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PRI Association

Annual report and Consolidated financial statements

for the year ended 31 March 2023

Registered number: 07207947

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Company Information

Directors	S Connolly (resigned 12 May 2023) W Cromwell E Halvarsson (resigned 31 December 2022) S Hendricks T Kimura M Jantzi (resigned 31 December 2022) D Liberato Delfino (appointed 1 January 2023) R Minguela Garcia (appointed 1 January 2023) H Mohn R Mokate M Skancke T Sneyers L Tankwe
Company secretary	C Sperling
Registered number	07207947
Registered office	5th Floor 25 Camperdown Street London E1 8DZ
Independent auditor	Deloitte LLP Statutory Auditor 2 New Street Square London United Kingdom EC4A 3BZ

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Directors' report

for the year ended 31 March 2023

The directors present their report and the Consolidated financial statements of PRI Association and its subsidiaries, together referred to as 'the group', for the year ended 31 March 2023.

Results and dividends

The surplus for the year, after taxation, amounted to £448,160 (2022: £1,720,282).

As a company limited by guarantee, the company has no share capital. Therefore the company has not proposed to pay a dividend (2022: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

S Connolly (resigned 12 May 2023)
W Cromwell
E Halvarsson (resigned 31 December 2022)
S Hendricks
T Kimura
M Jantzi (resigned 31 December 2022)
D Liberato Delfino (appointed 1 January 2023)
R Minguela Garcia (appointed 1 January 2023)
H Mohn
R Mokate
M Skancke
T Sneyers
L Tankwe

Directors' emoluments

In the year, a director received emoluments of £118,911 (2022: £117,019). No other director emoluments were paid in the year.

Matters covered in the Group strategic report

The group has chosen in accordance with s414C(11) Companies Act 2006 to set out in the Group strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained on the Directors' report. It has done so in respect of discussion of future developments and the information on the financial risk management policies and objectives.

Political contributions

There were no political contributions in the current or prior period.

Qualifying third party indemnity provisions

There were no qualifying third party indemnity provisions in force for the benefit of any of the directors (or an associated company or of its directors).

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Directors' report (continued)
for the year ended 31 March 2023

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and the group and of the surplus or deficit of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the group since the year end.

This report was approved by the board on 2 August 2023 and signed on its behalf.

Martin Skancke

M Skancke
Director

Group strategic report
for the year ended 31 March 2023

Principal activities

The objectives of the PRI Association are to:

- promote the Initiative, launched in April 2006 by the United Nations Secretary-General in New York, by advancing the Principles for Responsible Investment; and
- promote the consideration of environmental, social and governance issues: in the management and ownership of investments; relating to investment policies and practices by investment managers and owners and other interested parties including consumers, non-governmental organisations, regulators and governments; and promote the PRI's Mission.

and thereby to promote sustainable global commerce and a sustainable financial system.

The PRI's Mission:

"We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; fostering good governance, integrity and accountability; and addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation."

The PRI Association is governed by the PRI Association Board as set out in the Articles of Association of PRI Association. The PRI Board is collectively responsible for the long-term success of the PRI, in particular: setting the strategy, risk appetite and structure; delegating the implementation of the strategy to the PRI Association Executive (the executive); monitoring the executive's performance against the strategy; exercising accountability to signatories; and being responsible to relevant stakeholders.

For more information on the projects and activities that contributed to the PRI's objects and mission, and the role of the PRI Board during the year, see the PRI 2023 Annual Report and Board report.

Financial review and Key Performance Indicators

The PRI reports a surplus of £448,160 (2021/22: £1,720,282) on total revenue of £34,779,758 (2021/22: £27,681,030), or 1.3% of revenue (2021/22: 6.2%). The surplus for the year has reduced compared to the prior year which benefitted from lower travel and meeting costs due as a result of the impacts of COVID-19 and lower consultancy costs due to the lack of a reporting framework in the year.

Signatories grew to 5,389 by the year's end, an increase of 496 from 31 March 2022. Fee income rose to £25,052,349 (2021/22: 22,087,714).

Grants income also increased in 2022/23 from £2,505,262 in 2021/22 to £3,124,500.

PRI Academy had a successful year with revenue increasing to £1,806,713 (2021/22: £1,415,581).

In 2022/23 expenditure rose to £34,246,244 (2021/22: £25,795,150). This represents a continuing investment in the 10 – Year Blueprint. The PRI has continued to control operational costs and implement cost savings where possible to deliver value. This is consistent with the general reserves and liquidity policy. The PRI's policy is to maintain liquidity enough to meet three months operational costs.

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Group strategic report (continued)
for the year ended 31 March 2023

Net assets have grown in the year to £10,204,856 (2021/22: £9,757,464) with a continued focus on maintaining appropriate reserve cover.

The directors expect solid income growth in 2023/24 with further signatory growth to c5,700 signatories by the year end, combined with a membership price increase of 6%. Income from the Academy is expected to see continued growth from increased course sale volumes, with the major PRI in Person Event to be staged in Japan in October 2023 expected to generate a surplus. 2023/24 will also see the introduction of a new operating model for PRI and associated one-off restructuring costs which will be recovered in subsequent years. Even with these costs, the minimum reserve policy will continue to be maintained.

Principal risks

The PRI Board assumes overall accountability for overseeing and monitoring the PRI's risks. The Board is supported by the Finance, Audit and Risk Committee, the purpose of which is to provide assurance to the Board as to the veracity of the financial statements; the efficacy of risk management; the efficacy of compliance controls; and the strength and appropriateness of general control and mitigation processes across the PRI Association.

Operational risks are reviewed by the Finance, Audit and Risk Committee, together with the compliance report, at least quarterly, and reported to the PRI Board. Risks are scored by likelihood and impact, including possible mitigations.

Legal. There is a litigation risk largely due to the political environment in some regions, including 'ESG pushback'. The PRI maintains legal advice, has reviewed guidance documents and updated sign-off procedures for programmes of works and guidance documents.

Reputation. Globally agreed goals on climate and nature are at risk leading to push-back on claims and approaches used by investors, including accusations of 'greenwashing'. The PRI conducted an extensive consultation with its signatories over the past year, that sought signatories' views on responsible investment and expectations of progression over time. Enabling signatories to progress and demonstrate their progress is critical to the PRI, together with the accountability of signatories, via the Reporting and Assessment framework, and other mechanisms. Any issues relating to potential reputational risk are escalated to the Board.

Programmes. The PRI Reporting and Assessment framework is an important enabler of signatory learning and accountability. The framework was not delivered in 2022 and therefore the risk of not delivering in 2023 has been monitored closely by the PRI Board. The PRI has had external consultant support for programme and project management, and the PRI Board has had external assurance on the delivery of the framework.

People and culture. The PRI is very dependent on the skills and expertise of its people. The market for responsible investment expertise has been very competitive. The organisation has also been through a target operating model exercise, which has increased the people risk in the short term but aims to reduce the risk in the longer term through a fit for purpose organisational structure, clearly defined roles and clearer career paths. The PRI tracks employee turnover and has policies to support employee wellbeing.

I.T. Maintaining the security of signatory, and other, data is of critical importance to the PRI. The PRI has data protection, information security, password and acceptable I.T. use policies. The organisation is Cyber Essentials certified and working towards ISO 27001 certification.

Financial. There are a number of factors that could affect the PRI's ability to fund and deliver against its objects and programmes of works. These include signatory retention and growth, changing signatory AUMs and associated fees, and currency fluctuations. These risks are inter-related to other risks such as legal, reputational and delivery of programmes.

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Group strategic report (continued)

for the year ended 31 March 2023

The PRI Board approves the annual budget and there is regular reporting to the PRI Board on the financials throughout the year. The PRI seeks to manage financial risk by ensuring enough liquidity is available to meet foreseeable working capital requirements, contingencies and for specific strategic plans. This includes ensuring we do not fall below a minimum cash balance as set by the PRI Board. The PRI has credit control procedures, actively monitors signatory retention and growth, and currency fluctuations. Regular formal and informal interaction with business partners, such as lawyers and accountancy firms, assist us in remaining abreast of changes and new developments in the different countries that the PRI operates in.

This report was approved by the board and signed on its behalf.

M Skancke Martin Skancke
Director
Date: 7 August 2023

Independent auditor's report to the members of PRI Association
for the year ended 31 March 2023

Opinion

In our opinion the financial statements of PRI Association (the 'parent company') and its subsidiaries ('the group'):
- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared 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"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

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Independent auditor's report to the members of PRI Association (continued)
for the year ended 31 March 2023

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 course of 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 this gives rise to 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Independent auditor's report to the members of PRI Association (continued)

for the year ended 31 March 2023

Extent to which 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.

We considered the nature of the group’s industry and its control environment, and reviewed the group’s documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company’s business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group’s ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud. In the following area, and our procedures performed to address it are described below:

- Revenue, specifically the accuracy of the membership fee revenue recognised in the year. In response to this risk, we tested the design and implementation of key controls relating to membership fees and performed certain analytical tests using revenue data provided. A sample of revenue transactions were agreed back to source documentation and a recalculation of expected revenue performed. Where differences arose between our recalculation and that recorded in the general ledger, we investigated a sample for each type of difference identified, agreeing our sample through to supporting documentation and bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of PRI Association (continued)

for the year ended 31 March 2023

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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 so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. 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.

Yasir Aziz (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 9 August 2023

Consolidated statement of comprehensive income
for the year ended 31 March 2023

	Note	2023 £	2022 £
Income	4	**34,779,758**	27,681,030
Administrative expenses	7	**(34,246,244)**	(25,795,150)
Operating surplus	5	**533,514**	1,885,880
Interest receivable and similar income	10	**161,813**	4,267
Interest payable and similar expenses	11	**(422)**	-
Surplus before taxation		**694,905**	1,890,147
Tax on surplus	12	**(246,745)**	(169,865)
Surplus for the financial year		**448,160**	1,720,282
Foreign exchange (losses)/gains on reserves		**(768)**	4,753
Other comprehensive income/(loss) for the year		**(768)**	4,753
Total comprehensive income for the year		**447,392**	1,725,035

The notes on pages 17 to 31 form part of these financial statements.

All activities relate to continuing operations.

There was no other comprehensive income for the current financial year or prior period.

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Consolidated statement of financial position

As at 31 March 2023

	Note		**2023** £		2022 £
Fixed assets					
Tangible assets	13		**468,955**		650,421
			468,955		650,421
Current assets					
Debtors: amounts falling due within one year	15	**3,318,758**		1,886,891	
Cash at bank and in hand	16	**13,856,927**		13,948,564	
		17,175,685		15,835,455	
Creditors: amounts falling due within one year	17	**(7,368,920)**		(6,657,548)	
Net current assets			**9,806,765**		9,177,907
Total assets less current liabilities			**10,275,720**		9,828,328
Provisions for liabilities					
Other provisions	18	**(70,864)**		(70,864)	
			(70,864)		(70,864)
Net assets excluding pension asset			**10,204,856**		9,757,464
Net assets			**10,204,856**		9,757,464
Capital and reserves					
Foreign exchange reserve			**(19,410)**		(18,642)
Other reserves			**312,583**		312,583
Profit and loss account			**9,911,683**		9,463,523
Equity attributable to owners of the parent company			**10,204,856**		9,757,464
			10,204,856		9,757,464

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Martin Skancke

M Skancke
Director

The notes on pages 17 to 31 form part of these financial statements.

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Company statement of financial position

As at 31 March 2023

	Note		**2023**		2022
			£		£
Fixed assets					
Tangible assets	13		**467,745**		650,421
Investments	14		**9,678**		9,678
			477,423		660,099
Current assets					
Debtors: amounts falling due within one year	15	**3,315,075**		2,073,365	
Cash at bank and in hand	16	**11,211,622**		12,225,945	
		14,526,697		14,299,310	
Creditors: amounts falling due within one year	17	**(6,769,231)**		(6,386,569)	
Net current assets			**7,757,466**		7,912,741
Total assets less current liabilities			**8,234,889**		8,572,840
Provisions for liabilities					
Dilapidation provision		**(70,864)**		(70,864)	
			(70,864)		(70,864)
Net assets			**8,164,025**		8,501,976
Capital and reserves					
Other reserves			**312,583**		312,583
Profit and loss account brought forward		**8,189,393**		7,010,751	
(Deficit)/surplus for the year		**(337,951)**		1,155,249	
Other changes in the profit and loss account		**-**		23,393	
Profit and loss account carried forward			**7,851,442**		8,189,393
			8,164,025		8,501,976

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Martin Skancke

M Skancke
Director

The notes on pages 17 to 31 form part of these financial statements.

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Consolidated statement of changes in equity

for the year ended 31 March 2023

	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	**(23,395)**	**335,976**	**7,719,848**	**8,032,429**
Comprehensive income for the year				
Surplus for the year	-	-	**1,720,282**	**1,720,282**
Release of contingency reserve	-	**(23,393)**	**23,393**	-
Foreign exchange movement	**4,753**	-	-	**4,753**
Total comprehensive income for the year	**4,753**	**(23,393)**	**1,743,675**	**1,725,035**
Total transactions with owners	-	-	-	-
At 31 March 2022	**(18,642)**	**312,583**	**9,463,523**	**9,757,464**
Comprehensive income for the year				
Surplus for the year	-	-	**448,160**	**448,160**
Foreign exchange movement	**(768)**	-	-	**(768)**
Total comprehensive income for the year	**(768)**	-	**448,160**	**447,392**
Total transactions with owners	-	-	-	-
At 31 March 2023	**(19,410)**	**312,583**	**9,911,683**	**10,204,856**

The notes on pages 17 to 31 form part of these financial statements.

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Company statement of changes in equity

for the year ended 31 March 2023

	Other reserves	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	**335,976**	**7,010,751**	**7,346,727**
Comprehensive income for the year			
Surplus for the year	**-**	**1,155,249**	**1,155,249**
Release of contingency reserve	**(23,393)**	**23,393**	**-**
Total comprehensive income for the year	**(23,393)**	**1,178,642**	**1,155,249**
Total transactions with owners	**-**	**-**	**-**
At 31 March 2022	**312,583**	**8,189,393**	**8,501,976**
Comprehensive income for the year			
Surplus/(deficit) for the year	**-**	**(337,951)**	**(337,951)**
Total transactions with owners	**-**	**-**	**-**
At 31 March 2023	**312,583**	**7,851,442**	**8,164,025**

The notes on pages 17 to 31 form part of these financial statements.

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Consolidated statement of cash flows

for the year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Surplus for the financial year	**448,160**	1,720,282
Adjustments for:		
Depreciation of tangible assets	**271,330**	257,406
Interest paid	**422**	-
Interest received	**(161,813)**	(4,267)
Taxation charge	**246,745**	169,865
(Increase)/decrease in debtors	**(1,568,852)**	568,643
Increase/(decrease) in creditors	**836,811**	(116,179)
Increase/(decrease) in provisions	**-**	(162,341)
Corporation tax (paid)	**(235,199)**	(148,910)
Increase in foreign exchange reserve	**(768)**	4,753
Foreign exchange included in Operating Profit	**-**	(34,090)
Net cash generated from operating activities	**(163,164)**	2,255,162
Cash flows from investing activities		
Purchase of tangible fixed assets	**(89,864)**	(122,948)
Interest received	**161,813**	4,267
Net cash from investing activities	**71,949**	(118,681)
Cash flows from financing activities		
Interest paid	**(422)**	-
Net cash used in financing activities	**(422)**	-
Net (decrease)/increase in cash and cash equivalents	**(91,637)**	2,136,481
Cash and cash equivalents at beginning of year	**13,948,564**	11,777,993
Foreign exchange gain	**-**	34,090
Cash and cash equivalents at the end of year	**13,856,927**	13,948,564

Consolidated statement of cash flows (continued)

for the year ended 31 March 2023

	2023	2022
	£	£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**13,856,927**	13,948,564
	13,856,927	13,948,564

The notes on pages 17 to 31 form part of these financial statements.

An analysis of changes in net debt has not been presented as all of the group's cash flows relate to movements in cash, and the group has no items to include in such an analysis, other that the cash flows above.

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Notes to the financial statements
for the year ended 31 March 2023

1. General information

PRI Association is a private company limited by guarantee incorporated in the United Kingdom and registered in England and Wales. Its company registration number is 07207947. The registered office and principal place of activity is 5th Floor, 25 Camperdown Street, London, E1 8DZ.

The principal activity of the company is stated on page 3.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The company has taken advantage of the exemption in Section 408 of the Companies Act 2006 from presenting its individual statement of comprehensive income.

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company’s cash flows; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- in Section 33.1A of FRS 102 and has not disclosed transactions with its wholly owned subsidiaries.

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Notes to the financial statements
for the year ended 31 March 2023

2. Accounting policies (continued)

2.4 Going concern

The company has sufficient liquid resources to continue as a going concern for the foreseeable future and the directors believe the group and the company will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The directors have reviewed the assets and liabilities of the organisation and the future outlook and from this do not consider there to be material uncertainty in respect of the group's or company's ability to continue as a going concern.

2.5 Income

Income represents annual subscriptions paid by members, events income, online learning services, voluntary donations, grants and contribution to the Net Zero Asset Alliance and Transition Pathway initiatives. Subscriptions are recognised on joining the Association or on subsequent renewal dates, monthly on an accruals basis. Events income is recognised as the event occurs. Online learning service income is recognised when made available for the customer to download. Donations are recognised on a receipts basis. Contributions to projects and reimbursement grants are recognised in line with relevant expenses on an accrual basis.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Leasehold improvement costs	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line
Office equipment	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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Notes to the financial statements
for the year ended 31 March 2023

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income. Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2.11 Creditors

Short-term creditors are measured at the transaction price.

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Notes to the financial statements
for the year ended 31 March 2023

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transaction took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

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Notes to the financial statements

for the year ended 31 March 2023

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 Taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

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Notes to the financial statements

for the year ended 31 March 2023

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

There are no key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable than an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cashflow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

The group's only provision relates to property dilapidations. The resulting payments are expected to be paid within six months after the end of the term of the leases on 10 September 2023 and 9 May 2025.

Notes to the financial statements

for the year ended 31 March 2023

4. Income

An analysis of income by class of business is as follows:

	2023	2022
	£	£
Membership fees	**25,052,349**	22,087,714
Events	**3,626,835**	472,818
Grants	**3,124,500**	2,505,262
Contribution to projects	**1,105,658**	1,203,996
Miscellaneous income	**63,703**	1,966
PRI Academy	**1,806,713**	1,409,274
	34,779,758	27,681,030

Analysis of income by country of destination:

	2023	2022
	£	£
United Kingdom	**6,059,631**	4,459,343
Rest of Europe	**11,077,467**	8,739,800
Rest of the world	**17,642,660**	14,481,887
	34,779,758	27,681,030

5. Operating surplus

The operating surplus is stated after charging:

	2023	2022
	£	£
Exchange differences	**8,767**	(34,090)
Other operating lease rentals	**680,296**	652,537

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Notes to the financial statements
for the year ended 31 March 2023

6. Auditors remuneration

	2023 £	2022 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	**82,500**	75,000

	2023 £	2022 £
Fees payable to the group's auditor and its associates for the audit of the subsidiary's annual financial statements	**25,250**	20,500
- all other non-audit services	**20,000**	-
	45,250	20,500

7. Administrative expenses

	2023 £	2022 £
Consulting projects	**313,388**	432,351
Contracted in services	**4,850,165**	4,555,979
Dues and subscriptions	**210,216**	198,870
Events, workshops and meetings	**2,126,066**	237,075
IT services and equipment	**2,030,056**	987,647
Other	**1,256,354**	1,571,585
Premises	**1,040,378**	1,034,782
Professional fees	**449,881**	281,383
Staff costs	**20,996,914**	16,144,475
Staff recruitment	**236,895**	245,492
Travel, hotel and subsistance	**735,930**	105,511
	34,246,244	25,795,510

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Notes to the financial statements
for the year ended 31 March 2023

8. Employees

Staff costs were as follows:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Wages and salaries	**12,949,490**	10,194,648	**10,466,354**	8,127,819
Social security costs	**1,689,307**	1,268,053	**1,283,548**	964,346
Cost of defined contribution scheme	**1,887,604**	1,493,714	**1,494,046**	1,199,347
	16,526,401	12,956,415	**13,243,948**	10,291,512

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	**Company 2023 No.**	Company 2022 No.
Management & Operations	**46**	33	46	33
Policy, Research & Climate	**55**	40	36	28
Reporting & Assessment	**16**	16	14	16
Communications & Events	**27**	22	27	22
Global Networks & Outreach	**46**	26	15	12
Environmental Social & Governance	**32**	18	18	15
Investment Practices	**14**	11	14	10
Human Resources	**8**	6	8	7
PRI Academy	**7**	5	-	-
	251	177	178	143

9. Directors' emoluments

In the year, a director received emoluments of £118,911 (2022: £117,019). No other director emoluments were paid in the year.

10. Interest receivable

	2023 £	2022 £
Bank interest receivable	**161,813**	4,267

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Notes to the financial statements

for the year ended 31 March 2023

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	**422**	-

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on surplus for the year	**177,892**	107,245
Adjustments in respect of previous periods	**-**	1,074
Foreign tax on income for the year	**68,853**	61,546
Taxation on surplus on ordinary activities	**246,745**	169,865

Factors affecting tax charge for the year

The implied tax rate adopted for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The principal driver of this is that the parent entity is not taxed on the results of its membership activities as it is a not-for-profit organisation, so the group is taxed on the parent's external interest income and on the profits of its subsidiaries. The parent entity's membership activities showed a deficit for the year ended 31 March 2023, therefore the implied tax rate for the group is higher than 19%. The differences are explained below:

	2023 £	2022 £
Surplus on ordinary activities before tax	**694,905**	1,890,147
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**132,032**	359,128
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**(147)**	(8)
Higher rate taxes on overseas earnings	**27,246**	30,995
Adjustments to tax charge in respect of prior periods	**-**	1,074
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	**87,614**	(221,324)
Total tax charge for the year	**246,745**	169,865

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Notes to the financial statements
for the year ended 31 March 2023

12. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021 the government announced its intention to increase the corporation tax rate from 1 April 2023. This rate will taper from 19% for businesses for profits of less than £50,000 to 25% for businesses with profits over £250,000. This was enacted when the finance bill passed the House of Commons in June 2021.

13. Tangible fixed assets

Group and Company

	Leasehold improvement costs £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2022	**715,327**	**138,373**	**14,826**	**440,879**	**1,309,405**
Additions	-	-	-	**89,864**	**89,864**
At 31 March 2023	**715,327**	**138,373**	**14,826**	**530,743**	**1,399,269**
Depreciation					
At 1 April 2022	**294,068**	**60,246**	**13,495**	**291,175**	**658,984**
Charge for the year on owned assets	**142,083**	**27,125**	**1,052**	**101,070**	**271,330**
At 31 March 2023	**436,151**	**87,371**	**14,547**	**392,245**	**930,314**
Net book value					
At 31 March 2023	**279,176**	**51,002**	**279**	**138,498**	**468,955**
At 31 March 2022	421,259	78,127	1,331	149,704	650,421

Notes to the financial statements
for the year ended 31 March 2023

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	**9,678**
At 31 March 2023	**9,678**

Investments in subsidiary companies have not been impaired in the current or any previous period.

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
PRI Enterprises Limited	5th Floor 25 Camperdown Street London, E1 8DZ	Ordinary	100%
PRI US Inc.	142 W 57th Street, FL 11, New York, NY 10019	Ordinary	100%
PRI Association (Hong Kong) Limited	27th Floor Alexandra House, 18 Chater Road, Central, Hong Kong	Ordinary	100%
PRI Association France SARL	44-46 Rue de la Bienfaisance, 75008 Paris, France	Ordinary	100%

The company does not have any indirect subsidiary undertakings.

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Notes to the financial statements

for the year ended 31 March 2023

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	**1,415,519**	448,006	**1,151,538**	252,348
Amounts owed by group undertakings	**-**	-	**429,930**	502,572
Other debtors	**1,266,686**	1,437,503	**1,113,111**	1,318,445
Tax recoverable	**636,553**	1,382	**620,496**	-
	3,318,758	1,886,891	**3,315,075**	2,073,365

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Group and company other debtors includes a rent deposit totalling £nil (2022: £50,672) which is repayable in more than one year.

16. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	**13,856,927**	13,948,564	**11,211,622**	12,225,945

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	**1,614,921**	1,228,975	**1,514,526**	1,200,186
Amounts owed to group undertakings	**-**	-	**-**	343,473
Corporation tax	**147,324**	135,778	**30,329**	753
Other taxation and social security	**439,490**	404,007	**396,630**	355,607
Other creditors	**5,167,185**	4,888,788	**4,827,746**	4,486,550
	7,368,920	6,657,548	**6,769,231**	6,386,569

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Notes to the financial statements

for the year ended 31 March 2023

18. Provisions

Group

	Dilapidation provision £
At 1 April 2022	**70,864**
At 31 March 2023	**70,864**

Company

	Dilapidation provision £	Total £
At 1 April 2022	**70,864**	**70,864**
At 31 March 2023	**70,864**	**70,864**

Dilapidation provision

This provision relates to property dilapidations. The resulting payments are expected to be paid within six months after the end of the term of the leases on 10 September 2023 and 9 May 2025.

19. Other reserves

The United Nations Net-Zero Asset Owner Alliance

This reserve represents the surplus specifically relating to The United Nations Net-Zero Asset Owner Alliance. This amount has been set aside from the profit and loss reserve to be put toward future Alliance activity. Future annual underspends or overspends will be deducted or added to this reserve which may only be used for Alliance activity.

20. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds.

The pension cost charge represents contributions payable by the group to the funds and amounted to £1,887,603 (2022: £1,493,714).

Contributions totalling £192,035 (2022: £162,751) were payable to the pension funds at the reporting date and are included in creditors.

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Notes to the financial statements

for the year ended 31 March 2023

21. Commitments under operating leases

At 31 March 2023 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Not later than 1 year	**448,700**	599,940	**418,533**	571,334
Later than 1 year and not later than 5 years	**321,310**	764,560	**321,310**	764,560
	770,010	1,364,500	**739,843**	1,335,894

22. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned members of the group.

In the year ended 31 March 2023, key management personnel compensation totalled £1,342,024 (2022: £1,284,465). There was an average of 9 (2022: 11) people who made up key management personnel during the year.

There were no other related party transactions requiring disclosure in the financial statements.

23. Company limited by guarantee

The company is limited by guarantee and does not have any share capital. The liability of the members in the event of the company being liquidated is limited to £1 per member.

24. Post balance sheet events

There have been no significant events affecting the group since the year end.

25. Controlling party

The company does not have any share capital or parent company. There is no ultimate controlling party.