices to gain more consultancy work from government and has established an expert group with representation from small practices, the Home Office and the Office of Government Commerce.

The All-Party Parliamentary Group on Management, which brings together MPs and senior managers to debate management issues, has continued to grow. Four successful meetings were held on the role of the UK Commission for Employment and Skills, the economic value of professional qualifications, responses to the recession, and the political awareness skills needed by managers. Speakers included Skills Ministers David Lammy MP, Lord Young, Lord Eatwell and Sir Michael Bichard of the Institute for Government.

We have continued to set the standards that others follow. The Management Standards Centre (MSC), part of the CMI, is the government recognised standards setting body for management and leadership. It sets and promotes these nationally recognised standards and supports employers and educational institutions as they seek to develop a skilled workforce.

Last year MSC undertook a large scale review of its National Occupational Standards for Management and Leadership resulting in the addition of 20 new standards and the amendment of 29 of the existing standards. The MSC also developed a new set of standards for Management and Business Consultancy following recommendations that these would be beneficial to this community. The landscape of vocational qualifications in the UK will be radically changed by the acceptance of the Sector Qualification Strategy Action Plan created by MSC.



“WE WILL TAKE A PROMINENT LEAD ON TOPICAL  
ISSUES AND DRIVING FORWARD THE SKILLS AGENDA”









## The future

**Because everything else changes, our commitment to management and leadership development won't.**

We are passionate about the quality of managers and leaders in the UK and the need to continually promote management and leadership excellence. As all organisations face the future challenges of an uncertain world, we will continue to provide the tools, guidance and knowledge, managers and organisations need to maintain their advantage.

Amongst the many strategic initiatives taking place in the coming year will be the creation of a network of Ambassadors to spread the word about CMI and the vital work it does across the whole of the management profession, continued investment in our online presence, investment in our knowledge management and intellectual property, development of the leadership standard, growth of our licensed products including ManagementDirect, the re-launch and growth of our brand, and the promotion of the Codes of Professional Conduct and Practice of the CMI and IBC.



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## Institute governance

Sir David Howard DSc CCMI, Chairman of Charles Stanley & Company Limited, succeeded Sir John Sunderland CCMI as President of the Institute following the Annual General Meeting on 10 October 2008. Sir David is now serving a two year term as President and Chairman of the Board of Trustees.

The Board of Trustees is the governing body of the charity and it met under the chairmanship of the President five times during the year. It is the Board's role to determine the overall direction and development of the organisation through good governance and effective strategic planning. The Board is also responsible for safeguarding and protecting the assets of the Institute, identifying the principal business risks and ensuring that appropriate systems are in place for their management. Board members also have an important representational and communications role to play, engaging with members at the Regional and National Conventions.

The Institute has kept abreast of developments in charity legislation, in particular the ongoing guidance on public benefit. In compiling this report the Board has paid due regard to this guidance in deciding which activities the charity should undertake and in reporting on those activities.

The Audit Committee provides an independent review of internal controls and financial reporting, as well as reporting to the Board on a quarterly basis on risk management issues. The Chairman is appointed by and from the Board and four Institute members are appointed by the Board on the recommendation of the Nominations Committee.

The Nominations Committee is chaired by the immediate Past President. Two of its members are appointed by and from the Board. The remaining two members are appointed by the Board from the wider membership.

The Advisory Committees of the Board consider policy issues in accordance with the agreed strategic framework. These Committees report to the Board at each of their meetings. The Digest e-newsletter communicates to all honorary officers the strategic discussions taking place across the central committee structure.

The structure, roles and responsibilities of the Advisory Committees of the Board were reviewed in late 2008 to ensure that they were best placed to reflect the Institute's new strategic plans. Changes agreed by the Board in March 2009 are being implemented from June 2009 onwards.

New members of the Board and Committees are provided with a comprehensive induction, including face to face briefings, written guidance in the form of *The Guide* resource pack, as well as information on CD.

Evaluation of the Board and Advisory Committees is regularly undertaken, with training needs followed up. During 2008, for example, two members of the Board attended an external training event, *Trustee Exchange*.

Vacancies for the six elected member places on the Board, together with the agreed set of competencies and an explanation of roles and responsibilities, are published via the website, e-newsletters and *Professional Manager* at the start of the calendar year. Candidates are subject to initial assessment by Nominations Committee. In a contested election, full Institute members with a UK registered address are eligible to vote.

Co-options to the Board are considered on the basis of perceived gaps in the range of available skills and competencies required to meet the needs of the Board at the time. The remaining members of the Board are ex-officio, namely the President, President Elect, Immediate Past President, Chairman of IBC Council and the Chief Executive.

The Institute Secretariat continues to lead an informal networking forum, bringing together Institute Secretaries from among peer Institutes. The aims are to exchange good practice on issues relating to governance and constitutional structures, as well as discussing approaches in the areas of professional practice and diversity.

The Institute continues to be a leading member of the European Management Association (EMA). The 2008 annual Assembly of EMA was hosted in the UK, with members attending the Institute's own National Convention and then holding their own meetings in Stratford-upon-Avon, the planning and arrangements for which were co-ordinated by the Institute.

Three complaints against members of the Institute and IBC were investigated during the year in relation to possible breaches of the *Code of Professional Conduct and Practice*. In one case, following detailed investigation, a formal hearing and an Appeal Committee, the Board of Trustees agreed that the individual concerned should be expelled from membership. In the other two cases the Committee found that there was no case to answer, there being no perceived breach of the Code.

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## Financial review

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) 2005 – Accounting by Charities. The Institute is a company incorporated by Royal Charter and a charity.

CMI Enterprises Limited is a wholly owned subsidiary of the Institute offering commercial services in support of the Institute. The accounts of CMI Enterprises Limited are consolidated into the accounts of the Institute. During the year, CMI Enterprises Limited generated an operating profit of £26,696 (2008 – £213,418) which is transferred to the Institute under gift aid.

Membership income rose during the year to £4.94m (2008 – £4.77m). Deferred subscription income of £2.26m (2008 – £2.25m) was carried forward at the end of the year. This represents the unexpired portion of subscriptions received from members.

The Institute generated a net surplus on General Fund of £0.19m (2008 – £0.71m) from operational activities in the year. £0.68m has been transferred to Reorganisation Reserve and Development Reserve, to fund the reorganisation of the Savoy Court offices and to develop the Institute's online presence and information systems.

At the end of the year, the Institute's free reserves were £1.39m (2008 – £4.27m), a decrease of £2.88m. The Institute's reserves policy is determined by the Board of Trustees and sets a target level for reserves of six months of the charity's expenditure. This level of reserve is considered prudent to provide against a significant unforeseen down turn in income or an exceptional rise in expenditure. Charitable expenditure in the year of £9.72m (£12.18m total expenditure on General Fund less Management Development and Publications expenditure of £2.46m) results in a reserves target of £4.86m. The Institute's free reserves of £1.39m plus deferred subscription income of £2.26m totals £3.65m. During the year the Board of Trustees agreed a new five year strategy involving significant investment in developing the Institute's products, online services and infrastructure. There will be a planned reduction in the level of free reserves during this period of investment.

The Board of Trustees is responsible for monitoring the Institute's internal control systems. The Board, supported by the Audit Committee; Executive Directors; and Internal Auditors, review these systems in relation to the wider issue of any major risks identified as arising from or in connection with the Institute's activities and their mitigation. Particular attention was paid in the recent review to the impact of the economic downturn on the Institute's activities and strategy. The Board considers the controls to be appropriate to the size and nature of the Institute's operations and will continue to keep them under review.

All of the assets and funds held are applied towards achieving the objectives of the Institute and the assets are available and adequate to fulfil any outstanding obligations as they fall due.

The Charter of the Institute permits investments, either in its own name or in the name of nominees, of moneys which are not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit. The investments of the charity are held in accordance with the trustees' powers. The Institute's investment strategy looks for a balance between both capital and income growth over a 10 year cycle, whilst also including sufficient liquid assets to support the working capital needs of the Institute. Investments are reported at market value in accordance with the SORP and performance is benchmarked against a weighted average index of funds. The performance of the portfolio during the year reflected the general fall in worldwide investment values and was in line with the benchmark index.

The accounts for the year, which are presented on pages 22 to 31 of this report, were approved by the Board of Trustees on 7 July 2009.

### Approved on behalf of the Board

**Sir David Howard**  
**President**  
7 July 2009

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## Trustees' responsibilities

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 of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- 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 and sufficient accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Institute's web site in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Institute's web site is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Appointment of Auditors**

A resolution proposing the re-appointment of auditors and authorising the Board of Trustees to fix their remuneration will be put to the Annual General Meeting.



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# Independent auditor's report to the Trustees of the Chartered Management Institute

We have audited the financial statements of the Chartered Management Institute for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

## Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We also report to you if, in our opinion, the information given in the trustees' Annual Report is not consistent with those financial statements, if the charity has not kept proper and sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Chief executive's report and the Trustees' Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Our report has been prepared pursuant to the requirements of the Charities Act 1993 and the Charities and Trustee Investment (Scotland) Act 2005 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by

virtue of and for the purpose of the Charities Act 1993 or the Charities and Trustee Investment (Scotland) Act 2005 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- The group's financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009, and of its incoming resources and application of resources for the year then ended;
- The parent charity's financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charity's affairs as at 31 March 2009; and
- The financial statements have been properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

## BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors  
Eligible to act as an auditor in terms of section 25 of the Companies Act 1989  
Epsom, Surrey

10 August 2009

# Consolidated statement of financial activities

## for the year ended 31 March 2009

	Note No	General Funds 2009 £000	Designated Funds 2009 £000	Total Funds 2009 £000	Total Funds 2008 £000
<b>INCOMING RESOURCES</b>					
<b>Charitable activities</b>					
Membership	2	4,942	--	4,942	4,772
Standards and qualifications		3,271	--	3,271	3,182
Institute of Business Consulting		981	--	981	1,064
Information and advisory services		--	--	--	28
<b>Activities for generating funds</b>					
Management development	10	2,100	--	2,100	2,576
Publications	10	379	--	379	270
Rental income		51	--	51	4
Other operational income		454	--	454	604
<b>Investment income</b>					
Interest receivable		13	--	13	61
Investment income	14	169	--	169	186
		<u>12,360</u>	<u>--</u>	<u>12,360</u>	<u>12,747</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Management development		2,083	--	2,083	2,365
Publications		369	--	369	268
<b>Charitable expenditure</b>					
Membership		1,553	128	1,681	1,496
Standards and qualifications		2,301	160	2,461	2,258
Institute of Business Consulting		833	102	935	1,013
Information and advisory services		614	1	615	495
Branches, regions and support		1,419	4	1,423	1,328
Journals		523	15	538	631
Representational role and public relations		2,254	77	2,331	2,229
Research and development		--	315	315	475
<b>Governance</b>					
		226	--	226	189
		<u>12,175</u>	<u>802</u>	<u>12,977</u>	<u>12,747</u>
		185	(802)	(617)	--
<b>Transfers between funds</b>	18	(677)	677	--	--
<b>NET INCOMING RESOURCES</b>					
		(492)	(125)	(617)	--
<b>(Losses) / gains on investment assets</b>					
Realised		(90)	--	(90)	46
Unrealised	14	(1,857)	--	(1,857)	(335)
<b>Defined benefits pension scheme</b>					
Actuarial (loss) / gain		(2,236)	--	(2,236)	2,538
<b>NET MOVEMENT IN FUNDS</b>					
		(4,675)	(125)	(4,800)	2,249
<b>FUND BALANCES AT 1 APRIL 2008</b>					
		3,522	730	4,252	2,003
<b>FUND BALANCES AT 31 MARCH 2009</b>					
		<b>(1,153)</b>	<b>605</b>	<b>(548)</b>	<b>4,252</b>

All activities relate to unrestricted continuing operations.  
There is no difference between the net incoming resources for the year stated above and its historical cost equivalent.

# Consolidated balance sheet

## as at 31 March 2009

	Note No	Group 2009 £000	Charity 2009 £000	Group 2008 £000	Charity 2008 £000
<b>FIXED ASSETS</b>					
Tangible assets	13	1,238	1,238	1,161	1,161
Investments	14	5,228	5,228	8,392	8,392
		<u>6,466</u>	<u>6,466</u>	<u>9,553</u>	<u>9,553</u>
<b>CURRENT ASSETS</b>					
Debtors	15	2,139	1,237	1,602	894
Cash at bank and in hand		304	304	812	812
		<u>2,443</u>	<u>1,541</u>	<u>2,414</u>	<u>1,706</u>
<b>CREDITORS</b> – amounts falling due within one year					
Other creditors	16	(3,367)	(2,465)	(3,497)	(2,789)
Deferred subscription income	2	(2,260)	(2,260)	(2,255)	(2,255)
		<u>(5,627)</u>	<u>(4,725)</u>	<u>(5,752)</u>	<u>(5,044)</u>
<b>NET CURRENT LIABILITIES</b>					
		<u>(3,184)</u>	<u>(3,184)</u>	<u>(3,338)</u>	<u>(3,338)</u>
<b>TOTAL ASSETS less CURRENT LIABILITIES</b>					
		3,282	3,282	6,215	6,215
<b>CREDITORS</b> – amounts falling due after more than one year					
		(48)	(48)	(55)	(55)
<b>TOTAL NET ASSETS before PENSION DEFICIT</b>					
		<b>3,234</b>	<b>3,234</b>	<b>6,160</b>	<b>6,160</b>
<b>PENSION SCHEME FUNDING DEFICIT</b>					
	19	(3,782)	(3,782)	(1,908)	(1,908)
<b>NET (LIABILITIES)/ASSETS after PENSION DEFICIT</b>					
		<b>(548)</b>	<b>(548)</b>	<b>4,252</b>	<b>4,252</b>
<b>UNRESTRICTED FUNDS</b>					
<b>GENERAL FUND</b>					
Tangible assets	13	1,238	1,238	1,161	1,161
Free reserves		1,391	1,391	4,269	4,269
		<u>2,629</u>	<u>2,629</u>	<u>5,430</u>	<u>5,430</u>
<b>DESIGNATED FUNDS</b>					
	18	605	605	730	730
<b>TOTAL FUNDS excluding PENSION RESERVE</b>					
		<b>3,234</b>	<b>3,234</b>	<b>6,160</b>	<b>6,160</b>
<b>PENSION RESERVE</b>					
		(3,782)	(3,782)	(1,908)	(1,908)
<b>TOTAL FUNDS</b>					
		<b>(548)</b>	<b>(548)</b>	<b>4,252</b>	<b>4,252</b>
<b>Free reserves</b>					
Free reserves		1,391	1,391	4,269	4,269
Deferred subscription income		2,260	2,260	2,255	2,255
<b>TOTAL PER RESERVES POLICY</b>					
		<b>3,651</b>	<b>3,651</b>	<b>6,524</b>	<b>6,524</b>

Approved by the Board of Trustees on 7 July 2009 and signed on their behalf by :

**Sir David Howard**  
President

**Ruth Spellman OBE**  
Chief Executive and Member of Board of Trustees



# Consolidated cash flow statement

## for the year ended 31 March 2009

	<b>2009 £000</b>	<b>2008 £000</b>
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>(1,667)</u>	<u>(410)</u>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		
Investment income	169	186
Interest receivable	13	61
	<u>182</u>	<u>247</u>
<b>CAPITAL EXPENDITURE</b>		
Purchase of tangible fixed assets	(122)	(57)
Net additions and disposals of fixed asset investments	1,307	(91)
	<u>1,185</u>	<u>(148)</u>
<b>(DECREASE) IN CASH</b>	<b>(300)</b>	<b>(311)</b>

### NOTES TO THE CASH FLOW STATEMENT

	<b>2009 £000</b>	<b>2008 £000</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>		
Net (outgoing) resources	(617)	--
Depreciation charges	45	42
Investment income	(169)	(186)
Interest receivable	(13)	(61)
(Increase) in net movement in funds due to FRS17	(362)	(109)
Realised (loss) / gain on investment assets	(90)	46
(Increase) in debtors	(537)	(32)
Increase in other creditors excluding bank overdraft	78	56
Increase / (decrease) in value of subscriptions received relating to a future period	5	(166)
(Decrease) in creditors due after more than one year	(7)	--
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>(1,667)</u>	<u>(410)</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>		
(Decrease) in cash and change in net funds	(300)	(311)
Net funds at 1 April 2008	554	865
<b>Net funds at 31 March 2009</b>	<u>254</u>	<u>554</u>

	<b>1 April 2008 £000</b>	<b>Cash Flow £000</b>	<b>31 March 2009 £000</b>
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
Cash at bank and in hand	812	(508)	304
Bank overdraft	(258)	208	(50)
	<u>554</u>	<u>(300)</u>	<u>254</u>

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# Notes to the accounts

## Accounting policies

### 1 BASIS OF ACCOUNTING

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) 2005 – Accounting by Charities, applicable accounting standards, and under the historical cost convention. The statement of financial activities, balance sheet and cash flow statement consolidate the financial statements of the charity and its subsidiary undertaking, CMI Enterprises Limited. The results of the subsidiary are consolidated on a line by line basis.

### 2 INCOME

Income represents the invoice value of sales excluding value added tax. It is the practice of the Institute to carry forward to the following year the unexpired portion of all subscriptions where the contribution year does not coincide with the financial year. All other income is recognised when the charity earns the right to consideration by its performance.

### 3 RESOURCES EXPENDED

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and which is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with management development and publications. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, and other costs are apportioned on an appropriate basis as set out in note 11.

### 4 DEPRECIATION

Depreciation is provided so as to write off the cost of fixed assets less any residual value on the following basis:-

- Freehold property – straight line over 50 years
- Freehold land is not being depreciated
- ICT and other equipment – straight line over 3, 5 and 10 years as appropriate
- Expenditure under £500 is written off in the year of purchase (2008 – £500).

### 5 INVESTMENTS

Investments are stated in the accounts at market value in accordance with the SORP. Realised and unrealised gains and losses in the year based on market value or cost in the year are recognised in the statement of financial activities.

### 6 LEASED ASSETS

Rentals payable under operating leases are charged on a straight line basis over the lease term. There are no assets held under finance leases.

### 7 FUNDS

The general and designated funds of the Institute are unrestricted income funds. The use of the designated funds is outlined in note 18.

### 8 PENSION COSTS

The Institute's defined benefits pension scheme is accounted for in accordance with FRS17 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities. The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with differences arising from experience or assumption changes.

The Institute operates a stakeholder, defined contribution, pension scheme for staff who are not eligible to join the defined benefits scheme. Contributions to the Institute's stakeholder pension scheme are charged to the general fund in the year in which they become payable.

Details can be found in note 19.

# Notes to the accounts

## Statement of financial activities

	2009 £000	2008 £000
<b>9 CHARTERED MANAGEMENT INSTITUTE</b>		
Included in the consolidated statement of financial activities are the following amounts in respect of the charity.		
Incoming resources	12,360	12,747
Less CMI Enterprises Limited (see note 10)	(2,479)	(2,846)
	<u>9,881</u>	<u>9,901</u>
Resources expended	12,977	12,747
Less CMI Enterprises Limited (see note 10)	(2,452)	(2,633)
	<u>10,525</u>	<u>10,114</u>
Net incoming resources	(644)	(213)
(Losses) on investment assets	(1,947)	(289)
Defined benefits pension scheme – Actuarial (loss) / gain	(2,236)	2,538
Net movement in funds	<u>(4,827)</u>	<u>2,036</u>
<b>10 CMI ENTERPRISES LIMITED</b>		
<b>For the year to 31 March 2009</b>		
Income		
Management Development	2,100	2,576
Publications	379	270
	<u>2,479</u>	<u>2,846</u>
Expenditure		
Management Development	2,083	2,365
Publications	369	268
	<u>2,452</u>	<u>2,633</u>
Operating profit	27	213
Amount transferred to Institute under gift aid	(27)	(213)
	<u>--</u>	<u>--</u>
<b>As at 31 March 2009</b>		
Assets	907	708
Liabilities	(907)	(708)
	<u>--</u>	<u>--</u>

### SHARE CAPITAL

1 ordinary share of £1, authorised, allotted, called up and fully paid.

CMI Enterprises Limited, registered in England, company number 4373145, is a wholly owned trading subsidiary of the Institute, offering commercial services in support of the Institute.

	Direct Costs £000	Management & Administration £000	2009 £000	2008 £000
<b>11 EXPENDITURE</b>				
<b>Costs of generating funds</b>				
Management development	2,083	--	2,083	2,365
Publications	369	--	369	268
<b>Charitable expenditure</b>				
Membership	1,371	310	1,681	1,496
Standards and qualifications	2,083	378	2,461	2,258
Institute of Business Consulting	935	--	935	1,013
Information and advisory services	470	145	615	495
Branches, regions and support	1,218	205	1,423	1,328
Journals	466	72	538	631
Representational role and public relations	1,960	371	2,331	2,229
Research and development	315	--	315	475
<b>Governance</b>				
	226	--	226	189
	<u>11,496</u>	<u>1,481</u>	<u>12,977</u>	<u>12,747</u>

Management and administration costs have been re-allocated using an appropriate basis, including staff numbers, space occupied and IT resources applied.

# Notes to the accounts

## Statement of financial activities

	2009 £000	2008 £000
<b>11 EXPENDITURE (continued)</b>		
Remuneration of auditors		
– audit work	21	18
– tax advice	7	4
	<u>28</u>	<u>22</u>
The Group remuneration of auditors for audit work was £30,000 (2008 – £27,000).		
<b>12 STAFF EMPLOYMENT COSTS</b>		
Wages and salaries	4,262	4,040
Social security costs	491	429
Pensions and other post retirement benefits (Note 19)	849	629
Benefits in kind	123	145
	<u>5,725</u>	<u>5,243</u>

The average number of staff employed during the year was 153 (2008 – 147).

The number of staff who received emoluments (salary plus taxable benefits) over £60,000 during the year was:

£60,000 – £69,999	2	--
£70,000 – £79,999	1	--
£80,000 – £89,999	--	1
£90,000 – £99,999	1	--
£100,000 – £109,999	1	3
£110,000 – £119,999	2	1
£120,000 – £129,999	1	--
£150,000 – £159,999	1	--
£240,000 – £249,999	--	1

6 of the above staff (2008 – 4) have retirement benefits accruing under the Institute's defined benefits pension scheme.

3 of the above staff (2008 – 2) have retirement benefits accruing under defined contribution pension schemes, at a cost to the Institute of £39,392 (2008 – £12,900).

The Remuneration Committee determines the terms and conditions, including annual remuneration, of the Chief Executive and Executive Directors of the Institute. In doing so, it takes account of market forces, individual performance, and pay and conditions of the Institute's other employees. The members of the committee are:

- The President
- The Immediate Past President
- The President Elect

Mary Chapman was a Trustee until 31 May 2008 and in accordance with the Royal Charter, received emoluments of £60,585 in the year as Chief Executive of the Institute. The Institute made contributions in the year of £7,680 to the defined benefits pension scheme, details of which can be found in notes 8 and 19.

Ruth Spellman became a Trustee on 2 June 2008 and in accordance with the Royal Charter, received emoluments of £159,440 in the year as Chief Executive of the Institute. The Institute made contributions in the year of £23,125 to the defined contribution pension scheme, details of which can be found in notes 8 and 19.

No other Trustee received emoluments during the year.

During the year a total of £4,464 (2008 – £5,222) was reimbursed to 6 (2008 – 10) Trustees in respect of travel and subsistence expenses incurred.



# Notes to the accounts

## Balance sheet

	Enhancements to Leased Property £000	Freehold Property £000	ICT and Other Equipment £000	Total £000
<b>13 TANGIBLE FIXED ASSETS</b>				
Cost to 1 April 2008	89	1,300	1,159	2,548
Additions during the year	29	--	93	122
Disposals during the year	(89)	--	(215)	(304)
Cost at 31 March 2009	29	1,300	1,037	2,366
Depreciation:				
To 1 April 2008	89	208	1,090	1,387
Disposals during the year	(89)	--	(215)	(304)
For the year	--	16	29	45
To 31 March 2009	--	224	904	1,128
Book value at 31 March 2009	29	1,076	133	1,238
Book value at 31 March 2008	--	1,092	69	1,161

Included in the cost of freehold property is freehold land valued at £500,000 which is not being depreciated.

	Group 2009 £000	Charity 2009 £000	Group 2008 £000	Charity 2008 £000
<b>14 INVESTMENTS</b>				
Market value at 1 April 2008	8,392	8,392	8,636	8,636
Net additions and disposals in the period	(1,307)	(1,307)	91	91
Net (loss) on revaluation at 31 March 2009	(1,857)	(1,857)	(335)	(335)
Market value at 31 March 2009	5,228	5,228	8,392	8,392
Represented by:				
Investment assets in the UK	5,228	5,228	8,392	8,392
Historical cost at 31 March 2009	7,433	7,433	8,763	8,763

Of the value of investment assets in the UK, £5,071,000 (2008 – £7,140,000) is invested in UK investment assets which include investments overseas.

At 31 March 2009 the following investments represented more than 5% of the total investment assets:

Barclays PTF Balanced portfolio	3,430	3,430	4,876	4,876
Barclays Capital ELS 027 Call	--	--	1,002	1,002
Barclays Capital ELS 038 Call	605	605	--	--
Barclays Bank PEELS 066 Call	--	--	475	475
BARCAP SN198-08	405	405	--	--
Cazenove AB Tst Account	447	447	203	203
Charities Prop Property Fund	--	--	471	471

All of the investments are listed on a recognised stock exchange or are unit trusts valued by reference to such investments, with the exception of £157,000 (2008 – £439,000) held in cash.

The investment income recognised in the statement of financial activities is derived from these investments as follows:

Investment assets in the UK	174	174	186	186
-----------------------------	-----	-----	-----	-----

Of the income received from investments in the UK, £169,000 (2008 – £158,000) is in respect of UK investment assets which include investments overseas.

# Notes to the accounts

## Balance sheet

	Group 2009 £000	Charity 2009 £000	Group 2008 £000	Charity 2008 £000
<b>15 DEBTORS – amounts falling due within one year</b>				
Trade debtors	1,508	910	1,037	609
Prepayments and accrued income	631	327	565	285
	<u>2,139</u>	<u>1,237</u>	<u>1,602</u>	<u>894</u>
<b>16 CREDITORS – amounts falling due within one year</b>				
Bank overdraft	50	--	258	182
Trade creditors	463	390	358	243
Accruals	986	674	1,329	1,061
Deferred income	1,649	1,066	1,331	884
Amount due to CMI Enterprises Limited	--	116	--	198
Amount due to defined benefits pension scheme	219	219	221	221
	<u>3,367</u>	<u>2,465</u>	<u>3,497</u>	<u>2,789</u>

The amounts due to the defined benefits pension scheme represent funds transferred to the Institute to be managed as part of the Group Treasury function. These amounts are unsecured and repayable on demand.

### 17 ANNUAL COMMITMENTS UNDER OPERATING LEASES

Land and buildings leases which expire				
– within one year	--	--	--	--
– in the second to fifth years inclusive	247	247	247	247
	<u>247</u>	<u>247</u>	<u>247</u>	<u>247</u>
Car operating leases which expire				
– within one year	4	4	20	20
– in the second to fifth years inclusive	73	73	44	44
	<u>77</u>	<u>77</u>	<u>64</u>	<u>64</u>

	Reorganisation Reserve £000	Property Reserve £000	Development Reserve £000	Total 2009 £000	Total 2008 £000
<b>18 DESIGNATED FUNDS</b>					
Balance at 1 April 2008	125	130	475	730	1,328
Resources expended	(181)	--	(621)	(802)	(709)
	<u>(56)</u>	<u>130</u>	<u>(146)</u>	<u>(72)</u>	<u>619</u>
Transfer from general fund	56	--	621	677	111
Balance at 31 March 2009	<u>--</u>	<u>130</u>	<u>475</u>	<u>605</u>	<u>730</u>

The Reorganisation Reserve related to changes to leased premises in London.

The Property Reserve has been set aside to provide for the ongoing maintenance of the freehold premises.

The Development Reserve is to fund significant future projects, including the development of the Institute's on-line presence and information systems.

The funds are represented by current assets.

# Notes to the accounts

## Balance sheet

Charity  
2009  
£000

Charity  
2008  
£000

### 19 PENSION BENEFITS

#### Defined benefits pension scheme

The Institute operates a defined benefits pension scheme which is controlled by 5 trustees and the assets of which are held separately from those of the Institute.

From 1 April 2003 the scheme was closed to new entrants. From 1 May 2004 the scheme changed to the career average revalued earnings basis. As a consequence of the scheme being closed the age profile of active members will increase. Under the projected unit method, the current service cost, as a proportion of the active members' pensionable salaries, is expected to increase as the members of the scheme approach retirement. Despite the scheme being closed to new entrants, the projected payment profile extends over more than 50 years.

The defined benefits pension scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 1 April 2007. The following actuarial assumptions were applied:

Investment returns	6.75%
Pension increase	5.25%
Rate of inflation	3.30%

At the valuation date the market value of the assets was £15.8 million and the actuarial value was sufficient to cover 84% of the benefits which have accrued to members after allowing for future increases in earnings. The Institute's contribution rate takes account of the deficit disclosed by the valuation. For the year ended 31 March 2009 the total pension contribution by the Institute to the defined benefits scheme was £722,000 (2008 – £558,000).

The scheme assets are invested in funds managed by Scottish Widows.

The actuary has computed the following information regarding the financial position of the scheme as at 31 March 2009:

Fair value of scheme assets	17,244	19,781
Value of funded obligations	(21,026)	(21,689)
Net deficit	<u>(3,782)</u>	<u>(1,908)</u>
Changes in fair value of scheme assets during the year:		
At 1 April 2008	19,781	15,794
Introduction of insured pensioners	--	4,560
Expected return on assets	1,342	1,115
Actuarial (losses)	(3,563)	(2,022)
Contributions	847	653
Benefits paid	(1,163)	(319)
At 31 March 2009	<u>17,244</u>	<u>19,781</u>
Changes in value of funded obligations during the year:		
At 1 April 2008	(21,689)	(20,349)
Introduction of insured pensioners	--	(4,560)
Current service costs	(374)	(519)
Interest on obligation	(1,453)	(1,140)
Actuarial gains	1,327	4,560
Benefits paid	1,163	319
At 31 March 2009	<u>(21,026)</u>	<u>(21,689)</u>

The contributions to the defined benefit pension scheme in the year to 31 March 2010 are expected to be £880,000.

# Notes to the accounts

## Balance sheet

	Charity 2009 £000		Charity 2008 £000	
Analysis of the scheme assets at 31 March 2009:				
Equities	8,277	48%	10,488	53%
Bonds	2,952	17%	3,543	18%
Property	482	3%	*	
Cash	505	3%	1,190*	6%
Insured pensioners	5,028	29%	4,560	23%
	<u>17,244</u>	<u>100%</u>	<u>19,781</u>	<u>100%</u>

\*Property and Cash combined as Other in last year's report.

Principal actuarial assumptions at 31 March 2009:

Expected return on scheme assets		
Equities	7.00%	7.50%
Bonds	5.90%	5.60%
Property	7.00%	7.50%
Cash	0.50%	3.00%
Insured pensioners	7.50%	6.70%
Discount rate	7.50%	6.70%
Retail price inflation	2.90%	3.40%
Pension increases (Limited price index)	2.90%	3.40%
Deferred pension revaluation	2.90%	3.40%

Mortality follows the standard table known as PA92 with medium cohort mortality improvements subject to a 1% minimum to the annual improvements. The mortality assumptions used at the previous year end followed the PA92 table projected to calendar year 2007.

Assuming retirement at age 65, the life expectancy in years are as follows:

For a male aged 65 now	21.7	18.7
At 65 for a male member aged 45 now	23.6	20.4
For a female aged 65 now	25.0	21.7
At 65 for a female member aged 45 now	27.0	23.3

The following components of the pension charge have been recognised in the statement of financial activities in accordance with FRS17:

Expected return on assets	1,342	1,115
Interest on obligation	(1,453)	(1,140)
Net finance charge	<u>(111)</u>	<u>(25)</u>
Current service cost	(374)	(519)
Total operating charge	<u>(485)</u>	<u>(544)</u>
Actual return on assets	<u>2,221</u>	<u>907</u>

	Charity 2009 £000	Charity 2008 £000	Charity 2007 £000	Charity 2006 £000	Charity 2005 £000
Fair value of scheme assets	17,244	19,781	15,794	14,747	11,133
Value of funded obligations	(21,026)	(21,689)	(20,349)	(20,058)	(16,693)
Net deficit	<u>(3,782)</u>	<u>(1,908)</u>	<u>(4,555)</u>	<u>(5,311)</u>	<u>(5,560)</u>
Experience adjustments on scheme assets	<u>(3,563)</u>	<u>(2,022)</u>	<u>(174)</u>	<u>2,051</u>	<u>344</u>
Experience adjustments on scheme liabilities	<u>1,327</u>	<u>2,498</u>	<u>230</u>	<u>566</u>	<u>921</u>

### Defined contribution pension schemes

For the year ended 31 March 2009, the total contribution by the Institute to defined contribution schemes was £127,000 (2008 – £85,000).



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## Honorary Officers

### Patron

His Royal Highness The Prince Philip,  
Duke of Edinburgh KG KT

### President

Sir David Howard DSc CCMI

### Immediate Past President

Sir John Sunderland CCMI

### Board of Trustees

(as at 31 March 2009 and 7 July 2009)

(The number of Board meetings attended during the period April 2008 to March 2009 is indicated alongside the name of each member.)

Sir David Howard DSc CCMI – Chairman	5/5
John Burgess FCMI	5/5
Dr Christopher Clark FCMI	5/5
Judy Craske MIBC CMC CMgr MCMI	1/2
Danny A Davis CMgr MCMI	5/5
Alan Downey FIBC CCMI	2/5
Chris Kinsella FCMI	4/5
Dr Derek Little CMgr FCMI	4/5
Ian MacEachern OBE CMgr FCMI	2/2
Ruth Spellman OBE CCMI (appointed on 1 June 2008)	4/4
Sir John Sunderland CCMI	4/5

The following served as members of the Board, and therefore trustees of the Institute, during the year:

Mary Chapman CCMI	1/1
Geoff Sadler CMgr FCMI	3/3
Tim Melville-Ross CBE CCMI	1/3
Claire Swallow MCMI	0/1

The following candidates were successful in being elected or appointed to the Board of Trustees as from the AGM held on 10 October 2008:

### Elected members

Dr Christopher Clark FCMI  
Judy Craske MIBC CMC CMgr MCMI  
Ian MacEachern OBE CMgr FCMI

### Co-opted members

Chris Kinsella FCMI

### Members of the Board of CMI Enterprises Ltd

(as at 31 March 2009)

Ruth Spellman OBE CCMI – Chairman  
Bill Leonard ACMA  
Tricia Williamson FCMI

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# Members of Committees of the Board

## as at 31 March 2009

### **Audit Committee**

Chris Kinsella FCMI – Chairman  
Jim Beale OBE CCMI  
Paul Garrity CMgr MCMI  
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Jason Shaw CMgr MCMI

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