

PRI ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED 31 MARCH 2017**

DIRECTORS

P Webster
M Barros
R Mokate
P Mathur
M Skancke
S Carlisle
G Aiyer
X Den Uyl
A Emslie
E Halvarsson
H Mizuno

COMPANY SECRETARY

Bristows Secretarial Limited

COMPANY NUMBER

07207947

REGISTERED OFFICE

5th floor, 25 Camperdown Street
London, E1 8DZ

INDEPENDENT AUDITOR

Buzzacott LLP
130 Wood Street
London, EC2V 6DL

DIRECTORS' REPORT

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 2017.

PRINCIPAL ACTIVITY

The Principal activity of the group and the company in the year under review continued to be that of a network of international investors working together to put the Principles for Responsible Investment into practice.

The company is not for profit.

Directors

The directors who served during the year were:

- P Webster
- N Petersen (resigned 31 December 2016)
- M Chaloner (resigned 31 December 2016)
- C Melvin (resigned 31 December 2016)
- M Barros
- R Mokate
- P Mathur
- M Skancke
- S Carlisle
- G Aiyer
- X Den Uyl
- A Emslie
- E Halvarsson (appointed 11 November 2016)
- H Mizuno (appointed 1 January 2017)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the consolidated 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 judgments 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 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.

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.

SMALL COMPANIES EXEMPTIONS

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

M Skancke
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRI ASSOCIATION

We have audited the financial statements of PRI Association for the year ended 31 March 2017, set out on pages 4 to 13.

The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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.

OPINION ON OTHER MATTER 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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' exemptions in preparing the Directors' report and from the requirement to prepare a group strategic report.

Mark Worsey
(Senior statutory auditor)
for and on behalf of
Buzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017 £	2016 £
INCOME		
Administrative expenses	9,048,086 (9,055,609)	8,095,569 (7,052,697)
OPERATING (DEFICIT)/SURPLUS	(7,523)	1,042,872
Interest receivable and similar income	20,525	31,034
SURPLUS BEFORE TAXATION	13,002	1,073,906
Tax on surplus	(4,432)	(143)
SURPLUS FOR THE FINANCIAL YEAR	8,570	1,073,763
Foreign exchange movement on reserves	(8,054)	(534)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(8,054)	(534)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	516	1,073,229
SURPLUS FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent company	8,570	1,073,763
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:	8,570	1,073,763
Owners of the parent company	516	1,073,229
	516	1,073,229

The notes on pages 7 to 13 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

	NOTE	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Intangible assets	4		14,221		23,973
Tangible assets	5		168,713		179,287
			182,934		203,260
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	1,028,833		1,036,784	
Cash at bank and in hand		3,496,495		2,934,928	
		4,525,328		3,971,712	
Creditors: amounts falling due within one year	8	(1,773,325)		(1,240,551)	
NET CURRENT ASSETS			2,752,003		2,731,161
NET ASSETS			2,934,937		2,934,421
CAPITAL AND RESERVES					
Foreign exchange reserve			(8,588)		(534)
Contingency reserve	9		450,000		-
Income and expenditure account			2,493,525		2,934,955
			2,934,937		2,934,421

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

M Skancke
Director

The notes on pages 7 to 13 form part of these financial statements.

COMPANY BALANCE SHEET

	NOTE	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	5		168,713		179,287
Investments	6		846		846
			<u>169,559</u>		<u>180,133</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	1,096,329		1,140,975	
Cash at bank and in hand		3,362,176		2,885,633	
		<u>4,458,505</u>		<u>4,026,608</u>	
Creditors: amounts falling due within one year	8	<u>(1,732,724)</u>		<u>(1,218,622)</u>	
NET CURRENT ASSETS			<u>2,725,781</u>		<u>2,807,986</u>
NET ASSETS			<u>2,895,340</u>		<u>2,988,119</u>
CAPITAL AND RESERVES					
Contingency reserve	9		450,000		-
Income and expenditure account			2,445,340		2,988,119
			<u>2,895,340</u>		<u>2,988,119</u>

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

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

M Skancke
Director

The notes on pages 7 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

PRI Association is a company limited by guarantee incorporated in England and Wales. Its company registration number is 07207947. The registered office is 25 Camperdown Street, London, E1 8DZ.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 14.

The following principal accounting policies have been applied:

2.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A - small entities.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its subsidiaries ("the group") 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 Balance sheet, 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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2015.

2.4 INCOME

Income represents annual subscriptions paid by members, events income, voluntary donations and grants.

Subscriptions are recognised on joining the Association or on subsequent renewal dates, on an accruals basis. Events income is recognised as the event occurs. Donations are recognised on a receipts basis. Reimbursement grants are recognised in line with relevant expenses on an accrual basis.

2.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual value, over their expected useful lives of 4 years.

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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

NOTES TO THE FINANCIAL STATEMENTS

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 the Consolidated statement of comprehensive income.

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.

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.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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 the 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 transactions 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 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income 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.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

2.14 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 the Consolidated statement of comprehensive income 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.

2.15 INTEREST INCOME

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.16 TAXATION

Tax is recognised in the Consolidated statement of comprehensive income, 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 73 (2016 - 59)

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

GROUP

INTELLECTUAL
PROPERTY
RIGHTS
£

COST

At 1 April 2016 and 31 March 2017

39,006

AMORTISATION

At 1 April 2016
Charge for the year

15,033

9,752

At 31 March 2017

24,785

NET BOOK VALUE

At 31 March 2017

14,221

At 31 March 2016

23,973

NOTES TO THE FINANCIAL STATEMENTS

5 TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	LEASHOLD IMPROVEMENT COSTS £	FIXTURES AND FITTINGS £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	TOTAL £
COST OR VALUATION					
At 1 April 2016	167,881	61,607	26,514	36,900	292,902
Additions	23,552	8,382	5,345	22,379	59,658
At 31 March 2017	191,433	69,989	31,859	59,279	352,560
DEPRECIATION					
At 1 April 2016	65,325	28,750	10,810	8,730	113,615
Charge for the year	34,801	13,135	7,103	15,193	70,232
At 31 March 2017	100,126	41,885	17,913	23,923	183,847
NET BOOK VALUE					
At 31 March 2017	91,307	28,104	13,946	35,356	168,713
At 31 March 2016	102,556	32,857	15,704	28,170	179,287

6. FIXED ASSET INVESTMENTS

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company, and are included in the consolidated financial statements:

NAME	REGISTERED OFFICE	CLASS OF SHARES	HOLDING
PRI Enterprises Limited	25 Camperdown Street, London, E1 8DZ	Ordinary	100%
PRI US Inc.	45 Rockefeller Plaza #54, New York, NY, 10111-0100, USA	Ordinary	100%
PRI Association (Hong Kong) Limited	27 th Floor Alexandra House, 18 Chater Road, Central, Hong Kong	Ordinary	100%

COMPANY

INVESTMENTS IN SUBSIDIARIES £

At 1 April 2016	846
At 31 March 2017	846
At 31 March 2016	846

NOTES TO THE FINANCIAL STATEMENTS

7. DEBTORS

Trade debtors
Amounts owed by group undertakings
Other debtors

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	424,475	428,816	386,015	392,078
Amounts owed by group undertakings	-	-	131,895	156,211
Other debtors	604,358	607,968	578,419	592,686
	<u>1,028,833</u>	<u>1,036,784</u>	<u>1,096,329</u>	<u>1,140,975</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors
Corporate tax
Other taxation and social security
Other creditors

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	302,992	265,636	298,193	268,723
Corporate tax	4,443	143	4,105	-
Other taxation and social security	114,171	-	110,660	-
Other creditors	1,351,719	974,772	1,319,766	949,899
	<u>1,773,325</u>	<u>1,240,551</u>	<u>1,732,724</u>	<u>1,218,622</u>

NOTES TO THE FINANCIAL STATEMENTS

9. CONTINGENCY RESERVE

There is no planned change to the contingency reserve set aside in the year from the 2015/16 surplus. This money was set aside after a number of risks were considered. Chief among these was a potential fall in markets that would adversely impact fee income.

10. PENSION COMMITMENTS

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

The pension cost charge represents contributions payable by the group to the fund and amounted to £159,260 (2016 - £127,090).

Contributions totalling £17,672 (2016 - £13,648) were payable to the pension fund at the balance sheet date and are included in creditors.

11. RELATED PARTY TRANSACTIONS

In accordance with the exemption provided by the Financial Reporting Standard 102 Section 1A the financial statements do not include disclosure of transactions between the company and entities which are part of the group where 100% of the voting rights are controlled within the group.

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

12. CONTROLLING PARTY

In the opinion of the directors, there was no ultimate controlling party during the years ended 31 March 2016 and 2017.

13. 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.

14. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

