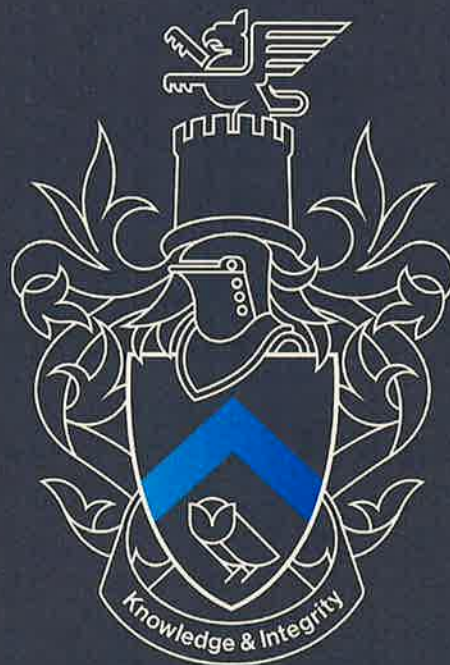


Pensions Management Institute (The)  
Annual report and financial statements

31 December 2020



**Pensions Management Institute**  
**Company Information**  
**For the year ended 31 December 2020**

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<b>Company number</b>	1262100	
<b>Registered office</b>	Devonshire House 60 Goswell Road London EC1M 7AD	
<b>Advisory Council</b>		
<b>President</b>	Lesley Carline Lesley Alexander	To 6 <sup>th</sup> October 2020 From 6 <sup>th</sup> October 2020
<b>Vice-Presidents</b>	Lorraine Harper Tim Phillips Sara Cook	To 6 <sup>th</sup> October 2020 From 6 <sup>th</sup> October 2020
<b>Members</b>	Richard Cox Lesley Alexander Lesley Carline Sara Cook Christine Kerr Lorraine Harper Rosie Lacey Girish Menezes Raymonde Nathan Chris Parrott Carol Perry Tim Phillips Robert Wakefield Emma Watkins Keith Webster Alan Whalley Ian Wright	Resigned 6 <sup>th</sup> October 2020  Elected 6 <sup>th</sup> October 2020  Resigned 6 <sup>th</sup> October 2020  Elected 6 <sup>th</sup> October 2020
<b>Board</b>		
<b>Chair</b>	Alan Whalley	
<b>Directors</b>	Lesley Alexander Anjan Bose Lesley Carline Sara Cook Lorraine Harper Naresh Mistry Jane Murray Chris Parrott Tim Phillips Ruston Smith Gareth Tancred	Appointed 18 <sup>th</sup> November 2020 Resigned 6 <sup>th</sup> October 2020 Appointed 6 <sup>th</sup> October 2020 Resigned 6 <sup>th</sup> October 2020 Resigned 30 <sup>th</sup> June 2020 Resigned 6 <sup>th</sup> October 2020 Appointed 18 <sup>th</sup> November 2020 Appointed 18 <sup>th</sup> November 2020

**Pensions Management Institute**  
**Company Information**  
**For the year ended 31 December 2020**

**Principal bankers** HSBC  
100 Old Broad Street  
London  
EC2N 1BG

**Auditor** Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditor  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2020**

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**Introduction**

As I enter the second year of my Presidential term, it is time to reflect on the extraordinary changes that have impacted on the PMI and society at large over the last twelve months. Without doubt, the Covid pandemic has affected everyone on the planet. The extent that we have been forced to adapt has been profound and, in many cases, has led to changes in the way that we live and work that will prove to be permanent.

Whilst the pandemic has forced much of society to pause, the pace of pensions reform has continued almost unabated. Most significantly, the Pension Schemes Act 2021 (PSA21) was given Royal Assent on 11 February 2021 and introduced a number of far reaching reforms. PSA21 has formally introduced a new funding regime geared towards the establishment of a long-term funding and investment strategy for DB schemes. It has also introduced criminal sanctions for those whose conduct threatens the security of members' accrued benefits. A huge challenge for all of us is to address the Climate Emergency in an effective way. PSA21 has introduced measures that will require pension schemes to comply with the Task Force on Climate-related Financial Disclosures (TCFD) reporting regime from October this year. We look forward to clarification and guidance from The Pensions Regulator (TPR) on how schemes will be expected to respond and implement the new regulations. Another long awaited development arising from PSA21 will see the Royal Mail establish the UK's first Collective Defined Contribution (CDC) scheme. It will be interesting to see if such schemes can achieve an impact in the UK in due course. Additionally, the Work and Pensions Committee has been investigating the way in which individuals access their pension savings and considering whether constraints need to be introduced to prevent unsuitable pension transfers. It is also concerned that the public does not have adequate access to guidance and advice on retirement options.

All the above reflects a greater expectation of professionals in our industry to have a strong, up to date knowledge and the skills to deliver good outcomes for our customers. Our members will need to respond by maintaining that knowledge, underpinned by continued professional development, so that they can confidently react to the pace of change. The greater focus on funding and investment, climate change and access to guidance for members approaching retirement are areas where the PMI will provide educational support – always making our qualifications, training and webinars both relevant and timely.

**Business Overview**

As years pass, the specifics of what happened in certain years tend to fade. However, 2020 is a year that will be remembered for decades, maybe even for centuries to come, and where the significance of the global pandemic will forever be felt. With the economic uncertainty and mandatory lockdowns, many organisations were forced to make significant changes to their business operations with the corresponding impact on people's jobs and security.

I am proud to say that PMI's response has been exemplary. Under the leadership of Gareth Tancred, PMI's team anticipated the impact of lockdown. The Institute was already committed to moving our examinations onto a secure digital platform as part of our 'Digital by Default' programme. The Lifelong Learning team worked phenomenally hard to get this done in a much shorter period of time, starting with online multiple choice examinations from 1st May, expanding the portfolio of exams offered online during the summer and autumn until all our exams, including calculation and essay-based exams were available online. This has proved crucial in ensuring that the constraints of lockdown have not prevented our learners from making progress in their professional careers. Our team continues to ensure all our learners, and their sponsoring organisations, are provided with the best possible level of service to be able to continue their learning and development well into 2021.

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2020**

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Naturally, all our face-to-face events had to be postponed so the team created a 13-week webinar programme for members, we amended our CPD requirements, and produced online insight to ensure our members and partners were provided for. To aid our partners, a COVID-19 report was published with great success, generating hundreds of downloads. Our Commerce & Engagement team continued to provide professional educational support on a wide spectrum of relevant topics via a range of online opportunities. This has meant that our members right across the UK have had greater access to our online events, to compliment the excellent support provided by our regional groups. The professionalism of our staff, which has permitted the PMI's work to continue in spite of challenges presented, has resulted in the management team being shortlisted for three Association Excellence Awards for the way they handled the response to the pandemic. Other achievements in 2020 include:-

1. The launch of our Mentoring programme,
2. The establishment of the PMI's Accreditation programme for professional trustees,
3. A new regional group in Northern Ireland and
4. A refreshed website and member portal.

PMI has also chaired the Joint Industry Forum (JIF), an umbrella body allowing all professional organisations operating in the pensions sector to maintain a co-ordinated dialogue with Government and regulatory bodies. As part of that dialogue, the JIF has been very active over the last year in raising various issues and seeking to provide practical solutions in areas of mutual concern.

#### **Financial Performance**

Activity and financial performance for 2020 has of course been impacted by the current unstable economic environment. All elements of our activities have been impacted from general market demand for services to the ability to hold face to face events and exams at physical centres. Whilst we were able to put all exams online, at some point during the summer and autumn, we did miss out on almost the entire spring season. Our finance team prepared multiple scenarios early - on in the pandemic and were able to forecast activity and resulting financial performance upon which the Board and Executive team were then able to make agile decisions that protected us further.

2020 ended with total revenues of c£2.0m (2019: £2.4m) and a £232k loss (2019: £135k loss) after the Retirement and Defined Benefit Scheme repair contribution. This performance is materially less than the budgeted performance for reasons already well documented, but enormously positive based upon the economic conditions that prevailed. Ultimately, the loss for the year will take the consolidated reserves position to £243k (2019: £475k). Whilst this position is lower than we would like, it included as at 31st December 2020 a deferred income liability of approximately £1m, reflecting sales made but services to be delivered in 2021. This higher year end deferred income is due to some delays in delivery of events and exam deferrals; but also represents normal year-long memberships and contracts, the revenue for which will be released over the coming months.

Cash as at 31st December 2020 remained good at £886k (2019: £1.1m). We made the decision in 2019 to vacate our London office accommodation in the middle of 2020. In hindsight, this was a good decision and enabled us to save cash. We have since reviewed our office requirements in the short to medium term and currently have access to a smaller, cheaper office. The savings in property costs were key to defending our financial performance and helped reduce levels of losses, whilst maintaining support to our members by providing all the services we had committed to without any cutbacks.

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2020**

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**In conclusion**

With COVID-19 affecting so many organisations, including professional associations, the PMI is looking at how to ensure it is resilient, and continues to deliver good value for money for its members and supporters. In response, we have reviewed and strengthened our governance, improving our efficiency and effectiveness as we move into the next stage of our ambitious plan for growth in a new and different operating environment. We expect to build on this firm foundation and members can look forward to further developments as a benefit of their membership of the PMI.

Finally, I would like to offer up some thanks. Firstly, to my Vice Presidents - Tim Phillips, Lorraine Harper (to October 2020) and Sara Cook (from October 2020), who have been a great support. To the Advisory Council who continue to provide valuable strategic advice to the Board. To the Board, chaired by Alan Whalley, and its various committees, and sub-committees, who govern the affairs of your Institute. To all of our examination committees and markers who have adapted to the online framework. To the Executive and staff team. To our Regional and Working Groups who have continued to provide local and topical insight of the highest quality. On behalf of the PMI, I would like to thank all our members, learners, partners, and supporting organisations for their loyalty during 2020 and on into 2021.

I look forward to being able to meet you all soon and to share the ongoing success of the PMI.



Lesley Alexander

President

10 June 2021

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2020**

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements and the memorandum and articles of association.

**Structure, governance & management**

The Institute is a company limited by guarantee, incorporated on 12 October 1977.

It was established under a memorandum of association which established its objects and powers and is governed under its articles of association. The results of the company's subsidiary PMI Services Limited are consolidated in these accounts; together they are referred to as the group.

The Institute is governed through the following structure:

**An Advisory Council**

The advisory council consists of 14 Fellows of the Institute elected in accordance with the Articles of Association and up to 4 co-opted External Council Members.

Its role is to:

- Advise the Board on the strategic direction of the Institute
- Provide technical input and expertise on industry issues
- Act as ambassadors for the Institute
- Undertake such other duties and functions as are required under the Articles of Association

**Honorary Officers**

These are elected by and from the Council and comprise the President and two Vice Presidents.

**The Board**

The management of the Institute is vested in the Board of Directors and consists of a Chair, elected from its members who are:

- The President and 2 Vice-Presidents of the Institute
- The Chief Executive of the Institute
- The Finance Director of the Institute
- Up to four Members co-opted by the Board

The Board has full responsibility for the conduct of the business and affairs of the Institute. Five Committees have been established by the Board which each have defined terms of reference and authority. The principal Committees are:

**Risk and Assurance Committee**

Provides oversight to ensure that key risks are being identified and addressed and that PMI adopts a sound approach to financial management and reporting.

**Development Committee**

Ensures that the PMI membership and commercial activity strategic objectives are being delivered and remain relevant. Ratifies membership fees, subscriptions and other charges (including pricing of commercial activity). Develops membership regulations. Oversees all membership development activity, membership services provided and commercial activities.

**Lifelong Learning Committee**

Ensures that the PMI lifelong learning strategic objectives are being delivered and remain appropriate. Develops regulations dealing with examinations, exemptions, accreditation and continuous professional development (CPD). Ratifies examination and exemption fees. Oversees the effectiveness of admission, education and qualification policies and links with learning institutions and professional bodies.

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2020**

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**Policy and Public Affairs Committee**

Ensures that the PMI public affairs strategic objectives are being delivered and remain appropriate. Decides public affairs and research and thought leadership approach including priority issues and areas for research and thought leadership activity. Authorises consultation responses, public statements and press releases. Oversees all public affairs, stakeholder engagement and media activity.

**Regulation Committee**

Ensures that the PMI regulatory strategic objectives are being delivered and remain appropriate. Develops codes and standards relating to professional conduct and competence and the disciplinary regulations. Makes appointments under the disciplinary regulations. Oversees the regulation of PMI members and the operation of the disciplinary and CPD schemes.

**Principal Activities and Future Developments**

The Pensions Management Institute's principal activities are the maintenance of professional standards and the provision of tuition and examination facilities, conferences, seminars and acting as a forum for ideas and information on all aspects of the management of pension schemes.

The objectives of the Institute include educating people about the provision of pensions and other relevant benefits and in continuing guidance throughout their careers.

The Institute also plays a prominent role as one of the leading industry bodies which considers and responds to Government initiatives and proposals on pension matters.

**Going Concern**

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Institute can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements.

Both during the year and subsequent to the year end, the Institute's activities have been impacted as a result of the ongoing COVID-19 outbreak and the government's measures to contain it. Management has considered the Institute's financial performance since the balance sheet date and has prepared forecasts and cash flow projections for the financial period to 30 June 2022 taking into account the estimated ongoing impact on the Institute of COVID-19. Management has performed sensitivities on its financial model in the context of COVID-19, and in the light of this analysis, is confident that the Institute has sufficient resources to enable it to meet its liabilities as they fall due and continue to operate for at least the next twelve months from the date of approval of these financial statements. Consequently the financial statements have been prepared on a going concern basis.

**Results and Dividends**

The Group made an operating deficit, before the actuarial loss on the defined benefit pension scheme, for the year of £151,786 compared to a deficit of £54,978 in 2019. Details are set out on page 13. The Institute, in accordance with its Memorandum of Association, is limited by guarantee and therefore may not pay a dividend.

**Directors**

The directors who served during the year and up to the date of this report are shown on page one.

**Directors' qualifying for third party indemnity provisions**

The company has granted indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the report of the directors.

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2020**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Standards and applicable law) (FRS102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the Institute and of the profit or loss of the group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Institute will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institute and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement of disclosure to auditor**

Each of the directors confirms that to the best of his or her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the directors also confirms that he or she has taken all necessary steps to ensure that he or she is aware of any relevant audit information and to establish that this information has been communicated to the auditor.

**Members' liability**

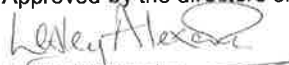
Members of the Institute guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of a winding up. The total number of such guarantees at 31 December 2020 was 4,779 (2019: 5,161). Some of the directors are members of the Institute but this entitles them only to voting rights. The directors have no beneficial interest in the group or the Institute.

**Auditors**

A resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

The report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the directors on 10 June 2021 and signed on their behalf by:

  
Lesley Alexander  
President

**Pensions Management Institute**  
**Independent Auditor's Report**  
**To the Members of the Pensions Management Institute**

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**Opinion**

We have audited the financial statements of the Pensions Management Institute (the 'parent company') and its subsidiaries for the year ended 31 December 2020 which comprise the Group Statement of Comprehensive Income, the Group and Institute Balance Sheets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors' with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Pensions Management Institute**  
**Independent Auditor's Report**  
**To the Members of the Pensions Management Institute**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**Pensions Management Institute**  
**Independent Auditor's Report**  
**To the Members of the Pensions Management Institute**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and parent company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the group and parent company comply with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

**Pensions Management Institute**  
**Independent Auditor's Report**  
**To the Members of the Pensions Management Institute**

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We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and time of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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



**Janice Riches** (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

**Devonshire House**  
**60 Goswell Road**  
**London EC1M 7AD**

Date: 21 June 2021

**Pensions Management Institute**  
**Group Statement of Comprehensive Income**  
**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Income</b>	<b>3</b>		
Annual Subscriptions, election and registration fees		925,395	974,478
Study support, examination and course fees		669,021	885,447
Expert partner sponsorship		219,955	165,675
Conferences and seminars		163,711	242,420
Annual dinner income		-	36,937
Recruitment advertising		31,100	42,203
Rent Receivable		-	23,284
Miscellaneous		32,180	16,242
		<u>2,041,362</u>	<u>2,386,686</u>
Salaries and staff costs	5	1,139,537	1,059,103
Membership newsletter and other services		108,368	189,125
Study support, examination & course expenditure		122,789	168,190
Conferences and seminars		47,870	85,546
Annual Dinner expenditure		4,020	47,619
Establishment costs	6	211,521	402,499
Administration costs	7	18,984	54,576
Marketing costs		6,498	7,626
IT costs		119,716	118,080
Professional fees	8	245,647	155,475
Amortisation of assets		40,507	19,093
Depreciation of assets		26,086	24,553
Other costs		4,814	3,870
Irrecoverable VAT		96,791	112,352
		<u>2,193,148</u>	<u>2,447,707</u>
<b>Operating Deficit</b>	<b>4</b>	<b>(151,786)</b>	<b>(61,021)</b>
<b>Interest Receivable</b>		<b>-</b>	<b>6,043</b>
<b>Deficit on ordinary activities before taxation</b>		<b>(151,786)</b>	<b>(54,978)</b>
Taxation on deficit on ordinary activities	9	-	-
<b>Deficit for the financial year</b>		<b>(151,786)</b>	<b>(54,978)</b>
<b>Other comprehensive expenditure:</b>			
Actuarial loss on defined benefit pension scheme	19	(80,000)	(80,000)
<b>Total comprehensive expenditure for the year</b>		<b>(231,786)</b>	<b>(134,978)</b>

**Pensions Management Institute  
Group and Institute Balance Sheets  
As at 31 December 2020**

		Group		Institute	
		2020	2019	2020	2019
	Note	£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	10	277,181	171,571	277,181	171,571
Tangible assets	11	26,971	34,916	26,971	34,916
Investments in subsidiary undertakings	12	-	-	6	6
		<u>304,152</u>	<u>206,487</u>	<u>304,158</u>	<u>206,493</u>
<b>Current assets</b>					
Debtors	13	470,308	668,158	472,947	668,158
Cash at bank and in hand	14	886,363	1,120,647	882,892	1,118,077
		<u>1,356,671</u>	<u>1,788,805</u>	<u>1,355,839</u>	<u>1,786,235</u>
<b>Creditors</b>					
Amounts falling due within one year	15	1,402,820	1,490,503	1,402,820	2,108,765
<b>Net current assets/ (liabilities)</b>		<u>(46,149)</u>	<u>298,302</u>	<u>(46,981)</u>	<u>(322,530)</u>
<b>Total assets less current liabilities</b>		<u>258,003</u>	<u>504,789</u>	<u>257,177</u>	<u>(116,037)</u>
<b>Provisions for liabilities</b>	16	(15,000)	(30,000)	(15,000)	(30,000)
<b>Net assets / (liabilities)</b>		<u>243,003</u>	<u>474,789</u>	<u>242,177</u>	<u>(146,037)</u>
<b>Reserves</b>					
Accumulated Fund	18	243,003	474,789	242,177	(146,037)
IT Development Fund	18	-	-	-	-
Pension Deficit Repair Fund	18	-	-	-	-
<b>Total reserves</b>		<u>243,003</u>	<u>474,789</u>	<u>242,177</u>	<u>(146,037)</u>

As permitted by s408 Companies Act 2006, the Institute has not presented its own profit and loss account and related notes. The Institute's surplus for the year was £468,214 (2019: £58,915 deficit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 10 June 2021 and are signed on its behalf by:



Lesley Alexander  
President



Gareth Tancred  
Chief Executive

**Company Registration No: 1262100**

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1. Accounting policies**

**1.1 Company information**

The Pensions Management Institute Limited is a company limited by guarantee and is domiciled and incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

**1.2 Accounting convention**

These financial statements have been prepared in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), and the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost convention.

The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest pound.

The format of the Financial Statements has been adapted and re-arranged from the prescribed formats in the Companies Act 2006 to provide a more meaningful presentation of the Institute's activities in the year. In all other respects, the form and content of the accounts are in accordance with the requirements of the Act.

**1.3 Going concern**

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Institute and group can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements.

Both during the year and subsequent to the year end, the Institute's activities have been impacted as a result of the ongoing COVID-19 outbreak and the government's measures to contain it. Management has considered the Institute's financial performance since the balance sheet date and the ongoing impact on revenues as a result of COVID-19. These included the cancellation of the Spring 2020 examinations, deferral of some events and a small erosion in member numbers and therefore income. However the loss of income from these issues has been mitigated by the move to online modes of exam sittings and events. Management has prepared cash flow projections for the financial period to 30 June 2022 and performed sensitivities on its financial model in the context of COVID-19. In the light of this analysis, management is confident that the Institute has sufficient resources to enable it to meet its liabilities as they fall due and continue to operate for at least twelve months from the date of approval of these financial statements. Consequently the financial statements have been prepared on a going concern basis.

**1.4 Basis of consolidation**

The financial statements contain information about the company and its trading subsidiary. No separate profit and loss account is presented for the parent company as permitted by s.408 of the Companies Act 2006. The company's surplus for the year was £468,214 (2019: £58,915 deficit).

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1.5 Income recognition**

Income represents net invoiced sales of goods and services, exclusive of VAT.

i) Annual subscriptions and election fees

Subscription income comprises subscriptions which run for a period of one year. Revenue is recognised evenly over the annual membership period with amounts received in the current financial year that relate to the following financial year treated as deferred income at the balance sheet date. Election and registration fees credited in the Statement of Comprehensive Income represent the amounts received from members upon election or registration.

ii) Examination fees

Examination fees are recognised in the year in which the exam is sat.

iii) Tuition fees

Tuition and revision courses take place over a variety of short and flexible timescales and income is recognised when earned.

iv) Sponsorship

Expert partner sponsorship is recognised over the life of the contract where the sponsorship is for a set time period.

v) Conferences and seminars

Delegate and sponsor income is recognised in the year in which the event takes place. Income received prior to the year end, relating to events in the following year, is deferred until that year.

vi) Annual dinner income

Income is recognised in the year in which the dinner takes place.

vii) Recruitment advertising

Income is recognised in the year of publication of the advertisements.

viii) Rental income

Rental income is recognised in the year to which it relates.

ix) Interest receivable

This represents the gross interest received and receivable.

**1.6 Expenditure**

Expenditure incurred by the Pensions Management Institute for writing tuition material forming part of the future syllabus is written off in the year incurred.

All other expenditure is recognised in the year that the related goods or services are delivered.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1.7 Intangible assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost less accumulated amortisation and accumulated impairment losses.

Staff costs relating to time spent as well as external costs developing the new CRM system are recognised as intangible assets.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Software	5 years
CRM	5 years
Website	5 years

**1.8 Tangible assets**

Tangible assets are initially measured at cost and subsequently measured at cost or valuation net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost or valuation of assets less their estimated residual values over their useful lives on the following basis:

Office furniture and equipment	5 years
Computer equipment	5 years
Leasehold improvements	3 years

Items of equipment are capitalised where the purchase price exceeds £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks which are accessible within 3 months.

**1.10 Financial instruments**

The group has elected to apply the provisions of section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Basic financial instruments are recognised at amortised cost. The group has no other financial instruments or basic financial instruments measured at fair value.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1.11 Taxation**

Corporation tax due on profits chargeable to corporation tax is accrued in the year to which it relates.

**Deferred Tax:**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event; it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any material unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.14 Operating lease**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1.15 Pension scheme**

The Institute operates both a stakeholder scheme and a defined benefit scheme. The defined benefit scheme provides benefits based on the final pensionable salary, and the Institute accounts for its pension costs in accordance with the requirements of FRS 102. These details are given at note 19.

Costs for the stakeholder scheme are recognised in the year that monthly contributions are due.

**1.16 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

**2. Critical accounting judgements and estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**2.1 Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below;

i) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosures relating to the defined benefit pension scheme.

ii) Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Intangible assets impairment reviews are also performed annually. These reviews require an estimation of the value in use of the software. The value in use calculation requires the group to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 10 for the carrying amount of the intangible assets and note 1.7 for the useful economic lives for each class of asset.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

iii) Intangible assets- capitalisation of CRM system

During the year the Institute and group continued to develop a new CRM system which enhances the interaction with members including direct booking of events, examinations and other services provided by the Institute. In addition to external consultants, a number of the Institute's employees worked on the development and implementation of the CRM system. The cost of time spent by these employees, based on estimated time spent, is recognised as part of additions for the CRM system recorded within intangible assets. The total amount capitalised in the year for both internal and external costs was £93,727 as shown in note 10.

iv) Provisions

Provisions have been made for property contracts and dilapidations. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements following professional expert advice. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

v) Deferred tax asset

The Institute and group consider whether a deferred tax asset should be recognised for the tax losses which are available to be carried forward and used against future trading profits (see note 9). A deferred tax asset is recognised to the extent that it is probable that the losses will be utilised in the foreseeable future. This requires management's best estimate of future taxable profits for the next three years which, in turn, requires the combination of assumptions including revenue, split of revenue as between members and non members as well as estimates of costs that will be incurred.

**3. Turnover**

Turnover is attributable to the principal activities of the group.

**4. Operating Deficit**

	<b>2020</b>	2019
	£	£
The operating deficit is stated after charging:		
Directors' remuneration	<b>232,205</b>	230,877
Fees payable to the company's auditors for the audit of the financial statements of the group and company	<b>18,500</b>	16,250
Depreciation of tangible fixed assets	<b>26,084</b>	24,553
Amortisation of intangible assets	<b>40,507</b>	19,093
Operating lease charges	<b>75,511</b>	158,757
Provision for dilapidations	<b>-</b>	30,000

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<b>5. Directors' and Employees' Costs and Emoluments</b>	<b>2020</b>	<b>2019</b>
Staff costs including directors during the year were as follows:	<b>£</b>	<b>£</b>
Wages and salaries	<b>950,724</b>	823,698
Social security costs	<b>103,744</b>	86,018
Other pension costs	<b>76,276</b>	76,013
Contract and temporary staff	<b>404</b>	29,287
Training	<b>1,189</b>	4,842
Recruitment and other staff costs	<b>7,200</b>	39,245
<b>Total</b>	<b>1,139,537</b>	1,059,103

Included within wage and salaries is one (2019: two) settlement payments which total £33,463 (2019: £32,500)

Unpaid pension contributions at 31 December 2020 amounted to £46,565 (2019: £7,282).

The average monthly number of employees (including executive directors) employed by the group during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Education	<b>6.2</b>	5.5
Membership	<b>2.0</b>	2.0
Commercial Development	<b>4.3</b>	4.5
Corporate	<b>8.7</b>	5.4
<b>Total</b>	<b>21.2</b>	17.4

<b>6. Establishment Costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rent and rates	<b>156,404</b>	237,515
Meeting room hire	-	1,994
Insurance & Professional Fees	<b>25,721</b>	31,010
Heating and Lighting	<b>6,442</b>	5,207
Maintenance and repairs	<b>19,439</b>	106,170
Cleaning	<b>2,634</b>	6,855
Catering	<b>881</b>	13,748
<b>Total</b>	<b>211,521</b>	402,499

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	<b>2020</b>	2019
	£	£
<b>7. Administrative Costs</b>		
Printing and Stationery	1,089	3,665
Telephone	8,519	13,949
Postage	1,689	7,852
Profit on exchange	-	(205)
Travel and Subsistence	2,627	29,315
Team Development	4,068	-
Subscriptions	992	-
<b>Total</b>	<b>18,984</b>	<b>54,576</b>
<b>8. Professional Fees</b>		
	<b>2020</b>	2019
	£	£
Credit card and bank charges	15,754	16,256
Finance and Accountancy Costs	59,897	31,113
Legal and pension administration	27,755	42,791
HR & Payroll	90,872	16,359
PR Consultancy	51,369	48,956
<b>Total</b>	<b>245,647</b>	<b>155,475</b>
<b>9. Taxation</b>		
	<b>2020</b>	2019
	£	£
UK corporation tax at 19% (2019: 19%)	-	-
<b>Total (credit)/charge</b>	<b>-</b>	<b>-</b>

The group has estimated tax losses of £2,180,000 (2019: £1,572,000) available to carry forward against future trading profits of the same trade.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

10. Intangible fixed Assets – Group and Institute	Website	CRM	Computer Software	Total
	£	£	£	£
At start of year	13,882	150,275	304,502	468,659
Additions	52,390	93,727	-	146,117
Disposals	-	-	(294,527)	(294,527)
<b>At the end of year</b>	<b>88,727</b>	<b>240,002</b>	<b>9,975</b>	<b>331,761</b>
<b>Amortisation</b>				
At start of year	-	-	297,088	297,088
Charge for the year	2,351	35,452	2,704	40,507
Eliminated on disposal	-	-	(294,527)	(294,527)
<b>At the end of year</b>	<b>2,351</b>	<b>35,452</b>	<b>5,265</b>	<b>43,068</b>
<b>Carrying Amount</b>				
<b>At the end of the year</b>	<b>63,921</b>	<b>208,550</b>	<b>4,710</b>	<b>277,181</b>
At the start of the year	13,882	150,275	7,414	171,571

During 2019, the Institute developed a new CRM system to enhance interaction with members including direct booking of events, examinations and other services provided by the Institute.

**11. Tangible fixed Assets – Group and Institute**

	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
At start of year	48,944	13,486	31,569	93,999
Additions	-	-	18,140	18,140
Disposals	(48,944)	-	-	(48,944)
<b>At the end of year</b>	<b>-</b>	<b>13,486</b>	<b>49,709</b>	<b>63,195</b>
<b>Depreciation</b>				
At start of year	39,628	5,929	13,526	59,083
Charge for the year	9,316	7,557	9,212	26,084
Eliminated on disposal	(48,944)	-	-	(48,944)
<b>At the end of year</b>	<b>-</b>	<b>13,486</b>	<b>22,738</b>	<b>36,224</b>
<b>Carrying amount</b>				
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>26,971</b>	<b>26,971</b>
At the start of the year	9,316	7,557	18,043	34,916

**Pensions Management Institute**  
**Notes to the financial statements**  
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<b>12. Investments in subsidiary undertakings -Institute</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At start and end of year	<u><b>6</b></u>	<u><b>6</b></u>

**Subsidiaries**

Details of the Institute's subsidiaries at 31 December 2020 are as follows:

<b>Name of undertaking and country of incorporation or residency</b>	<b>Nature of business</b>	<b>Class of shareholding</b>	<b>% Held Direct</b>
PMI Services Limited	England and Wales	Property rental	100
PMI Limited	England and Wales	Dormant	100
PMI Trustee Limited	England and Wales	Dormant	100

**13. Debtors**

	<b>Group</b>		<b>Institute</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade Debtors	<b>140,481</b>	262,983	<b>140,481</b>	262,983
Other Debtors	<b>153,520</b>	170,540	<b>153,520</b>	170,540
Amounts owed from subsidiary	-	-	<b>2,639</b>	-
Prepayments	<b>146,107</b>	202,927	<b>146,107</b>	202,927
Accrued Income	<b>30,200</b>	31,708	<b>30,200</b>	31,708
	<u><b>470,308</b></u>	<u>668,158</u>	<u><b>472,947</b></u>	<u>668,158</u>

**14. Cash and cash equivalents**

	<b>Group</b>	
	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Bank Current Account	<b>484,451</b>	212,738
Bank Deposit Accounts	<b>401,912</b>	907,909
	<u><b>886,363</b></u>	<u>1,120,647</u>

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

15. Creditors: amounts falling due within one year	Group		Institute	
	2020	2019	2020	2019
	£	£	£	£
Trade Creditors	173,898	257,451	173,898	257,451
Tax and social security	112,690	54,893	112,690	54,893
Other creditors	-	31,165	-	31,165
Amounts owed to subsidiary company	-	-	-	618,262
Accruals	97,739	54,134	97,739	54,134
Deferred Income	1,018,493	1,092,860	1,018,493	1,092,860
<b>Total</b>	<b>1,402,820</b>	<b>1,490,503</b>	<b>1,402,820</b>	<b>2,108,765</b>

16. Provisions for liabilities	Group		Institute	
	2020	2019	2020	2019
	£	£	£	£
Dilapidations	15,000	30,000	15,000	30,000
Movements on Provisions:				
	<b>Dilapidations</b>		<b>Dilapidations</b>	
	£		£	
At 1 January 2020	30,000		30,000	
Released in the year	(15,000)		(15,000)	
At 31 December 2020	<b>15,000</b>		<b>15,000</b>	

As part of the Group's property leasing arrangements there is an obligation to return the property previously occupied to an agreed condition at the end of the lease. The cost is charged to the profit and loss account as the obligation arises. The provision is expected to be utilised in the year ended 31 December 2021.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

17. Related party transactions		Transaction Value		Balance Outstanding as at 31 <sup>st</sup> December	
		2020	2019	2020	2019
		£	£	£	£
<b>Sales</b>					
Alan Whalley	WEALTH at Work	23,000	7,020	-	8,040
	Atlas Master Trust	(12,700)		18,000	-
Lesley Alexander	Ferrier Pearce	-	-	-	460
Lesley Carline	KGC Associates	650	-	-	-
Lorraine Harper	JLT Benefit Solutions	24,810	625	35	1,900
	Mercer	78,262	14,295	4,550	11,965
Robert Branagh	Moorlands Human	-	-	-	-
Jane Murray	Willis Towers Watson	37,150	1,630	5,670	7,395
Tim Phillips	Smart Pension	-	5,400	-	-
Sara Cook	Barnett Waddingham	8,904	-	-	-
		<u>160,536</u>	<u>28,970</u>	<u>28,255</u>	<u>29,760</u>
<b>Purchases</b>					
Lorraine Harper	JLT Benefit Solutions	-	11,125	-	-
	Mercer	22,275	-	-	-
Sara Cook	Barnett Waddingham	888	-	-	-
		<u>23,163</u>	<u>11,125</u>	<u>-</u>	<u>-</u>

All the transactions above have occurred in the normal course of business and include the membership subscription.

18. Accumulated Fund	Group		Institute	
	2020	2019	2020	2019
	£	£	£	£
At 1 January	474,789	159,767	(146,037)	(457,122)
(Deficit)/Surplus for the year	(151,786)	(54,978)	468,214	(58,915)
Other comprehensive expenditure	(80,000)	(80,000)	(80,000)	(80,000)
Transfer from Pension Scheme deficit repair fund	-	400,000	-	400,000
Transfer from IT Development Fund	-	50,000	-	50,000
At 31 December	<u>243,003</u>	<u>474,789</u>	<u>242,177</u>	<u>(146,037)</u>

18.1 IT Development Fund	Group		Institute	
	2020	2019	2020	2019
	£	£	£	£
At 1 January	-	50,000	-	50,000
Transfer to Accumulated Fund	-	(50,000)	-	(50,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In 2019, a transfer was made as the directors no longer considered it necessary for the IT Development Fund to be shown separately in the financial statements.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

18.2 Pension Scheme deficit repair fund	Group		Institute	
	2020	2019	2020	2019
	£	£	£	£
At 1 January	-	400,000	-	400,000
Transfer to Accumulated Fund	-	(400,000)	-	(400,000)
At 31 December	-	-	-	-

In 2019, a transfer was made as the directors no longer considered it necessary for the Pension Scheme deficit repair fund to be shown separately in the financial statements.

**19. Pension Scheme**

The Institute operates both a stakeholder scheme and a defined benefit (DB) scheme. The following relates to the DB scheme only. The DB scheme is a separate trustee administered fund holding the pension scheme assets to meet long term liabilities.

The most recent actuarial valuation upon which the amounts included in the accounts are based, was carried out at 30 June 2017 and showed a deficit of £537,000. Using this as a basis, the actuarial valuation of the scheme has been updated to 31 December 2020 by an independent qualified actuary in accordance with Section 28 of FRS 102. The assumptions applied were discussed and agreed by the Directors.

As required by Section 28 of FRS 102, the defined benefit liabilities have been measured using the projected unit method.

Contributions during the year ended 31 December 2020 amounted to £80,000 (2019: £80,000). Payments for future years under the schedule of contributions will be £80,000 by 30 September each year from the years ending 30 September 2019 to 30 September 2024 inclusive. In addition, the Institute agreed with the trustees to meet the expenses of the scheme and the Pension Protection Fund levies.

The Institute paid expenses of £19,487 in 2020 (2019: £26,473) towards the Friends Life annual management charge and other pension fund expenses.

**Amounts included in the balance sheet:**

	2020	2019
	£	£
Fair value of scheme assets	4,554,000	3,938,000
Present value of funded defined benefit obligations	(3,866,000)	(3,212,000)
Surplus in scheme	688,000	726,000
Unrecognised surplus	(688,000)	(726,000)
Net retirement benefit asset to be recognised	-	-

The surplus in the scheme has been restricted to zero in the balance sheet because the Institute is unable to benefit from reduced contributions in the future as there is no future accrual of benefits.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**19 Pension Scheme (continued)**

**Changes in present value of defined benefit obligations**

	2020	2019
	£	£
Scheme liabilities at start of period	3,212,000	3,614,000
Expenses	-	18,000
Interest cost	67,000	91,000
Actuarial losses/(gains)	594,000	792,000
Benefits paid, death in service premiums & expenses	(7,000)	(1,303,000)
Scheme liabilities at end of period	<u>3,866,000</u>	<u>3,212,000</u>

**The total actuarial loss (gain) on the liabilities is analysed as follows:**

	2020	2019
	£	£
	-	302,000
Experience losses/(gains) arising on the plan liabilities	(594,000)	490,000
Loss/(gain) on change in actuarial assumptions	<u>(594,000)</u>	<u>792,000</u>

**Changes of fair value of scheme assets**

	2020	2019
	£	£
Fair value of scheme assets at start of period	3,938,000	4,501,000
Interest Income	83,000	116,000
Actuarial gains/(losses)	460,000	563,000
Contributions by the Institute	80,000	80,000
Other adjustments	-	(19,000)
Benefits paid, death in service premiums & expenses	(7,000)	(1,303,000)
Fair value of scheme assets at end of period	<u>4,554,000</u>	<u>3,938,000</u>

The actual return on scheme assets over the period ending 31 December 2020 was £543,000 (2019: £679,000).

**Defined Benefit Costs Recognised in the Profit and Loss Account**

	2020	2019
	£	£
Expenses paid – included within Professional fees	-	18,000
Defined benefit costs recognised in the profit and loss account	<u>-</u>	<u>18,000</u>

If the net interest cost had not been restricted due to the surplus not being recovered, the net interest surplus would have been £16,000 for the period ended 31 December 2020 (2019: £25,000 surplus).

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19 Pension Scheme (continued)		
<b>Defined Benefit Costs Recognised in Other Comprehensive Income</b>		
	2020	2019
	£	£
Return on plan assets (excluding amounts included in net interest costs) - (loss)/gain	460,000	563,000
Experience gains and losses arising on the scheme liabilities – gain/(loss)	-	(302,000)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	(594,000)	(490,000)
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	54,000	149,000
Total amount recognised in other comprehensive income – (loss)	<u>(80,000)</u>	<u>(80,000)</u>
<b>Analysis of fair value of scheme assets</b>		
	2020	2019
	£	£
UK Equities	319,000	300,000
Overseas Equities	734,000	692,000
Corporate Bonds	223,000	157,000
Government Bonds	96,000	67,000
Diversified Growth Funds	2,000,000	1,911,000
Cash	89,000	88,000
Liability Driven Investments	1,093,000	723,000
Total Assets	<u>4,554,000</u>	<u>3,938,000</u>

None of the fair values of the assets shown above include any direct investments in the Institute's own financial instruments or any property occupied by, or other assets used by, the Institute.

<b>Assumptions</b>	2020	2019
	% p.a	% p.a.
The principal assumptions for the defined benefit scheme used by the actuary were:		
Discount Rate	1.50	2.10
Inflation (RPI)	2.95	2.95
Inflation (CPI)	2.25	2.15
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.25	2.15
Allowance for pension in payment increases of RPI or 5% p.a if less	2.90	2.90
Allowance of commutation of pension for cash at retirement	75% of post A Day	75% of post A Day

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**19 Pension Scheme (continued)**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% of S2Px<sub>A</sub>, improvements in line with CMI 2019 projections (2019 – CMI 2018) and a long term rate of improvement of 1.25% (2019 – 1.00%)

These mortality assumptions imply the following life expectancies:

	Life expectancy at 65 years
Male retiring in 2020	<b>21.8</b>
Female retiring in 2020	<b>23.7</b>
Male retiring in 2040	<b>23.1</b>
Female retiring in 2040	<b>25.2</b>

The best estimate of contributions to be paid by the Institute for the period commencing 1 January 2021 is £100,000. The Institute also pay the administrative expenses direct.

**20. Future Financial Commitment – operating leases**

The group had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>£</b>	£
Within one year	51,843	31,798
Between two and five years	95,697	-
	<b>147,540</b>	<b>31,798</b>

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**The Prize Fund**

The prize fund is administered by The Pensions Management Institute; it does not form part of the assets and liabilities of the Institute in the financial statements and is not audited.

	<b>2020</b>	2019
	<b>£</b>	£
At 1 January 2019	<b>6,521</b>	6,256
Donations received	<b>3,750</b>	2,500
Deposit interest	<b>8</b>	15
	<u><b>10,279</b></u>	<u>8,771</u>
Prizes awarded in the year	<b>(3,000)</b>	(1,250)
	<u><b>7,279</b></u>	<u>7,521</u>
At 31 December 2020	<u><b>7,279</b></u>	<u>7,521</u>
Represented by:		
Cash at bank	<b>7,779</b>	7,771
Due to PMI	<b>(500)</b>	(250)
	<u><b>7,279</b></u>	<u>7,521</u>