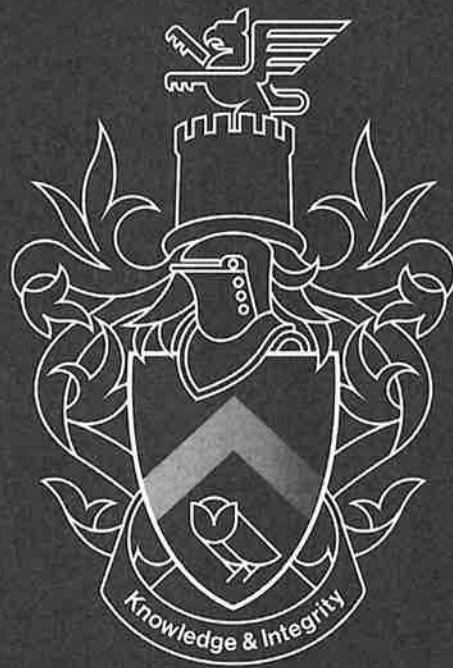


Pensions Management Institute (The)
Annual report and financial statements

31 December 2019



Pensions Management Institute
Company Information
For the year ended 31 December 2019

Company number	1262100	
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD	
Members of Council President	Lesley Carline	
Vice-Presidents	Lesley Alexander Tim Phillips	
Members	Sara Cook Richard Cox Rosie Lacey Tim Phillips Christine Kerr Ian Wright	Chris Parrott Carol Perry Emma Watkins Alan Whalley Keith Webster Girish Menezes

Directors The directors who served during the year and up to the date of this report were as follows:

Lesley Alexander	
Lesley Carline	
Lorraine Harper	
Naresh Mistry	Resigned 30 June 2020
Jane Murray	
Gareth Tancred	
Tim Phillips	Appointed 10 July 2019
Alan Whalley	

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 2019

EMBRACING THE FUTURE

As I complete my term as President, I can look back at a period of significant change not only within the pensions industry as a whole but also within the PMI in particular. My successor will inherit an Institute which has confronted a variety of daunting challenges and yet has emerged stronger than ever.

Pension provision has seen many difficulties over this period. Concerns over the governance and maintenance of schemes sponsored by BHS and Carillion have done much to undermine public confidence in the pensions system. Additionally, there was extensive criticism about the handling of transfers from the British Steel Pension Scheme. The ongoing cancer of pension scams has seen too many deprived of their pension savings. This has led to a perception of inadequate regulation, which, whilst not necessarily fair, has proved hard to refute.

Reforms to the pension system have been hard to introduce following the Parliamentary logjam arising from the long-standing Brexit debate, and it was only in January this year that the long-overdue Pension Schemes Bill became subject to Parliamentary scrutiny. The new Bill, when passed, will lead to the establishment of the UK's first Collective Defined Contribution (CDC) scheme and the formal development of the Pensions Dashboard. These are exciting innovations that will transform pension provision and public access to information about accrued retirement savings.

So now to your Institute. In my last report, I mentioned how planned investment, modernisation and uncertainty around Brexit had yielded a deficit of £268k. I am pleased to report that in 2019, the result was a deficit of £55k. Reserves and cash remained strong at £0.47m (2018: £0.6m) and £1.1m (2019: £1.3m) respectively.

Also, in my previous report, I mentioned three key deliverables to expect in the coming year.

Engagement Management System (EMS) and website

This spring saw the introduction of phase 1 of our new Engagement Management System and website. This has massively increased the efficiency with which we are able to process our regular interaction with members. Automation has allowed members to book places at events and arrange examinations far more quickly and easily than has ever been possible previously. Additionally, our new website allows users to find vital information about our vast range of services far more easily. We have been greatly encouraged by the feedback that we have received about this. We recognised at the start of the pandemic that we would need a much stronger digital platform and made changes to our launch plans. Watch closely for phases 2 and 3 which will follow in 2021.

APTitude

In February, we launched Aptitude, our new accreditation service for professional trustees. This is a particularly impressive system which has been able to match the power of our new EMS system with the experience and expertise of our Membership team. Professional trustees demand first class service, and we are proud that Aptitude has been such a successful innovation.

Professional Competency Framework and Improvements to our Qualifications

Following lengthy consultations on the Framework, we launched this in March 2020. The Framework will help members plot their future career and help them identify the best learning tools to achieve their goals. Employers can identify gaps in their organisation's skills and expertise and plan targeted education. It will also help us to plan new products and services as we expand our education and membership portfolio.

Pensions Management Institute
President's Report
For the year ended 31 December 2019

On top of these three deliverables, your Institute was successful in other areas also:

Events

Once again, our team has striven to create an events programme that is the envy of the pensions industry. Our 2019 annual dinner was a great success, with an entertaining and informative address by Lucy Worsley. Particularly worthy of mention was our flagship conference, now known as Pensions Aspects Live. This won a silver award at the Association Excellence Awards, for the best association conference under 500 attendees. In addition, our main event for trustees, Trustee Workbench, drew over 300 delegates. This also won bronze for the best new event.

Certificate in Pension Trusteeship

Our commitment to accreditation for professional trustees saw us develop a new qualification. The requirement for an assessment of trustees 'soft skills' saw us develop a new examination, which builds on the long-established Award in Pension Trusteeship (APT). This new examination assesses behavioural competencies rather than technical knowledge. Combined with APT, it forms the new Certificate in Pension Trusteeship. After a successful pilot in January 2020, public sittings became available shortly afterwards. The response from trustees has been phenomenal. We ran sittings every week during May 2020, and each month from thereon.

Media and thought-leadership

One of our key objectives is to become an authoritative voice. We do this in a number of ways. As I reported in my last report, 2019 saw the launch of PMI Pulse, a regular, survey-based insight piece aimed at getting an immediate snapshot of the industry. We were published 80 times in the trade press during the year, on topics such as new trustee standards, consolidation in the industry, regulation, Government pension policy, Mastertrusts, and much more. We always have plenty to say on the Chancellor's Budget speech. This year, our comments were syndicated across 240 national and regional papers.

Whilst the Report and Accounts covers the year to 31st December 2019, whilst writing, it would be remiss of me not to mention the particular challenge of Covid-19 in 2020, how we have responded to it, and to mention our 2020 successes too.

Covid-19

I won't repeat what has been written many times before about nobody seeing this coming and general statements about the pandemic. Instead, I will be specific about the challenges your Institute faced, and how we addressed them. This is of course, a moving and dynamic situation and the situation could change further.

Qualifications

When the lockdown was announced, we were a week away from the start of our spring 2020 qualifications season. Our management team had a Coronavirus Response Team in place and had been following advice from the Government's COBRA committee. It became evident in February that it was unlikely we would be able to run our exams through centres as we have done for many years. The team had to give primary consideration to the health and safety of learners, centre staff, volunteers, and our own team. We took the decision to postpone the spring series, which in hindsight was the correct action. We know one or two learners were disappointed, having worked so hard. However, we felt confident that we could deliver our exams online later in the year. We worked hard with our partners and were able to start delivering online exams from May 1st. These have and will continue throughout the summer and autumn. I would like to thank all our learners and their organisations for their patience during this difficult time. You may be interested to know that the qualifications regulator, Ofqual, was impressed with our handling of the situation.

Pensions Management Institute

President's Report

For the year ended 31 December 2019

Events

As you know, a formal lockdown was announced in March 2020. Our main events calendar starts in April, with three key events scheduled for April and June, namely, the annual *Pensions Aspects Live* conference, the *Annual Dinner*, and in June, the *Trustee Workbench* conference. Naturally all of these were postponed. Our team worked hard with Insight Partners and other key partners to develop a 13-week series of webinars to ensure our members received good insight that would count towards your continuing professional development (CPD). We also ran a series of webinars in July, aimed at trustees, entitled *Trustee Fortnight*. Again, I would like to thank our sponsors, speakers and participants for your support, not just for the webinars, but also for the events we had to postpone.

Impact

Like all businesses, Covid has had a financial impact. Our Chief Executive, Gareth Tancred, working with the management team, was quick to examine the priorities and resources required to re-engineer the Institute. This meant delaying some of the projects we had committed to in our 2020 Corporate Plan, and allocating resources to projects that became immediately important. The commercial, membership and qualifications teams are working hard to plug the hole left by missing the spring season of exams, deferring live events, etc. The finance team has been supporting by regularly forecasting the outcome and giving the Board the assurance it needs. 2020 will be a tough year, but your Institute has been changing for the better. Ironically, one of the initiatives for 2020 was to become *Digital by Default*. I think we can all agree that this has become the new norm. Despite Covid, we have still had numerous successes in 2020.

Successes despite Covid

In January we launched our new mentoring programme which has been very successful, even throughout the pandemic. In February, we launched APTitude, the accreditation programme for professional trustees as mentioned earlier. This supports the Pensions Regulator's aims to improve trustee standards. In March we launched a new region in Northern Ireland. April saw the Competency Framework formally launched, also mentioned earlier. In May we launched our new Engagement Management System and website. We also incorporated new branding which was officially announced in June. July saw the release of a new initiative, *Retirement Matters*, an education service aimed at people planning for their retirement future. I think you will agree, it's been a busy year at PMI!

AGM

I would normally invite you to PMI's offices for our Annual General Meeting, however due to Covid restrictions, this year's AGM will be held online. Full details will be sent to all members and advertised on our website. The meeting will be held on 6 October 2020 at 11:00.

Finally

I could cover so much more, particularly about our exciting plans for the future. However, I will leave that to my successor. On behalf of our members though, I would like to thank the management team led by the Chief Executive, Gareth Tancred, the staff team and the volunteers involved in delivering the new initiatives, and for working so hard during the pandemic to change the way the Institute works and delivers its services. I would also like to thank Alan Whalley, our Board chairman and the directors mentioned on page 1, who give their time and energy to serve on the Board. They ensure we have the right strategy, governance and risk model to function as best we can. I would also like to thank the two Vice Presidents, Lesley Alexander and Tim Phillips, who have been a tower of support in my role this year. I would also like to thank our Advisory Council who give good strategic advice when called upon. And finally, our 200+ volunteers across all areas of the Institute – regions, membership, education, policy, regulatory, etc. The Institute could not achieve all it does without all the foregoing working closely together. It has been a privilege to serve as your President. I wish the Institute and its members every success for the future.

Lesley Carline
President



16 September 2020

Pensions Management Institute
Directors' Report
For the year ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

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 along with 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. A large number of 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 2019

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.

Subsequent to the year end, the Institute's activities have been impacted as a result of the 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 likely impact on revenues as a result of COVID-19 and has prepared cash flow projections for the financial period to 31 December 2021. Management has performed sensitivities on its financial model in the context of COVID-19 and 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

Results and Dividends

The Group made a deficit for the year before tax of £54,978 compared to a deficit of £267,512 in 2018. Details are set out on page 11. 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 2019

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 2019 was 5,161 (2018: 5,191). 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 16 September 2020 and signed on their behalf by:

Lesley Carline
President



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

Opinion

We have audited the financial statements of the Pensions Management Institute (the 'parent company') and its subsidiaries for the year ended 31 December 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

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.

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

- 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. 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: 18 September 2020

Pensions Management Institute
Group Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	2019 £	2018 £
Income	3		
Annual Subscriptions, election and registration fees		974,478	945,929
Study support, examination and course fees		885,447	774,010
Expert partner sponsorship		165,675	167,800
Conferences and seminars		242,420	120,902
Annual dinner income		36,937	67,956
Recruitment advertising		42,203	39,644
Rent Receivable		23,284	3,368
Miscellaneous		16,242	8,106
		2,386,686	2,127,715
Expenditure			
Salaries and staff costs	5	1,059,103	1,107,692
Membership newsletter and other services		189,125	140,293
Study support, examination & course expenditure		168,190	132,548
Conferences and seminars		85,546	73,289
Annual Dinner expenditure		47,619	50,742
Establishment costs	6	402,499	361,030
Administration costs	7	54,576	55,040
Marketing costs		7,626	21,469
IT costs		118,080	87,703
Professional fees	8	155,475	181,357
Amortisation of assets		19,093	51,807
Depreciation of assets		24,553	21,752
Other costs		3,870	(3,952)
Irrecoverable VAT		112,352	123,181
		2,447,707	2,403,951
Operating Deficit	4	(61,021)	(276,236)
Interest Receivable		6,043	8,724
Deficit on ordinary activities before taxation		(54,978)	(267,512)
Taxation on deficit on ordinary activities	9	-	-
Deficit for the financial year		(54,978)	(267,512)
Other comprehensive expenditure:			
Actuarial loss on defined benefit pension scheme	18	(80,000)	(80,000)
Total comprehensive expenditure for the year		(134,978)	(347,512)

Pensions Management Institute
Group and Institute Balance Sheets
As at 31 December 2019

	Note	Group		Institute	
		2019	2018	2019	2018
Fixed Assets		£	£	£	£
Intangible assets	10	171,571	34,007	171,571	34,007
Tangible assets	11	34,916	52,746	34,916	52,746
Investments in subsidiary undertakings	12	-	-	6	6
		206,487	86,753	206,493	86,759
Current assets					
Debtors	13	668,158	448,259	668,158	448,259
Cash at bank and in hand	14	1,120,647	1,287,164	1,118,077	1,266,844
		1,788,805	1,735,423	1,786,235	1,715,103
Creditors					
Amounts falling due within one year	15	1,490,503	1,212,409	2,108,765	1,808,984
Net current assets/ (liabilities)		298,302	523,014	(322,530)	(93,881)
Total assets less current liabilities		504,789	609,767	(116,037)	(7,122)
Provisions for liabilities	16	(30,000)	-	(30,000)	-
Net assets / (liabilities)		474,789	609,767	(146,037)	(7,122)
Reserves					
Accumulated Fund	18	474,789	159,767	(146,037)	(457,122)
IT Development Fund	18	-	50,000	-	50,000
Pension Deficit Repair Fund	18	-	400,000	-	400,000
Total reserves		474,789	609,767	(146,037)	(7,122)

As permitted by s408 Companies Act 2006, the Institute has not presented its own profit and loss account and related notes. The Institute's deficit for the year was £58,915 (2018: £251,053 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 16 September 2020 and are signed on its behalf by:

Lesley Carline
President



Gareth Tancred
Chief Executive



Company Registration No: 1262100

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

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.

Subsequent to the year end, the Institute's activities have been impacted as a result of the 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 likely impact on revenues as a result of COVID-19. These include the cancellation of the March 2020 examinations, deferral of some events and a likely reduction in student numbers and therefore course income. The Institute is actively engaged in contingency plans to ensure the qualification and continuing professional development course experience remains as high as possible and has started to deliver online exams and courses thereby generating education income. Management has prepared cash flow projections for the financial period to 31 December 2021 and performed sensitivities on its financial model in the context of COVID-19 and 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 and 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 loss for the year was £58,915 (2018: £251,053 loss).

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

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 2019

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 2019

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 2019

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 2019

iii) Intangible assets- capitalisation of CRM system

During the year the Institute and group developed 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 £150,275 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

	2019	2018
	£	£
The operating deficit is stated after charging:		
Directors' remuneration	230,877	212,058
Fees payable to the company's auditors for the audit of the financial statements of the group and company	16,250	15,500
Depreciation of tangible fixed assets	24,553	21,754
Amortisation of intangible assets	19,093	51,807
Operating lease charges	158,757	180,630
Provision for dilapidations	30,000	-

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

5. Directors' and Employees' Costs and Emoluments

Staff costs including directors during the year were as follows:	2019	2018
	£	£
Wages and salaries	823,698	894,218
Social security costs	86,018	85,186
Other pension costs	76,013	49,048
Contract and temporary staff	29,287	32,499
Training	4,842	10,841
Recruitment and other staff costs	39,245	35,900
Total	1,059,103	1,107,692

Included within wage and salaries are two (2018: two) settlement payments which total £32,500 (2018: £16,950)

Unpaid pension contributions at 31 December 2019 amounted to £7,282 (2018: £7,050).

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

	2019	2018
	Number	Number
Education	5.5	6.5
Membership	2.0	1.4
Commercial Development	4.5	5.1
Corporate	5.4	4.1
Total	17.4	17.1

6. Establishment Costs

	2019	2018
	£	£
Rent and rates	237,515	250,608
Meeting room hire	1,994	-
Insurance & Professional Fees	31,010	24,091
Heating and Lighting	5,207	5,465
Maintenance and repairs	106,170	62,626
Cleaning	6,855	7,005
Catering	13,748	11,235
Total	402,499	361,030

7. Administrative Costs

	2019	2018
	£	£
Printing and Stationery	3,665	5,205
Telephone	13,949	12,096
Postage	7,851	9,773
(Profit)/loss on exchange	(205)	-
Travel and Subsistence	29,315	27,966
Total	54,576	55,040

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

8. Professional Fees	2019	2018
	£	£
Credit card and bank charges	16,256	18,767
Finance and Accountancy Costs	31,113	35,681
Legal and pension administration	42,791	49,388
HR & Payroll	16,359	17,525
PR Consultancy	48,956	48,596
Professional fees relating to new office and dilapidations	-	11,400
Total	155,475	181,357

9. Taxation	2019	2018
	£	£
UK corporation tax at 19% (2018: 19%)	-	-
Under/ (over) provision in prior years	-	-
Total (credit)/charge	-	-

The group has estimated tax losses of £1,572,000 (2018: £1,161,000) available to carry forward against future trading profits of the same trade.

10. Intangible fixed Assets – Group and Institute	Website	CRM	Computer Software	Total
	£	£	£	£
At start of year	7,500	-	304,502	312,002
Additions	6,382	150,275	-	156,657
At the end of year	13,882	150,275	304,502	468,659
Amortisation				
At start of year	-	-	277,995	277,995
Charge for the year	-	-	19,093	19,093
At the end of year	-	-	297,088	297,088
Carrying Amount				
At the end of the year	13,882	150,275	7,414	171,571
At the start of the year	7,500	-	26,507	34,007

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.

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

11. Tangible fixed Assets – Group and Institute

	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
At start of year	48,944	13,486	24,846	87,276
Additions	-	-	6,723	6,723
At the end of year	48,944	13,486	31,569	93,999
Depreciation				
At start of year	23,315	3,232	7,983	34,530
Charge for the year	16,313	2,697	5,543	24,553
At the end of year	39,628	5,929	13,526	59,083
Carrying amount				
At the end of the year	9,316	7,557	18,043	34,916
At the start of the year	25,629	10,254	16,863	52,746

12. Investments in subsidiary undertakings - Institute

	2019	2018
	£	£
At start and end of year	<u>6</u>	<u>6</u>

Subsidiaries

Details of the Institute's subsidiaries at 31 December 2019 are as follows:

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

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

13.	Debtors	Group		Institute	
		2019	2018	2019	2018
		£	£	£	£
	Trade Debtors	262,983	165,232	262,983	165,232
	Other Debtors	170,540	117,820	170,540	117,820
	Prepayments	202,927	155,163	202,927	155,163
	Accrued Income	31,708	10,044	31,708	10,044
		668,158	448,259	668,158	448,259

14.	Cash and cash equivalents	Group	
		2019	2018
		£	£
	Bank Current Account	212,738	158,151
	Bank Deposit Accounts	907,909	1,129,013
		1,120,647	1,287,164

15.	Creditors: amounts falling due within one year	Group		Institute	
		2019	2018	2019	2018
		£	£	£	£
	Trade Creditors	257,451	108,796	257,451	108,796
	Tax and social security	54,893	39,834	54,893	39,834
	Other creditors	31,165	1,698	31,165	1,698
	Amounts owed to subsidiary company	-	-	618,262	596,575
	Accruals	54,134	77,235	54,134	77,235
	Deferred Income	1,092,860	984,846	1,092,860	984,846
	Total	1,490,503	1,212,409	2,108,765	1,808,984

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

16. Provisions for liabilities	Group		Institute	
	2019	2018	2019	2018
	£	£	£	£
Dilapidations	30,000	-	30,000	-
Movements on Provisions:				
	Dilapidations		Dilapidations	
	£		£	
At 1 January 2019	-		-	
Additional provisions in the year	30,000		30,000	
At 31 December 2019	30,000		30,000	

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 when the dilapidations liability is agreed, expected in the year ended 31 December 2021.

17. Related party transactions		Transaction Value		Balance Outstanding as at 31 st December	
		2019	2018	2019	2018
		£	£	£	£
Sales					
Alan Whalley	WEALTH at Work	7,020	479	8,040	-
Lesley Alexander	Ferrier Pearce	-	2,440	460	460
Lesley Carline	KGC Associates	-	430	-	-
Lorraine Harper	JLT Benefit Solutions	625	15,036	1,900	330
	Mercer	14,295	-	11,965	-
Robert Branagh	Moorlands Human	-	395	-	-
Jane Murray	Willis Towers Watson	1,630	37,365	7,395	160
Tim Phillips	Smart Pension	5,400	-	-	-
		28,970	56,145	29,760	950
Purchases					
Lorraine Harper	JLT Benefit Solutions	11,125	30,000	-	-
		11,125	30,000	-	-

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 2019

18. Accumulated Fund	Group		Institute	
	2019	2018	2019	2018
	£	£	£	£
At 1 January	159,767	507,279	(457,122)	(126,069)
Deficit for the year	(54,978)	(267,512)	(58,915)	(251,053)
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>474,789</u>	<u>159,767</u>	<u>(146,037)</u>	<u>(457,122)</u>

18.1 IT Development Fund	Group		Institute	
	2019	2018	2019	2018
	£	£	£	£
At 1 January	50,000	50,000	50,000	50,000
Transfer to Accumulated Fund	(50,000)	-	(50,000)	-
At 31 December	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

The transfer has been made as the directors no longer consider it necessary for the IT Development Fund to be shown separately in the financial statements.

18.2 Pension Scheme deficit repair fund	Group		Institute	
	2019	2018	2019	2018
	£	£	£	£
At 1 January	400,000	400,000	400,000	400,000
Transfer to Accumulated Fund	(400,000)	-	(400,000)	-
At 31 December	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>

The transfer has been made as the directors no longer consider it necessary for the Pension Scheme deficit repair fund to be shown separately in the financial statements.

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

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 2019 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 2019 amounted to £80,000 (2018: £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 £26,473 in 2019 (2018: £32,628) towards the Friends Life annual management charge and other pension fund expenses.

Amounts included in the balance sheet:

	2019	2018
	£	£
Fair value of scheme assets	3,938,000	4,501,000
Present value of funded defined benefit obligations	(3,212,000)	(3,614,000)
Surplus in scheme	726,000	887,000
Unrecognised surplus	(726,000)	(887,000)
Net retirement benefit asset/(liability) to be recognised	-	-

The asset 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 2019

19 Pension Scheme (continued)

Changes in present value of defined benefit obligations

	2019	2018
	£	£
Scheme liabilities at start of period	3,614,000	3,972,000
Expenses	18,000	19,000
Interest cost	91,000	99,000
Actuarial losses/(gains)	792,000	(457,000)
Benefits paid, death in service premiums & expenses	(1,303,000)	(19,000)
Scheme liabilities at end of period	3,212,000	3,614,000

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

	2019	2018
	£	£
Experience losses/(gains) arising on the plan liabilities	302,000	(88,000)
Loss/(gain) on change in actuarial assumptions	490,000	(369,000)
	792,000	(457,000)

Changes of fair value of scheme assets

	2019	2018
	£	£
Fair value of scheme assets at start of period	4,501,000	4,505,000
Interest Income	116,000	113,000
Actuarial gains/(losses)	563,000	(197,000)
Contributions by the Institute	80,000	99,000
Other adjustments	(19,000)	-
Benefits paid, death in service premiums & expenses	(1,303,000)	(19,000)
Fair value of scheme assets at end of period	3,938,000	4,501,000

The actual return on scheme assets over the period ending 31 December 2019 was £679,000 (2018: £84,000).

Defined Benefit Costs Recognised in the Profit and Loss Account

	2019	2018
	£	£
Expenses paid – included within Professional fees	18,000	19,000
Defined benefit costs recognised in the profit and loss account	18,000	19,000

If the net interest cost had not been restricted due to the surplus not being recovered, the net interest cost would have been £25,000 for the period ended 31 December 2019 (2018: £14,000).

Pensions Management Institute
Notes to the financial statements
For the year ended 31 December 2019

19 Pension Scheme (continued)		
Defined Benefit Costs Recognised in Other Comprehensive Income		
	2019	2018
	£	£
Return on plan assets (excluding amounts included in net interest costs) - (loss)/gain	563,000	(197,000)
Experience gains and losses arising on the scheme liabilities – gain/(loss)	(302,000)	88,000
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	(490,000)	369,000
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	149,000	(340,000)
Total amount recognised in other comprehensive income – (loss)	(80,000)	(80,000)
Analysis of fair value of scheme assets		
	2019	2018
	£	£
UK Equities	300,000	218,000
Overseas Equities	692,000	494,000
Corporate Bonds	157,000	147,000
Government Bonds	67,000	57,000
With Profits Fund	-	434,000
Diversified Growth Funds	1,911,000	1,521,000
Cash	88,000	826,000
Liability Driven Investments	723,000	785,000
Other	-	19,000
Total Assets	3,938,000	4,561,000

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	2019	2018
The principal assumptions for the defined benefit scheme used by the actuary were:	% p.a.	% p.a.
Discount Rate	2.10	2.90
Inflation (RPI)	2.95	3.45
Inflation (CPI)	2.15	2.45
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.15	2.45
Allowance for pension in payment increases of RPI or 5% p.a. if less	2.90	3.30
Allowance of commutation of pension for cash at retirement	75% of post A Day	75% of post A Day

Pensions Management Institute
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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 S2PxA, improvements in line with CMI 2018 projections (2018 – CMI 2017) and a long term rate of improvement of 1.00% (2018 – 1.00%)

These mortality assumptions imply the following life expectancies:

	Life expectancy at 65 years
Male retiring in 2019	21.6
Female retiring in 2019	23.5
Male retiring in 2039	22.6
Female retiring in 2039	24.7

The best estimate of contributions and expenses to be paid by the Institute for the period commencing 1 January 2020 is £99,000.

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:

	Group	
	2019	2018
	£	£
Within one year	31,798	187,200
Between two and five years	-	31,798
	31,798	218,998

21. Post Balance Sheet Event

Since the end of 2019, the main risk to the group and Institute is the impact and uncertainty created by the Covid – 19 pandemic. See accounting policy note 1.2, going concern and additional information on the potential impact of Covid – 19 within the President’s Report.

There are no indicators that the carrying value of assets recognised within the financial statements are now overstated as a result of Covid – 19.

Pensions Management Institute
Management Information
For the year ended 31 December 2019

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.

	2019	2018
	£	£
At 1 January 2019	6,256	9,495
Donations received	2,500	500
Deposit interest	15	11
	<u>8,771</u>	<u>10,006</u>
 Prizes awarded in the year	 (1,250)	 (3,750)
	<u>7,521</u>	<u>6,256</u>
 At 31 December 2019	 <u>7,521</u>	 <u>6,256</u>
 Represented by:		
Cash at bank	7,771	7,756
Due to PMI	(250)	(1,500)
	<u>7,521</u>	<u>6,256</u>