



INSTITUTE OF DIRECTORS  
IN IRELAND

# ANNUAL REPORT 2018


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A company limited by guarantee  
and not having a share capital

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# 2018 IN NUMBERS

## MEMBERSHIP

  
**2,912** Members

**5.6%**

net growth in membership

**73** 

MEMBER PROFILES ONLINE



**36%** OF NEW MEMBERS  
**FEMALE**

**531** NEW MEMBERS

## EVENTS & TRAINING

**40** **FREE**  
**EVENTS**

**6,000+** attendance

**5** 

EVENTS AND WORKSHOPS HELD OUTSIDE OF DUBLIN

 **3** **SEASONAL LUNCHES**

**18** **TRAINING WORKSHOPS**

**228** Chartered Directors 

**1,002** **UNDERTAKEN OR REGISTERED**

(**52** cohorts)  for the Chartered Director Programme



Non-Executive Directors / Chairs on Boardroom Centre Panel

**500+**

## COMMUNICATIONS

**57,000**

USERS

**+15.9%**

WEBSITE



**12** **MONTHLY EZINES**

46% AVERAGE OPEN RATE

**246,600**  
PAGE VIEWS



**508K**  
**TWITTER IMPRESSIONS**

**4,100**  
LINKED IN FOLLOWERS



**13** **WEBCASTS & VIDEOS**

**16** **BLOGS**

**8** **RESEARCH REPORTS & SURVEYS**



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# PRESIDENT'S REPORT

## MICHAEL SOMERS

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I am pleased to report that 2018 was another strong year of financial and business performance for the IoD.

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Stronger data protection laws, a mandatory governance code for charities, and a banking sector intent on rebuilding trust with the public contributed to an increasingly complex and challenging regulatory environment for directors and business leaders in 2018.

Through our extensive series of events, briefings, training and published resources, the IoD has been playing a key supportive role for our members in these changing times. Indeed, against such a background, the benefits of networking with one's fellow IoD members and peers were never more important.

### STRATEGIC AND FINANCIAL REVIEW

2018 was another strategically and financially successful year in which turnover increased by 14% to €3 million as the organisation increased revenue across director development and training programmes, events, members' annual subscriptions and new members' registration fees.

We continue to exercise prudent financial management, re-investing funds into the business so as to provide a wide and varied programme of activity for our membership, while building our reserves to safeguard against any future financial risk to the organisation.

The environment for directors continues to evolve and, as the economy grows and business leaders focus on new opportunities, the IoD must ensure that it remains relevant and responsive to the needs of our members. The Chief Executive will outline the programmes that have been delivered by the team in the past twelve months to meet this objective.

The IoD completed its preparations for the implementation of the General Data Protection Regulation (GDPR) on 25th May, 2018, both for itself and for our members and delivered resources and presentations on the new rules in conjunction with McCann FitzGerald.

In this context, we are acutely aware of the need for directors to keep up-to-date with best practice and their responsibilities in these key areas of governance and of the IoD's role in providing assistance in this regard.

Our fundamental focus is on high standards of corporate governance. Our commitment to building better boards and improving the effectiveness and performance of directors is borne out through our extensive training programmes and board services, which have grown in the past twelve months.

### GOVERNANCE

As this introduction to an IoD annual report will be my final one as President, I would like to take the opportunity to thank the Council of the IoD for the support offered to me during my time in office. I have been involved with the IoD for many years and fulfilling the role of President and interacting with our membership has been a great honour.

I wish to acknowledge the efforts of all my colleagues on the Council, including those who have left, over the past year, in particular, and to recognise their commitment to the highest standards of corporate governance across the organisation.

My thanks also go to Maura Quinn, Chief Executive, and her team, for their dedication to delivering such a high quality service to members.

## OUTLOOK

No doubt, 2019 will present further challenges and opportunities in the business environment, with Brexit the dominant concern. The IoD will continue to support and equip our members with the skills, knowledge and expertise needed to drive effectiveness and performance at executive and board level.

The successes of 2018 see us well positioned and optimistic for the future, a growing representative body with a vital remit to deliver and uphold the highest standards of corporate governance.

Michael Somers

“Our fundamental focus is on high standards of corporate governance and our commitment to building better boards.”

# CHIEF EXECUTIVE'S REPORT

## MAURA QUINN

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Over 2,900 members, 6,000 attendees at events, seven cohorts of the Chartered Director Programme and 57,000 website users are just some of the highlights of 2018.

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I am delighted to report impressive and continuing growth across all areas of IoD operations in 2018. This notably includes membership, training and director development, digital content and communications, and our ever popular events' series and seasonal lunches, with hugely encouraging feedback and engagement from our members as we continually strive for improvements in our service to them.

### MEMBERSHIP

In 2018, we continued the upward trajectory of recent times with our membership base in touching distance of our immediate goal of 3,000 members.

In IoD commissioned independent member sentiment research, conducted by Behaviour & Attitudes and published in 2018, members rated the level of customer service provided 4.3 out of 5.0 and their experience of interacting with IoD staff 4.4 out of 5.0, both really positive endorsements. So, I am delighted to pay tribute to the hard work of the entire IoD team for translating these sentiments into real growth in our membership.

### TRAINING AND DIRECTOR DEVELOPMENT

We experienced high levels of demand for the Chartered Director Programme in 2018 with seven cohorts, of 20 participants each, of what is our flagship director training programme.

Demand continues to be fuelled by the high regard in which the programme is held, the increasing complexity of the regulatory environment, and the diligence of members in upholding the highest standard of good governance.

In September 2018, we celebrated the tenth anniversary of the launch of the Chartered Director Programme in the Republic of Ireland and, by year's end, we had reached a total of 52 cohorts with 1,002 participants.

We held 18 one-day workshops throughout the country last year covering themes including, chairing the board, responsibilities of directors, risk management and strategy.

The Boardroom Centre continues to assist client companies across multiple business sectors to source non-executive directors and chairs for their boards, and to advise members on boardroom matters, while demand for our board evaluation service remains particularly strong.

### EVENTS AND COMMUNICATIONS

With over 6,000 attendees at 40 events held in 2018, the level of activity and engagement with our events programme is hugely positive, with most events fully booked.

Our Breakfast & Evening Briefing Series, sponsored by Mazars, and the Lunch Bites @ The IoD Series, sponsored by First Names Group (now, IQ-EQ), are designed to inform and engage members with key topics of interest and relevance delivered by expert speakers. We were also delighted to present Sinéad McSweeney, Managing Director of Twitter Ireland and VP Public Policy and Communications EMEA, as guest speaker at our 2018 Spring Lunch, kindly sponsored by Ardlinn, and Tony Smurfit, Chief Executive Officer, Smurfit Kappa Group, at our Autumn Lunch, kindly sponsored by William Fry.

Our digital footprint continues to grow, with 57,000 website users in 2018, an increase of 15.9 %, as well as increased presence and activity across Twitter and LinkedIn, the latter adding 716 new followers. We produced 16 blogs and 13 webcasts and videos last year, with plans to increase further the extent of digital content available to members - via their desktops, mobiles and tablets - in 2019.

## POLICY AND RESEARCH

In 2018, we produced eight research surveys and reports, including *Ireland's Corporate Culture 2018*, published by the IoD and conducted by Amárach Research. The headline finding of which was that, while 59% of boards had increased their focus on culture in the last five years, many were failing to treat it with sufficient rigour to sustain the business into the future. The IoD has followed through on that report's findings by adding more workshops and talks on the subject of corporate culture.

Our quarterly Director Sentiment Monitor continues to hold a mirror up to the IoD membership at regular intervals, providing insights from our members about their views on a number of issues relating to business, economics and governance.

The IoD also played its part in the delivery of the Charities Governance Code, with COO, Thora Mackey, a member of the advisory group. The Code explains the minimum standards charities should meet to effectively manage and control their organisation. In view of some of the controversies in that sector in recent years, the Code is a welcome addition to the canon of governance documents.

Throughout 2018, McCann FitzGerald supported the IoD by providing monthly factsheets, an updated version of the IoD Handbook for Directors of Regulated Financial Entities, as well as a seminar and resources on GDPR compliance.

On 16 July 2018, the Financial Reporting Council (FRC) published the UK Corporate Governance Code 2018. William Fry hosted a seminar to brief members on the changes to the code, as well as providing online resources and a webcast of the event.

In August, Mazars hosted a briefing to update members on the introduction of PAYE Modernisation which came into effect on 1 January, 2019.

We continue to keep members up-to-date with governance codes, regulatory guidelines and policy changes, including Brexit, through regular resource updates and events. We are reliant on our partners for the delivery of this content, so my thanks, in particular, to McCann FitzGerald, Mazars, William Fry, and Mason Hayes & Curran for their continued support.

## COUNCIL

Finally, I wish to express my thanks to the IoD President and Council for the support and direction offered during the year. Council members give freely and willingly of their time, and their insight and commitment has contributed to the growth of the organisation over the years.

Warmest regards

**Maura Quinn**



## 2018 IN PICTURES



Maura Quinn, CEO, IoD, with Joanne McEnteggart, Managing Director, First Names Group (now IQ-EQ), at the IoD Christmas Lunch 2018 at the InterContinental Dublin Hotel, Dublin. IoD members donated €17,180 to the Simon Communities at the event



Thora Mackey, COO, IoD, was on the advisory group behind the new Charities' Governance Code, published by the Charities Regulator, on 7th November, 2018



Bryan Bourke, Managing Partner, William Fry, sponsors of the IoD Autumn Lunch 2018, pictured (second left), with Michael Somers, President, IoD, Maura Quinn, CEO, IoD, and guest speaker, Tony Smurfit, Chief Executive Officer, Smurfit Kappa Group, at the Clayton Hotel, Ballsbridge, Dublin



Michael Somers, President, IoD, Sinéad McSweeney, Managing Director, Twitter Ireland, Maura Quinn, CEO, IoD, and Aine Brolly, Founder and Director, Ardlinn, sponsor of the IoD Spring Lunch 2018, at the InterContinental Dublin Hotel, Dublin



## A SELECTION OF OUR GUEST SPEAKERS IN 2018

In 2018 we were privileged to have expert speakers deliver at a broad range of IoD briefings, events and seminars. Our sincere thanks to our sponsors and partners: Mazars, First Names Group (now IQ-EQ), Mason Hayes & Curran, McCann FitzGerald, Ardlinn, and William Fry.

- Caitriona Perry, RTÉ
- Tom Clonan, Security Analyst
- Aileen Hayden, Threshold
- Ruairi Quinn, Institute of International and European Affairs
- Marian Finnegan, Sherry FitzGerald Group
- Mark Kennedy, Mazars
- Cormac Lucey
- Iseult Ward, FoodCloud
- Susan Hayes, Hayes Culleton Group
- John Ryan, Great Place to Work
- Dan Flinter
- Rose McHugh
- Fiona Tierney CDir
- Pat McGrath CDir
- Padraic White CDir
- Bernard Brogan – Peptalk & Dublin GAA
- Catherine Day
- Sinéad McSweeney, Twitter Ireland
- Tony Smurfit, Smurfit Kappa Group plc
- Paul Lavery, McCann FitzGerald
- Adam Finlay, McCann FitzGerald
- Jamie Heaslip
- Anne Heraty, Cpl
- Bobby Kerr
- Aisling Keegan, Dell
- Niall Gibbons, Tourism Ireland
- Jack MacGowan, Aer Rianta International
- Derville Rowland, Central Bank of Ireland
- Ellvena Graham OBE, ESB
- Gary Kennedy, Greencore Group plc
- David McRedmond, An Post
- Celine Fitzgerald CDir
- Martin Kelleher, Musgrave



Mark Kennedy, Managing Partner, Mazars, sponsors of the IoD Breakfast & Evening Briefings Series, with Catherine Day who delivered her address: 'Brexit - The Implications for Ireland and Europe', at The Westbury Hotel, Dublin, in November 2018



Joanne Ross receives her Diploma in Company Direction from Maura Quinn, CEO, IoD, at the Certificate and Diploma awards ceremony at the National Concert Hall in September 2018. Joanne was on Cohort 37 of the Chartered Director programme

# COMPANY INFORMATION

## DIRECTORS

Michael Somers (President)  
Heather Ann McSharry  
Liam Daniel  
Dan Flinter  
Harry Lorton  
Imelda Reynolds (appointed 24 May 2018)  
John Reynolds (appointed 24 May 2018)  
Elaine Coughlan (resigned 24 May 2018)  
Gabriel D'Arcy (resigned 24 May 2018)  
Des Lamont (resigned 24 May 2018)  
Jimmy Murphy (resigned 11 September 2018)  
Ita Gibney (resigned 25 February 2019)

## COMPANY SECRETARY

Liam Daniel

## REGISTERED NUMBER

197643

## REGISTERED OFFICE

Europa House  
Harcourt Street  
Dublin 2

## INDEPENDENT AUDITORS

BDO  
Statutory Audit Firm  
Beaux Lane House  
Mercer Street Lower  
Dublin 2

## BANKERS

Bank of Ireland  
Pembroke Road  
Ballsbridge  
Dublin 4

# COUNCIL MEETING ATTENDANCE 2018



COUNCIL MEETING	FEB 20	APRIL 24	MAY 24	SEPT 11	NOV 20	TOTAL
Michael Somers	✓	✓	✓	✓	✓	5/5
Jimmy Murphy	✓	✓	✓	✗		3/4
Dan Flinter	✓	✓	✗	✓	✓	4/5
Ita Gibney	✓	✓	✓	✓	✓	5/5
Des Lamont	✓	✓	✗			2/3
Elaine Coughlan	✓	✗	✗			1/3
Harry Lorton	✓	✓	✗	✓	✓	4/5
Imelda Reynolds				✓	✓	2/2
Gabriel D'Arcy	✓	✗	✗			1/3
John Reynolds				✓	✓	2/2
Heather Ann McSharry	✗	✓	✓	✓	✓	4/5
Liam Daniel	✓	✗	✓	✓	✓	4/5

# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and the audited financial statements for the financial year ended 31 December 2018.

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### PRINCIPAL ACTIVITIES

The company is engaged in representing the professional interest of its members. This takes the form of organising training, discussions, lectures, meetings and the preparation of papers on matters of interest or benefit to the members of the Institute.

Through the Boardroom Centre, the Institute provides placement services for non-executive directors for companies requiring them and encourages and supports the establishment of best practices.

The Institute provides educational courses for members of the Institute of Directors.

### BUSINESS REVIEW

The level of business and the financial year-end position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

The cash at bank figure incorporates prepayments for Director Development courses scheduled to take place in 2019.

### RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to €153,321 (2017 - €174,641).

### DIRECTORS

The directors who served during the financial year were:

Michael Somers (President)  
Heather Ann McSharry  
Liam Daniel  
Dan Flinter  
Harry Lorton  
Imelda Reynolds (appointed 24 May 2018)  
John Reynolds (appointed 24 May 2018)  
Elaine Coughlan (resigned 24 May 2018)  
Gabriel D'Arcy (resigned 24 May 2018)  
Des Lamont (resigned 24 May 2018)  
Jimmy Murphy (resigned 11 September 2018)  
Ita Gibney (resigned 25 February 2019)

The following directors retire by rotation and being eligible offer themselves for re-election:

Liam Daniel  
Dan Flinter  
Harry Lorton  
Heather Ann McSharry

The following directors offer themselves up for election:

Gary Kennedy  
Helen Nolan  
Imelda Reynolds  
John Reynolds

### TRANSACTIONS INVOLVING DIRECTORS

There are no contracts or arrangements of any significance in relation to the business of the company in which the directors had any interest, as defined within the Companies Act 2014, at any time during the financial year ended 31 December 2018.

# DIRECTORS' REPORT (CONTINUED)

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the business include loss of membership income, reduced attendance at the Institute of Directors in Ireland events, loss of income from courses run by the Institute of Directors in Ireland including the Chartered Director Programme which is run under license from the Institute of Directors in the U.K. and from reduced activities at the Boardroom Centre. The directors are satisfied that under the above headings the risks are containable and that any financial implications that may arise can be accommodated within existing resources.

## ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Europa House, Harcourt Street, Dublin 2.

## EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events since the financial year end.

## FUTURE DEVELOPMENTS

The company will continue to operate at its present activity level in the ensuing financial year.

## RESEARCH AND DEVELOPMENT

The company did not engage in any research and development activities during the financial year.

## DISCLOSURE OF INFORMATION TO AUDITORS

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's auditors are 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's auditors are aware of that information.

## AUDITORS

The auditors, BDO, continue in office in accordance with Section 383(2) of the Companies Act 2014.

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

## ON BEHALF OF THE BOARD

Michael Somers (President)  
Director

Liam Daniel  
Director

9 April 2019

# DIRECTORS' RESPONSIBILITIES STATEMENT

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

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Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("relevant financial reporting framework").

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 assets, liabilities and financial position of the company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### ON BEHALF OF THE BOARD

Michael Somers (President)  
Director

Liam Daniel  
Director

9 April 2019



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF THE INSTITUTE OF DIRECTORS IN IRELAND

### Report on the audit of the financial statements.

#### OPINION

We have audited the financial statements of the Institute of Directors in Ireland (the 'company') for the financial year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its profit for the financial year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

# INDEPENDENT AUDITORS' REPORT (CONTINUED)

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

## RESPECTIVE RESPONSIBILITIES

### Responsibilities of directors for the financial statements

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 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT (CONTINUED)

## AUDITORS' 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 Auditors' 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 (Ireland) 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 IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our Auditors' Report.

John O'Callaghan

for and on behalf of  
**BDO**  
Dublin  
Statutory Audit Firm  
AI223876

9 April 2019

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 Auditors' 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.

# STATEMENT OF INCOME AND RETAINED EARNINGS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		2018	2017
	NOTE	€	€
Turnover	4	3,027,303	2,641,410
Operating expenses		(2,844,820)	(2,440,448)
<b>Operating profit</b>	5	<b>182,483</b>	<b>200,962</b>
Bank charges	7	(30,496)	(27,213)
Interest receivable and similar income	8	3,391	2,959
<b>Profit before tax</b>		<b>155,378</b>	<b>176,708</b>
Tax on profit	9	(2,057)	(2,067)
<b>Profit after tax</b>		<b>153,321</b>	<b>174,641</b>
Retained earnings at the beginning of the financial year		1,406,210	1,231,569
		1,406,210	1,231,569
Profit for the financial year		153,321	174,641
<b>Retained earnings at the end of the financial year</b>		<b>1,559,531</b>	<b>1,406,210</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

Signed on behalf of the board:

Michael Somers (President)  
Director

Liam Daniel  
Director

9 April 2019

The notes on pages 24 to 26 form part of these financial statements.

# BALANCE SHEET

## AS AT 31 DECEMBER 2018

		2018	2017
	NOTE	€	€
<b>Fixed assets</b>			
Tangible assets	10	43,614	61,619
		<u>43,614</u>	<u>61,619</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	218,542	176,955
Cash at bank and in hand	12	3,165,068	2,676,452
		<u>3,383,610</u>	<u>2,853,407</u>
Creditors: amounts falling due within one year	13	(1,792,530)	(1,433,653)
<b>Net current assets</b>		<u>1,591,080</u>	<u>1,419,754</u>
<b>Total assets less current liabilities</b>		<u>1,634,694</u>	<u>1,481,373</u>
<b>Net assets</b>		<u>1,634,694</u>	<u>1,481,373</u>
<b>Capital and reserves</b>			
Other reserves	15	75,163	75,163
Profit and loss account	15	1,559,531	1,406,210
<b>Shareholders' funds</b>		<u>1,634,694</u>	<u>1,481,373</u>

The financial statements were approved and authorised for issue by the board:

Michael Somers (President)  
Director

Liam Daniel  
Director

9 April 2019

The notes on pages 27 to 29 form part of these financial statements.

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€	€
<b>Cash flows from operating activities</b>		
Profit for the financial year	153,321	174,641
<b>Adjustments for:</b>		
Depreciation of tangible assets	23,805	27,331
Bank charges	30,496	27,213
Interest received	(3,391)	(2,959)
Taxation charge	2,057	2,067
(Increase) in debtors	(41,845)	(71,498)
Increase in creditors	358,477	312,990
Corporation tax (paid)	(1,399)	(6,429)
<b>Net cash generated from operating activities</b>	<b>521,521</b>	<b>463,356</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,800)	(21,994)
Interest received	3,391	2,959
<b>Net cash from investing activities</b>	<b>(2,409)</b>	<b>(19,035)</b>
<b>Cash flows from financing activities</b>		
Bank charges	(30,496)	(27,213)
<b>Net cash used in financing activities</b>	<b>(30,496)</b>	<b>(27,213)</b>
<b>Net increase in cash and cash equivalents</b>	<b>488,616</b>	<b>417,108</b>
Cash and cash equivalents at beginning of financial year	2,676,452	2,259,344
<b>Cash and cash equivalents at the end of financial year</b>	<b>3,165,068</b>	<b>2,676,452</b>
<b>Cash and cash equivalents at the end of financial year comprise:</b>		
Cash at bank and in hand	3,165,068	2,676,452
	<b>3,165,068</b>	<b>2,676,452</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 1. GENERAL INFORMATION

These financial statements comprising the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes constitute the individual financial statements of the Institute of Directors in Ireland for the financial year ended 31 December 2018.

The Institute of Directors in Ireland is a Company Limited by Guarantee and not having a share capital (registered under Companies Act 2014), incorporated in the Republic of Ireland with a registered number of 197643. The Registered Office is Europa House, Harcourt Street, Dublin 2, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report.

#### Guarantee liability

In the event of the company being wound up, the liability of such a member to contribute to the company for payment of the debts of the company is limited to such an amount as may be required not exceeding €1.27. At 31 December 2018 the company had 2,912 members.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

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

The following principal accounting policies have been applied:

#### 2.2 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

#### 2.3 Members' fees

Annual income and registration fees for members are included in the income and expenditure account when no significant uncertainty about its collectability exists.

Subscriptions received in advance are included in deferred income.

#### 2.4 Boardroom Centre income

Boardroom Centre income is included in the income and expenditure account in the period to which it relates.

#### 2.5 Chartered Director income

Chartered Director income is included in the income and expenditure account in the period to which it relates.

#### 2.6 Affiliation fees

Affiliation fees are payable annually by the Institute of Directors in Ireland to the UK Institute of Directors, based on the number of its members.

#### 2.7 Deferred income

Deferred income consists of membership subscriptions for the calendar year received in advance and Chartered Director income received in respect of courses which are scheduled to be held after the statement of financial position date.

#### 2.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

#### 2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 2.ACCOUNTING POLICIES (CONTINUED)

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is Euros.

##### 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. Nonmonetary 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 Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

#### 2.11 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:

Office equipment - 20% Straight line

Computer 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 the Statement of Income and Retained Earnings.

#### 2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment.

#### 2.13 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.15 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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 company in independently administered funds.

#### 2.16 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates income.

### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The directors do not have any accounting estimates and assumptions which they consider to be crucial accounting estimates and judgments.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 4. TURNOVER

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

	2018	2017
	€	€
Director Development and Training Programmes	1,845,540	1,553,177
IoD events	196,663	170,030
The IoD members' annual subscriptions and new members' registration fees	985,100	918,203
	<u>3,027,303</u>	<u>2,641,410</u>

All turnover arose in Ireland.

### 5. OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2018	2017
	€	€
Depreciation of tangible fixed assets	23,805	27,331
Operating lease rentals	145,124	138,810
Directors' remuneration	-	-
Directors' pension	-	-
Affiliation fee to the UK Institute of Directors	<u>84,877</u>	<u>74,198</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 6. EMPLOYEES

	2018	2017
	€	€
Wages and salaries	729,662	673,202
Social insurance costs	73,739	69,463
Cost of defined contribution scheme	61,941	59,659
	<u>865,342</u>	<u>802,324</u>

Capitalised employee costs during the financial year amounted to €NIL (2017 - €NIL).

The average monthly number of employees during the financial year was as follows:

	2018	2017
	No.	No.
The average number of monthly employees were as follows:	<u>11</u>	<u>11</u>

	2018	2017
	€	€
<b>Key management compensation</b>		
Total key management compensation	<u>271,126</u>	<u>258,104</u>

The Chief Executive receives a salary and benefits package including pension allowance:

	2018	2017
	€	€
Salary	180,000	175,000
Pension costs	18,000	17,500
Bonus	30,600	24,500
Benefit in kind	17,750	17,750
Social security costs	24,776	23,354
	<u>271,126</u>	<u>258,104</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 7. BANK CHARGES

	2018	2017
	€	€
Bank charges	30,496	27,213

### 8. INTEREST RECEIVABLE

	2018	2017
	€	€
Interest receivable	3,391	2,959

### 9. TAXATION

	2018	2017
	€	€
<b>Corporation tax</b>		
Current tax on surplus for the year	2,057	2,067

#### Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2017 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%).

The differences are explained below:

	2018	2017
	€	€
Profit on ordinary activities before tax	155,378	176,708

Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%)

19,422 22,089

#### Effects of:

Other differences leading to a (decrease) in the tax charge	(17,365)	(20,022)
<b>Total tax charge for the financial year</b>	<b>2,057</b>	<b>2,067</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 10. TANGIBLE FIXED ASSETS

	Office equipment €	Computer equipment €	Total €
<b>Cost or valuation</b>			
At 1 January 2018	38,398	151,384	189,782
Additions	-	5,800	5,800
At 31 December 2018	38,398	157,184	195,582
<b>Depreciation</b>			
At 1 January 2018	18,659	109,504	128,163
Charge for the financial year on owned assets	3,856	19,949	23,805
At 31 December 2018	22,515	129,453	151,968
<b>Net book value</b>			
At 31 December 2018	15,883	27,731	43,614
At 31 December 2017	19,739	41,880	61,619

### 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 €	2017 €
Other debtors	105,347	89,175
Prepayments and accrued income	113,195	87,522
Corporation tax repayable	-	258
	218,542	176,955

All debtors are due within one year.

### 12. CASH AND CASH EQUIVALENTS

	2018 €	2017 €
Cash at bank and in hand	3,165,068	2,676,452
	3,165,068	2,676,452

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	€	€
Corporation tax	400	-
Other taxes (see below)	40,204	76,182
Accruals	238,549	245,766
Deferred income	1,513,377	1,111,705
	<u>1,792,530</u>	<u>1,433,653</u>

The terms of the accruals are based on the underlying agreements. Deferred income consists of membership subscriptions for the calendar year received in advance and Chartered Director income received in respect of courses which are scheduled to be held after the statement of financial position date.

	2018	2017
	€	€
<b>Other taxation and social insurance</b>		
PAYE/PRSI control	34,253	64,203
VAT control	5,951	11,979
	<u>40,204</u>	<u>76,182</u>

### 14. FINANCIAL INSTRUMENTS

	2018	2017
	€	€
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>3,165,068</u>	<u>2,765,627</u>

Financial assets measured at amortised cost comprise cash at bank and in hand and other debtors.

### 15. RESERVES

#### Other reserves

The company took over the net assets of the Irish branch of the UK Institute of Directors on 18 January 1993. This was valued at €17,446. Consideration for the net assets amounted to €1 and the balance of €17,445 was credited to the capital reserve.

On 1 January 2002 the company took over the trade, assets and liabilities of the Centre for Boardroom Studies Limited for nil consideration. The surplus arising, which amounted to €57,717, has been credited to the capital reserve.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 15. RESERVES (continued)

#### Profit and loss account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to/from other reserves and dividends paid.

### 16. CONTINGENT LIABILITIES

The company had no contingent liabilities at the financial year end (2017 - €NIL).

### 17. CAPITAL COMMITMENTS

The company had no capital commitments at the financial year end (2017 - €NIL).

### 18. RETIREMENT BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for certain employees. The pension entitlements of employees are secured by contributions by the company to a separately administered pension fund. The defined contribution pension charge for the financial year was €61,941 (2017 = €59,659). The amount payable at the financial year end was €NIL (2017 - €NIL).

### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	€	€
Within one year	145,124	145,124
Between 1 and 5 years	157,200	302,324
	<u>302,324</u>	<u>447,448</u>

### 20. ULTIMATE CONTROLLING PARTY

The directors regard the members in a general meeting as the ultimate controlling party.

### 21. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 9 April 2019.



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