



The Institute of Asset Management

Annual Report | 2020

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 the 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 the benefit of business and society.

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



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AN INTRODUCTION BY THE PRESIDENT

When I wrote my opening reflections last year, we were a few months into the global pandemic. A year on and the far-reaching impacts of COVID-19 are still front and centre in our communities across the world. My heartfelt sympathies go out to everyone who has lost family and friends during the pandemic.

When I look back over the past two years, I reflect on the three areas I wanted to concentrate on during my Presidency - professionalisation, the contribution asset management can make to wider societal challenges and opportunities and inclusiveness.

I am delighted to say over the past year we reached a key milestone in professionalising the asset management discipline by launching the register of Asset Management Professionals. This was only possible owing to the generosity of our Lead Sponsors, and we are most grateful to ABB, Accenture, IBM and National Grid combined with the support of: AMCL, Anglian Water and Sweco. We now have over 70 Asset Management Professionals, and I would 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. Pages 8&9 highlight the benefits of achieving registration enabling individuals to gain recognition of their asset management knowledge, experience, and capabilities.

Page 11 also sets out the progress we have made with our four Hot Topics. Our climate emergency work is focussing hard on the opportunities COP26 brings in the autumn to promote how asset management can support tackling the climate emergency. I am delighted we have made such positive steps in our inclusion and diversity work and whilst there is always so much more to do it feels we continue to make really good progress.

As we look at the next few years it is clear we need to transform the Institute to deliver the knowledge products and services our members and wider society needs. Our Chapters are thriving, and it is the right time to further enable the existing Chapters in serving members, developing asset management knowledge as well as supporting the formation of new Chapters. Page 12 will give you an insight into the activities the Chapters are progressing and the new Volunteer Now portal enables our members to engage with taking the asset management discipline forward.

It has been an absolute honour being the IAM President over the past two years. I am delighted that Christian Roberts is succeeding me as President. I have had the opportunity to work alongside him in his Deputy President role and he is extremely passionate about transforming and growing the Institute. I am also really happy that I will be able to continue to support the IAM in achieving its strategic plan as a Past President.

Finally, I would like to thank everyone for everything you do to support the IAM. Your help and support is absolutely essential and really appreciated.

Ursula Bryan
President of the Institute of Asset Management



FINANCE

2020 was a tough year for all of us, our families and our organisations. The IAM followed the global guidance relating to COVID-19 restrictions – this resulted in greatly reducing our income from commercial activities and saw a reduction in membership renewal due to personal financial constraints and other pressures.

Balance Sheet

The Institute has several wholly-owned companies to carry out our activities in the most effective and tax-efficient manner. The best way to review our accounts is holistically, so we compile a consolidated balance sheet and P&L. These exclude Chapter commercial activities and their assets, because although Chapters are subject to governance regulations set out by the Institute, for accounting purposes they are not under the control of the Institute.

2020 was set to be a year of recovery for the IAM following significant exceptional costs and investments relating to our major IT replacement programme in 2018 and 2019. However, with the on-set of the COVID-19 pandemic, this was not to be the case. In fact, 2020 was a year of tight cost management and heavily reduced income. After a tough year, and several years of heavy P&L losses, the out-turn for 2020 showed an improvement, with a small profit being reported at £18k, compared to a loss of c£320k in 2019. This return to profit reduced the 2019 balance sheet deficit of £267k, to £249k at 2020 year end.

The debtors figure relates primarily to late membership fees, due in 2020, though not received in the financial year. We continue to promote prompt payment of member fees to all members (individuals, corporate and Patrons) as variation of the expected profile for membership income has a significant impact on our cash-flow.

The creditors include the planned balance of the 2019 carried forward invoices, an allowance for the proportion of membership fees that relate to 2021 and two items relating to the COVID-19 pandemic. Firstly, £237k of CBILS (Covid-19 Business Interruption Loan Scheme, included in 'cash at bank') which was applied for and received (December 2020) to manage the greatly reduced income during 2019. This has been drawn upon during 2020 and 2021 as our on-going review of cash flow determined a need to use a portion of the funds. The plan remains to repay the CBILS funds within the interest free period (ends mid-December 2021). The final creditor sum relates to deferred National Insurance payments during 2020; this has now been repaid in full.



CONSOLIDATED BALANCE SHEET					
		Year ending 31 December 2020		Year ending 31 December 2019	
	Notes	£	£	£	£
Fixed assets			117,990		230,619
CURRENT ASSETS					
Stocks		21,418		22,882	
Debtors		250,315		360,764	
Cash at bank	a	329,422		75,111	
			601,155		458,757
CREDITORS					
Amt falling due within 1 year	b		968,254		956,347
TOTAL ASSETS LESS CURRENT LIABILITIES			(249,109)		(266,971)
RESERVES					
Opening balance			(266,968)		53,546
Net surplus for year			17,860		(320,517)
Closing balance			(249,109)		(266,971)

Notes to the balance sheet:

a) Debtors include: £156,944 trade and other debtors (late payments), £93,370 accruals and prepayments

b) Creditors include: £280,030 deferred membership income, £268,880 trade Creditors carried forward to 2021, £237,000 CBILS loan, £182,344 other Creditors carried forward to 2021 (HMRC)

Profit and Loss

Moving to the P&L, we started 2020 with a budget that included a significant level of creditors brought forward from 2019, having structured repayment of some fees and costs across both 2020 and 2021 to manage cashflow in 2019. And despite the tough and unexpected year due to COVID-19, we cleared the promised £160k of these creditors as planned, carrying a balance forward to 2021, and returned a small operating profit of £18k.

Membership income fell slightly during 2020 due to several individuals and corporates experiencing financial pressures relating to the pandemic. The lower cost of Assets (our membership magazine) relates to deferment of a last quarter income.

The technical and commercial business, our trading activities, were severely hit by the pandemic, with no physical conferences running and exam centres closing. There were also several of our Endorsed Trainer Providers and Endorsed Assessors that withdrew from the schemes as opportunities to engage with clients faded in these activity areas.

Within the overheads we were successful in negotiating an office rent reduction during the pandemic, along with some additional expenses in 2019 and make appropriate use of the UK government Furlough Scheme, reducing staffing levels to match the reduced level of activity. Professional fees were higher in 2020 than the previous year following issues with the 2019 financial audit review where historic VAT errors were identified. The latter have been resolved and repayment plans are in progress during 2021.

Implementation of the new IT systems drew a line under the years of exceptional costs and we continue to enhance the new CRM and website slowly to meet growing demands for more digital services.

The outcome of 2020 was carefully managed to allow us to continue to manage our financial recovery into 2021, and to date, good progress is being made.



CONSOLIDATED PROFIT AND LOSS ACCOUNT					
	Notes	Year ending 31 December 2020		Year ending 31 December 2019	
		£	£	£	£
MEMBERSHIP					
Membership fees rcvd	d	439,288		453,272	
Membership services	e	(412,121)		(431,206)	
Chapters		0		(1,583)	
Assets (journal costs)		(39,491)		(61,407)	
Net Membership 'Business'			(12,325)		(40,924)
TECHNICAL AND COMMERCIAL					
Patron contributions		222,927		179,246	
Events					
Income		144,991		674,177	
Costs		(50,534)		(434,090)	
			94,457		240,087
Publications					
Income		35,225		83,322	
Costs		(3,045)		(21,099)	
			32,179		62,223
Projects					
Income		30		670	
Costs		-		(4,032)	
			30		(3,362)
Endorsed Provider Schemes					
Income		57,406		93,962	
Costs		-		(25,454)	
			57,406		68,508
Products and services					
Income		255,385		293,184	
Costs		(77,220)		(148,599)	
			178,165		144,585
Cost of activities	e		(613,220)		(647,491)
Net Knowledge and Commercial 'Business'			(28,055)		43,796
OVEHEAD AND ADMIN ANALYSIS					
Rent office services and related costs			(271,561)		(728,334)
Website and computer costs			(90,392)		(72,598)
Legal and professional fees			(96,773)		(67,159)
Net bank charges			(27,345)		(15,356)
Depreciation of website development			(112,628)		(84,582)
Other costs			(14,521)		(82,303)
Net Knowledge and Commercial 'Business'			(613,220)		(1,050,332)
Exceptional IT costs			-		(321,229)
SURPLUS/(DEFICIT) FOR YEAR			(40,380)		(318,357)
DEVELOPMENT PROGRAMME					
Profit and Loss Account					
Sponsorship income			83,460		406,194
Costs	e		(25,220)		(408,354)
Closing balance			58,239		(2,160)
TOTAL - SURPLUS/(DEFICIT) FOR YEAR			17,860		(320,517)

Notes to the profit and loss account:

d) The Patron contributions have been separated from Membership subscriptions and are shown in the Technical and Commercial 'business', which is consistent with the previous year

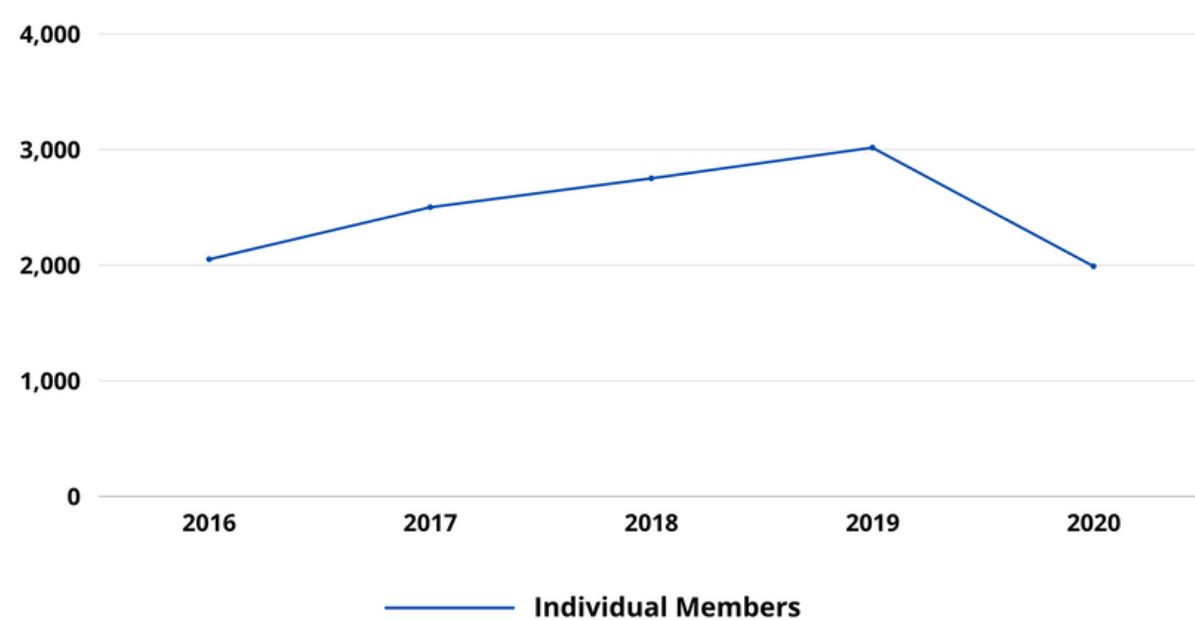
e) Total 'Overheads & Admin' has been attributed (as in previous years) between the two notional 'businesses' plus the development programme

MEMBERSHIP

Individual Membership

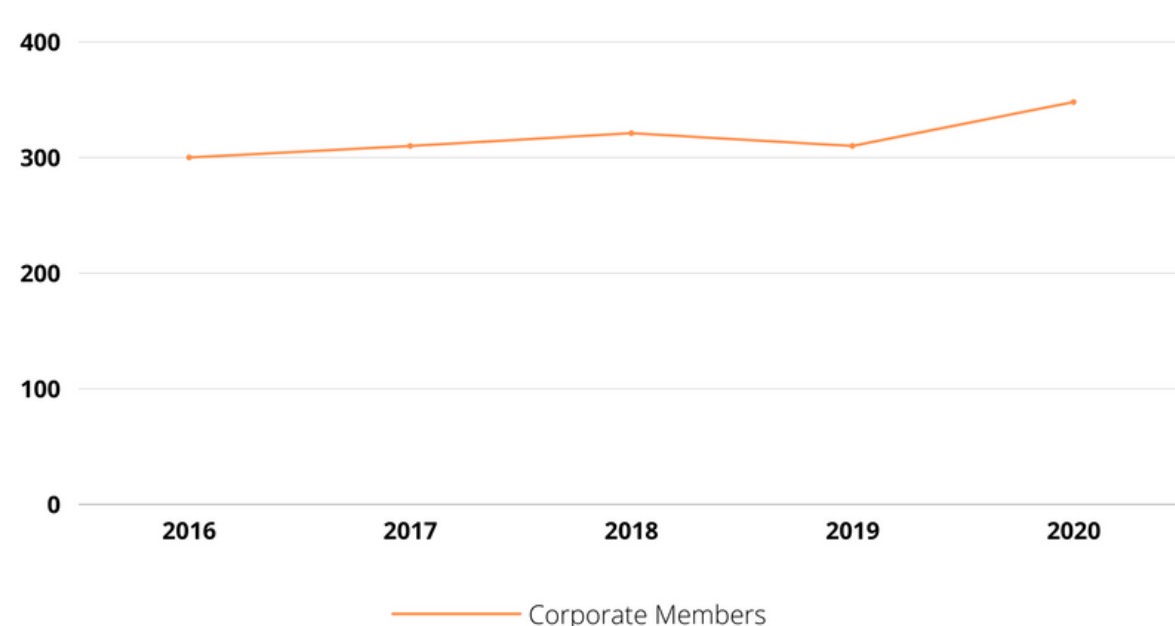
Firstly, we are so grateful for the support and commitment from our members – through the 2020/21 COVID-19 pandemic, we have seen members leave for a range of reasons, but also new members join us.

The start of 2020 showed approximately 3,100 individual members listed in our member database, however, following the implementation of our new IT systems at the end of 2019, and initial data cleansing, we realised that some of the migrated data was in fact either duplicated (same person with accounts under different email addresses) or incorrect regarding them still being active and up to date with subscription fees. A retrospective deep data cleansing exercise carried out during 2020 to resolve these inaccuracies resulted in many accounts being removed, severely reducing the reported number of members. Despite this, we saw a steady stream of over 400 new members which then returned a 2020 year-end total of 2041 active individual members.



Corporate Membership

In contrast to some loss of individual members during 2020, we were delighted to see a rise in corporate membership, welcoming 39 new corporate members throughout the year. Of particular interest is the growth and interest from organisations outside of the historically typical utility and transport infrastructure sectors, welcoming members from local government agencies, construction, and property.



Member Engagement

The global pandemic had a major impact on our ability to engage with members face-to-face in 2020, but offered opportunities to focus on new, virtual ways to engage. We were able to take stock of current engagement and explore how we could improve in future.

One of the initiatives to come out of this period of reflection was the development of a new Volunteer Now portal early in 2021 to make it easier for members to volunteer with the Institute. Although this is a 2021 initiative, it is worthy of mention here having been planned in 2020 and now an important part of our engagement with members.

Since the portal was launched in March 2021 over 70 individuals have expressed an interest in volunteering with the institute and of those, around 75% are currently actively engaged in projects, working groups and committees.



Patrons

Amongst our corporate members, we enjoy the additional support of those who commit to becoming a Patron of the IAM. This higher level of commitment and engagement from our Patrons enables the IAM to continually develop and deliver new opportunities and guidance for the profession, and we thank all our Patrons for this.

Like all our members, Patrons come and go depending on a range of factors, and during 2020 we did see a small number of Patrons step down due to the pandemic pressures on resources. We thank those organisations for the support during their term as a Patron and are delighted that during 2021 we have accepted new Patrons to the IAM.

The current IAM Patrons are shown here, and we extend our thanks to them all, and all our members for their support.



REGISTER OF ASSET MANAGEMENT PROFESSIONALS



In October 2020, we launched the register of Asset Management Professionals (AMPs). This was a culmination of several years in development, with the support of our sponsors and volunteers.

We would like to thank our sponsors for their support:



The register is a key part of the IAM's Vision 2026, which identified the need to create a form of global recognition for asset management professionals. It has a clear framework of criteria, based on the IAM Competences Framework and benchmarked against other institutions' Chartership criteria to ensure that we are on a par with other professions. Applicants must demonstrate their breadth and depth of knowledge within the discipline and must have experience working as a leading practitioner.

Criteria for Applicants

Applicants are required to meet two core criteria:

- Demonstrate evidence of broad asset management knowledge and understanding. This may be through the IAM Diploma or an equivalent qualification and/or your experience within the field of asset management. Greater length and depth of experience will be required if no qualification is held.
- Be a paying member, in good standing, of the IAM or another relevant professional association.

Experience is demonstrated by the amount of time spent working in each of the Key Roles defined in the IAM Competences Framework, particularly working as a Leading Practitioner or Principle.

To ensure good governance and fair assessment for acceptance to the register, we have established a Registration Board to oversee the management of the register of Asset Management Professionals. The Registration Board is chaired by Doug Marsh, FIAM, AMP. He is joined by Gareth Lifton, FIAM, John Skelton, MIAM and Vicky Vassou, FIAM, AMP who will act as deputy chair.

The Registration Board is responsible for:

- assuring a robust review process for IAM register of Asset Management Professionals applications
- reviewing the candidate experience, statistics and relevant data
- reviewing delivery of the scheme, and
- recommending any changes or developments deemed necessary.

Since the launch, we have received nearly 100 applications and admitted more than 70 AMPs to the register. This would not be possible without the support of all those who volunteer as reviewers. We are grateful to each of them for the time and dedication they give to ensuring that applications are reviewed, and interviews are conducted in a timely manner and to a high standard.



TECHNICAL AND COMMERCIAL

Events

In 2020, responding to the COVID-19 pandemic lockdown, we moved to virtual events to maintain engagement and increased our delivery of webinars and online events tenfold. We held two successful virtual conferences on a specialist platform, these being the international IAM Annual Conference, and the IAM North American Conference. Both were a great success and provided quality speakers, interactive workshops and panels discussions to give delegates a wide choice of sessions.

Across these two events we hosted over 450 delegates covering many countries – one of the benefits of such virtual events is that they are of course easy to access by all, internet connection willing! Given the change from physical to virtual events both were well received by delegates, exhibitors and sponsors.

The IAM had begun to move towards more digital and webinar content following interest in this being highlighted through the member surveys, and with the onset of the COVID-19 pandemic, there was no better time than early 2020 to progress this.

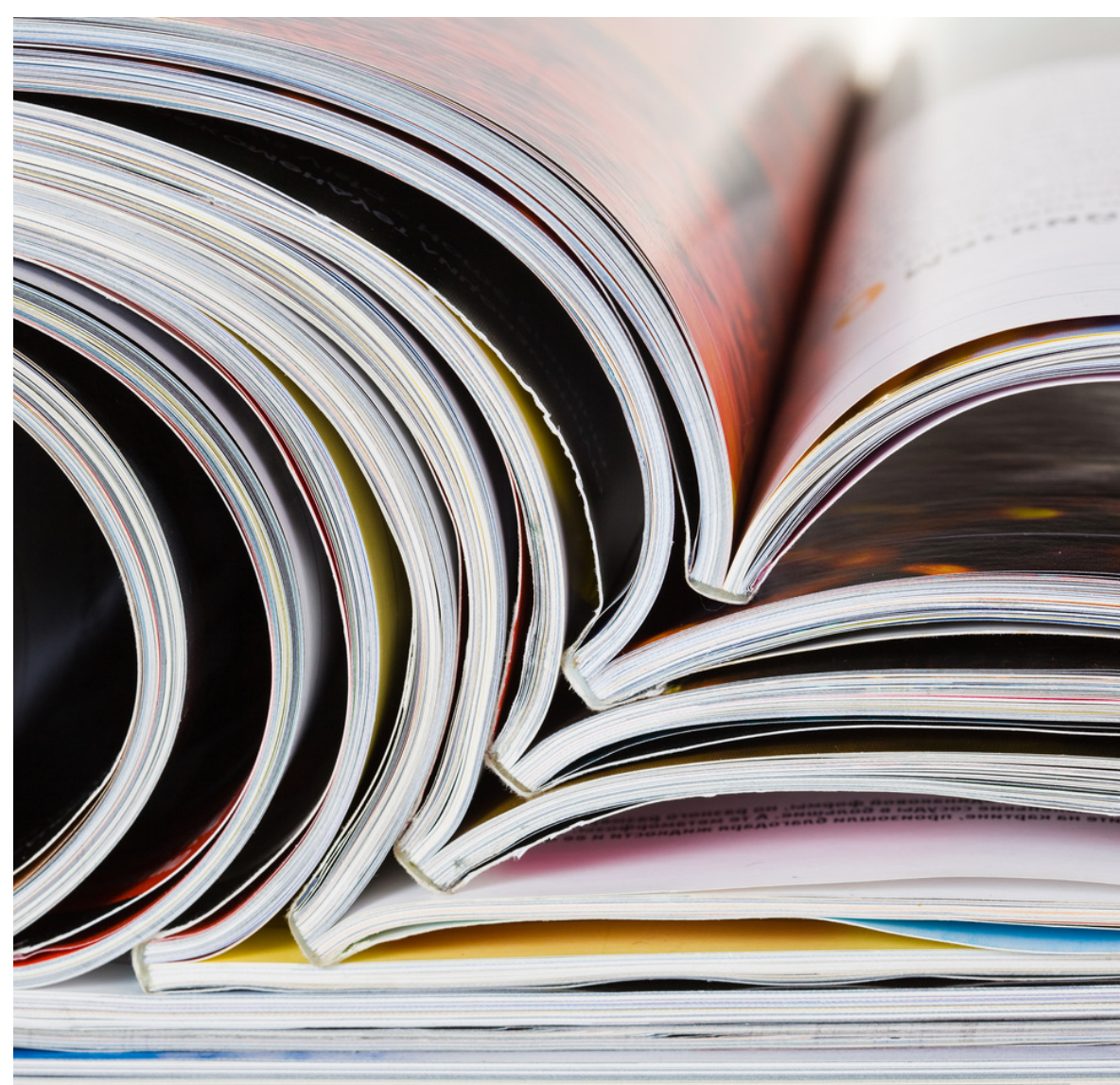
During 2020 we delivered both an informative series of webinars hosted by NxtGen and the USA, Canada and Netherlands Chapters. We also started the monthly Bitesize Webinars, facilitated centrally and showcasing the achievements and learning from many of our individual and corporate members. We thank all those who gave up their time to produce over 40 of these during the year, with attendances ranging up to 322 for each.



Publications

During 2020 we re-energised the SSG development programme with Keith Rimmer leading the Steering Group and setting up project teams to draft yet-to-be-released SSGs and manage progress and peer review. Despite the pandemic, volunteers came forward and drafting teams worked remotely on nine new topics – many of these are now in the final stages of peer review and publication. Thanks again to everyone involved!

Our membership magazine, Assets, took a step into the digital world and was moved from a paper format to digital. This was in response to members requesting a downloadable electronic version and a keen eye on rising print and postage costs. This progress in reformatting has of course continued in 2021 with the release of a fully digital, online multimedia format for the new Assets released August 2021, keeping up with the climate emergency agenda and consumer habits.



Endorsement Schemes

We had 26 organisations active as Endorsed Training Providers (ETPs) in 2020, with 13 offering the Foundation Award, 11 training for our Certificate level qualification, and two for the IAM Diploma.

To ease the burden of paper-based testing for the Foundation Award, the knowledge test was moved to an online portal in 2020, delivering efficiencies for all in relation to the end of course test and issue of their Award.

Despite a few ETP's withdrawing from the scheme during the pandemic as they stopped training activity, we did see three new organisations join the scheme, some with online offerings.

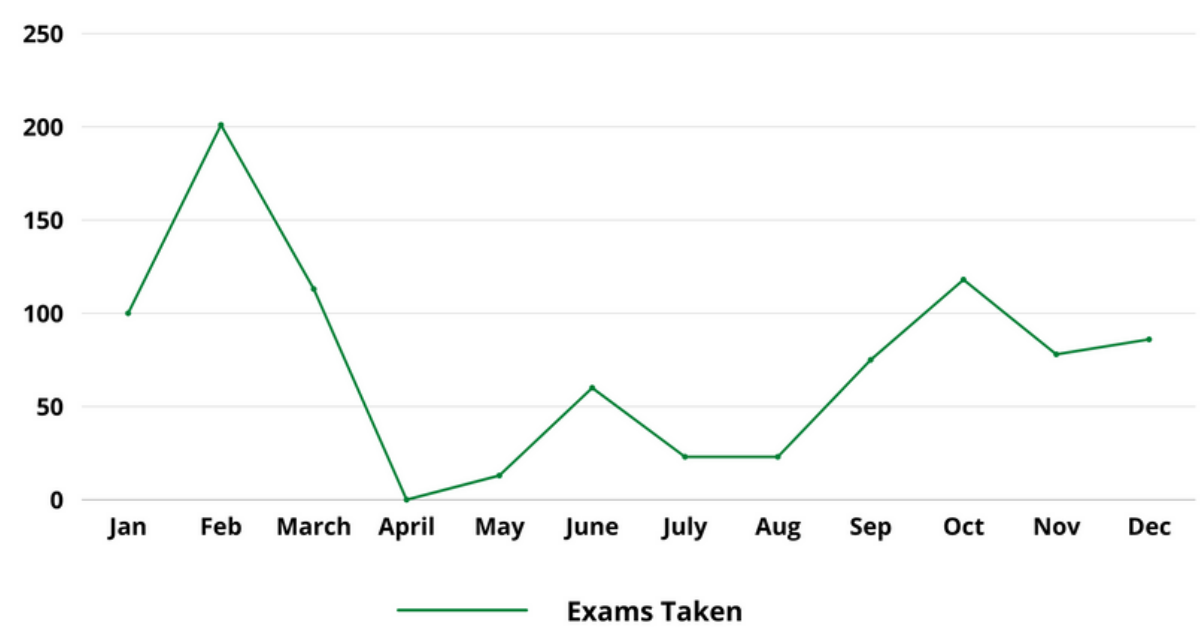
By the end of 2020, the number of Endorsed Assessors (EAs) rose to 38, with three new Corporate Members joining the scheme. All 38 EAs provide gap analysis for maturity and ISO 55001 requirements, and over half of these additionally providing formal certification against ISO 55001.



Other Products and Services

We also launched several online initiatives to help support professional development remotely. These included offering our Certificate and Diploma exams online through the OnVUE platform, allowing exam candidates to take an exam in their own home or office, proctored remotely via their webcam. This facility now provides candidates in all parts of the world easy access to IAM qualifications, without the need to travel to physical training courses or exam test centres.

During the initial lockdown of 2020 delegates were of course unable to take IAM examinations at physical test centres causing a severe drop in numbers of exam sat. However, once we had launched the new OnVUE platform, in June 2020, we saw exam bookings increase again.



In another move to remote online access to learning, the IAM Foundation Award course and test was released fully online through our new Learning Portal.

In 2020 over 200 Foundation Awards were issued with over half of these being in the last quarter of the year via the new online learning portal.

HOT TOPICS

Climate Emergency

We have had an active year - holding roundtables and conference workshops, and engaging 6 volunteer task groups from diverse regions and sectors. We will release a white paper on climate considerations in asset management ahead of our participation in the COP26 event in November. Our plans continue with online resources and development of in-depth guidance into 2022.



Resilience

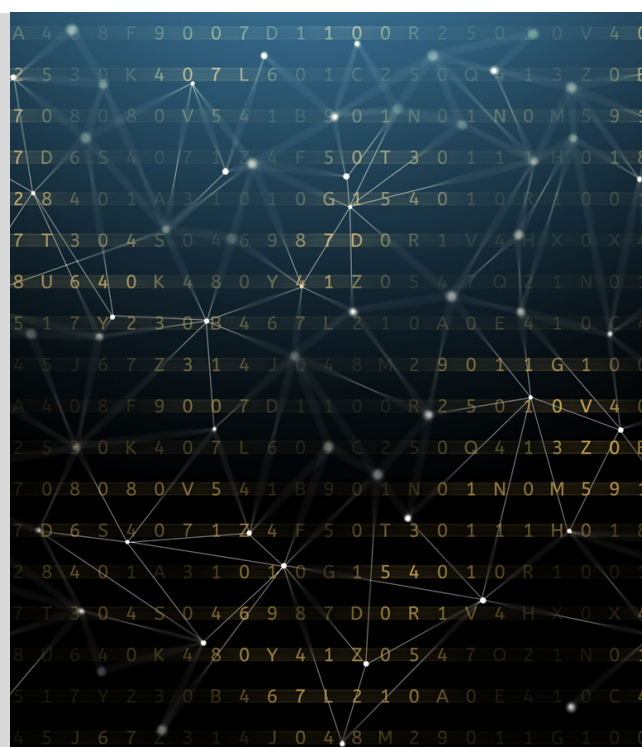
We are addressing resilience considerations by including our members in developing practical solutions, with the aim of making these widely available. To develop these tools and guidance, we are actively seeking opportunities to engage with external bodies. We continue to work on defining what resilience means in the asset management context to bring clarity and alignment.

We continue to progress the development and delivery of our Hot Topic programmes. These are not short-term initiatives and will continue to run and be relevant into the future. The IAM does not seek to define and dictate what needs doing, but rather to identify where the context and philosophy of asset management can help – not least a structured approach to long-term issues.



Digital

We have been actively partnering the Centre for Digital Built Britain, which has been hugely productive (www.cdbb.cam.ac.uk). We are developing guidance that will help organisations exploit technology within an asset management context, at any level from just starting through to fully integrated lifecycle digital twins with associated analytics.



Maturity

We have been working with GFMAM partners on what it means to become 'excellent' at asset management, participating in three key documents on assessing maturity and the position statement of GFMAM (published September 2021 – gfmam.org/publications). We are currently updating our own more detailed guidance on maturity.

Inclusion

We delighted to have embedded inclusion into our business-as-usual activities. Initially, the Inclusion Group developed core policies and an approach to inclusion which is now embedded in the way we work. These encourage and enable a wide audience to feel included and engaged in all IAM activities.

To ensure we continue to support and promote inclusion, we have transformed the Inclusion Group into an ongoing Inclusion Network. The Inclusion Network focuses on promoting inclusion across the IAM's global activities. It seeks opportunity to engage with external bodies and the wider asset management community, to support inclusive initiatives and foster dialogue that enhances participation from all parts of society.

theiam.org/about-us/inclusion/

CHAPTERS - AT THE HEART OF THE IAM

The energy, commitment and active leadership demonstrated by our Chapters is critical to delivering our strategic plan. We really appreciate the significant time and effort our volunteers give, and it is especially encouraging to see how the Chapters are collaborating. Sharing good practice on both events and processes to organise and support Branches and Chapters is producing real value. The Chapter Leaders, as a group, are also a powerful contributor to steering the IAM and how it develops and that is vital to move us forward.



IAM Belgium



IAM Canada



IAM Germany



IAM Ireland



IAM Malaysia



IAM Netherlands



IAM UK



IAM USA

THE YEAR AHEAD

I am truly honored to become President and I am looking forward to building on the Institute's success to date. These last 18 months have been extraordinary but have also provided an opportunity to demonstrate the value of asset management as a solution for the challenges of the moment, as well as encouraging the Institute to re-think how it best serves its individual and corporate members as well as society at large.

As I look forward to my Presidency, I'd like to re-affirm the Institute's commitment to its members' journey and set out my areas of focus across two viewpoints – firstly continuing to educate and guide how asset management can support immediate and future local and global challenges and opportunities and secondly, the Institute as an international and diverse organisation.

Since its formation, the Institute has continued to expand globally. With eight Chapters established and a further two Chapters being formed, we continue to see interest from every geographic region. Our goal has always been to be inclusive and welcoming asset management professionals from all industry sectors and geographies. However, through the COVID-19 pandemic, we have had to rethink how we provide our services. The IAM Board, with support from the office and volunteers within Chapters, is taking this opportunity to commence a program of transformation for the Institute. This will focus on further enhancing, and in some instances restructuring, how we provide the two complementary functions of the IAM: (1) The learned society – by improving our digital delivery of knowledge services, increasing your networking capability through our website, and further enabling global collaboration between



Christian Roberts, our new President

"These last 18 months have been extraordinary but have also provided an opportunity to demonstrate the value of asset management as a solution for the challenges of the moment."

members. (2) The professional membership body – by better connecting members to local Chapters and ensuring Chapters have got the tools and support for success.

I firmly believe that we are at a turning point regarding the understanding and recognised value of asset management. Across the globe, we are now seeing governments, asset owners, and asset stewards thinking about how to respond to the challenges of the moment – economic sustainability, climate change, and environmental impact, social justice and equity, societal health, and well-being – as well as thinking about the future opportunities and challenges related to



responsible and sustainable financing of infrastructure, changing infrastructure needs, digital and energy transition.

Under Ursula's leadership, the IAM is in a strong position to support our members and educate society on how asset management can address both immediate issues, while preparing for the future. I would like to take this opportunity to thank Ursula for her leadership and for handing over the Institute with a solid foundation for future growth. With several programs underway to develop guidance and assistance on the Hot Topics, I also want to recognise and thank the very active members who make this possible – including volunteers and the elected officers in Branches, Chapters, projects, and committees.

I am excited to lead the Institute at this time and look forward to building off the work done to date. The Institute's transformation program will lay the path for further member engagement and networking, while the continued development of guidance and education will ensure we have a positive impact now that will benefit future generations. I look forward to extending our opportunities for enabling more volunteers to get involved.

Your help and support matter and we would welcome you getting involved and helping spread the understanding and use of asset management.

Christian Roberts
2021-2023 President of the Institute of Asset Management

"The Institute's transformation program will lay the path for further member engagement and networking."



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