

**THE VISION THAT INSPIRES US IS
A WORLD WHERE WE SEE BETTER
LED AND MANAGED ORGANISATIONS.**

**OUR MISSION IS TO INCREASE
THE NUMBER AND STANDARD
OF PROFESSIONALLY QUALIFIED
MANAGERS AND LEADERS.**

CMI is the only chartered professional body in the UK dedicated to promoting the highest standards in management and leadership excellence.

With a membership community of over 100,000, CMI has been providing forward-thinking advice and support for more than 60 years. We continue to give managers and leaders, and the organisations they work in, the tools they need to improve their performance and make an impact.

We are a UK awarding body for management and leadership qualifications, and the only body that awards Chartered Manager, the hallmark of any professional manager.

CONTENTS

OVERVIEW

- 01 HIGHLIGHTS
- 02 PRESIDENT'S REPORT
- 04 OUR STRATEGY FOR GROWTH
- 06 OVERVIEW OF PERFORMANCE – CEO'S REPORT

REPORT OF THE TRUSTEES – HOW WE'VE PERFORMED

- 10 PART ONE: GROWING CMI'S BRAND AS THE THOUGHT LEADER IN MANAGEMENT PRACTICE
- 20 PART TWO: MORE MEMBERS, MORE SATISFIED MEMBERS
- 28 PART THREE: BUILDING A BETTER CMI
 - 31 GOVERNANCE – BOARD OF TRUSTEES
 - 36 FINANCIAL REVIEW
- 37 TRUSTEES' RESPONSIBILITIES
- 37 APPOINTMENT OF AUDITORS
- 38 AUDITORS' REPORT
- 39 FINANCIAL STATEMENTS
- 52 LEGAL STATUS

HIGHLIGHTS



MEMBERSHIP COMMUNITY GREW TO 121,000, UP 14,500 FROM 2013/14



- Over 120 employers of all sizes supported the bid to develop the Trailblazer Chartered Manager Degree Apprenticeship
- 1,800 pieces of new content added to Management Direct
- 30,000 Better Managers (registrations) – up 12% in 2013/14 after a three-year decline – 24,183 with private education, further education and employer education – up 12% – 4,690 with higher education partners – up 41% – 1,391 new Chartered Managers – up 55%
- Women in Management continues to be a significant network, with its high-profile events and active research agenda
- We recruited 56 new Companions
- We are now working with 85 business schools, nearly two-thirds of the UK total
- Membership net promoter score at +41
- Submissions and evidence received from over 200 individual managers and organisations to the Commission on Management and Leadership – leading to the influential Management 2020 report
- Chartered Manager achieved a net promoter score of +67 retention and satisfaction rates of 93%, 28 points up on last year.
- Membership retention is at 89%
- Institute of Consulting membership grown to 4,776 members
- Standards and Qualification income leapt 32% from £2.81m to £3.73m reversing a four-year decline
- A record 160 books entered into the management book of the year competition

PRESIDENT'S REPORT –
A CLEAR SENSE OF PURPOSE AND STRATEGIC DIRECTION

**“ ONE MILLION
NEW MANAGERS.
THAT’S WHAT UK
EMPLOYERS NEED
IN THE NEXT FEW
YEARS. THAT’S
THE SIZE OF THE
CHALLENGE
AHEAD – AND
THE SIZE OF THE
OPPORTUNITY IN
FRONT OF CMI. ”**

MIKE CLASPER

PRESIDENT



As the *Management 2020* report last summer showed, the number of people becoming managers is set to soar. Yet – unless we see real change – too few of those will get the training and development opportunities that they need. As it stands, 71% of the managers surveyed for that report admitted they could do better when it comes to training first-timers.

Unfortunately, there's a strong tradition in this country of 'accidental managers'. They are people promoted by virtue of their talent – perhaps in sales, accounting or engineering – who take on management responsibility as a matter of career progression. But, critically, they are often left to struggle with their new management responsibilities with no support for the right leadership training and development.

I was lucky. My early career was spent with an employer that invested in its young managers, understanding the value they would add to the company both in the short-term and the long-term, as they grew into the business's next generation of leaders.

We need more managers to be given those opportunities: whatever their sector, whatever age they come into management, whatever their role in their organisation. Because management performance – not just senior executives, but middle and junior managers too – is fundamental to the success of any organisation.

Indeed, at a time when policymakers continue to debate the UK's poor economic productivity, we need to make the case loud and clear: management makes the difference. We have to make sure that those one million new managers are not accidental managers, but

become professional managers and leaders. We need to encourage business cultures where people's value is understood and invested in. We need employers who commit to developing their middle managers.

Making this a reality is CMI's challenge. As this year's results show, it is already helping to make sure the right development opportunities are on offer to more managers. The impact is visible in the rising number of qualifications, the new partnerships and the growing number of people who became Chartered Managers this year.

It is my privilege to be CMI's president at such a promising point in its history. It has a crystal-clear sense of purpose and strategic direction. Its people are more engaged in its work than ever before. It has built on the progress made last year and the result in 2014/15 has been growth, both in revenue and in a net surplus.

In a stronger financial position, CMI is well placed to pursue its vision of a world with better led and better managed organisations.

I'm grateful to my predecessor, Peter Ayliffe, for his contribution to CMI, his guidance to me as I took over the reins as president in October, and his ongoing support. I look forward to my continued work with the Trustees, with our chief executive Ann Francke and with the whole CMI team to contribute to the ongoing success of CMI in the year ahead. I have every confidence about CMI's future.

Mike Clasper CBE CMgr CCMi
President

July 2015

OUR STRATEGY FOR GROWTH

#1



GROW PARTNERSHIPS TO INCREASE THE NUMBER OF CHARTERED AND QUALIFIED MANAGERS AND LEADERS

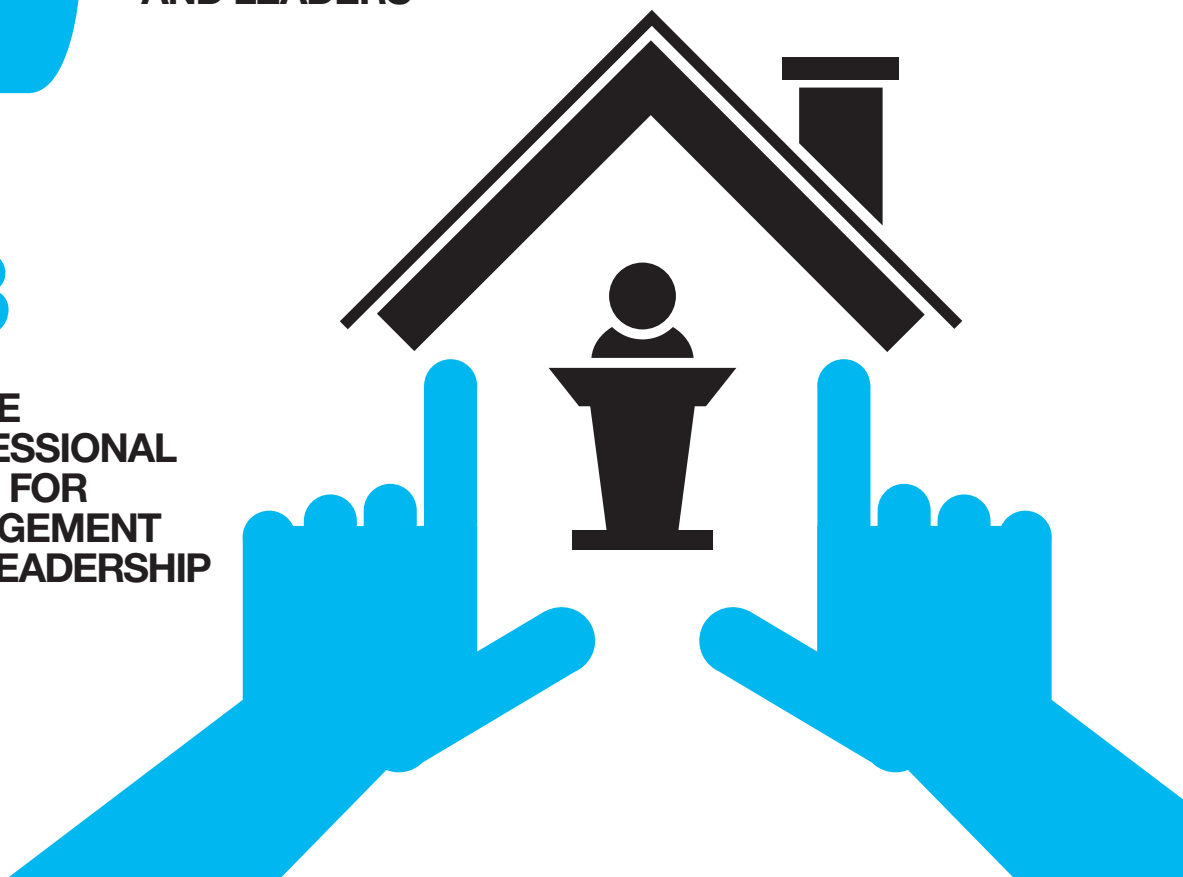
#2

BUILD THE CMI BRAND AS A THOUGHT LEADER IN MANAGEMENT PRACTICE



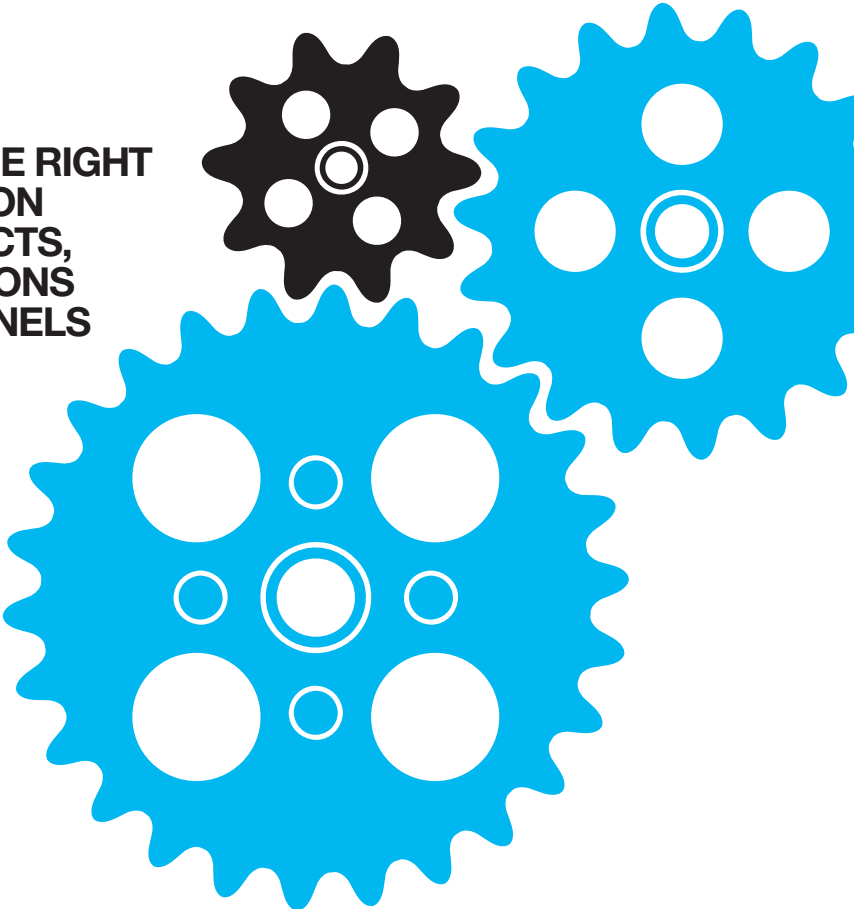
#3

BE THE PROFESSIONAL HOME FOR MANAGEMENT AND LEADERSHIP



#4

CREATE THE RIGHT
INTEGRATION
OF PRODUCTS,
PROPOSITIONS
AND CHANNELS
FOR OUR
MEMBERS



#5

DEVELOP A
GLOBAL MINDSET
AND PRESENCE



CEO'S REPORT – OVERVIEW OF PERFORMANCE

“ THIS HAS
BEEN A YEAR
OF GREAT
PROGRESS... ”

A black silhouette of a briefcase with a handle on top, containing text.

Above budget
net incoming
resources of
£1.5m

ANN FRANCKE

CHIEF EXECUTIVE



We're continually reshaping, refining and developing CMI to ensure it's fully fit to serve today's management and leadership professionals. This year, CMI's evolution has taken many leaps forward. The progress we've made is clearly reflected in our performance, with 2014/2015 being the first time we've achieved organisational growth in five years. Income rose 6% on the previous financial year to £11.7m, exceeding our budget expectations, and generating net incoming resources of £1.5m. Our level of reserves cover also grew, up from 108% to 132%, as did our cash inflows (from £0.28m to £0.84m), demonstrating a continued improvement in our underlying finances, and reducing the risks attached to meeting our future defined benefit scheme pension deficit obligations.

The number of registrations for CMI qualifications in our further education employer and private training provider markets rose 12%, reversing a three-year decline and resulting – when higher education registrations are also taken into account – in almost 30,000

better managers and leaders. Our flagship accreditation, Chartered Manager, saw 1,391 new registrations – an increase of 25% in the total number of Chartered Managers to 4,500.

The upturn coincides with the implementation of our long-term strategy for growth, which we set out 18 months ago. This focuses us on growing CMI's brand as a thought leader in management practice, reaching our core audiences, strengthening our membership offer and engagement, growing our relationships with higher education institutions and education partners, and developing partnerships to increase the number of Chartered Managers. We've made significant achievements in every area in the past 12 months. And all of these efforts are lockstep with our purpose of eliminating the 'accidental manager' by helping everyone develop the practical skills they need to succeed in this vital profession. In doing so, we also boost performance productivity and well-being for individuals and enterprises.



RISE IN THE NUMBER OF
REGISTRATIONS FOR CMI QUALIFICATIONS

BUILDING A STRONG BRAND

Prompted awareness of CMI among UK managers is now at a high, with one in two familiar with CMI compared to just one in four in 2013. This level of awareness now exceeds that of other professional bodies in our field.

The growing strength and recognition of our brand is being driven by our ambitious thought leadership agenda. Cementing CMI's position as the voice of authority on management and leadership issues first involves engaging directly with influential stakeholders – policy makers, business leaders and professional bodies. Consulting them, working with them, ensures that we develop best practice to meet their professional interests and needs.

ACHIEVING GROWTH THROUGH STRATEGIC PARTNERSHIPS

Developing partnerships with higher education institutions, education providers and other professional bodies is key to our growth strategy. These progressive partnerships are also essential to realising what we stand for as an organisation, enabling us to promote and embed best practice within the UK's management and leadership profession.

Our thought leadership has been instrumental to developing these partnerships. In particular, *21st Century Leaders* provided firm evidence for the need for university courses to include a practical, work-based dimension. This has helped open doors to many universities and



56 NEW COMPANIONS RECRUITED IN THE LAST 12 MONTHS

As a result, we've produced a series of ground-breaking reports and initiatives that are influencing strategic management and leadership thinking in the UK's boardrooms and corridors of power. These reports and initiatives include *Management 2020*, *21st Century Leaders*, *The MoralDNA of Performance*, *the National Management Salary Survey* and the *Gender Salary Survey*.

Acclaimed events like Member and Education Partner Engagement Days, the Management Book of the Year Awards and the President's Dinner – this year featuring Unilever CEO and our 2014 Gold Medal winner Paul Polman as guest speaker – have attracted hundreds of enthused employers. Our Companions programme, which in the past 12 months has recruited 56 new Companions, continues to draw high-profile business leaders and opinion formers to supporting and promoting our thought leadership agenda.

business schools. We now have relationships with over 85 business schools, nearly two-thirds of the UK's total. In the past year, almost 5,000 undergraduates and postgraduates have undertaken courses that incorporate CMI qualifications.

We've also made progress in developing partnerships with professional bodies representing vertical disciplines, particularly engineering and accountancy. This has involved us working closely with a number of organisations to develop co-branded schemes that offer their professional members the opportunity to gain Chartered Manager status.

WHAT THE PEOPLE WHO MATTER MOST THINK

Our members and our staff approve of how we're changing for the better.

The positive difference Chartered Manager accreditation makes to careers and employers was documented in our report, *Mapping Management Excellence*. According to this survey of 535 Chartered Managers, 96% say they use the accreditation as proof of their experience of leading people and managing change; 96% use it to showcase their continual learning and growth; and 95% agree that it shows their integrity and commitment to ethical behaviour. On average, Chartered Managers say they add £391,443 of value to their organisation.

Chartered Managers now have a service satisfaction level of 99% and a net promoter score (NPS) of +67. To put this into some context, Apple – a much-loved brand – enjoys an NPS of +55. Following closely behind are employers, who have a service satisfaction level of 96% and give an NPS of +49, and individual members who have a service satisfaction level of 90% and give an NPS of +41.

Our goal is to continue to improve upon our satisfaction levels and our NPS and to benchmark them against other relevant offers and brands. We want to ensure we are building CMI as the home of professional managers and leaders everywhere, so continuing to delight our partners and members – of all types – remains paramount.

The high level of satisfaction among our members is reflected in our staff. Our quarterly pulse-point surveys have recorded a rise in staff satisfaction from 66% in June 2013 to an all-time high of 93% in April 2015. This correlates with the rise of our employee engagement score, up from 63 in 2013/14 to 71 in 2014/15.

THERE IS STILL MUCH TO DO

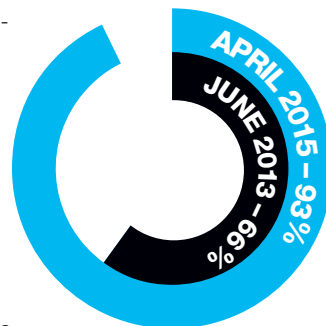
We've identified future growth areas which, over the coming year, will play an increasingly important role in our development.

In March, the Department for Business, Innovation and Skills gave a green light for the development of the new Chartered Manager Degree Apprenticeship. An employer-led Trailblazer group, headed by Serco, will develop and deliver the framework for the apprenticeship, which incorporates Chartered Manager. More than 120 employers so far have pledged their backing. We're also enhancing member engagement, such as through the development of proposals for a new Chartered Management Consultant status, which will create and reward best practice for management consultants. Now that our core community in the UK is on a healthy

growth trajectory with record customer

satisfaction and retention, we will also put renewed focus on expanding internationally and have begun to develop relationships with professional bodies outside the UK, including a strategic alliance with the Australian Institute of Management.

We will develop our global mindset and this international focus will increase in the years ahead. Indeed, our current membership is already 10% international, but there is much scope for further growth.



PULSE-POINT SURVEY: RISE IN STAFF SATISFACTION

Of course, everything we've achieved is thanks to the commitment, passion and skill of our staff, our member volunteers and our Trustees. I would also like to thank our president, Mike Clasper, who has provided exceptional direction and support in his first year of presidency, and Mike's predecessor, Peter Ayliffe, for his input and advice throughout the transition.

This has been a year of great progress. It marks a turning point in our ability to deliver against our vision to create more better led and managed organisations by eliminating the accidental managers and building better managers and leaders.

Ann Francke CMgr CCMi FIC
Chief Executive

July 2015

HOW WE'VE
PERFORMED:

GROWING CMI'S
BRAND AS THE
THOUGHT LEADER
IN MANAGEMENT
PRACTICE.



THIS YEAR SAW
THE LAUNCH OF
FLAGSHIP REPORTS
MANAGEMENT 2020
AND
**21ST CENTURY
LEADERS**



Thought leadership that helps improve management and leadership is at the heart of our mission and our growth strategy.

We raised the bar in 2014/15 with flagship projects demonstrating CMI's expertise and influence, laying the foundations for many of the partnerships we built during the year.

A VISION FOR THE FUTURE OF MANAGEMENT AND LEADERSHIP

In July 2014, we published *Management 2020*, the report of the Commission on the Future of Management and Leadership, providing a framework for good practice in management and leadership in the 21st Century.

Created by the All-Party Parliamentary Group on Management and CMI, the Commission was co-chaired by the Group's Chair, Barry Sheerman MP, and CMI's then-president Peter Ayliffe. Drawing on evidence from senior leaders and academics, the report concluded that the best-managed organisations share

three characteristics: a clear social purpose, a focus on people, and a commitment to developing potential.

Management 2020 had a substantial impact, with a high-profile launch in Parliament; press coverage including the publication of an open letter signed by over 150 leaders and parliamentarians in the *Daily Telegraph*; and recommendations which have attracted interest from policymakers in government – including in Downing Street – and across the political parties.

Green light for the Chartered Manager Degree Apprenticeship

One of *Management 2020's* most important recommendations was that a new Apprenticeship be created, providing better access to training and development for some of the one million new managers expected to enter the profession by 2020. In March 2015, we secured approval from the Department for Business, Innovation and Skills for proposals to develop this Apprenticeship, which will be at degree level and will also incorporate Chartered Manager. An employer-led group, headed by Serco, is developing the framework, with 120 employers so far pledging their support. Working closely with business schools across the country, this is a significant priority for CMI in 2015/16.

21st Century Leaders

Our other flagship report in 2014/15 saw us join forces with the Chartered Association of Business Schools and the Quality Assurance Agency (QAA) to review how business schools could improve employability skills among management graduates. The resulting white paper, *21st Century Leaders: Building practice into the curriculum to boost employability*, was launched at a full-capacity event at the House of Commons in June 2014.

The report advocates wider provision of work experience and greater integration of professional qualifications with academic programmes, helping to develop students' skills for the workplace, apply theory to real situations and build a more rounded view of the world of work. It informed the QAA's review of the subject benchmarks for management and leadership and raised awareness among employers and policymakers of how business schools are working to enhance the employability of students. The report has been pivotal in helping us build relationships with around two-thirds of business schools in the UK. As a result, in 2015 some 5,000 undergraduates and postgraduates undertook courses incorporating CMI qualifications. It's our aim to increase this number significantly year on year as part of our ongoing growth strategy.

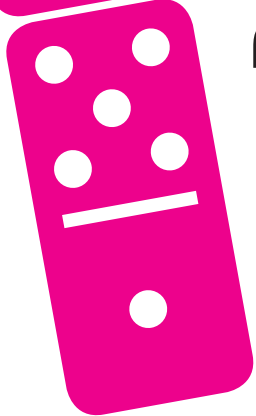
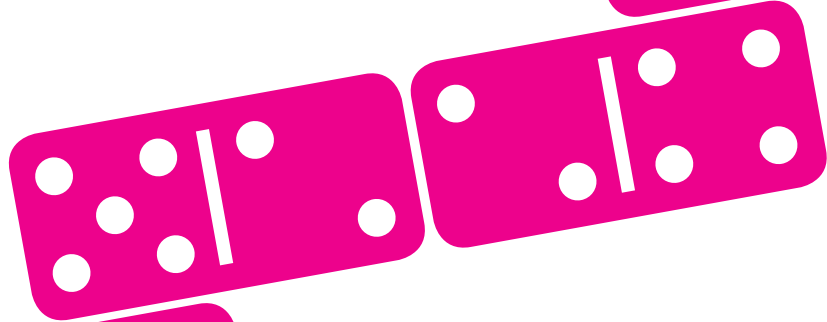
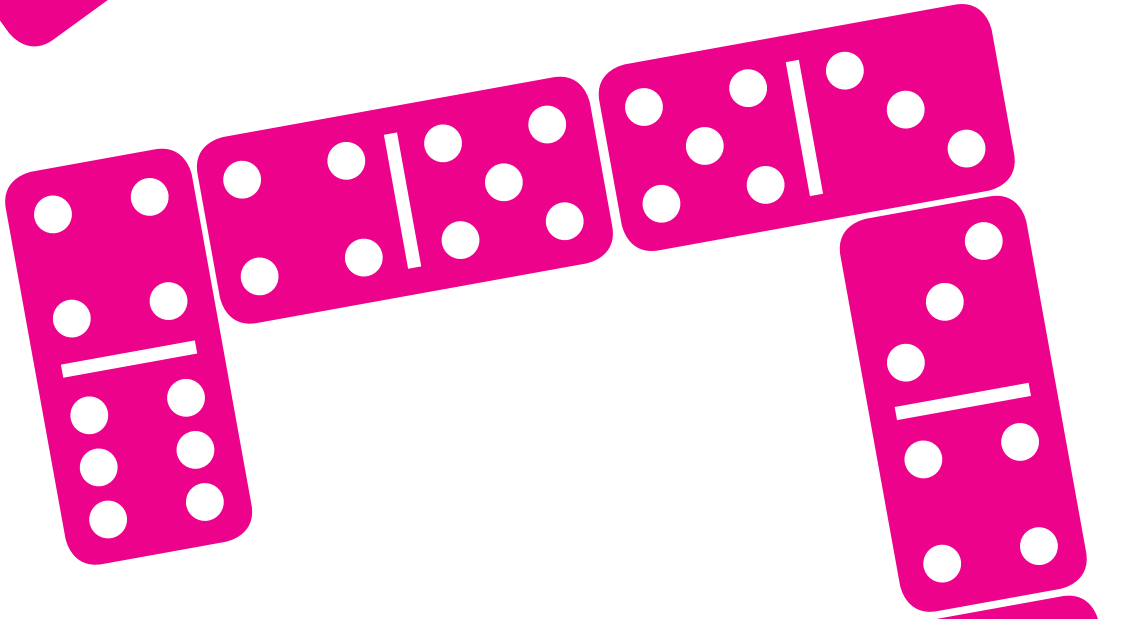
CMI Management Articles of the Year

Our relationships with business schools were supported once again by the CMI Management Articles of the Year competition, which aims to bring the best management research from leading universities and business schools to managers in the workplace. This year's winners of the cash prize of £1,000 were Dr Ben Hardy, Open University Business School, and Dr Tanya Alcock and Dr Jon Malpass, BT Technology Services and Operations, for *Morale: Unravelling its components and testing its impact within contact centres*. The competition results attracted national and regional news coverage.

We were pleased to work again with our supporting partners, the Chartered Association of Business Schools, the Association of MBAs, the British Academy of Management and the British Library.

CMI Management Book of the Year

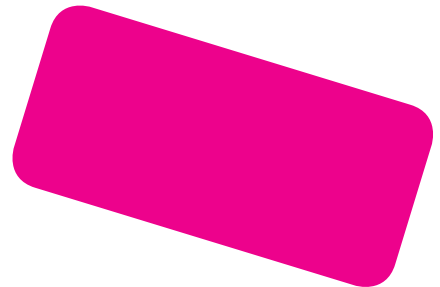
Another part of our commitment to raising standards and popularising the best management thinking is our award for the most inspiring, ground-breaking and useful management book of the year. This year, we awarded the £5,000 prize to *Not knowing: The art of turning uncertainty into possibility* by Steven D'Souza and Diana Renner, published by LID Publishing. The competition is held in association with the British Library and is sponsored by Henley Business School. The book was chosen as the winner for its refreshing assertion that good managers don't have to have all the answers, all of the time. In fact, 'not knowing' can help managers make good decisions, as uncertainty leads to open questions and the curiosity to find alternative answers.



“

...‘not knowing’ can help managers make good decisions, as uncertainty leads to open questions and the curiosity to find alternative answers.

”



“ We continue to provide the Secretariat to the APPGM, which had 100 members at the end of the previous Parliament and is now being rebuilt for the new Parliament. ”



Trust in the profession – management ethics

Our strategic focus on management ethics continued, with the launch of our second report with MoralDNA. Looking at the links between managers' ethics and organisational performance, it found that strong management ethics go hand in hand with staff and customer satisfaction, risk attitudes, management effectiveness, financial performance and community engagement. Its main recommendation – that ethics are improved by a principle-based approach than by prescriptive lists of types of behaviour – helped shape the revised CMI Code of Conduct and Practice, launched at the October AGM. We also continued collaborating with MoralDNA to research management ethics in employee-owned businesses, work set to be published in 2015/16.

Trust in the profession – management pay

Other major research launches included two pieces of work with pay-benchmarking specialists XpertHR, looking at management pay and the gender pay gap. The first identified an end to the bonus bonanza as directors' bonuses tumbled. The second showed that, on current pay levels, women would have to work until 80 before retiring to 'catch up' with the earnings of male counterparts. The findings generated substantial media debate, putting CMI on newspaper front pages and on flagship broadcast programmes including *BBC1's Breakfast*, *Radio 4's Today* and many more.

Forecasting the future

Our research also explored managers' perspectives across a range of challenges. We again worked with The Conference Board as UK partners on global research piece, *The CEO Challenge*. The results highlighted the rise of technology concerns among senior managers in the UK, with social media and cybersecurity forming two of their top three 'hot button' areas of concern. Our *Future Forecast* report continued to track managers' optimism levels for the new year, while also exploring perspectives on policy options six months ahead of the UK's 2015 General Election.

Influencing policy debate

Our research insights underpin our engagement with policymakers and politicians. With *Management 2020* generating significant interest, we had a greater presence at the party conferences than in recent years. We held discussions with ministers and shadow ministers and hosted well-attended dinners at all three major party conferences, bringing together local leaders from CMI's membership with policy stakeholders and parliamentarians to discuss the report. We secured MPs' backing for a management development offer to new MPs after the 2015 General Election, which we've now started work on with the support of the All-Party Parliamentary Group on Management and the Parliamentary Estate. We continue to provide the Secretariat to the APPGM, which had 100 members at the end of the previous Parliament and is now being rebuilt for the new Parliament.

Equality

Our research insights also provided the foundation for continuing to work closely with the Government Equalities Office. Together we held a successful employer event on the challenges of measuring the gender pay gap, an area where large employers will face new reporting requirements through the activation of Section 78 of the Equality Act (2010). We will continue to input into the Government's work to implement these regulations in 2015/16, with the aim of making sure they are both workable for employers and help to drive change. We also undertook a survey examining the barriers to women's progression in journalism and the media. Presenting findings at a well-attended Westminster breakfast with government minister, Baroness Jolly, our work is helping to inform government discussion about policy options in this important area.

BUILDING NETWORKS TO RAISE STANDARDS

With unparalleled insights and expertise in management and leadership, CMI works closely with stakeholders to influence change.



Women in Management

Our Women in Management network addresses the key issues affecting women managers and leaders in today's world, and plays a significant role within CMI as a professional network of 29,000 CMI members. It continued to enhance its profile. It held events in many parts of the country to mark International Women's Day in March, and a reinvigorated partnership with *Management Today* saw a series of successful joint events take place.

Institute of Consulting

The Institute of Consulting (IC) represents management consultants and business advisers in the CMI, and has a membership of 4,776, who we've brought together through networking activities. IC champions on the regional boards keep members up to date on developments and good practice within the profession. We've also been working to develop and gain approval for a new award, Chartered Management Consultant, to act as a badge of quality recognised by practices, clients and purchasers of consultancy (see page 26). We're working alongside the Management Consultancies Association to ensure this new award will represent all aspects of the profession and will continue to do so as this project continues in 2015. The IC elects four Trustees to serve on the Board of the International Council of Management Consulting Institutes (ICMCI), ensuring we maintain connections and influence within the profession globally.

Collaborating with other professional bodies

Working in partnership with the CIPD, UKCES, IIP and RSA, we supported the development and publication of the *Managing the Value of your Talent* report. This work focused on providing a new framework to show how developing and managing people can be effectively measured and managed to help drive longer-term value creation.

We also worked with 18 other professional bodies to organise Professions Week, an initiative to increase awareness of careers in the professions among young people in the UK, and to support those offering careers information

in schools and colleges. As part of this, we organised a Parliamentary reception, which more than 200 employers, parliamentarians and young people attended.

Recruiting thought leaders as CMI ambassadors

Our Board of Companions developed a strategy to recruit more new Companions, get existing ones more involved, and to create better opportunities for them to contribute to CMI's mission. We reviewed the profile of existing Companions, and set new targets on gender (33% to be female), age (90% to be under 60) and ethnic diversity (5% to be from ethnic minorities) to better reflect the growing diversity of the management and business community. We recruited 56 new Companions, and exceeded our targets.

Our new Companions are also contributing more and more to our strategic objectives – for example, by serving on the Commission on the Future of Management, attending dinners at party conferences, and speaking at our partner business schools, national and regional events, helping to promote our research findings and recommendations.

BUILDING A STRONG BRAND

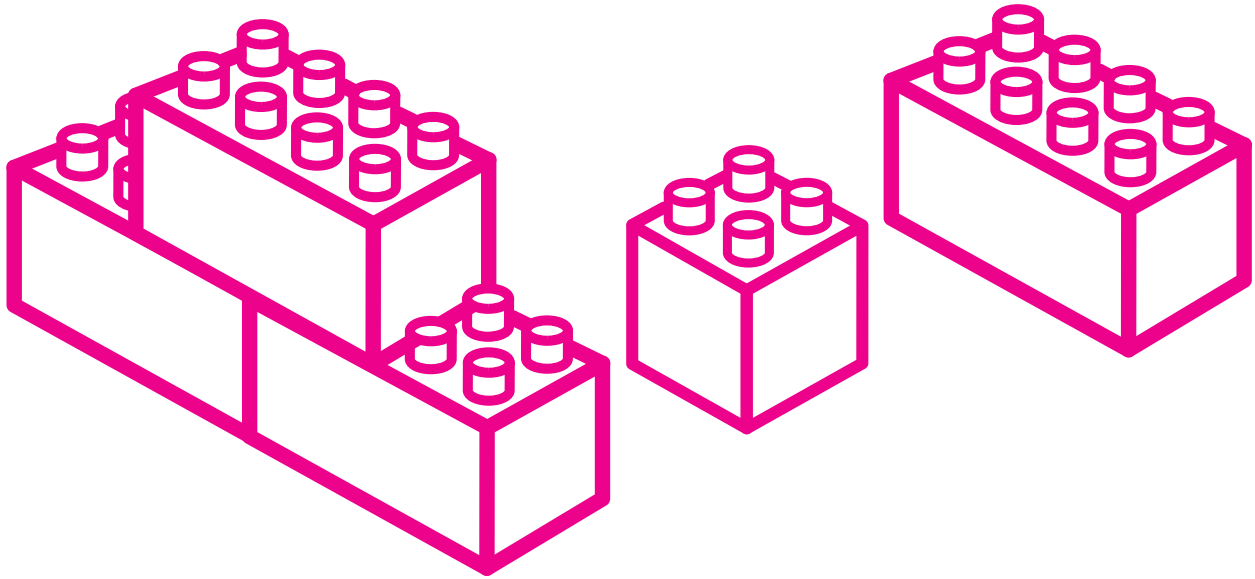
Our name is synonymous with management thought leadership. Prompted awareness of CMI is growing strongly from 32% to 50% and stands us ahead of many of our competitors.

Taking the CMI message to target audiences through PR

Our media programme continued to gain high-profile coverage throughout the year, on BBC1's *Breakfast*, Sky News and Radio 4's *Today*. We appeared in every broadsheet newspaper, even making front-page news in *The Guardian* with our gender pay gap data. And we worked with the Regional and Devolved Nation Boards to help build our profile, with North East, Yorkshire, Humberside Chair Sharyn Coleman appearing on both radio and TV news locally.

BUILDING A STRONG BRAND

Our name is synonymous with management thought leadership. Prompted awareness of CMI is growing strongly from 32% to 50% and stands us ahead of many of our competitors.



INSIGHTS E-NEWSLETTER
READ BY OVER
20,000 MEMBERS
SINCE ITS INTRODUCTION

New communications channels

With the relaunch of the CMI website, we incorporated content from *Professional Manager* into the *Insights* section and into our new e-newsletter. It gives members access to daily management news, analysis and opinion. Since its introduction it's been read by over 20,000 members weekly, and increased traffic to this section from 10,000 to 38,000 over six months. We also started placing more articles online to share our foresight and analysis. We continue to work with Citrix GoToMeeting, offering webinars on some perennial management challenges and some of the latest research findings.

Meanwhile, the print magazine continues to flourish, with four editions over the year offering the latest in management thinking, practical insights and leader interviews. It even scooped a prestigious industry award, winning the Magazine – Professional Association or Royal College category in the MemCom Membership Marketing Awards 2015, thanks to how “it changes the way managers manage”. The latest reader survey showed 86% of readers rate it as ‘good’ or ‘excellent’ as a member benefit (up four points) and 89% rate its content as good or excellent (also up four points).

Content that engages and informs

With a record-breaking 270,000 individual views of CMI content last year, we know our knowledge and resources are meeting the needs of our customers and members. By developing 1,300 new items each year, we're building our body of knowledge and ensuring our content can keep managers up to date with the latest thinking.

We launched four new Checklist books with the publishers Profile, extending this popular series on management practice. We also grew the 2,700-strong CMI Faculty to enable us to crowd-source high-quality content from consultancies, academic partners and members.

Our Academic Advisory Council, chaired by Sir Paul Judge, provided valuable input into initiatives such as *21st Century Leaders* and the Commission on the Future of Management, while continuing to oversee projects such as Management Articles of the Year and Management Book of the Year.

We uploaded 29 new videos to our YouTube channel giving managers, employers and others insights into working with CMI, and the benefits of our services.

Creating commercial opportunities

Our marketing team ran over 400 campaigns in the year to generate leads and business opportunities for CMI, supporting areas such as Chartered Manager, education partners, events and our employer team.

We also evolved our marketing strategy to support the partnership team. Over 2,000 people registered for partner webinars, to find out more about CMI and our products and services.

Engaging more people through social media

In the last year, we've experienced a significant increase of over 20% growth across the major social media platforms, appealing to and attracting extra Facebook and Twitter followers and more LinkedIn members and YouTube viewers. Naturally, we'll continue to use these channels to promote our messages, products and services, and generate leads.

Outstanding events

While digital communication is the order of the day, we also organised many successful events throughout the year that attracted hundreds of enthusiastic managers, celebrating successes, sharing management insights and helping to reinforce our brand. Two of the finest were the Management Book of the Year featuring a keynote by Richard Hytner of Saatchi & Saatchi, and the President's Dinner at Shakespeare's Globe, which featured the CMI 2014 Gold Medal Winner, Unilever chief executive Paul Polman, as guest speaker.

This year, we launched a new partnership with *Management Today* to bring both national and regional MT Live and Inspiring Women events to our members.

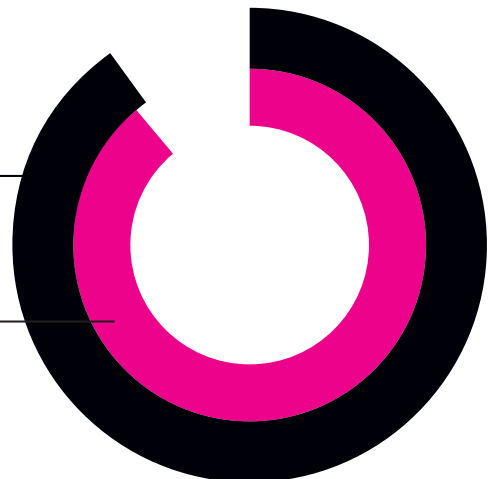
Our regional networks and the outstanding contributions of our volunteers continue to support local delivery of our strategy, providing over 60 local events to support our members. Highlights include the Scotland Conference and prestigious Maclaren and Crystal lectures held in the West Midlands, with over 4,000 members attending a regional event during the year.

HOW WE'VE PERFORMED: MORE MEMBERS. MORE SATISFIED MEMBERS.

This has been a record year for attracting new members, whether through employers, higher education institutions and other education partners, or individuals. Working closely with these target groups, we have ambitious plans to grow further, with rising revenue allocated to focus on key objectives for each of these areas.

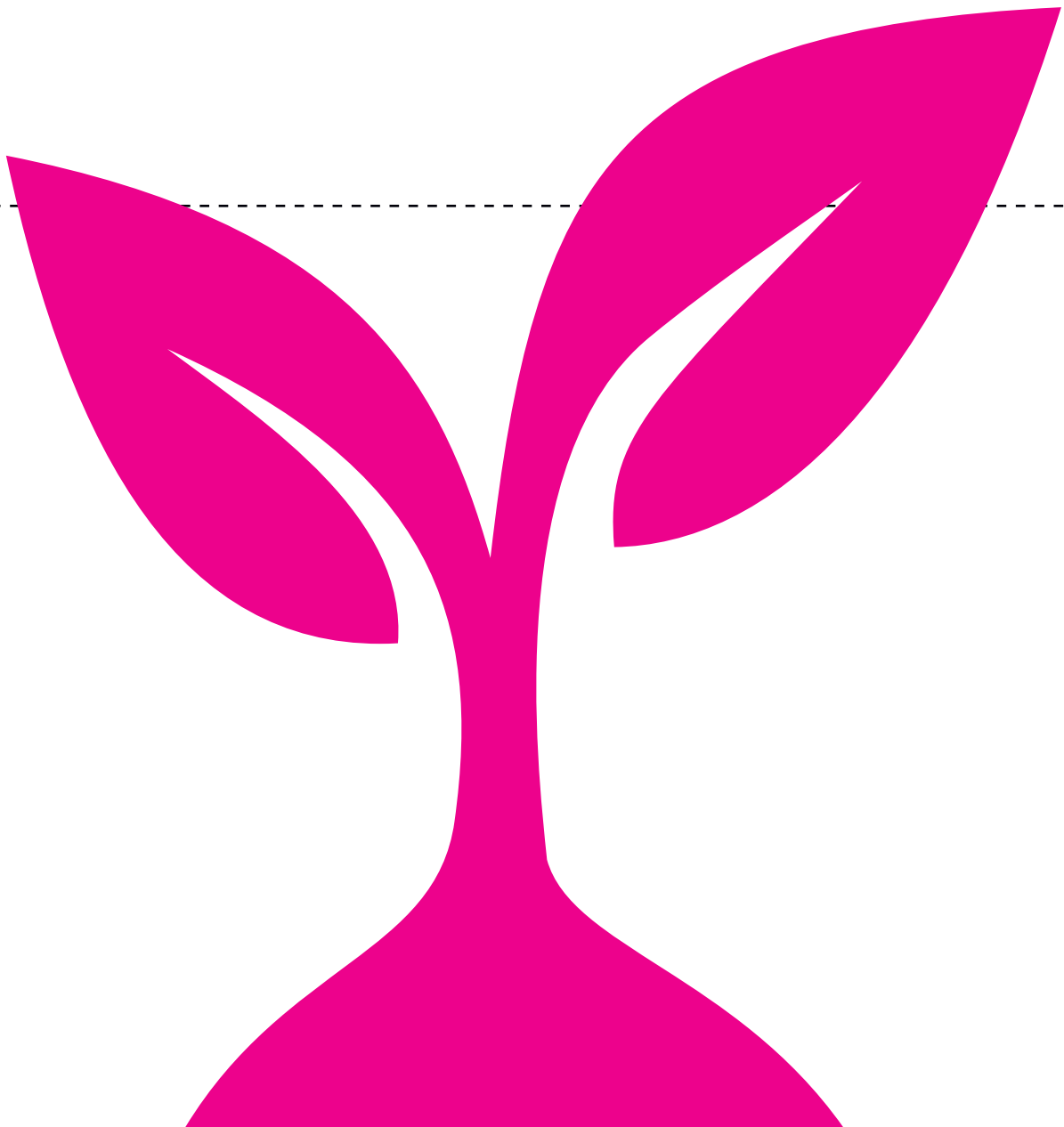
90% SATISFIED MEMBERS

89% RETAINED MEMBERSHIPS



18%

**GROWTH FOR MEMBER
REGISTRATIONS IN EDUCATION**



MEMBERSHIP

Developing the membership proposition

Overall, our membership community grew to 121,000, up 14,500 on the previous year. We are focusing on understanding the needs and expectations of our members, as meeting these is central to our growth strategy. Although member retention and satisfaction measures are ahead of target (90% satisfied, 87.5% retained), and our net promoter score has improved, the Board has agreed we need a clear strategy for ensuring membership of CMI retains its importance to managers – and their careers.

We commissioned a significant piece of research, the first stage of which was to analyse our transactional membership data, member satisfaction survey responses, previous research studies, and feedback from our membership engagement day. The second stage, during March 2015, involved in-depth telephone interviews with members of all levels and including Institute of Consulting members. In May, we conducted an online membership survey. All of these will inform our decisions in developing our member propositions. The regional board chairs have been fully involved in the process and will inform their board members of the research findings.

Member engagement day

Following responses from volunteers on the need for members to meet to share experiences and gain an understanding of each other's roles, 100 members from our regional boards and central committees met at Aston University Conference Centre in November 2014. They discussed our strategies and their impact, our current challenges, and how the significant honorary officer network could add greater value. The day was a great success, and celebrated individual and team successes throughout the regional boards. As well as the sessions for everyone, workshops focused on the strategic strands of HE; employers and education partners; on communications and marketing; and on developments within the Institute of Consulting and WiM. The views expressed on the need to understand in greater depth the needs and wants of members, and to segment the membership, led to the above research project, the results of which will inform strategy in the second half of 2015 and early 2016.

EMPLOYERS

The number of employers looking for validation and accreditation for their management and leadership development activities is growing across all sectors, and is expected to grow by 25% by the end of 2015/16.

ManagementDirect

CMI's resource portal provides online support to managers at all levels. Last year, the site received 150,000 visits, with over 17,000 being from users in our employer network. The portal provides study support to managers on structured learning programmes, as they are able to create 'learning journeys' to support their in-house or CMI programmes, incorporating language and resources specific to their business sector.

HIGHER EDUCATION INSTITUTES AND EDUCATION PROVIDERS – OUR GROWTH STRATEGY

Amongst education partners, excluding HEIs, we have seen a 12% growth in people taking our qualifications, with 24,000 students registered, and a 94% score in customer satisfaction.

In addition to this growth, over the last year we doubled, to 3,946, the number of HE students participating in courses incorporating CMI qualifications.

Impact of thought leadership on building HEI relationships

Our thought leadership has been critical to developing HEI partner relationships – in particular the CMI/ABS/QAA project *21st Century Leaders*, which has provided evidence that, in the eyes of employers, university courses need to acquire a practical, work-based dimension. Our credibility from this research has been instrumental in opening doors to particular universities and business school deans. In addition, the evidence we have gathered on the value of Chartered Manager status, management and leadership qualifications, and management and leadership development more generally, has been key to establishing the credibility of our partner offer with academic staff.

CASE STUDY

ACCREDITATION OPENS DOORS FOR SERCO

Serco has been involved with CMI for 15 years. As one of the world's largest services providers to governments, it sees senior managers becoming Chartered as an essential part of their management and leadership training programme. Accreditation proves beneficial when tendering for new contracts, it provides evidence of credibility and competence, and it shows clients that Serco's senior managers have proved their capability and adaptability. It's a great boost to clients' confidence in Serco.

A good example of how Chartered status can open doors occurred when Serco had to send staff to Australia to work on new correctional and detention facilities. They were needed quickly, but the visa application process was standing in their way. Just one call to the Australian High Commission to explain the managers had Level 5 management qualifications and Chartered Manager status meant full working visas were granted within 24 hours.



Developing HEI partnerships

Developing partnerships with universities and other professional bodies is a key part of our growth strategy, and has had a significant impact. On a like-for-like basis, income was about four times the previous year's, and we created 20 significant new HEI partnerships. Student memberships or registrations for CMI qualifications doubled, and approximately 400 people registered to become Chartered Managers through partner relationships.

We honed the HEI partner proposition further during the year, focusing on supporting student employability, providing professional recognition, and enhancing students' learning experiences. We do this by accrediting university programmes, so students finish their courses with CMI qualifications as well as their university degree, and for appropriate postgraduate and MBA courses. We also provide benefits to students as CMI members, including access to the ManagementDirect online portal. We are increasingly making these arrangements automatic, rather than on an opt-in basis, and across each entire university business school, rather than for specific courses.

Seizing the undergraduate opportunity

Although postgraduate provision is important, the biggest opportunity to work with universities is through undergraduate courses, where universities need to add value, both to justify fees and to improve the student experience. This means accreditation to CMI qualifications is a larger part of the mix than we anticipated a year ago. It means more people becoming CMI qualified, and on a path to future Chartered Manager status. Managing this progression within our membership structure effectively will be a key challenge for the second year of the strategy.

Building relationships with business schools

CMI now has relationships with over 85 business schools, out of about 135 in total in the UK, with potential to grow existing relationships significantly and to build new ones. Partnerships are fairly evenly distributed through the business school rankings table, so our offer appeals to elite, red-brick and post-1992 institutions. During 2014/15 we built strong repeat business and created opportunities to grow further in 2015/16. We have also begun to develop relationships with international business schools, such as the University of Chicago Booth School of Business, and are working with a number of UK HEI partners to extend our offer to their overseas partners. While the focus of our activity remains on adding value to our partners' undergraduate and postgraduate courses, and attracting more students, in 2015/16 we will be also systematically addressing the opportunity to support university staff development in management and leadership.

A significant partnership is under development with Coventry University following agreement of a Memorandum of Understanding in March 2015, which lays the foundation for CMI accreditations and member benefits to be embedded in a range of courses, and in particular across the University's postgraduate population generally. The CMI partnership is intended also to embrace University staff, and the University's own partner institutions.

Helping professional bodies offer their members routes to Chartered Manager status

The centrepiece of our partnership development with professional bodies has been establishing co-branded schemes for members of professional bodies in other disciplines – particularly engineering and accountancy – to gain Chartered Manager status. We've also developed strong relationships with professional bodies outside the UK, including a strategic alliance with the Australian Institute of Management. We've established a number of successful qualification and partnership models which, as with the HEI area, should fuel growth in 2015/16, and we are planning resources accordingly.

CASE STUDY

ADDED RECOGNITION AND ENHANCED QUALIFICATIONS FOR BUSINESS SCHOOL GRADUATES

The renowned University of Chicago Booth School of Business has added Chartered accreditation to its advanced management training, thanks to a new partnership with CMI. Students on its accelerated development programme (ADP) automatically become Members of CMI, giving them professional recognition and access to exclusive CMI online learning resources. They also have a smooth route to Chartered Manager, the UK's only chartered accreditation to recognise achievement in the field of professional management. ADP is part of the portfolio of executive education programmes offered at the Chicago Booth London campus, and once students complete the course they can progress to Chartered status in four to six weeks.

Leicester, Brighton and Nottingham (NTU) Business Schools have also linked up with CMI, embedding CMI qualifications into their undergraduate and postgraduate (including MBA) degree programmes. On completion of their degree all students studying courses aligned to CMI, will leave university with a second professional qualification. In the *21st Century Leaders* report, 75% of all employers stated they thought more students should study professional qualifications as they provide evidence of practical skills.



OUR STANDARD OF EXCELLENCE: CHARTERED MANAGER

We now have 4,500 Chartered Manager members, a growth of 25% in the past year. Those achieving Chartered Manager status feel more recognised and valued, and make a positive difference to the organisations they work for. A survey of 535 Chartered Managers, conducted by CMI during December 2014 – January 2015, shows that over 80% say they are better managers after achieving Chartered status, while over 90% agree that Chartered status shows their integrity and commitment to ethical behaviour, and they have greater self-awareness and self-confidence. Chartered Managers give their organisation an average added value of over £390,000 through product development, better people management, exceeding targets, plus general improvements and savings.

CHARTERED MANAGEMENT CONSULTANT

Working with the Management Consultancies Association, we've embarked on a project to develop Chartered Management Consultant as a new charter award sitting within the CMI Royal Charter. The aim is to enhance the professional standing of the management consulting sector, with recognition that it requires the demonstration and maintenance of high quality standards and specialist expertise.

Task groups of members of MCA, CMI and IC are working to define the award, its qualifying criteria and assessment processes. To do this they are consulting members of MCA, CMI and IC – from all sizes and types of practice, as well as procurers of consultancy, other chartered bodies, and the Government. The final proposals will require member support at the AGM as well as Privy Council approval.

CREATING LEARNING SUPPORT

We've placed considerable emphasis on refining propositions and processes to support our partnerships strategy. We've also undertaken significant work to review, refine and simplify our qualifications offer, to enhance the content on the ManagementDirect portal, to upgrade our online CPD system and improve its reporting, and to support our employer strategy by revising the employer accreditation and validation offer.

We're also looking at options for developing accreditation through online learning, making use of the "learning journey" facility within ManagementDirect, and will be starting a trial with a major employer. We've further rationalised the product portfolio and further simplified pricing. The product development team has grown, including a new head of product development, to ensure we can support the growth strategy of CMI's business areas – partnerships, education providers, employers and members. This includes product design and development to support the potential Chartered Management Consultant award and to support CMI's involvement in the Trailblazer apprenticeship programme.

REGULATORY COMPLIANCE

In 2014/15, we continued to build systematic quality assurance to support our education partners and learners to achieve great but also compliant outcomes. We streamlined our policies and processes, improved our guidance, support and systems and introduced a risk-based audit regime. We have much more planned as we listen to our customers and continually improve everything we do.

The regulatory framework in England is changing too with more emphasis rightly on meeting employer needs and removing obstacles to innovation and, whilst compliance at every level is fundamental to us, we will exploit opportunities to improve our qualifications and practices to the benefit of our learners, their employers and our education partners.

Our independent governing body oversees our compliance and quality assurance and has confirmed our view that all our regulatory criteria are now deemed as compliant with the current requirements for the regulators of England and Northern Ireland and Scotland and Wales.

CASE STUDY

HOW CHARTERED MANAGER HELPS TO CREATE LEADERS

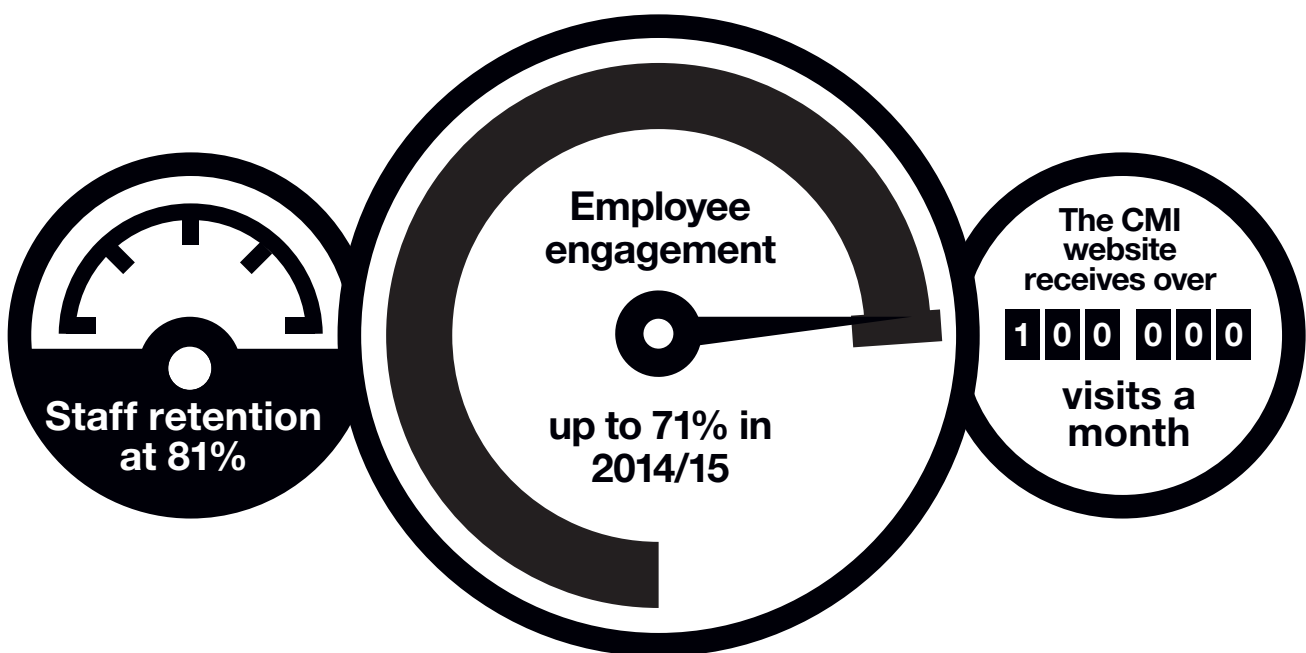
Michael Brearey started life at RDF Building Services as a labourer. Now he's taking over as managing director. He says Chartered Manager was integral to his journey, and that of the business: "When I started on site the chairman must have seen something in me. Doing Chartered Manager made me realise, I am a leader."

"People inside and outside of my organisation recognise the accreditation. After you've done it, you get a little bit more respect from your peers. It's about working with people and getting them to buy into what we're doing. We think in a more strategic way now. Chartered Manager has made our firm leaner. Our margins are steadily growing. I hope they'll get even bigger."



HOW WE'VE PERFORMED: BUILDING A BETTER CMI

We've been busy developing a stronger organisation to support the management and leadership community. This includes investment in new staff, particularly at leadership team level, and building our digital capabilities.



INVESTING IN EMPLOYEES

In April 2014, we won Gold Standard accreditation from Investors in People in recognition of our commitment to developing and supporting employees. It's the highest award available through the IIP scheme and is achieved by only 7% of IIP-recognised organisations in the UK. Employee engagement is thriving – our independently measured score was up from 63 in 2013/14 to 71 in 2014/15, while our high staff satisfaction levels are illustrated by the CMI employees completing our monthly pulse-point surveys. They have recorded a rise in staff satisfaction from 66% in June 2013 to an all-time high of 93% in April 2015.

Attracting new staff

While staff retention over the year was broadly stable (81% compared to 83% the previous year), amongst a total of 55 new starters we welcomed six new members to our operational leadership and executive leadership team. We appointed a new commercial director in Mike Malaure and a new director of membership engagement, Simon Bowen. They join four new departmental heads – of HR, HE partnerships, product development, and PR and campaigns.

Developing the partnerships team

We're aiming to increase our impact and income through partnerships with higher education institutions and other professional bodies. To support the growth we've already achieved and want to achieve, we've expanded our partnerships team significantly – adding relationship managers, as well as administrative, marketing, and quality management roles. Some of our regional boards are supporting the development of partnerships by strengthening relationships through meetings, curriculum enrichment and other activities.

INVESTING IN DIGITAL

One of our main strategies is to create a digital route to market, and we started with the redesign of our customer website, re-launched in June 2014. As this is increasingly how people expect to interact with organisations like ours, we've been busy developing our digital and ecommerce channels, and ensuring they are as suitable for access from mobile devices as they are from desktops.

Enhancing our ecommerce income

Traffic continues to grow and the website now receives over 100,000 visits a month, improving revenue and helping attract Chartered Managers, education providers and employers. This year the website brought in over £1 million of revenue in memberships, shop sales, and event and course bookings, vindicating our investment in a new platform.



CMI's executive leadership team

Left to right: Simon Newlyn, Valerie Hamill, Steve Heapey, Mike Malaure, Ian Myson, Ann Francke, Simon Bowen, Petra Wilton.

Boosting our online profile

The growth in website visitors has been largely due to disseminating content, as well as links from partner, blogger and journalist websites. This search engine optimisation approach means we appear higher in search results for management and leadership, which now accounts for 40% of all traffic to the site.

Improved digital services for customers

Our audiences want to engage with us through our website, and our growing digital maturity reflects this. The online self-service infrastructure continues to grow, and includes the ability for members to join and renew, and for learners and centres to access qualification materials, and book and pay for short courses. We've now started to redesign both the education partners section - to provide better support to CMI Centres - and the *Insights* section, to expand our content marketing initiatives, provide thought leadership, share best practice, engage with our core audience and raise awareness of the CMI brand. The website will also play a key role in promoting our international offer this year.

Going mobile-first

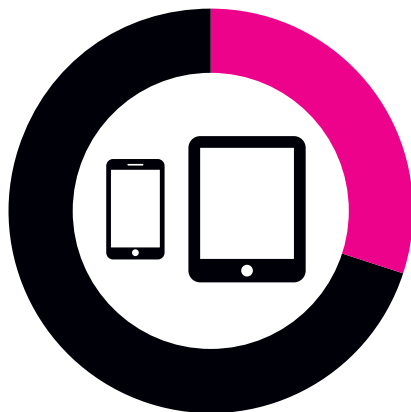
Around 30% of visits this year were from mobile devices, including tablets, up from 22% last year, and it's predicted this channel will keep growing. So we've built the website using responsive design, ensuring the same content experience regardless of device.

PROFESSIONAL PRACTICE AND BUSINESS ETHICS

Ethics and professionalism underpin all our activities, and every individual in CMI, IC and WiM signs up to our Code of Conduct and Practice each year. This year, the Complaints and Investigations Committee reviewed the CMI and IC Codes, and the Board approved a combined Code for all members. This launched in October and is based on key principles such as competence, behaviour, developing teams and acting in the best interests of customer and clients.

The Code is used in practice to investigate possible breaches by members of our high standards of professional conduct. During the year, we received two complaints and referred them to the Complaints and Investigations Committee. As they're complex matters, the investigations aren't yet complete. One case that concluded in 2013 was referred back to the Committee, as the member hadn't complied with the sanction imposed. One further complaint involved a former member continuing to use the Institute's designatory letters on social media profiles, which we took action to stop.

We also agreed on the need to co-operate with peer professional bodies, where members subject to complaint hold multiple memberships, and have reviewed data protection restrictions in light of this policy.



30% OF VISITS TO THE WEBSITE THIS YEAR WERE FROM MOBILE DEVICES

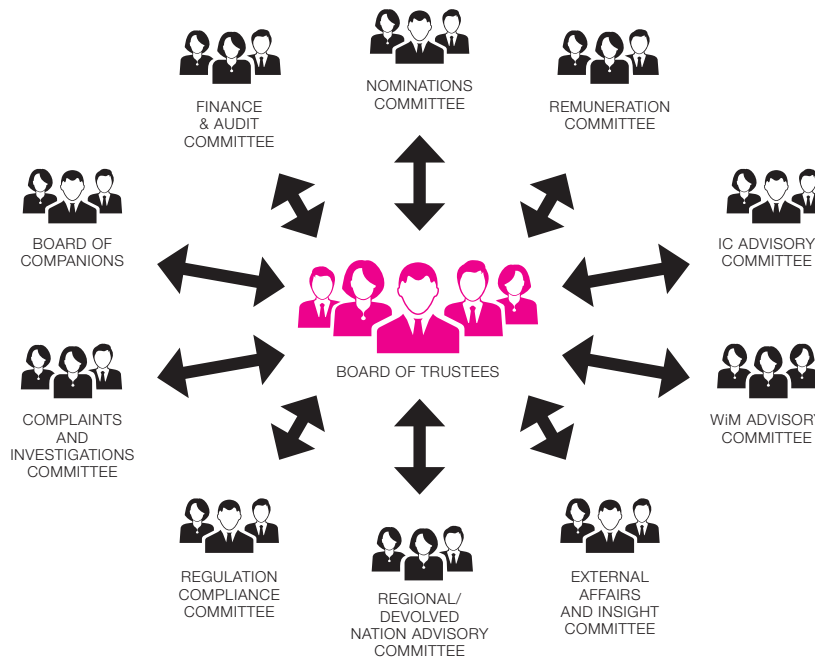
BOARD OF TRUSTEES

Mike Clasper CBE CMgr CCMI, chairman of Coats plc, became president of the Institute in October, succeeding Peter Ayliffe CMgr CCMI, chairman and Non-Executive director of Monitise Group.

The Board of Trustees is the governing body of the charity and it met six times during the year, under the chairmanship of the president. 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 appropriate systems are in place to manage them. Board members also represent and communicate with members at major CMI events.

Our Annual General Meeting in October approved a Board resolution to seek reinstatement of the coat of arms of the former British Institute of Management. This was subsequently approved by the Privy Council and incorporated into our Royal Charter and was followed up with the College of Arms.

CMI has kept abreast of developments in charity legislation. 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.



BOARD AND COMMITTEE STRUCTURE

The Finance and Audit Committee provides an independent review of internal controls and financial reporting, as well as reporting to the Board quarterly on risk management issues. The chairman is appointed by and from the Board, who also appoint up to seven members, 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 three members are appointed by the Board from the wider membership.

The Advisory Committee structure aligns with the key business areas and those Committees consider policy issues in accordance with the strategic framework agreed by the Board. Each committee reviews its level of input and impact against the strategic objectives, and is involved in business planning processes. The chair of each committee reports to the Board on these strategy and policy developments.

Particular highlights across the committees are:

- Regulation Compliance Committee approval of full compliance with our regulators' requirements
- External Affairs and Insight Committee overseeing the revised Code of Conduct and Practice
- WiM Advisory Committee involvement in diversity research amongst the membership
- IC Advisory Committee leading the discussions to develop a new Charter award for Management Consultants
- Regional/Devolved Nation Advisory Committee ensuring the communication of good practice with the 12 Regions or Devolved Nations
- Board of Companions reviewing a strategy for engaging Companions as thought leaders and influencers.

We provide all new members of the Board and its committees with a comprehensive induction, including face-to-face briefings and written guidance through *The Guide* resource pack. A closed user website is available to all honorary officers, providing comprehensive and up-to-date information to support Board and committee members in their work. *The Digest* e-newsletter communicates to all honorary officers the strategic discussions taking place across the central committee structure.

Board and Committee evaluations conducted during the year led to developments such as:

- a skills audit to ensure the appropriate level of experience and specialist skills within each committee, and to help with future recruitment;
- a Member Engagement Day in November, bringing together over 70 members of the Regional/Devolved Nation Boards and central committees, sharing thoughts and ideas on how to stimulate member engagement; and
- a review of the Board of Trustees election process, to encourage greater diversity of candidates.

We have promoted vacancies for the elected member places on the Board through the CMI website and e-newsletters. The role and person specifications for Board members are published, alongside the well-established set of capabilities required for Trustees. Candidates are subject to initial assessment by Nominations Committee. In a contested election, full CMI and IC members are eligible to vote. Five members contested the two elected places available in the 2014 election.

Two co-opted places are available on the Board, with candidates considered who might fill perceived gaps in the range of available skills and capabilities 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 the IC Advisory Committee and the chief executive.

We advertise all Committee positions widely across the Institute, with candidates assessed on their experience and professional background. Interviews are held, with nominations then ratified by the Board of Trustees.

HONORARY OFFICERS

Patron

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

President

Mike Clasper CBE CMgr CCMl

Immediate Past President

Peter Ayliffe CMgr CCMl

BOARD OF TRUSTEES

(as at 31 March 2015)

(The number of Board meetings attended during the period April 2014 to March 2015 is indicated alongside the name of each member.)



**STEVE
ASHER** 2/3
CMC CMgr FCMI FIC



**PETER
AYLIFFE** 5/6
CMgr CCMl



**MIKE
CLASPER** 6/6
CBE CMgr CCMl



**ANN
FRANCKE** 6/6
CMgr CCMl FIC



**DR LORNA
GIBSON** 4/6
CMgr FCMI



**BEVERLY
LANDAIS** 5/6
CMgr FCMI



**IAN
OWEN** 2/3
CMgr MCMl



**GAVIN
RICHARDSON** 5/6
CMgr FCMI



**PHILLIPPA
WILLIAMSON** 3/6
CMgr CCMl



**PROFESSOR
BABACK YAZDANI** 4/4
CCMI

The following candidates were successful in being elected or appointed to the Board of Trustees as from the AGM held on 9 October 2014 (or as otherwise indicated):

ELECTED MEMBERS

Steve Asher CMC CMgr FCMI FIC

Ian Owen CMgr MCMI

EX-OFFICIO AND CO-OPTED MEMBERS

Phillippa Williamson CMgr CCMI was co-opted to the Board for a further year from 9 October 2014.

Professor Baback Yazdani CCMI was co-opted to the Board on 17 July 2014.

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

Judy Craske CMC CMgr FCMI MIC (to 9 October 2014) 3/3

Ian MacEachern OBE CMgr FCMI (to 9 October 2014) 3/3

MEMBER OF THE BOARD OF CMI ENTERPRISES LTD

(as at 31 March 2015)

Ann Francke CMgr CCMI FIC

MEMBERS OF COMMITTEES OF THE BOARD

(as at 31 March 2015)

Finance and Audit Committee

Phillippa Williamson CMgr CCMI – Chairman

Colin Cheek MCMI

John Cranston MCMI

Pauline Hobson FCMI

Paul Howard CMgr FCMI

Paul Richardson CMgr MCMI

Board of Companions

Patrick Dunne CCMI – Chairman

Mike Clasper CBE CMgr CCMI

Valerie Dias CCMI

Robin Field-Smith MBE CMgr CCMI

Jez Frampton CCMI

David Frost CBE DL CCMI

Dame Mary Marsh DBE CCMI

Sir Gareth Rhys-Williams CCMI

Professor Rebecca Taylor CCMI

Professor Peter Tomkins CMC CMgr CCMI FIC

Complaints and Investigations Committee

Jane Noakes CMgr MCMI – Chairman

Graham Briscoe CMC FIC

Joanna Brown CMgr MCMI

Nick Elton CMgr FCMI

Janette Gulleford FCMI

Jason Shaw CMgr MCMI

Barrie Sinclair-Kemp CMC FCMI MIC

External Affairs and Insight Committee

Beverly Landais CMgr FCMI – Chairman

Ben Bennett FCMI

Gillian Connor MCMI

Tere Daly FCMI

Edward Darrock MCMI

Keith Grieve MCMI

Laliek Nasmyth MCMI

Chee Seng Koh CMgr MCMI

John Thurlbeck FCMI

Petra Wilton FCMI

IC Advisory Committee

Steve Asher CMC CMgr FCMI FIC – Chairman
 Fred Ayres CMC CMgr FCMI FIC
 John Griffiths CMC MIC
 Dr Simon Haslam CMC FIC
 Brian Ing CMC FIC
 Loreen Macklin MCMI FIC
 Gary Metcalfe FCMI FIC
 Maximilian Pullen MCMI AIC
 Martin Rice CMgr CMC CBA FCMI FIC
 Jenny Trickett CMC FIC
 Ian Watson FCMI FIC

*Management and Leadership
 Development Sounding Board*

Delroy Beverley FCMI
 Sara Fardon CMgr MCMI
 Mike Gregson
 Mohamed Jogi FCMI
 Jamie Lyons CMgr MCMI
 Roger Merritt
 Barry Neal FCMI
 Phil Ryan CMgr MCMI
 Dr Ruth Sacks FIC
 Paula Ward CMgr MCMI

Nominations Committee

Peter Ayliffe CMgr CCMI – Chairman
 Professor Ian Bruce CBE CCMI
 Ian MacEachern OBE CMgr FCMI
 Ian Owen CMgr MCMI
 Professor Peter Tomkins CMC CMgr CCMI FIC

*Regional/Devolved Nation
 Advisory Committee*

Gavin Richardson CMgr FCMI – Chairman
 Philip Bain CMgr FCMI FIC
 Philip Bell CMgr FCMI
 Shaun Bowman CMgr FCMI
 Sharyn Coleman CMgr FCMI
 Beverly King CMgr MCMI MIC
 Ian McNaught CMgr FCMI
 John Morgan FCMI
 David Potter MCMI
 Phil Ryan CMgr FCMI
 Barrie Sinclair-Kemp CMC FCMI MIC
 Paul Taylor CMgr FCMI
 Dr Paul Thomas FCMI FIC
 Richard Thomas CMgr FCMI

Regulation Compliance Committee

Ian Owen CMgr MCMI – Chairman
 Cathy Barnes ACMI
 Heather Bond ACMI
 Chris Daniel ACMI
 Sue Graham ACMI
 Steve Heapey CMgr FCMI
 Matt Scarff ACMI
 Nigel Spencer ACMI
 Rosalind Thorpe CMgr MCMI
 Patrick Tucker

Remuneration Committee

Professor Baback Yazdani CCMI – Chairman
 Peter Ayliffe CMgr CCMI
 Mike Clasper CBE CMgr CCMI

*Women in Management
 Advisory Committee*

Dr Lorna Gibson CMgr FCMI – Chairman
 Rozz Algar CMgr FCMI
 Karen Beckwith CMgr FCMI
 Kate Brookes CMgr MCMI
 Zoe De Haes ACMI
 Liz Hoskin CMgr MCMI
 Beverly King CMgr MCMI MIC
 Gary Metcalfe FCMI FIC
 Angela Owen FCMI
 Anita Wild CMgr FCMI
 Petra Wilton FCMI

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 £104,261 (2014: £81,652) which is transferred to the Institute under gift aid. This represents a continued improvement in the financial performance of CMI Enterprises Limited.

Membership income during the year was £4.90m (2014: £4.87m). Deferred subscription income of £1.88m (2014: £1.98m) was carried forward at the end of the year. This represents the unexpired portion of subscriptions received from members.

Total incoming resources for the year amounted to £11.68m (2014: £11.03m) and generated net incoming resources of £1.47m (2014: £1.07m). The net cash inflow from operating activities of £0.88m (2014: £0.31m) is stated after including £0.80m (2014: £0.78m) of contributions to fund the deficit on the defined benefits pension scheme. The value of the Institute's net funds (net cash plus investments) increased from £5.56m to £6.85m.

The Institute generated a net surplus on General Fund of £1.50m (2014: £1.13m) from operational activities in the year. £0.03m has been transferred to Designated Reserves, mainly to fund the continued development of the Institute's products and website.

At 31 March 2015, the FRS 17 valuation of the defined benefits pension scheme deficit stood at £12.80m (2014: £8.95m), reflecting the impact of a lower discount rate on the calculation of the scheme liabilities. The net liabilities after inclusion of the pension deficit were £6.97m (2014: £4.46m). The scheme is closed to accrual and a recovery plan has been put in place which seeks to eliminate the deficit over a period of 12 years. Deficit contributions under the recovery plan amounted to £800,000 in 2014/15, and are expected to total £807,200 in 2015/16. The Institute's total assets excluding the pension deficit were £5.83m at 31 March 2015 (2014: £4.49m) and, as such, it is able to meet its obligations as they fall due.

At the end of the year, the Institute's free reserves were £3.67m (2014: £2.35m), an increase of £1.31m. 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 decline in income or an exceptional rise in expenditure. Charitable expenditure in the year of £8.37m results in a reserves target of £4.19m. The Institute's free reserves plus deferred subscription income totals £5.54m, equivalent to 132% (2014: 108%) of the reserves target.

The Board of Trustees is responsible for monitoring the Institute's internal control systems. The Board, supported by the Finance and 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 Institute's budget control procedures, digital delivery and regional volunteer activities. 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 fulfill 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. 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 movement in worldwide investment values and was in line with the benchmark index.

The accounts for the year, which are presented on pages 39 to 51 of this report, were approved by the Board of Trustees on 16 July 2015.

Approved on behalf of the Board

Mike Clasper
President

16 July 2015

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; and
- 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 2011 and the Charities and Trustee Investment (Scotland) Act 2005. 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 website 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 website 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.

INDEPENDENT AUDITORS 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 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charity 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 charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees 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 Trustees' Responsibilities Statement (set out on page 37), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2015 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper and sufficient accounting records have not been kept; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Statutory Auditor
Gatwick
United Kingdom

16 July 2015

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2015

	Note No	General Funds 2015 £000	Designated Funds 2015 £000	Total Funds 2015 £000	Total Funds 2014 £000
INCOMING RESOURCES					
Charitable activities					
Membership	2	4,899		4,899	4,870
Standards and qualifications		3,728		3,728	2,814
Institute of Consulting		462		462	592
Information and advisory services		31		31	47
Activities for generating funds					
Management development	10	1,854		1,854	1,918
Publications	10	196		196	234
Rental income		74		74	49
Other operational income		323		323	437
Investment income					
Interest receivable		–		–	–
Investment income	14	113		113	72
		11,680	–	11,680	11,033
RESOURCES EXPENDED					
Costs of generating funds					
Management development		1,655		1,655	1,753
Publications		184		184	193
Charitable expenditure					
Membership		1,871		1,871	1,829
Standards and qualifications		2,377		2,377	1,781
Institute of Consulting		229		229	261
Information and advisory services		384		384	433
Branches, regions and support		555		555	594
Journals		552		552	646
Representational role and public relations		2,152		2,152	2,187
Research and development			28	28	64
Governance					
		225		225	226
		10,184	28	10,212	9,967
		1,496	(28)	1,468	1,066
Transfers between funds	18	(28)	28	–	–
		1,468	–	1,468	1,066
NET INCOMING RESOURCES					
Gains / (losses) on investment assets					
Realised		59	–	59	(15)
Unrealised	14	316	–	316	210
Revaluation of freehold property					
Unrealised gain		235	–	235	–
Defined benefits pension scheme					
Actuarial loss		(4,586)	–	(4,586)	(1,944)
		(2,508)	–	(2,508)	(683)
NET MOVEMENT IN FUNDS					
		(4,695)	230	(4,465)	(3,782)
FUND BALANCES AT 1 APRIL 2014					
		(7,203)	230	(6,973)	(4,465)

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 2015

	Note No	Group 2015 £000	Charity 2015 £000	Group 2014 £000	Charity 2014 £000
FIXED ASSETS					
Tangible assets	13	1,933	1,933	1,905	1,905
Investments	14	5,865	5,865	5,416	5,416
		<u>7,798</u>	<u>7,798</u>	<u>7,321</u>	<u>7,321</u>
CURRENT ASSETS					
Debtors	15	1,600	1,375	1,773	1,233
Cash at bank and in hand		984	555	315	275
		<u>2,584</u>	<u>1,930</u>	<u>2,088</u>	<u>1,508</u>
CREDITORS – amounts falling due within one year					
Other creditors	16	(2,676)	(2,022)	(2,939)	(2,359)
Deferred subscription income	2	(1,878)	(1,878)	(1,982)	(1,982)
		<u>(4,554)</u>	<u>(3,900)</u>	<u>(4,921)</u>	<u>(4,341)</u>
NET CURRENT LIABILITIES					
		<u>(1,970)</u>	<u>(1,970)</u>	<u>(2,833)</u>	<u>(2,833)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		5,828	5,828	4,488	4,488
TOTAL NET ASSETS before PENSION DEFICIT					
		5,828	5,828	4,488	4,488
PENSION SCHEME FUNDING DEFICIT					
	19	(12,801)	(12,801)	(8,953)	(8,953)
NET (LIABILITIES) after PENSION DEFICIT					
		(6,973)	(6,973)	(4,465)	(4,465)
UNRESTRICTED FUNDS					
General fund					
Tangible assets	13	1,933	1,933	1,905	1,905
Free reserves		3,665	3,665	2,353	2,353
		<u>5,598</u>	<u>5,598</u>	<u>4,258</u>	<u>4,258</u>
Designated funds					
	18	230	230	230	230
TOTAL FUNDS excluding PENSION RESERVE					
		5,828	5,828	4,488	4,488
PENSION RESERVE					
		(12,801)	(12,801)	(8,953)	(8,953)
TOTAL FUNDS					
		(6,973)	(6,973)	(4,465)	(4,465)
Free reserves					
		3,665	3,665	2,353	2,353
Deferred subscription income					
		1,878	1,878	1,982	1,982
TOTAL PER RESERVES POLICY					
		5,543	5,543	4,335	4,335

Approved by the Board of Trustees on 16 July 2015 and signed on their behalf by:

Michael Clasper – President**Ann Francke** – Chief Executive and Member of Board of Trustees

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2015

	2015 £000	2014 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	881	311
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Investment income	113	72
Interest receivable	–	–
	113	72
CAPITAL EXPENDITURE		
Purchase of tangible fixed assets	(22)	(79)
Net additions and disposals of fixed asset investments	(133)	(26)
	(155)	(105)
INCREASE IN CASH	839	278

NOTES TO THE CASH FLOW STATEMENT

	2015 £000	2014 £000
RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net incoming resources	1,468	1,066
Depreciation charges	229	239
Investment income	(113)	(72)
Interest receivable	–	–
(Increase) in net movement in funds due to FRS17	(738)	(661)
Realised gain/(loss) on investment assets	59	(15)
Decrease / (increase) in debtors	173	(120)
(Decrease) in other creditors excluding bank overdraft	(93)	(116)
(Decrease) in value of subscriptions received relating to a future period	(104)	(10)
NET CASH INFLOW FROM OPERATING ACTIVITIES	881	311
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS / (DEBT)		
Increase in cash and change in net funds	839	278
Net funds at 1 April 2014	145	(133)
Net funds at 31 March 2015	984	145

	1 April 2014 £000	Cash Flow £000	31 March 2015 £000
ANALYSIS OF CHANGES IN NET FUNDS / (DEBT)			
Cash at bank and in hand	315	669	984
Bank overdraft	(170)	170	–
	145	839	984

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.

Registration fees for Awarding body qualifications are recognised over the estimated period to completion. A proportion of the fees attributable to learners who do not complete the qualification is recognised immediately where this can be estimated from available data. 50% of registration fees for dual accreditation income are recognised immediately to reflect the upfront work undertaken by the Institute, with the remaining balance recognised over the estimated period to completion.

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 FIXED ASSETS

Freehold land and buildings are subject to a full valuation every 5 years, with an interim valuation carried out in the third year of this cycle. All other fixed assets are carried at cost.

Depreciation is provided so as to write off the cost or valuation of fixed assets less any residual value of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

- Freehold property – straightline over 50 years
- ICT and other equipment – straightline over 3, 5 and 10 years as appropriate

Expenditure under £500 is written off in the year of purchase (2014: £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, which was closed to accrual with effect from March 2013, 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 stakeholders, defined contribution, pension 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 CONTINUED

Statement of Financial Activities

	2015 £000	2014 £000
9 CHARTERED MANAGEMENT INSTITUTE		
Included in the consolidated statement of financial activities are the following amounts in respect of the charity.		
Incoming resources	9,737	9,005
Resources expended	(8,373)	(8,021)
Net incoming resources	<u>1,364</u>	<u>984</u>
Gains on investment assets	375	195
Unrealised gain on Revaluation of Freehold Property	235	–
Defined benefits pension scheme – Actuarial loss	(4,586)	(1,944)
Net movement in funds before gift aid transfer from CMI Enterprises Ltd	<u>(2,612)</u>	<u>(765)</u>
10 CMI ENTERPRISES LIMITED		
For the year to 31 March 2015		
Income	2,050	2,152
Expenditure	(1,946)	(2,070)
Operating profit	104	82
Amount transferred to Institute under gift aid	(104)	(82)
	<u>–</u>	<u>–</u>
As at 31 March 2015		
Assets	1,051	925
Liabilities	(1,051)	(925)
	<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	2015 £000	2014 £000
11 EXPENDITURE				
Costs of generating funds				
Management development	1,655	–	1,655	1,753
Publications	184	–	184	193
Charitable expenditure				
Membership	1,781	90	1,871	1,829
Standards and qualifications	2,263	114	2,377	1,781
Institute of Consulting	218	11	229	261
Information and advisory services	365	19	384	433
Branches, regions and support	529	26	555	594
Journals	525	27	552	646
Representational role and public relations	2,049	103	2,152	2,187
Research and development	28	–	28	64
Governance	225	–	225	226
	9,822	390	10,212	9,967

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

Remuneration of auditors

– audit work	33	33
– tax advice	6	5
– other services	–	–
	39	38

The Group remuneration of auditors for audit work was £32,540 (2014: £32,540).

NOTES TO THE ACCOUNTS CONTINUED

Statement of Financial Activities

	2015 £000	2014 £000
12 STAFF EMPLOYMENT COSTS		
Wages and salaries	4,261	3,993
Social security costs	403	398
Pensions and other post retirement benefits (Note 19)	1,032	973
Benefits in kind	121	118
	5,817	5,482

Of the total pension contributions of £1,032,000 (2014: £973,000) stated above, £294,000 (2014: £312,000) was included in Resources Expended in the year, and £738,000 (2014: £661,000) was charged to the Pension Reserve.

The average number of staff employed during the year was 126 (2014: 122).

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

	2015	2014
£ 60,000 – £ 69,999	6	3
£ 70,000 – £ 79,999	–	1
£ 80,000 – £ 89,999	2	–
£ 90,000 – £ 99,999	2	3
£ 100,000 – £ 109,999	1	1
£ 110,000 – £ 119,999	1	–
£ 180,000 – £ 189,999	–	1
£ 190,000 – £ 199,999	1	–

None of the above staff (2014: Nil) had retirement benefits accruing under the Institute's defined benefits pension scheme.

13 of the above staff (2014: 8) have retirement benefits accruing under defined contribution pension schemes, at a cost to the Institute of £85,767 (2014: £63,149).

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 membership of the committee may include:

- The President
- The Immediate Past President
- The President Elect
- 2 members co-opted by the Board

Ann Francke was appointed a Trustee on 12 June 2012 and, in accordance with the Royal Charter, received emoluments of £191,481 (2014: £189,001) in the year as Chief Executive of the Institute. The Institute made contributions in the year of £18,270 (2014: £18,000) 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 £7,894 (2014: £8,985) was reimbursed to 8 (2014: 9) Trustees in respect of travel and subsistence expenses incurred.

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Enhancements to Leased Property £000	Freehold Property £000	ICT and Other Equipment £000	Total £000
13 TANGIBLE FIXED ASSETS				
Cost to 1 April 2014	29	1,450	1,151	2,630
Additions during the year	–	–	22	22
Disposals during the year	–	–	(21)	(21)
Revaluation	–	140	–	140
Cost at 31 March 2015	29	1,590	1,152	2,771
Depreciation:				
To 1 April 2014	25	76	624	725
Disposals during the year	–	–	(21)	(21)
For the year	4	19	206	229
Revaluation	–	(95)	–	(95)
To 31 March 2015	29	–	809	838
Book value at 31 March 2015	–	1,590	343	1,933
Book value at 31 March 2014	4	1,374	527	1,905

The Institute's freehold property was valued by Budworth Hardcastle, property consultants, at an open market value of £1,590,000 as at 31 March 2015.

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

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Group 2015 £000	Charity 2015 £000	Group 2014 £000	Charity 2014 £000
14 INVESTMENTS				
Market value at 1 April 2014	5,416	5,416	5,180	5,180
Net additions and disposals in the period	133	133	26	26
Net gain on revaluation at 31 March 2015	316	316	210	210
Market value at 31 March 2015	<u>5,865</u>	<u>5,865</u>	<u>5,416</u>	<u>5,416</u>
Represented by:				
Investment assets in the UK	<u>5,865</u>	<u>5,865</u>	<u>5,416</u>	<u>5,416</u>
Historical cost at 31 March 2015	<u>5,202</u>	<u>5,202</u>	<u>4,961</u>	<u>4,961</u>

Of the value of investment assets in the UK, £4,007,000 (2014: £3,730,000) is invested in UK investment assets which include investments overseas.

At 31 March 2015 the following investments represented more than 5% of the total investment assets:

JP Morgan US Equity Income Fund	477	477	–	–
iShares S&P 500 Nav	527	527	–	–
Schroder UK Opportunities Fund	–	–	295	295
Barclays Weekly Hedge B Acc	309	309	302	302

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 £13,000 (2014: £209,000) 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	<u>113</u>	<u>113</u>	<u>72</u>	<u>72</u>
-----------------------------	------------	------------	-----------	-----------

Of the income received from investments in the UK, £53,000 (2014: £45,000) is in respect of UK investment assets which include investments overseas.

	Group 2015 £000	Charity 2015 £000	Group 2014 £000	Charity 2014 £000
15 DEBTORS – amounts falling due within one year				
Trade debtors	1,084	623	1,245	536
Prepayments and accrued income	516	361	528	352
Amount due by CMI Enterprises Limited	–	391	–	345
	<u>1,600</u>	<u>1,375</u>	<u>1,773</u>	<u>1,233</u>

	Group 2015 £000	Charity 2015 £000	Group 2014 £000	Charity 2014 £000
16 CREDITORS – amounts falling due within one year				
Bank overdraft	–	–	170	170
Trade creditors	228	194	439	344
Accruals	1,075	903	940	794
Deferred income	1,373	925	1,390	1,051
	<u>2,676</u>	<u>2,022</u>	<u>2,939</u>	<u>2,359</u>

In November 2011, CMI agreed a £2m banking facility secured against the value of its investment portfolio (see note 14). The overdraft balance carries an interest rate charge at 1.75% above the Bank of England base rate.

17 ANNUAL COMMITMENTS UNDER OPERATING LEASES

Land and buildings leases which expire

– within one year	73	73	–	–
– in the second to fifth years inclusive	–	–	146	146
	<u>73</u>	<u>73</u>	<u>146</u>	<u>146</u>

Car operating leases which expire

– within one year	9	9	21	21
– in the second to fifth years inclusive	52	52	36	36
	<u>61</u>	<u>61</u>	<u>57</u>	<u>57</u>

On 1 June 2015, CMI entered into a lease on a new London office in Kingsway, Holborn, at an annual rent of £298,737. The lease on the property at 2 Savoy Court is due to end on 29 September 2015.

	Property Reserve £000	Development Reserve £000	Total 2015 £000	Total 2014 £000
18 DESIGNATED FUNDS				
Balance at 1 April 2014	130	100	230	230
Resources expended	–	(28)	(28)	(64)
	<u>130</u>	<u>72</u>	<u>202</u>	<u>166</u>
Transfer from general fund	–	28	28	64
Balance at 31 March 2015	<u>130</u>	<u>100</u>	<u>230</u>	<u>230</u>

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 products and information systems.

The funds are represented by current assets.

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Charity 2015 £000	Charity 2014 £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, would be 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.

On 15 April 2013, a Deed of Amendment was signed giving rise to a cessation of accrual, with effect from March 2013, for the remaining active members of the defined benefits scheme.

The defined benefits pension scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 1 April 2013. The following actuarial assumptions were applied:

Investment returns	5.00%
Pension increase	3.75%
Rate of inflation	3.20%

At the valuation date the market value of the assets was £21.8 million and the actuarial value was sufficient to cover 66% of the benefits which have accrued to members after allowing for future increases in earnings. The funding assessment prepared by the scheme actuary included an update of the asset values and technical provisions as at 28 February 2014, at which date the funding level was 73%. The Institute's contribution rate takes account of the deficit disclosed by the valuation. For the year ended 31 March 2015 the total pension contributions by the Institute to the defined benefits scheme was £800,000 (2014: £778,000).

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

The actuary has computed the following information regarding the financial position of the scheme as at 31 March 2015:

Fair value of scheme assets	30,966	28,071
Value of funded obligations	(43,767)	(37,024)
Net deficit	<u>(12,801)</u>	<u>(8,953)</u>

Changes in fair value of scheme assets during the year:

At 1 April 2014	28,071	26,684
Expected return on assets	1,575	1,429
Actuarial gains	1,814	594
Contributions	800	778
Benefits paid	(1,294)	(1,414)
At 31 March 2015	<u>30,966</u>	<u>28,071</u>

Changes in value of funded obligations during the year:

At 1 April 2014	(37,024)	(34,354)
Current service costs	–	–
Interest on obligation	(1,637)	(1,546)
Other actuarial (losses)	(6,400)	(2,538)
Benefits paid	1,294	1,414
At 31 March 2015	<u>(43,767)</u>	<u>(37,024)</u>

The contributions to the defined benefit pension scheme in the year to 31 March 2016 are expected to be £807,200.

	Charity 2015 £000		Charity 2014 £000	
Analysis of the scheme assets at 31 March 2015:				
Equities	6,627	21%	13,050	47%
Bonds	14,842	48%	8,745	31%
Property	910	3%	803	3%
Cash	3,330	11%	294	1%
Insured pensioners	5,257	17%	5,179	18%
	30,966	100%	28,071	100%

Principal actuarial assumptions at 31 March 2015:

Discount rate	3.40%	4.50%
Retail price inflation	2.90%	3.20%
Consumer price inflation	1.90%	2.20%
Salary increase rate	2.90%	3.20%
Pension increases (Limited price index)	1.90%	2.20%
Deferred pension revaluation	1.90%	2.20%

Mortality follows the standard table known as S1PA with medium cohort mortality improvements subject to a 1% minimum to the annual improvements.

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

For a male aged 65 now	22.5	22.4
At 65 for a male member aged 45 now	24.3	24.2
For a female aged 65 now	24.7	24.6
At 65 for a female member aged 45 now	26.6	26.5

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

Expected return on assets	1,575	1,429
Interest on obligation	(1,637)	(1,546)
Net finance charge	(62)	(117)
Current service cost	–	–
Total operating charge	(62)	(117)
Actual return on assets	3,389	2,023

	Charity 2015 £000	Charity 2014 £000	Charity 2013 £000	Charity 2012 £000	Charity 2011 £000
Fair value of scheme assets	30,966	28,071	26,684	24,520	23,715
Value of funded obligations	(43,767)	(37,024)	(34,354)	(32,848)	(29,353)
Net deficit	(12,801)	(8,953)	(7,670)	(8,328)	(5,638)
Experience adjustments on scheme assets	1,814	594	1,639	(1,022)	(442)
Experience adjustments on scheme liabilities	(6,400)	(2,538)	(1,442)	(2,140)	480

Defined contribution pension schemes

For the year ended 31 March 2015, the total contribution by the Institute to defined contribution schemes was £232,000 (2014: £195,000).

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 33. 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 LLP,
2 City Place,
Beehive Ring Road,
Gatwick,
West Sussex
RH6 0PA

INVESTMENT FUND AGENTS

Barclays Wealth and Investment Management,
Level 15, 1 Churchill Place,
Canary Wharf,
London
E14 5HP

BANKERS

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

REGISTERED OFFICE

2 Savoy Court,
Strand,
London
WC2R 0EZ

77 Kingsway,
Holborn,
WC2B 6SR
(as of 24 August)

SOLICITORS

Royds LLP,
65 Carter Lane,
London
EC4V 5HF

HEAD OFFICE

Management House,
Cottingham Road,
Corby,
Northants
NN17 1TT



CMI

3rd Floor, 77 Kingsway,
London WC2B 6RS

www.managers.org.uk

Incorporated by Royal Charter
Registered charity number 1091035
Charity registered in Scotland No SCO38105
ISBN 0-85946-449-0
©Chartered Management Institute

