



ANNUAL REPORT | 2018



Who are we?

Our Vision

To be recognised as the leading, international, professional body for asset management

The Institute of Asset Management (the IAM) is a not-for-profit, professional body. We are owned and controlled by our members and committed to remaining independent from commercial and trade associations. We exist to advance the discipline of asset management, not only for people and organisations involved in the acquisition, operation and care of physical assets but also for the benefit of the general public.

You can find the IAM's Policy, Strategy and Strategic Plan at theIAM.org/Strategy

Our Enduring Objectives are to

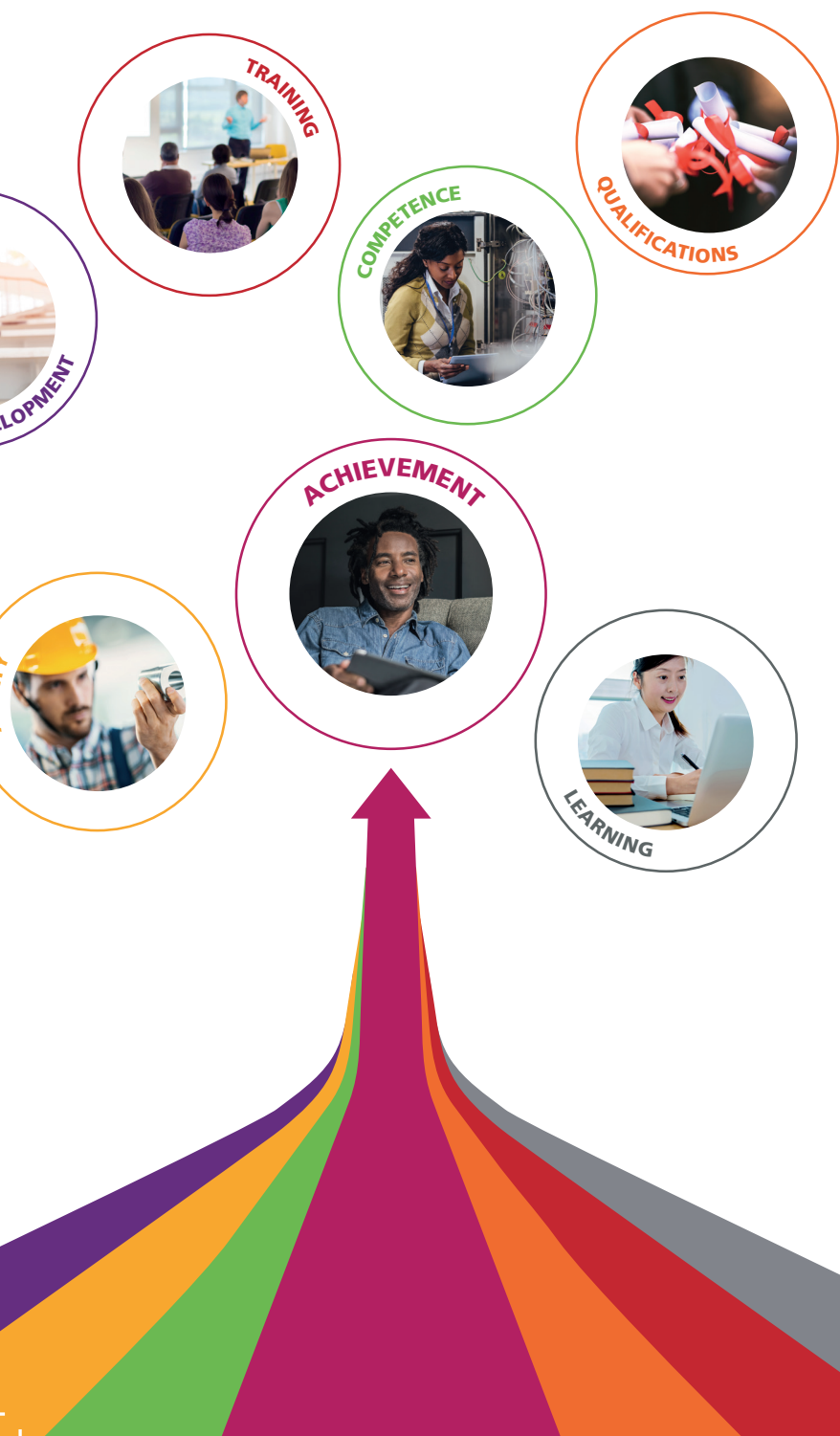
- Collect / Collate / Disseminate existing knowledge and good practice
- Generate and extend knowledge and good practice
- Influence public policy and stakeholder expectations
- Promote capability and excellence in asset owning organisations or their suppliers and structured schemes for recognising these achievements
- Promote knowledge and competence of individuals and structured schemes for recognising these achievements
- Deliver Member publications, engagement and networking opportunities and other valuable Member Services
- Raise profile and respect for IAM and the profession
- Collaborate with and support other bodies having similar objectives
- Develop and maintain an appropriate and sustainable organisation

We welcome the support of both organisations and individuals who want to join us in developing this exciting discipline. By becoming a member, you can demonstrate your support and show colleagues or clients and suppliers your commitment to the principles and practice of asset management for business benefit.

If you're not already a member, why not join? theIAM.org/Join

If you wish to sponsor any of the key initiatives in our Development Programme, please contact President@theIAM.org





Contents

04	An Introduction by the President
05	Financial Results & Membership
07	Our Chapters
08	Qualifications & Professionals
10	New Chief Executive
11	The Year Ahead



An introduction by the President



2018 has been a year of very significant transition for the Institute and I am most grateful to you all for your support.

As I look back over our aims when I took over as President, I am happy to say that we have made good progress with many of them and laid the foundations for others. The three key Goals of the IAM's Development Programme are clear and well understood and we have made tangible progress with all three of them.

The Board is very grateful to our Lead Sponsors: National Grid, Accenture, IBM and ABB for making this step change possible. Equally, we're delighted to receive support from AMCL, Anglian Water and Sweco, and we hope all of them will be delighted with what we deliver. We are committed to the ongoing development of a strong executive team and 'The Thriving Institute' by increasing our focus on commercial activity and sustainable finances.

Professionalising the Discipline has been a big focus, as intended. We are committed to launching the global Register of Asset Management Professionals, as planned, during 2020. Behind the scenes a lot of work on related thinking and process has been achieved and we now have alignment with critical partners. I am most grateful to all the volunteers who have participated in this project.

Knowledge, Member Services and Professional Development all contribute to our vision to become the recognised preeminent professional body for asset management. We are painfully aware of the challenges of our heritage IT platform and we believe now that these will have been resolved before the autumn. This will enable a strengthened value proposition to support a sustainable and growing membership. We are increasing our range of commercial products and services to support and fund our other activities.

Although Kirsten Bodley is now well established as our CEO, I want to record our welcome for the record and I am sure she, and our office Team, can rely on your support. We are very grateful to David McKeown for everything he has contributed as a Founder Member and since, as he steps down; and we are glad he has agreed to stay on the Board to ensure continuity of knowledge.

In addition to welcoming Kirsten, I am very pleased indeed to hand over the Presidency to Ursula Bryan who is very well known to many of you as a long-standing and committed IAM Leader. You can read her own thoughts in the last section and there is more about our current work and the years ahead on other pages. Together, I am sure, they will work to ensure the IAM becomes ever more inclusive.

Your help and support is absolutely essential and I am grateful to have this opportunity to thank all our members, sponsors and supporters for your continuing allegiance. I want to thank, especially, the leadership teams who are building our Chapters and Branches and our increasing diverse and inclusive asset management community. This is crucial to our success and enables us to think and serve locally as well as see the international picture.

With 25 Years to celebrate, I believe we are set fair to see our Institute enhance its status as a Learned Society and thrive for years to come.

**Chris Newsome OBE
President**

Financial Results

We are making good progress with our ambitious Development Programme. This takes money and time and several generous sponsors have provided significant support for this project (described later) shown in a separate Balance Sheet.

As predicted last year, to facilitate growth, operating costs rose to strengthen our staff and executive team. Unfortunately, an IT supplier issue caused serious operating difficulties in January 2018 and throughout the year. We have treated the recovery costs of £299k as exceptional one-off IT costs in 2018 and this has caused the balance sheet deficit of £167k.

These investments are already having the desired result (in FY 2019) of continuing growth in exams and other services and events. As at August 2019, the Institute is a going concern and has plans to grow. The cashflow forecasts indicate positive results for 2019 and beyond.

The Institute has several wholly-owned companies: IAM Trading Ltd, IAM Learning Ltd and IAM Chapters Ltd to carry out our activities in the most effective and tax-efficient manner. The arrangement for inter-company transfers was improved last year; salaries and other overheads are now charged to relevant legal entities.

The best way to review our accounts is holistically, so Saffery Champness has compiled a consolidated Balance Sheet and P&L. These exclude Chapter activities and their assets, because although the

CONSOLIDATED BALANCE SHEET				
	Notes	Year ending 31 Dec 18		Year ending 31 Dec 17 As restated
		£	£	£
Fixed Assets			106,080	71,452
CURRENT ASSETS				
Stocks		28,902		29,221
Debtors		284,528		104,879
Cash at bank	g	85,845		304,827
			399,275	438,927
CREDITORS				
Amounts falling due within 1 year	h		672,668	252,371
TOTAL ASSETS LESS CURRENT LIABILITIES			(167,313)	258,008
RESERVES				
Opening Balance			258,008	242,928
Net surplus / (deficit) for year			(425,321)	15,080
Closing Balance	i		(167,313)	258,008

Notes to the Balance Sheet:

g) Debtors include:- £254,670 of trade debtors and £29,858 of prepayments.

h) Creditors include:- £141,290 of trade creditors, £225,420 of other creditors and deferred income of £305,958 reflecting membership income for future periods.

i) The reduction in balance sheet position to a deficit in 2018 is due exceptional IT costs incurred in the period. For further information on these costs see note d

Chapters are subject to governance regulations set out by the Institute, for accounting purposes they are not under the control of the Institute. We are not required to undergo external audit but choose to do so in the interests of transparency and good practice.

The Directors are pleased to report that in the opinion of the auditor, Saffery Champness, the statutory financial statements give a true and fair view of the company's affairs at 31 December 2018, in accordance with United Kingdom Accepted Accounting Practice and the Companies Act 2006. The full financial statements, inclusive of the audit report, are available from our Office. The financial information contained in this Annual Report does not constitute statutory financial statements and no opinion is given by Saffery Champness on this Annual Report.

DEVELOPMENT PROGRAMME				
	Notes	Year ending 31 Dec 18		Year ending 31 Dec 17
		£	£	
PROFIT AND LOSS ACCOUNT				
Sponsorship income		401,239		295,498
Costs	b	(313,625)		(157,835)
BALANCE SHEET				
Debtors	e	112,109		184,658
Cash at bank		69,325		151,204
Creditors/ Provisions	f		93,820	198,199
Net asset position			87,614	137,663

Notes to the development programme balance sheet:

e) Debtors relate to accrued income in respect of sponsorship income

f) Creditors/ provisions are made up of sponsorship deferred income relating to 2019, with the remainder being trade creditors.

Membership

We are preparing a clearer range of options for Membership and ensuring that we offer good value for everyone. In particular, we need to make sure Corporate Members can make our services more known, understood and accessible to more employees. We need to make sure that Individual Members have access to what they need throughout their 'Journey' with us, which could be several decades.

During 2018/9, we are reducing the number of Affiliate members, removing the category at the end of June 2019. This was a free category with limited benefits and we shall now focus on paying members, building a more compelling Value Proposition.

Paying Members



Paying Members include: Fellows, Members, Associates, Students.

We have strengthened the management team to drive the Development Programme and these costs are included in overheads. We are gradually attributing costs to individual activities and services and next year will show even more clearly where we use your money.

We produced two successful conferences centrally. Chapters have started to run their own events and there is an ambitious goal to run a commercial North American Conference in October 2019.

There has been no change in Publications. Our policy has always been not to make money from pure knowledge but to offer services based on this growing and valuable resource. We are also reviewing the cost basis to sister bodies and others.

Our 'Endorsed' Schemes are growing in popularity and we will review these services to ensure they reflect the quality of our brand but also to consider the most appropriate pricing structure.

One of our Development Programme Goals is the Learned Society. Plans have been laid to increase our Knowledge and Influencing work. We can expect to see greater spend on Projects next year.

Exam growth continues and feedback indicates that IAM Qualifications are becoming the default source of evidence wanted by employers. 2019 will see the fruition of exciting enhancements both in terms of easy access and also multiple languages (see Page 8 for more information). Growth during 2018 has funded these developments and we expect strong growth in late 2019/2020.

We reported last year that we anticipated significant IT investment. Unfortunately, our IT provider left us with unusable systems in January 2018 and we had to spend £299k on recovery work. Being exceptional one-off costs, we have expensed these fully in the year and presented them on a separate line to provide a meaningful comparison of expenditure year on year of normal activities.

This work began and continues through 2019. This will leave us with systems based on enterprise-level platforms and sweeps away our legacy systems. They will enable volunteers especially in Branches and Chapters, to engage directly in managing information and using the various portals to make things happen directly.

Notes to the profit and loss account:

a) The patron contributions have been separated from Membership subscriptions and are shown in the Technical & Commercial 'business', which is consistent with the previous year.
 b) Total 'Overheads & Admin' has been attributed (as in previous years) between the two notional 'businesses' plus the development programme.
 c) In the course of compiling the 2018 annual report it was identified that £55,215 of costs attributed to events in 2017 related to other activities. The 2017 figures have been restated to include these costs against the relevant activities of the institute. The changes increased opening reserves on the consolidated balance sheet by £8,837 to £258,008 in comparison to the figures included within the 2017 annual report. d) In the year the company encountered significant IT issues surrounding the implementation of a new system resulting in the termination of the project. These costs are not anticipated to re-occur and so have been separated out in the profit and loss.

CONSOLIDATED PROFIT AND LOSS ACCOUNT					
		Year ending 31 Dec 18		Year ending 31 Dec 17 As restated	
		£	£	£	£
MEMBERSHIP					
Membership fees received	a	424,060		450,771	
Membership services	b	(398,882)		(418,062)	
Chapters		(22,816)			
Assets (journal costs)		(56,502)		(61,318)	
Net Membership 'Business'			(54,140)		(28,609)
TECHNICAL & COMMERCIAL					
Patron contributions					
Events			122,417		166,867
Income		397,369		401,456	
Costs		(320,053)		(271,953)	
			77,316		129,503
Publications					
Income		61,699		49,163	
Costs		(28,883)		(22,041)	
			32,816		27,122
Projects					
Income	c	1,768		14,225	
Costs		(9,141)		-	
			(7,373)		14,225
Endorsed Provider Schemes					
Income		69,343		96,137	
Costs		(14,097)		(32,010)	
			55,246		64,127
Products & Services					
Income		231,482		196,847	
Costs		(30,493)		(17,945)	
			200,989		178,902
Cost of Technical and commercial activities	b		(553,688)		(537,057)
Net 'Technical & Commercial 'Business'			(72,277)		43,689
Overheads & Admin Analysis					
Rent office services and related costs		(653,573)		(591,657)	
Website and computer costs		(95,801)		(98,669)	
Legal and professional fees		(98,796)		(107,093)	
Net bank charges		(25,048)		(21,327)	
Depreciation of website development		(45,016)		(46,218)	
Other costs		(34,334)		(32,602)	
Total Overheads & Admin		(952,568)		(897,566)	
Exceptional IT costs	d		(298,904)		-
SURPLUS / (DEFICIT) FOR YEAR			(425,321)		15,080

Chapters

To Share, To Learn, To Network

With the growth of experience with Chapters, and increasing clarity about how we need to support them, we believe that 2019 will see the arrangements stabilise. Inevitably, we need to adjust a series of factors, such as alignment of event dates and communication as well as administration and IT services. Both the 'Chapter in a Box' kit and Operating Instructions are being revised and enhanced to make sure that everyone knows how things should be done.

Meanwhile, there are a number of applications and enquiries from countries that wish to start their own Branches and Chapters. We hope to find resource to facilitate this over the next year or two. Although, naturally, many will be further back in the pipeline.

We welcome IAM Ireland as the latest Chapter to launch. They serve all Members in Ireland and Northern Ireland, following the way events have been organised under the umbrella of IAM UK over the last year or so.

There was a well-attended Launch Event of senior leaders in existing and potential Corporate Members at a breakfast meeting on 2nd May

2019. The Chapter Committee is now planning the programme for next year as well as confirming the rest of 2019.

A focus for all Chapters is how we should facilitate the contribution of individuals and devolve our Knowledge Projects to Chapters. We are designing the external 'influencing' processes now, based on the Panel of Experts at IAM Centre and we want to ensure this supports outreach and influencing in Chapter territories.

We want Chapters to develop according to the needs and cultures they support locally, whilst IAM Centre offers common services, coordination and governance, whilst ensuring Chapters can contribute to IAM direction and strategy.

We are focusing on influencing and reaching out to sister bodies, universities, industry and governments and this is ideally done through our Chapters.

We are most grateful for the dedication, energy and drive exhibited by leaders in our Branches and Chapters and for Members who contribute and gain from those activities.

"IAM Ireland opens for business."



Chapter	Fellow	Member	Associate	Retired	Student	TOTAL
Belgium	1	19	32	0	0	52
Canada	6	59	135	0	4	204
Germany	0	15	45	0	1	61
Ireland	0	12	26	0	1	39
Malaysia	2	25	40	0	0	67
Netherlands	1	24	82	0	0	106
UK	13	550	521	1	10	1095
USA	8	72	265	0	2	347



Qualifications & Professionals

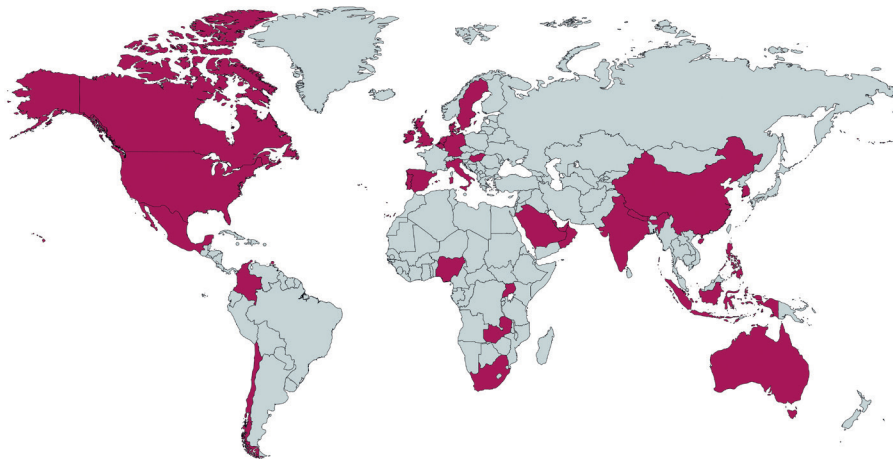
Helping members gain professional recognition and develop their capability

One of the 3 Goals of the Development Programme is 'Asset Management Professionals'. We aim to increase steadily all kinds of opportunities for professional development and we shall be mandating Continuing Professional Development. Our growing number of Branches and Chapters, together with NxtGen, is our primary channel to support formal conferences and events but we are planning our online material also. Our Knowledge projects are accessible anywhere and are an excellent way of developing your capabilities, not least by translating IAM materials.

Obviously Qualifications are an important element of capability and we are about to make a step change in the way we offer our examinations. We are pleased to announce a

new partnership with Pearson Vue, the world's largest computer-based testing (CBT) provider, with a network of over 3,500 centres in 180 countries and territories. Successful candidates will be able to share their qualifications through digital badging across all social media platforms, in their email signature and on CVs.

With an ever-changing asset management landscape and an increasing need to develop knowledge, skills and insight, IAM qualifications have an important part to play in the future. The IAM exam question banks have been recently improved, based on candidate and expert feedback, and we are now seeking regulated status in the UK's National Vocational Qualifications framework, which is reciprocally recognised in many countries. By the end of 2019 the exams will be available in Dutch, English, Portuguese and Spanish, with French and German to follow in 2020.



IAM Qualifications

The IAM launched its own Qualifications, our Certificate and Diploma, back in 2013 and, since then, around 6,000* successful candidates have taken examinations in 28 countries. The rate of growth is increasing significantly year on year and our exams are becoming the default evidence of knowledge and understanding in the asset management community.

The IAM Certificate is an introductory qualification. Whilst there are no entry requirements for the Qualifications (nor do you need to be an IAM member), the IAM Certificate is aimed at those new to asset management or with some initial experience of working in an asset management role. Equally, you may have worked in asset management for a while and wish to embark on discipline relevant qualifications.

The IAM Diploma is a more advanced qualification aimed at those with prior knowledge and experience of asset management, typically working in or preparing for specialist or management roles in asset management. It focuses on breadth and depth of knowledge and understanding, along with the application of professional judgment in practice.

* As at time of printing in 2019.

The IAM Competences Framework

The IAM Competences Framework provides a comprehensive description of what asset management professionals should be able to do, know and understand. Its structure is compatible with other leading competence frameworks and the contents reflect the principles and requirements of ISO 55001 and BSI PAS 55.

The Competences Framework was first published in 2006. It is the product of extensive consultations with individual and corporate members of the IAM, educators, trainers and other stakeholders; and the latest version was comprehensively revised in 2014. As far as we know, it is the only framework of its kind and is free to download from our website.

It is applicable to people in asset management roles from any sector, including those selected for or aspiring to such roles. Organisations, managers and individuals can apply the framework to various processes such as training needs analysis, recruitment and selection, career planning, continuing professional development and workforce management.



The IAM Foundation Award

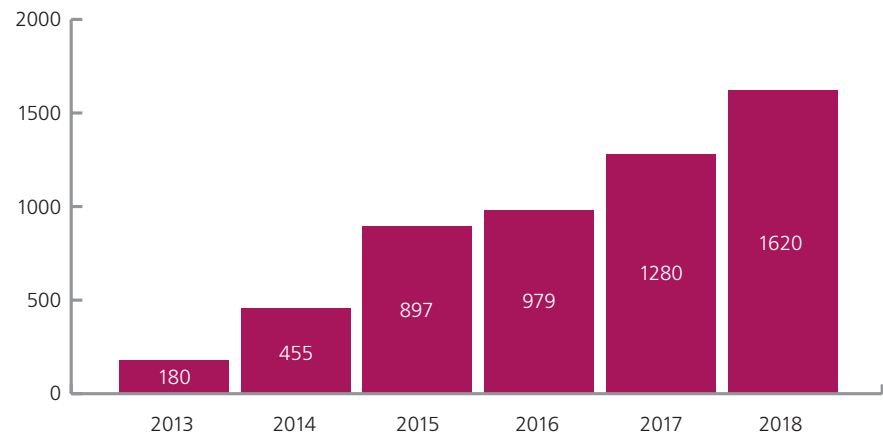
The IAM's Foundation Award was launched in June 2018 in response to repeated demand from our Corporate Members. It is an awareness course for: those new to asset management roles, in roles that support or interact with the organisation's asset management activities or working in the organisation's supply chain, providing clients with asset management services or supporting these services. Trainees may be beginning an asset management career, or may never need to develop their asset management knowledge beyond a basic understanding. In its first year the IAM has appointed eight training providers and encourages others to seek appointment in any language.

Register of Asset Management Professionals

The IAM is preparing to launch a Register of Asset Management Professionals in 2020. Successful registration will demonstrate significant achievement and provide useful recognition worldwide for the leaders in our community. Registration will provide assurance of capability in the field and show equivalence with recognised professionals in other professions.

IAM Qualifications provide evidence of Asset Management knowledge and understanding and can form part of the evidence for entry to the Register (as well as other Qualifications, including 'Recognised' degrees). Registration requires evidence of experience and practice as well.

Successful candidates



New Chief Executive



The IAM's vision remains "to be recognised as the leading, international, professional body for asset management." With the support of our sponsors, National Grid, IBM, Accenture and ABB, and our supporters AMCL, Anglian Water and Sweco, we are making great strides within our

Development Programme which will take us further towards our vision.

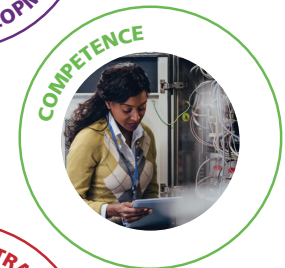
Our priority is to ensure we continue to add value to all our members, individual and corporate, and our partners. To this end we are developing support for members across their entire asset management journey – from their beginning to expert, with a greater focus on widening opportunities for engagement, especially with the IAM's NxtGen network, and more specific events. This will also include more opportunities for networking – such an important aspect of professional development. We are also reinvigorating our knowledge work to ensure we are both developing, collating and disseminating innovative practice.

One of our key projects is to establish an international Register of Professionals, alongside our aim to achieve a Royal Charter, allowing those working in asset management roles to demonstrate their asset management capability as well as leadership skills.

The IAM will continue with our commitment to extend our reach and support for the asset management discipline, and especially to provide our members with increasing access to professional development, events and support.

The development of our Chapters is a major part of our strategy, providing opportunities for those working in asset management to get together to share and discuss ideas and best practice and to develop a strong local and regional network of like-minded people. Chapters and Branches are cross-sector meaning that a wider practice area can be shared. There are also benefits from cross-Chapter practice sharing so all can both contribute and benefit from knowledge and experience across the US, Canada, the Netherlands, the UK, Germany, Ireland and Malaysia and the new Chapters in the pipeline.

Kirsten Bodley
Chief Executive



The Year Ahead



It is a very exciting time to become President. I am extremely proud of the IAM and I am delighted to be able to work with you all

in my role as President in taking the IAM forward. I hope to meet and be in touch with as many of you as possible throughout the year.

I wanted to take this opportunity to outline three commitments I will focus my time and attention on during my Presidency: Professionalization, the contribution Asset Management can make to wider societal challenges and opportunities and Inclusiveness.

Over the last 25 years Asset Management has become a widely recognised discipline. During 2020 our new Register of Asset Management Professionals will be launched to enable individuals to gain recognition of their

"The IAM has always identified how important it is to be inclusive. We are deliberately cross-sector and welcome all professions."

"During 2020 our new Register of Asset Management Professionals will be launched to enable individuals to gain recognition of their asset management knowledge, experience and capabilities."

asset management knowledge, experience and capabilities. I want to encourage more people to join our community and become Asset Management Professionals, recognised by achieving Registration. I also want to encourage organisations to support their people in reaching this achievement.

Society is facing real challenges and also massive opportunities. I want us to work together to develop our Asset Management thinking and techniques to support individuals and organisations as they address challenges such as decarbonisation and resilience and embrace opportunities such as digitisation. Globally governments and industries are grappling with the balance between shorter-term requirements and longer-term goals and Asset Management has so much to offer in support.

The IAM has always identified how important it is to be inclusive. We are deliberately cross-sector and welcome all professions. The Asset Management 39 subjects span across organisations breaking down silo mentality. However, there is so much more we can do to increase our inclusiveness and I want to work

with you to understand what we can do to be a welcoming home for everyone.

In closing, I want to thank Chris for his leadership and for handing over the Institute in such good heart. The Institute, itself, depends totally on you the members and I am so grateful to all of you, especially the volunteers and elected officers in Branches, Chapters, Projects and Committees who make this such an impressive organisation.

I also want to recognise Kirsten and the Office Team and thank them for all their hard work and commitment. Finally, I want to acknowledge the immense contribution made by David over our history but, vitally, during his time as full-time CEO. I am very glad to have him on the Board to support our continuing success.

Ursula Bryan
President

¹ Inclusiveness: We shall remain open to all individuals without regard to race, religion, politics, sexual orientation or other discrimination. We welcome the involvement of organisations in all sectors whether large or small, public or private or not-for-profit, including government.

The Institute of Asset Management is grateful for the support of our Patrons



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