

Pensions Management Institute (The)  
Annual report and financial statements

31 December 2022



**Pensions Management Institute**  
**Company Information**  
**For the year ended 31 December 2022**

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<b>Company number</b>	1262100	
<b>Registered office</b>	6 <sup>th</sup> Floor 9 Appold Street London EC2A 2AP	
<b>Advisory Council</b>		
<b>President</b>	Lesley Alexander Sara Cook	To 27 July 2022 From 27 July 2022
<b>Vice-Presidents</b>	Rosie Lacey Sara Cook Robert Wakefield	To 27 July 2022 From 27 July 2022
<b>Members</b>	Richard Cox Lorraine Harper Eve Keith Christine Kerr Raymonde Nathan Chris Parrott Tim Phillips Emma Watkins Keith Webster Alan Whalley Ian Wright Girish Menezes Charlotte Cartwright Mark Ormston Maria Nazarova-Doyle	Resigned October 2022 From 27 July 2022  To 27 July 2022 To 27 July 2022  Externally Co-opted Externally Co-opted - Appointed October 2022 Externally Co-opted - Appointed October 2022 Externally Co-opted - Appointed October 2022
<b>Board</b>		
<b>Chair</b>	Ruston Smith	
<b>Directors</b>	Lesley Alexander Anjan Bose Sara Cook Sarah Drummond Rosie Lacey Chris Parrott Gareth Tancred Robert Wakefield Alan Whalley	Resigned 27 July 2022      Appointed 27 July 2022

**Pensions Management Institute**  
**Company Information**  
**For the year ended 31 December 2022**

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

**Auditor** Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditor  
6<sup>th</sup> Floor  
9 Appold Street  
London  
EC2A 2AP

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2022**

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**Introduction**

As I near the end of my Presidential term in the PMI, it coincides with the start of an exciting era in its history. Despite the UK still feeling the impact of unprecedented global events, the PMI can record a positive year from which we embark on a new exciting future. 2021 was about the initial implications of Brexit, emerging from the pandemic and the initial phases of the war in Ukraine, whilst 2022 has been about dealing with the ongoing economic instability and its impact on the UK economy and the Pensions sector. Against this backdrop, the PMI has maintained its relevance whilst navigating the ups and downs that instability brings. The PMI has in the last year embarked on a new strategy designed to support the sector and drive higher standards of process and governance so that workplace pension savers and retirees alike can rely on the security of their future.

Several key moments have impacted 2022 including changes in the UK Government, UK inflationary pressures, the erosion of market confidence in pension asset values and the LDI crises. Going into 2023 the economic head wind seems to have eased slightly as inflation is reported to have peaked and we head for the next general election in 2024. The long-awaited deployment of the Pensions Dashboard, which the government remains committed to launching, has been delayed whilst the new Government Minister assesses its operational status. Other notable events include the reinstatement of the Triple Lock in 2023-24 to meet increased state pension obligations driven by the UK's higher inflation rates, the DWP consultation on the new funding code for DB pension schemes, and the introduction of Private Members Bill which will reform automatic enrolment that will be formally adopted by the Government in 2023.

As ever, the events described above will impact how we and the Pensions sector move forward. To keep pace with these demands, the PMI has designed a new Member and Qualification structure, "PMI Pathways". This concept was introduced to the market in 2022 where the reception was extremely positive and was formally deployed in April 2023. Members will still need to maintain the high standards our Pensions qualification requires to continue to professionally develop, but it will now offer 5 separate streams that are inclusive of more roles to support people in their careers. Of course, aligned to this is our continued recognition of the individual achievements of people working in the sector. In 2022 we launched the new "Pinnacle Awards" as we continue to drive and recognise those who accomplish those high standards. Our 2nd Pinnacle Awards will be held in November 2023.

**Business overview**

The PMI's perfect tonic to the turbulence described above was to gather stock and to look to the future. 2022 was the first year back to some sort of normality after the pandemic, where we maintained our place in the sector and at the same time prepared for the new world. We re-enforced our decision to move to the online world of providing examinations and took the opportunity to review our package of Membership classes, Education, Qualifications and Events. This culminated in our drive to increase higher industry standards by creating our inclusive Pathways model that aligns to many different pension career paths, supported by our new Pinnacle Awards and our other very popular, enjoyable and relevant events.

Membership volumes have remained about the same year on year at approximately 7,400 and volumes of exam sittings whilst still lower than pre - pandemic levels, are still growing. Some members took the decision to defer taking their exams until it was clear which "Pathway" they would embark upon. The new inclusive offering is expected to drive the growth of people taking our Qualification as members invest in their talent and careers. We experienced some senior member attrition where retirement was seen as a viable option, however, we have seen increases in student membership for those starting their pensions career journey. Corporate membership is also growing, where we offer incentives to companies and their employees alike.

PMI's flagship events returned with a bang in 2022 where people were invited back to the face-to-face forum. Feedback was very positive whilst we tried to ensure we met the demand to host relevant quality events. October saw our inaugural and very popular Pinnacle Awards hosted at the Londoner Hotel in the middle of London's West End. We feel that in driving our members to meet higher standards we should recognise those that achieve. We have also maintained our online offerings appreciating that whilst we would love to see everyone, not all people can attend face to face events.

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2022**

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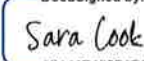
**Financial performance**

All PMI activity and financial performance for 2022 has of course been impacted by the economic events described above, most relevantly by the impact of increasing costs, whether it be for corporates or for individual members. We understood the impact of high inflation in the UK economy and took the decision to support our stakeholder group for as long as possible in relation to the pricing of our services and products, and also adding to our value proposition. In spite of this, we have still managed a positive financial performance for the year, having successfully maintained Membership, Insight Partnerships and Academy contract volumes, and driving growth from our high-quality events. Volumes of people taking exams whilst still not at pre - pandemic levels, are still near to the exam volumes in 2019, which is encouraging. The PMI in 2022 is recording similar revenue to 2021 and a positive margin for the second year in succession, albeit slightly lower. Growth is however expected following deployment of "Pathways" in April 2023. Reserves have therefore increased, which bodes well in meeting future expectations.

2022 ended with total revenues of £2.6m (2021: £2.6m) and a £158k margin (2021: £315k) after the Defined Benefit Scheme contribution. The margin for the year whilst lower than the prior year does reflect our increasing costs, but will take the consolidated reserves position to £716k (2021: £558k). This position is reasonably healthy and includes a December 2022 deferred income liability of approximately £880k reflecting sales of Membership, Exams and other contracts for services to be delivered in 2023. Cash as at 31st December 2022 remained good at £1.43m (2021: £1.17m). Our continued absence from a larger London office and the working from home model while meeting up with colleagues through the year, has continued to have positive impacts on both our margins and cash. Our reserves position gives us confidence in maintaining and growing quality services aligned to our new strategy supporting all of our stakeholders, including providing our Membership base continued and increasing value.

**Conclusion**

In conclusion, I feel honoured to have been connected to the PMI over many years, and having served as President for the last year in helping guide us through to the next phase of the delivery of our new Strategy in support of the pensions industry and its professionals. I would like to thank the two Vice- Presidents for their support, the Advisory Council and the many committee volunteers who have given their time and work in achieving the results. Last, but not least, I would like to thank the team at PMI for their work and commitment in support of PMI in achieving its objectives for 2022.

DocuSigned by:  
  
4C141D120B154E9

Sara Cook  
President

Date: 9 May 2023

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2022**

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The directors present their report and the audited financial statements for the year ended 31 December 2022.

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. Eight Committees have been established by the Board which each have defined terms of reference and authority. The principal Committees are:

**Risk and Assurance Committee (RAC)**

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

**Development Committee (DevCom)**

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 (LLC)**

Ensures that the PMI lifelong learning objectives are being delivered and remain appropriate. Oversees the effectiveness of the PMI Academy, PMI Awarding Body (PMIAB), continuous professional development (CPD) and of policies and links with learning institutions and professional bodies.

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2022**

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**Policy and Public Affairs Committee (PPA)**

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 (RegCom)**

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.

**Awarding Body Committee (PMIAB)**

Provides the PMI Board with assurance and independent judgement that the PMI remains compliant with the general conditions and principles of regulation as stipulated by the Office of the Qualifications and Examinations Regulator (Ofqual) and to add value and guide the PMI in achieving its remit in line with PMI's Strategy and Business Plan.

**Nomination Committee (NomCo)**

Oversees nomination matters on behalf of the Board and makes recommendations to the Board where appropriate. This includes arrangements for the nomination and appointment of Board and Committee members and their remuneration (where appropriate), as well as oversight and monitoring the PMI's approach on diversity, equality and inclusion.

**Remuneration Committee (RemCo)**

Oversees remuneration matters on behalf of the Board and makes recommendations to the Board where appropriate. This includes oversight of the PMI's overall remuneration framework.

**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.

Management has considered the Institute's financial performance since the balance sheet date and has prepared performance forecasts and cash flow projections for the financial period to 30 June 2024 taking into account the estimated ongoing impact. Management has performed sensitivities on its financial model in the context of recent global and UK events, 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.

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2022**

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**Results and Dividends**

The Group made a surplus, before the actuarial loss on the defined benefit pension scheme, for the year of £258,164 compared to a surplus of £414,940 in 2021. 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.

**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 2022 was 4,537 (2021: 4,772). 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.

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2022**

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**Auditor**

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 9 May 2023 and signed on their behalf by:

DocuSigned by:  
  
4C141D120B154E9  
Sara Cook  
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 (the 'group') for the year ended 31 December 2022 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 2022 and of the group's surplus 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 group 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's and 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 themselves. 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 by the parent company, 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.

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,

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

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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 the 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. 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 y regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

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 company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the 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 company complies 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.

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

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- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**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

**6<sup>th</sup> Floor**  
**9 Appold Street**  
**London EC2A 2AP**

Date: *13 June 2023*

**Pensions Management Institute**  
**Group Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

	Note	2022 £	2021 £
<b>Income</b>	<b>3</b>		
Annual Subscriptions, election and registration fees		1,022,563	980,864
Study support, examination and course fees		765,563	903,180
Insight partner sponsorship		279,583	254,791
Conferences and seminars		315,671	309,658
Annual dinner income		124,300	-
Recruitment advertising		52,543	42,804
Miscellaneous		73,168	90,908
		<u>2,633,391</u>	<u>2,582,205</u>
<b>Expenditure</b>			
Salaries and staff costs	5	1,286,150	1,234,370
Membership newsletter and other services		71,153	79,308
Study support, examination & course expenditure		135,058	118,223
Conferences, seminars and webinars		164,763	52,981
Annual Dinner expenditure		98,901	6,567
Establishment costs	6	96,336	67,888
Administration costs	7	25,302	11,041
Marketing costs		18,710	15,100
IT costs		126,763	153,824
Professional fees	8	209,923	285,417
Amortisation of assets		64,037	64,050
Depreciation of assets		8,306	9,214
Other costs		(1,141)	5,260
Irrecoverable VAT		74,413	65,849
		<u>2,378,674</u>	<u>2,169,092</u>
<b>Operating Surplus</b>	<b>4</b>	<b>254,717</b>	<b>413,113</b>
<b>Interest Receivable</b>		<b>3,447</b>	<b>1,827</b>
<b>Surplus on ordinary activities before taxation</b>		<u><b>258,164</b></u>	<u><b>414,940</b></u>
Taxation on surplus on ordinary activities	9	-	-
<b>Surplus for the financial year</b>		<u><b>258,164</b></u>	<u><b>414,940</b></u>
<b>Other comprehensive expenditure:</b>			
Remeasurements of defined benefit pension scheme	19	(100,000)	(100,000)
<b>Total comprehensive income for the year</b>		<u><u><b>158,164</b></u></u>	<u><u><b>314,940</b></u></u>

**Pensions Management Institute  
Group and Institute Balance Sheets  
As at 31 December 2022**

		Group		Institute	
		2022	2021	2022	2021
<b>Fixed Assets</b>	<b>Note</b>			£	£
Intangible assets	10	159,944	213,131	159,944	213,131
Tangible assets	11	14,292	19,056	14,292	19,056
Investments in subsidiary undertakings	12	-	-	6	6
		<u>174,236</u>	<u>232,187</u>	<u>174,242</u>	<u>232,193</u>
<b>Current assets</b>					
Debtors	13	438,985	367,134	441,624	369,773
Cash at bank and in hand	14	1,430,849	1,176,901	1,427,610	1,173,544
		<u>1,869,834</u>	<u>1,544,035</u>	<u>1,869,234</u>	<u>1,543,317</u>
<b>Creditors</b>					
Amounts falling due within one year	15	1,327,963	1,218,279	1,327,963	1,218,279
		<u>541,871</u>	<u>325,756</u>	<u>541,271</u>	<u>325,038</u>
<b>Net current assets</b>					
		<u>716,107</u>	<u>557,943</u>	<u>715,513</u>	<u>557,231</u>
<b>Total assets less current liabilities</b>					
<b>Provisions for liabilities</b>	16	-	-	-	-
<b>Net assets</b>		<u>716,107</u>	<u>557,943</u>	<u>715,513</u>	<u>557,231</u>
<b>Reserves</b>					
Accumulated Fund	18	716,107	557,943	715,513	557,231
<b>Total reserves</b>		<u>716,107</u>	<u>557,943</u>	<u>715,513</u>	<u>557,231</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 £258,282 (2021: £415,054).

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 9 May 2023 and are signed on its behalf by:

DocuSigned by:  
  
 4C141D120B154E9...  
 Sara Cook  
 President

DocuSigned by:  
  
 F4ADCF70912448B...  
 Gareth Tancred  
 Chief Executive

**Company Registration No: 1262100**

**Pensions Management Institute  
Group and Institute Balance Sheets  
As at 31 December 2022**

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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 6th Floor, 9 Appold Street, London, EC2A 2AP.

**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.

Management has considered the Institute's financial performance since the balance sheet date and has prepared performance forecasts and cash flow projections for the financial period to 30 June 2024. Management has performed sensitivities on its financial model in the context of recent global and UK events 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.

**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 £258,282 (2021: £415,054).

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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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

Insight 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 2022**

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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 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.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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**1.11 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.

**1.12 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.

**1.13 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.

**1.14 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.

**1.15 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.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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.

iii) 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 Surplus**

	<b>2022</b>	2021
The operating surplus is stated after charging (crediting)	£	£
Directors' remuneration	<b>251,253</b>	246,685
Fees payable to the company's auditor for the audit of the financial statements of the group and company	<b>22,050</b>	20,200
Depreciation of tangible fixed assets	<b>8,306</b>	9,214
Amortisation of intangible assets	<b>64,037</b>	64,050
Operating lease charges	<b>56,400</b>	51,297
Release of dilapidations provision	<b>-</b>	<b>(15,000)</b>

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<b>5. Directors' and Employees' Costs and Emoluments</b>		
Staff costs including directors during the year were as follows:	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,051,603</b>	982,905
Social security costs	<b>121,050</b>	109,487
Other pension costs	<b>93,070</b>	107,996
Contract and temporary staff	<b>3,483</b>	20,521
Training	<b>14,362</b>	3,061
Recruitment and other staff costs	<b>2,582</b>	10,400
<b>Total</b>	<b>1,286,150</b>	<b>1,234,370</b>

Unpaid pension contributions at 31 December 2022 amounted to £12,986 (2021: £13,720).

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Education	<b>5.7</b>	6.0
Membership	<b>3.4</b>	3.4
Commercial Development	<b>4.7</b>	4.3
Corporate	<b>9.3</b>	8.0
<b>Total</b>	<b>23.1</b>	<b>21.7</b>

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<b>6. Establishment Costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent and rates	<b>58,250</b>	53,434
Insurance & Professional Fees	<b>27,335</b>	21,645
Cleaning	<b>39</b>	-
Catering	<b>582</b>	-
Office Costs	<b>5,519</b>	(8,876)
Meeting room hire	<b>4,611</b>	1,685
<b>Total</b>	<b>96,336</b>	<b>67,888</b>
<b>7. Administrative Costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Printing and Stationery	<b>(140)</b>	1,665
Telephone	<b>4,140</b>	5,392
Postage	<b>2,723</b>	1,382
Travel and Subsistence	<b>10,969</b>	1,635
Team Development	<b>1,398</b>	862
Subscriptions	<b>6,212</b>	105
<b>Total</b>	<b>25,302</b>	<b>11,041</b>
<b>8. Professional Fees</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Credit card and bank charges	<b>24,191</b>	22,517
Finance and Accountancy Costs	<b>39,326</b>	72,075
Legal and pension administration	<b>73,462</b>	53,155
HR & Payroll	<b>24,508</b>	85,810
PR Consultancy	<b>48,436</b>	51,860
<b>Total</b>	<b>209,923</b>	<b>285,417</b>
<b>9. Taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 19% (2021: 19%)	-	-
<b>Total charge</b>	<b>-</b>	<b>-</b>

The group has estimated tax losses of £2,500,000 (2021: £2,760,000) 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 2022**

10. Intangible fixed Assets – Group and Institute	Website	CRM	Computer Software	Total
	£	£	£	£
<b>Cost</b>				
At start of year	66,272	244,002	9,975	320,249
Additions	10,850	-	-	10,850
<b>At the end of year</b>	<b>77,122</b>	<b>244,002</b>	<b>9,975</b>	<b>331,099</b>
<b>Amortisation</b>				
At start of year	22,591	77,267	7,260	107,118
Charge for the year	13,401	48,801	1,835	64,037
<b>At the end of year</b>	<b>34,491</b>	<b>126,068</b>	<b>9,095</b>	<b>171,155</b>
<b>Carrying Amount</b>				
<b>At the end of the year</b>	<b>41,130</b>	<b>117,934</b>	<b>880</b>	<b>159,944</b>
At the start of the year	43,681	166,735	2,715	213,131

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**

	Fixtures and Fittings	Computer Equipment	Total
	£	£	£
At start of year	13,486	51,008	64,494
Additions	-	3,691	3,691
Disposals	-	(3,678)	(3,678)
<b>At the end of year</b>	<b>13,486</b>	<b>51,021</b>	<b>64,507</b>
<b>Depreciation</b>			
At start of year	13,486	31,952	45,438
Charge for the year	-	8,306	8,306
Eliminated on Disposal	-	(3,529)	(3,529)
<b>At the end of year</b>	<b>13,486</b>	<b>36,729</b>	<b>50,215</b>
<b>Carrying amount</b>			
<b>At the end of the year</b>	<b>-</b>	<b>14,292</b>	<b>14,292</b>
At the start of the year	-	19,056	19,056

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	2022	2021
<b>12. Investments in subsidiary undertakings - Institute</b>	£	£
At start and end of year	<u>6</u>	<u>6</u>

**Subsidiaries**

Details of the Institute's subsidiaries at 31 December 2022 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
PMI Services Limited	England and Wales	Dormant	100
PMI Limited	England and Wales	Dormant	100
PMI Trustee Limited	England and Wales	Dormant	100

**13. Debtors**

	Group		Institute	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	124,287	254,575	124,287	254,575
Other Debtors	31,588	10,400	31,588	10,400
Amounts owed from subsidiary	-	-	2,639	2,639
Prepayments	257,867	80,302	257,867	80,302
Accrued Income	25,243	21,857	25,243	21,857
	<u>438,985</u>	<u>367,134</u>	<u>441,624</u>	<u>369,773</u>

**14. Cash and cash equivalents**

	Group		Institute	
	2022	2021	2022	2021
	£	£	£	£
Bank Current Account	1,027,750	773,803	1,024,511	770,446
Bank Deposit Accounts	403,099	403,098	403,099	403,098
	<u>1,430,849</u>	<u>1,176,901</u>	<u>1,427,610</u>	<u>1,173,544</u>

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

15. Creditors: amounts falling due within one year	Group		Institute	
	2022	2021	2022	2021
	£	£	£	£
Trade Creditors	281,941	106,890	281,941	106,890
Tax and social security	46,943	68,501	46,943	68,501
Accruals	100,710	134,075	100,710	134,075
Deferred Income	898,369	908,813	898,369	908,813
<b>Total</b>	<b>1,327,963</b>	<b>1,218,279</b>	<b>1,327,963</b>	<b>1,218,279</b>

16. Provisions for liabilities	Group		Institute	
	2022	2021	2022	2021
	£	£	£	£
Dilapidations	-	-	-	-
Movements on Provisions:				
		Dilapidations		Dilapidations
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	-	15,000	-	15,000
Released in the year	-	(15,000)	-	(15,000)
At 31 December 2022	-	-	-	-

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 was fully released in the year ended 31 December 2021 after negotiation with the landlord.

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

17. Related party transactions		Transaction Value		Balance Outstanding as at 31 <sup>st</sup> December	
		2022	2021	2022	2021
		£	£	£	£
<b>Sales</b>					
Alan Whalley	WEALTH at Work	22,430	15,235	-	2,400
	Atlas Master Trusts	455	695	1,750	-
	British Coal Staff Superannuation Scheme	150	95	-	-
Lesley Alexander	M&G Prudential	-	800	-	-
	ZenZero Consulting	-	900	-	-
Ruston Smith	PTL Governance Ltd	4,393	5,025	85	85
	Smart Pensions Ltd	8,815	945	-	-
	BAE Systems Pension Fund Trustees Ltd	455	1,350	-	-
	Bank of England	630	-	-	-
	Tesco Pension Trustees Ltd	3,835	-	-	-
Chris Parrott	BESTrustees	2,700	4,195	-	-
Sarah Drummond	Institute and Faculty of Actuaries	455	450	-	-
Rosie Lacey	Kier	530	-	-	-
	De La Rue	465	-	-	-
Tim Phillips	Smart Fintech	-	945	-	-
Sara Cook	Barnett Waddingham	178,944	158,161	2,089	7,141
		<b>224,257</b>	<b>188,796</b>	<b>3,924</b>	<b>9,626</b>
<b>Purchases</b>					
Alan Whalley	Wealth at Work	5,307	-	4,422	-
Sara Cook	Barnett Waddingham	16,080	11,072	11,248	2,880
		<b>21,387</b>	<b>11,072</b>	<b>15,670</b>	<b>2,880</b>

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

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

18. Accumulated Fund	Group		Institute	
	2022	2021	2022	2021
	£	£	£	£
At 1 January	557,943	243,003	557,231	242,177
Surplus for the year	258,164	414,940	258,282	415,054
Other comprehensive expenditure	(100,000)	(100,000)	(100,000)	(100,000)
At 31 December	<u>716,107</u>	<u>557,943</u>	<u>715,513</u>	<u>557,231</u>

**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 2020 and showed a deficit of £877,000. Using this as a basis, the actuarial valuation of the scheme has been updated to 31 December 2022 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 2022 amounted to £100,000 (2021: £100,000). Payments for future years under the schedule of contributions will be £100,000 by 30 September each year from the years ending 30 September 2021 to 30 September 2028 inclusive with a final payment of £39,000 in September 2029. In addition, the Institute will pay 33% of any profit above budget reported by the results of the statutory audit in the month following the Board and AGM approval; expected to be in September of each year. In addition, the Institute agreed with the trustees to meet the expenses of the scheme and the Pension Protection Fund levies.

**Amounts included in the balance sheet:**

	2022	2021
	£	£
Fair value of scheme assets	2,813,000	4,904,000
Present value of funded defined benefit obligations	(1,897,000)	(3,680,000)
Surplus in scheme	<u>916,000</u>	<u>1,224,000</u>
Unrecognised surplus	<u>(916,000)</u>	<u>(1,224,000)</u>
Net retirement benefit asset to be recognised	<u>-</u>	<u>-</u>

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 2022**

**19. Pension Scheme (continued)**

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

	2022	2021
	£	£
Scheme liabilities at start of period	3,680,000	3,866,000
Interest cost	63,000	58,000
Actuarial losses/(gains)	(1,846,000)	(244,000)
Scheme liabilities at end of period	<u>1,897,000</u>	<u>3,680,000</u>

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

	2022	2021
	£	£
Experience losses/(gains) arising on the plan liabilities	87,000	(177,000)
Loss/(gain) on change in actuarial assumptions	(1,933,000)	(67,000)
	<u>1,846,000</u>	<u>(244,000)</u>

**Changes of fair value of scheme assets**

	2022	2021
	£	£
Fair value of scheme assets at start of period	4,904,000	4,554,000
Interest Income	84,000	69,000
Actuarial gains/(losses)	(2,275,000)	181,000
Contributions by the Institute	100,000	100,000
Fair value of scheme assets at end of period	<u>2,813,000</u>	<u>4,904,000</u>

The actual return on scheme assets over the period ending 31 December 2022 was loss of £2,191,000 (2021: gain of £250,000).

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

	2022	2021
	£	£
Expenses paid – included within Professional fees	-	-
Defined benefit costs recognised in the profit and loss account	<u>-</u>	<u>-</u>

If the net interest cost had not been restricted due to the surplus not being recovered, the net interest surplus would have been £21,000 for the period ended 31 December 2022 (2021: £11,000).

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

19 Pension Scheme (continued)		
Defined Benefit Costs Recognised in Other Comprehensive Income	2022	2021
	£	£
Return on plan assets (excluding amounts included in net interest costs) - (loss)/gain	(2,275,000)	181,000
Experience gains and losses arising on the scheme liabilities – (loss)/gain	(87,000)	177,000
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	1,933,000	67,000
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	329,000	(525,000)
Remeasurements - total amount recognised in other comprehensive income – (loss)	(100,000)	(100,000)
<b>Analysis of fair value of scheme assets</b>	<b>2022</b>	<b>2021</b>
	£	£
Equity Instruments	-	1,189,000
Debt Instruments	1,567,000	1,392,000
Other	674,000	2,323,000
Cash and cash equivalents	572,000	-
Total Assets	2,813,000	4,904,000

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.

Assumptions	2022	2021
	% p.a	% p.a
The principal assumptions for the defined benefit scheme used by the actuary were:		
Discount Rate	4.90	1.70
Inflation (RPI)	3.15	3.25
Inflation (CPI)	2.45	2.55
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.45	3.05
Allowance for pension in payment increases of RPI or 5% p.a if less	2.90	2.60
Allowance of commutation of pension for cash at retirement	75%	75%
	<b>Post A Day</b>	Post A Day

**Pensions Management Institute**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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 96% of S3PxA improvement in line with CMI 2021 projections (2021 - 96% of S3PxA, improvement in line with CMI 2020 projections).and a long term rate improvement of 1.25% (2021 – 1.25%)

These mortality assumptions imply the following life expectancies:

	Life expectancy at 65 years
Male retiring in 2022	<b>22.5</b>
Female retiring in 2022	<b>24.2</b>
Male retiring in 2042	<b>23.8</b>
Female retiring in 2042	<b>25.7</b>

The best estimate of contributions to be paid by the Institute for the period commencing 1 January 2022 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>2022</b>	2021
	<b>£</b>	<b>£</b>
Within one year	<b>56,400</b>	51,297
Between two and five years	-	44,400
	<b>56,400</b>	<b>95,697</b>

**Pensions Management Institute**  
**Management Information**  
**For the year ended 31 December 2022**

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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>2022</b>	2021
	<b>£</b>	£
At 1 January 2022	<b>4,279</b>	7,279
Donations received	<b>7,500</b>	-
Deposit interest	<b>12</b>	-
	<u><b>11,791</b></u>	<u>7,279</u>
Prizes awarded in the year	<b>(3,000)</b>	(3,000)
	<u><b>8,791</b></u>	<u>4,279</u>
At 31 December 2022		
Represented by:		
Cash at bank	<b>7,791</b>	7,779
Due from/(to) PMI	<b>1,000</b>	(3,500)
	<u><b>8,791</b></u>	<u>4,279</u>