

Pensions Management Institute (The)  
Annual report and financial statements

31 December 2021



**Pensions Management Institute**  
**Company Information**  
**For the year ended 31 December 2021**

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**Company number** 1262100

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

**Advisory Council**

**President** Lesley Alexander

**Vice-Presidents** Tim Phillips To 29<sup>th</sup> July 2021  
Sara Cook  
Rosemary Lacey From 29<sup>th</sup> July 2021

**Members** Richard Cox  
Lesley Alexander  
Sara Cook  
Christine Kerr  
Lorraine Harper  
Rosie Lacey  
Girish Menezes  
Raymonde Nathan  
Chris Parrott  
Tim Phillips  
Robert Wakefield  
Emma Watkins  
Keith Webster  
Alan Whalley  
Ian Wright

**Board**

**Chair** Alan Whalley To 29<sup>th</sup> July 2021  
Ruston Smith From 29<sup>th</sup> July 2021

**Directors** Lesley Alexander  
Anjan Bose  
Sara Cook  
Sarah Drummond Appointed 29<sup>th</sup> July 2021  
Rosemary Lacey Appointed 29<sup>th</sup> July 2021  
Chris Parrott  
Tim Phillips Resigned 29<sup>th</sup> July 2021  
Gareth Tancred  
Alan Whalley

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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 2021**

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**Introduction**

As I come to the end of my term as President, it seems we have weathered two years in which almost everyone in the world has been affected by global events. The impact of the COVID-19 pandemic, climate change, Brexit and now the war in Ukraine, will have long lasting implications for people's lives, many of which will not be fully understood for years to come. The hope is that, while global leaders look for solutions in unprecedented times, we find a more stable and fairer future for all.

The War in Ukraine is the latest significant global event the world is facing. It has highlighted issues for trustees of UK pension schemes. While most UK pension schemes are not directly affected by the formal sanctions placed, all will have reviewed their integrated risk management and some have had to restructure investment portfolios. Increased energy prices are impacting global economies and while in the long-term the world is targeting much reduced dependency on fossil fuels, the current problem to overcome is accessing affordable energy in the short term. All this will need to be balanced with the significant new requirements of TCFD reporting for pension schemes and real and actionable strategy to drive forward positive ESG outcomes.

Pension schemes continue to prepare for the scheduled launch of the Pensions Dashboard in 2023. Despite industrywide concerns, the government remains committed to launching a service in the first phase that provides extensive information to the consumer, including the contentious Estimated Retirement Income. Coming as somewhat of a relief to us all, the record flow of consultations from DWP and TPR has slowed, although we have continued to respond on matters such as CDC, the Single Code and the Dashboard.

The pensions industry will have to align with these ever-changing norms. Members will still need to focus on advancing their education, knowledge and professional development. The renewed focus on funding and investment, climate change and geopolitical pressures means that our examinations, core insight and events must be relevant to a large spectrum of members, old and new.

**Business overview**

We had hoped in 2021 that we could push forward on some of our delayed strategic initiatives. Early in the year, however, we realised the pandemic was here to stay and we would need to adapt to serve our members in the new paradigm.

We reconfirmed our decision to move to an online model in 2020 and continued to deliver both our exams and events successfully.

Membership has continued to increase during the year to approximately 7300 members. Volumes of exam sittings, now all online, returned to near pre-pandemic levels, indicative of a returned willingness to invest in future talent for the industry. However, we did note that while total membership numbers increased, there was some attrition at the senior end of our membership where retirement was a viable option.

PMI events remained wholly online until we could deliver using a hybrid model towards the end of the year. The challenge we faced was the uncertain nature of when it would be safe to meet up in person once again, balanced by the government's relaxing of Covid social rules. Feedback from attendees was overwhelmingly positive and suggested they were looking forward to physically attending events from this year onwards.

The above achievements in 2021 of consolidating and improving online delivery of exams, creating an attractive programme of online events, working closely with our Insight Partners to provide thought leadership and developing the PMI Academy resulted in the PMI earning an Association Excellence Award.

**Pensions Management Institute**  
**President's Report**  
**For the year ended 31 December 2021**

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**Financial performance**

All PMI activity, and hence financial performance for 2021, has been impacted by the above. We have however, managed to return a year of stability and a positive financial performance. This was mainly as a result of successfully moving many of our services online, growing our membership and Insight Partner portfolio and the work of the new Academy. While the PMI has not quite achieved the budgeted revenue and margin expectations, we are recording a year-on-year revenue growth and a positive margin for the first time in some years, ultimately increasing our reserves which bodes well for the future. The PMI's financial performance, compares favourably against the Professional Associations Research Network's (PARN) analysis of membership organisations.

2021 ended with total revenues of c£2.6 million (2020: c£2 million) and c£315,000 margin (2020: £332,000 loss) after the defined benefit scheme contribution. Ultimately, the margin for the year will take the consolidated reserves position to £558,000 (2020: £243,000). This position is much healthier than at the end of last year and includes a December 2021 deferred income liability of approximately £908,000, reflecting sales of membership, exams and other contracts for services to be delivered in 2022. Cash as at 31 December 2021 remained positive at £1.17m (2020: £886,000). Our ongoing absence from a larger London office and the working from home model has continued to benefit both our margins and cash. A healthier reserves position gives us confidence in maintaining and growing quality services to all our stakeholders and providing real value to our members.

**Conclusion**

I have been involved with the PMI almost my entire career and I am honoured to have served a number of years on Council and as President for the last two years. I hope I am leaving the Institute with a firm foundation for the next phase of its strategy in support of our members and the wider pensions industry. There are of course, so many people who contribute to the success of the PMI to whom I accord my heartfelt thanks. I would like to thank my two Vice Presidents, Sara Cook and Rosie Lacey, who have been a great support - I would not have survived without you! I would like to thank our hard-working Council and Regional Groups for their combined experience and valuable insight in helping the Board, expertly chaired by Ruston Smith, develop its future strategy. To our many committees who work so hard to ensure the effectiveness and professionalism of the PMI. To all involved in delivering our qualifications and training we greatly appreciate your time and effort. To Gareth and our dedicated executive and staff team who achieve so much with often limited resources. Finally, on behalf of PMI, I would like to thank all our members, learners, partners and supporting organisations for their loyal support during the last year and into the future.



Lesley Alexander

President

Date: 9 May 2022

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2021**

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The directors present their report and the audited financial statements for the year ended 31 December 2021.

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

**Structure, governance & management**

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

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

The Institute is governed through the following structure:

**An Advisory Council**

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

Its role is to:

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

**Honorary Officers**

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

**The Board**

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

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

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

**Risk and Assurance Committee**

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

**Development Committee**

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

**Lifelong Learning Committee**

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

**Pensions Management Institute**  
**Directors' Report**  
**For the year ended 31 December 2021**

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**Policy and Public Affairs Committee**

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

**Regulation Committee**

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

The PMI has agreed to form three new Committees in 2022 as follows:

- The Awarding Body Committee (ABC): to provide 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.
- The Remuneration Committee: to oversee remuneration matters on behalf of the Board and to make recommendations to the Board where appropriate. This includes oversight of the PMI's overall remuneration framework.
- Nomination Committee: to oversee nomination matters on behalf of the Board and to make 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.

The creation of all of these committees is intended to enhance the governance and transparency of decision making of the Institute.

**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.

The last two years and ongoing economic turbulence driven by unique global events described in The President's report and the UK Government's measures to contain it have impacted the Institute's activities. 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 31 December 2023 taking into account the estimated ongoing impact. Management has performed sensitivities on its financial model in the context of these 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 2021**

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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 £414,940 compared to a deficit of £151,786 in 2020. 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 2021 was 4,772 (2020: 4,779). 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.

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**Directors' Report**  
**For the year ended 31 December 2021**

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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 2022 and signed on their behalf by:

  
Lesley Alexander  
President

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

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**Opinion**

We have audited the financial statements of the Pensions Management Institute (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 2021 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 governance 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.

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**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: *29 June 2022*

**Pensions Management Institute**  
**Group Statement of Comprehensive Income**  
**For the year ended 31 December 2021**

	Note	2021 £	2020 £
<b>Income</b>	<b>3</b>		
Annual Subscriptions, election and registration fees		980,864	925,395
Study support, examination and course fees		903,180	669,021
Insight partner sponsorship		254,791	219,955
Conferences and seminars		309,658	163,711
Recruitment advertising		42,804	31,100
Miscellaneous		90,908	32,180
		<u>2,582,205</u>	<u>2,041,362</u>
Salaries and staff costs	5	1,234,370	1,139,537
Membership newsletter and other services		79,308	108,368
Study support, examination & course expenditure		118,223	122,789
Conferences, seminars and webinars		52,981	47,870
Annual Dinner expenditure		6,567	4,020
Establishment costs	6	67,888	211,521
Administration costs	7	11,041	18,984
Marketing costs		15,100	6,498
IT costs		153,824	119,716
Professional fees	8	285,417	245,647
Amortisation of assets		64,050	40,507
Depreciation of assets		9,214	26,086
Other costs		5,260	4,814
Irrecoverable VAT		65,849	96,791
		<u>2,169,092</u>	<u>2,193,148</u>
<b>Operating Surplus/(Deficit)</b>	<b>4</b>	<b>413,113</b>	<b>(151,786)</b>
<b>Interest Receivable</b>		<b>1,827</b>	<b>-</b>
<b>Surplus/(Deficit) on ordinary activities before taxation</b>		<b>414,940</b>	<b>(151,786)</b>
Taxation on surplus/(deficit) on ordinary activities	9	-	-
<b>Surplus/(Deficit) for the financial year</b>		<b>414,940</b>	<b>(151,786)</b>
<b>Other comprehensive expenditure:</b>			
Remeasurements of defined benefit pension scheme	19	(100,000)	(80,000)
<b>Total comprehensive income/(expenditure) for the year</b>		<b>314,940</b>	<b>(231,786)</b>

**Pensions Management Institute**  
**Group and Institute Balance Sheets**  
**As at 31 December 2021**

		<b>Group</b>		<b>Institute</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Note</b>		<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Intangible assets	10	213,131	277,181	213,131	277,181
Tangible assets	11	19,056	26,971	19,056	26,971
Investments in subsidiary undertakings	12	-	-	6	6
		<b>232,187</b>	<b>304,152</b>	<b>232,193</b>	<b>304,158</b>
<b>Current assets</b>					
Debtors	13	367,134	470,308	369,773	472,947
Cash at bank and in hand	14	1,176,901	886,363	1,173,544	882,892
		<b>1,544,035</b>	<b>1,356,671</b>	<b>1,543,317</b>	<b>1,355,839</b>
<b>Creditors</b>					
Amounts falling due within one year	15	1,218,279	1,402,820	1,218,279	1,402,820
<b>Net current assets/(liabilities)</b>		<b>325,756</b>	<b>(46,149)</b>	<b>325,038</b>	<b>(46,981)</b>
<b>Total assets less current liabilities</b>		<b>557,943</b>	<b>258,003</b>	<b>557,231</b>	<b>257,177</b>
<b>Provisions for liabilities</b>	16	-	(15,000)	-	(15,000)
<b>Net assets</b>		<b>557,943</b>	<b>243,003</b>	<b>557,231</b>	<b>242,177</b>
<b>Reserves</b>					
Accumulated Fund	18	557,943	243,003	557,231	242,177
<b>Total reserves</b>		<b>557,943</b>	<b>243,003</b>	<b>557,231</b>	<b>242,177</b>

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 £415,054 (2020: £468,214).

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 2022 and are signed on its behalf by:



Lesley Alexander  
President



Gareth Tancred  
Chief Executive

**Company Registration No: 1262100**

**Pensions Management Institute**  
**Group and Institute Balance Sheets**  
**As at 31 December 2021**

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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.

The last two years and ongoing economic turbulence driven by unique global events including the ongoing COVID – 19 pandemic and the UK Government's measures to contain it have impacted the Institute's activities. 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 31 December 2023 taking into account the estimated ongoing impact. Management has performed sensitivities on its financial model in the context of these 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 £415,054 (2020: £468,214).

**Pensions Management Institute**  
**Notes to the financial statements**  
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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**  
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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**  
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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**  
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**For the year ended 31 December 2021**

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**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) Intangible assets – capitalisation of CRM system

During the year the Institute and group continued to develop its 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 £nil (2020: £93,727).

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.

**Pensions Management Institute**  
**Notes to the financial statements**  
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**3. Turnover**

Turnover is attributable to the principal activities of the group.

**4. Operating Surplus/(Deficit)**

	2021	2020
	£	£
The operating surplus/(deficit) is stated after charging (crediting)		
Directors' remuneration	246,685	232,205
Fees payable to the company's auditors for the audit of the financial statements of the group and company	20,200	18,500
Depreciation of tangible fixed assets	9,214	26,084
Amortisation of intangible assets	64,050	40,507
Operating lease charges	51,297	75,511
Release of dilapidations provision	<u>(15,000)</u>	-

**5. Directors' and Employees' Costs and Emoluments**

Staff costs including directors during the year were as follows:

	2021	2020
	£	£
Wages and salaries	982,905	950,724
Social security costs	109,487	103,744
Other pension costs	107,996	76,276
Contract and temporary staff	20,521	404
Training	3,061	1,189
Recruitment and other staff costs	10,400	7,200
<b>Total</b>	<u>1,234,370</u>	<u>1,139,537</u>

Included within wages and salaries is nil (2020: one) settlement payment which totals £nil (2020: £33,463)

Unpaid pension contributions at 31 December 2021 amounted to £13,720 (2020: £45,565).

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

	2021	2020
	Number	Number
Education	6.0	6.2
Membership	3.4	2.0
Commercial Development	4.3	4.3
Corporate	8.0	8.7
<b>Total</b>	<u>21.7</u>	<u>21.2</u>

**Pensions Management Institute**  
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<b>6. Establishment Costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rent and rates	<b>53,434</b>	156,404
Insurance & Professional Fees	<b>21,645</b>	25,721
Heating and Lighting	-	6,442
Maintenance and repairs	-	19,439
Cleaning	-	2,634
Catering	-	881
Office Costs	<b>(8,876)</b>	-
Meeting room hire	<b>1,685</b>	-
<b>Total</b>	<b>67,888</b>	<b>211,521</b>

  

<b>7. Administrative Costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Printing and Stationery	<b>1,665</b>	1,089
Telephone	<b>5,392</b>	8,519
Postage	<b>1,382</b>	1,689
Travel and Subsistence	<b>1,635</b>	2,627
Team Development	<b>862</b>	4,068
Subscriptions	<b>105</b>	992
<b>Total</b>	<b>11,041</b>	<b>18,984</b>

  

<b>8. Professional Fees</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Credit card and bank charges	<b>22,517</b>	15,754
Finance and Accountancy Costs	<b>72,075</b>	59,897
Legal and pension administration	<b>53,155</b>	27,755
HR & Payroll	<b>85,810</b>	90,872
PR Consultancy	<b>51,860</b>	51,369
<b>Total</b>	<b>285,417</b>	<b>245,647</b>

  

<b>9. Taxation</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 19% (2020: 19%)	-	-
<b>Total charge</b>	<b>-</b>	<b>-</b>

The group has estimated tax losses of £2,760,000 (2020: £2,180,000) available to carry forward against future trading profits of the same trade.

**Pensions Management Institute**  
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10. Intangible fixed Assets – Group and Institute	Website	CRM	Computer Software	Total
	£	£	£	£
<b>At the start and end of year</b>	<b>66,272</b>	<b>244,002</b>	<b>9,975</b>	<b>320,249</b>
<b>Amortisation</b>				
At start of year	2,351	35,452	5,265	43,068
Transfer	6,985	(6,985)	-	-
Charge for the year	13,255	48,800	1,995	64,050
<b>At the end of year</b>	<b>22,591</b>	<b>77,267</b>	<b>7,260</b>	<b>107,118</b>
<b>Carrying Amount</b>				
<b>At the end of the year</b>	<b>43,681</b>	<b>166,735</b>	<b>2,715</b>	<b>213,131</b>
At the start of the year	63,921	208,550	4,710	277,181

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	49,709	63,195
Additions	-	1,299	1,299
<b>At the end of year</b>	<b>13,486</b>	<b>51,008</b>	<b>64,494</b>
<b>Depreciation</b>			
At start of year	13,486	22,738	36,224
Charge for the year	-	9,214	9,214
<b>At the end of year</b>	<b>13,486</b>	<b>31,952</b>	<b>45,438</b>
<b>Carrying amount</b>			
<b>At the end of the year</b>	<b>-</b>	<b>19,056</b>	<b>19,056</b>
At the start of the year	-	26,971	26,971

**Pensions Management Institute**  
**Notes to the financial statements**  
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	2021	2020
	£	£
<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 2021 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	
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	254,575	140,481	254,575	140,481
Other Debtors	10,400	153,520	10,400	153,520
Amounts owed from subsidiary	-	-	2,639	2,639
Prepayments	80,302	146,107	80,302	146,107
Accrued Income	21,857	30,200	21,857	30,200
	<u>367,134</u>	<u>470,308</u>	<u>369,773</u>	<u>472,947</u>

**14. Cash and cash equivalents**

	Group		Institute	
	2021	2020	2021	2020
	£	£		
Bank Current Account	773,803	484,451	770,446	480,980
Bank Deposit Accounts	403,098	401,912	403,098	401,912
	<u>1,176,901</u>	<u>886,363</u>	<u>1,173,544</u>	<u>882,892</u>

**Pensions Management Institute**  
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15. Creditors: amounts falling due within one year	Group		Institute	
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	106,890	173,898	106,890	173,898
Tax and social security	68,501	112,690	68,501	112,690
Accruals	134,075	97,739	134,075	97,739
Deferred Income	908,813	1,018,493	908,813	1,018,493
<b>Total</b>	<b>1,218,279</b>	<b>1,402,820</b>	<b>1,218,279</b>	<b>1,402,820</b>

16. Provisions for liabilities	Group		Institute	
	2021	2020	2021	2020
	£	£	£	£
Dilapidations	-	15,000	-	15,000
Movements on Provisions:				
		Dilapidations		Dilapidations
	2021	2020	2021	2020
	£	£	£	£
At 1 January 2021	15,000	30,000	15,000	30,000
Released in the year	(15,000)	(15,000)	(15,000)	(15,000)
At 31 December 2021	-	15,000	-	15,000

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

**Pensions Management Institute**  
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**17. Related party transactions**

		Transaction Value		Balance Outstanding as at 31 <sup>st</sup> December	
		2021	2020	2021	2020
		£	£	£	£
<b>Sales</b>					
Alan Whalley	WEALTH at Work	15,235	23,000	2,400	-
	Atlas Master Trust	695	(12,700)	-	18,000
	British Coal Staff Superannuation Scheme	95	-	-	-
Lesley Alexander	M&G Prudential	800	-	-	-
	ZenZero Consulting	900	-	-	-
Ruston Smith	PTL Governance Ltd	5,025	-	85	-
	Smart Pensions Ltd	945	-	-	-
	BAE Systems Pension Fund Trustees	1,350	-	-	-
Chris Parrott	BESTrustees	4,195	-	-	-
Sarah Drummond	Institute and Faculty of Actuaries	450	-	-	-
Lesley Carline (to 6 October 2020)	KGC Associates	-	650	-	-
Lorraine Harper (to 6 October 2020)	JLT Benefit Solutions	-	24,810	-	35
	Mercer	-	78,262	-	4,550
Jane Murray (to 6 October 2020)	Willis Towers Watson	-	37,150	-	5,670
Tim Phillips	Smart Fintech	945	-	-	-
Sara Cook	Barnett Waddingham	158,161	8,904	7,141	-
		<b>215,498</b>	<b>160,076</b>	<b>9,626</b>	<b>28,255</b>
<b>Purchases</b>					
Lorraine Harper	Mercer	-	22,275	-	-
Sara Cook	Barnett Waddingham	11,072	888	2,880	-
		<b>11,072</b>	<b>23,163</b>	<b>2,880</b>	<b>-</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 2021**

18. Accumulated Fund	Group		Institute	
	2021	2020	2021	2020
	£	£	£	£
At 1 January	243,003	474,789	242,177	(146,037)
Surplus/(Deficit) for the year	414,940	(151,786)	415,054	468,214
Other comprehensive expenditure	(100,000)	(80,000)	(100,000)	(80,000)
At 31 December	<u>557,943</u>	<u>243,003</u>	<u>557,231</u>	<u>242,177</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 2021 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 2021 amounted to £100,000 (2020: £80,000). 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:**

	2021	2020
	£	£
Fair value of scheme assets	4,904,000	4,554,000
Present value of funded defined benefit obligations	(3,680,000)	(3,866,000)
Surplus in scheme	<u>1,224,000</u>	<u>688,000</u>
Unrecognised surplus	<u>(1,224,000)</u>	<u>(688,000)</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 2021**

**19. Pension Scheme (continued)**

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

	2021	2020
	£	£
Scheme liabilities at start of period	3,866,000	3,212,000
Interest cost	58,000	67,000
Actuarial losses/(gains)	(244,000)	594,000
Benefits paid, death in service premiums & expenses	-	(7,000)
Scheme liabilities at end of period	<u>3,680,000</u>	<u>3,866,000</u>

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

	2021	2020
	£	£
Experience losses/(gains) arising on the plan liabilities	(177,000)	-
Loss/(gain) on change in actuarial assumptions	(67,000)	594,000
	<u>(244,000)</u>	<u>594,000</u>

**Changes of fair value of scheme assets**

	2021	2020
	£	£
Fair value of scheme assets at start of period	4,554,000	3,938,000
Interest Income	69,000	83,000
Actuarial gains/(losses)	181,000	460,000
Contributions by the Institute	100,000	80,000
Benefits paid, death in service premiums & expenses	-	(7,000)
Fair value of scheme assets at end of period	<u>4,904,000</u>	<u>4,554,000</u>

The actual return on scheme assets over the period ending 31 December 2021 was £250,000 (2020: £543,000).

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

	2021	2020
	£	£
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 £11,000 for the period ended 31 December 2021 (2020: £16,000).

**Pensions Management Institute**  
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19 Pension Scheme (continued)		
Defined Benefit Costs Recognised in Other Comprehensive Income	2021	2020
	£	£
Return on plan assets (excluding amounts included in net interest costs) - (loss)/gain	181,000	460,000
Experience gains and losses arising on the scheme liabilities – gain/(loss)	177,000	-
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	67,000	(594,000)
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	<u>(525,000)</u>	<u>54,000</u>
Remeasurements - total amount recognised in other comprehensive income – (loss)	<u>(100,000)</u>	<u>(80,000)</u>
<b>Analysis of fair value of scheme assets</b>	<b>2021</b>	<b>2020</b>
	£	£
Equity Instruments	1,189,000	1,053,000
Debt Instruments	1,392,000	1,412,000
Other	2,323,000	2,000,000
Cash and cash equivalents	-	89,000
Total Assets	<u>4,904,000</u>	<u>4,554,000</u>

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

Assumptions	2021	2020
The principal assumptions for the defined benefit scheme used by the actuary were:	% p.a	% p.a
Discount Rate	1.7	1.50
Inflation (RPI)	3.25	2.95
Inflation (CPI)	2.55	2.25
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	3.05	2.25
Allowance for pension in payment increases of RPI or 5% p.a if less	2.60	2.90
Allowance of commutation of pension for cash at retirement	75%	75%
	<b>Post A Day</b>	<b>Post A Day</b>

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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 96% of S3PxA improvement in line with CMI 2020 projections (2020 - 100% of S2PxA, improvements in line with CMI 2019 projections).and a long term rate improvement of 1.25% (2020 – 1.25%)

These mortality assumptions imply the following life expectancies:

	Life expectancy at 65 years
Male retiring in 2021	<b>22.4</b>
Female retiring in 2021	<b>24.2</b>
Male retiring in 2041	<b>23.7</b>
Female retiring in 2041	<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>2021</b>	2020
	<b>£</b>	£
Within one year	<b>51,297</b>	51,843
Between two and five years	<b>44,400</b>	95,697
	<b>95,697</b>	147,540

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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>2021</b>	2020
	£	£
At 1 January 2021	<b>7,729</b>	6,521
Donations received	-	3,750
Deposit interest	-	8
	<hr/>	<hr/>
		10,279
Prizes awarded in the year	<b>(3,000)</b>	(3,000)
	<hr/>	<hr/>
At 31 December 2021	<b>4,279</b>	7,279
	<hr/>	<hr/>
Represented by:		
Cash at bank	<b>7,779</b>	7,779
Due to PMI	<b>(3,500)</b>	(500)
	<hr/>	<hr/>
	<b>4,279</b>	7,279
	<hr/>	<hr/>