INSTITUTE OF DIRECTORS IN IRELAND

ANNUAL REPORT 2017

A company limited by guarantee and not having a share capital

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PRESIDENT'S REPORT
MICHAEL SOMERS

2017 represented a strong year of financial and business performance for the IoD set against an increasingly busy and complex environment for business leaders.

As I mark the first year of my Presidency of the IoD, I am struck by the degree of change that has dominated the business environment, locally and internationally, in the past year. Be it Brexit negotiations, stock market volatility or the extent of regulatory changes introduced, business leaders in Ireland are now dealing with a new set of challenges and the IoD is well positioned to support them in their role.

STRATEGIC AND FINANCIAL REVIEW

2017 was another strategically and financially successful year in which we saw 6% net growth in IoD membership and improvements in attrition, as well as a marked increase in training income driven primarily by the strong level of demand for the Chartered Director Programme in Ireland, our flagship director development programme.

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.

Turnover increased by 13% to €2.6 million in 2017 as the organisation performs well across all areas.

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.

As issues such as gender diversity and pay, shareholder engagement and board culture are examined by regulators and the media, we are acutely aware of the need for directors to keep up-to-date with best practice and their responsibilities in these areas and of the IoD's role in providing assistance in this regard.

Another key responsibility for directors is the General Data Protection Regulation (GDPR) under which sanctions and fines will apply for non-compliance. The IoD has delivered a year-long information campaign for members on preparing for the GDPR in conjunction with McCann FitzGerald and we will continue to provide members with advisory information as we move swiftly towards the implementation date of 25th May 2018.

Our fundamental focus on high standards of corporate governance remains unchanged and 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 experienced positive levels of growth in the past twelve months.

GOVERNANCE

I am indebted to the Council of the IoD and, in particular, to my predecessor, Des Lamont, for the support offered to me in my first year as President. I have been involved with the IoD for many years and taking up the role of President has been a great honour.

I wish to acknowledge the efforts of all my colleagues on the IoD Council over the past year 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 a high quality service to members. Maura recently marked ten years in the role of Chief Executive and I am sure I speak on behalf of all members in acknowledging the tremendously positive impact she has had on the IoD and the transformative role which she has played during that time.

OUTLOOK

The business environment will no doubt present further challenges and opportunities in the year ahead and 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.

We are optimistic for the future and well positioned to build upon the successes of 2017.

> *“Business leaders in Ireland are now dealing with a new set of challenges and the IoD is well positioned to support them in their role.”*

Warmest regards

Michael Somers

CHIEF EXECUTIVE'S REPORT

MAURA QUINN

Over 2,700 members, 6,000 attendees at events, 6 cohorts of the Chartered Director Programme and almost 50,000 new website users are just some of the highlights of 2017.

In reviewing the level of activity across the IoD in the past twelve months, I am pleased to report an uplift in all of our business areas with impressive growth in training and director development, a highly successful year across our events series and seasonal lunches, significant improvements in member satisfaction and engagement and the successful delivery and integration of a range of digital content.

MEMBERSHIP

Looking firstly at membership, 2017 was another positive year of growth for the IoD as we stride towards reaching the 3,000 members mark.

I must pay credit to the entire IoD team for their stellar service to our members as is evidenced in the most recent findings from our independent member sentiment research, conducted by Behaviour & Attitudes. Members rate the level of customer service provided 4.32 out of 5.0 and their experience of interacting with IoD staff 4.42 out of 5.0, both really positive endorsements.

Key measures are up in all areas, from member satisfaction and experience through to engagement with, and advocacy for, the organisation. 35% say that membership of the IoD has exceeded their expectations. Word of mouth remains the key driver for member recruitment and we are particularly appreciative of the support from our members in this regard.

TRAINING AND DIRECTOR DEVELOPMENT

As the President mentioned, we experienced high levels of demand for the Chartered Director Programme in 2017 with six cohorts of what is our flagship director training programme. Such is the demand that we will run seven cohorts, of 20 participants each, in 2018.

In September 2018, we will celebrate the tenth anniversary of the launch of the Chartered Director Programme in the Republic of Ireland by which time we will have reached 48 cohorts and over 900 participants.

We held 16 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 for their boards, and to advise members on boardroom matters, while demand for our board evaluation service is particularly strong.

EVENTS AND COMMUNICATIONS

With over 6,000 attendees at 55 events held in 2017, the level of activity and engagement with our events programme is very positive. We continually aim to cover a broad range of topics of interest and relevance to our members with high quality content and expert speakers delivered through the Breakfast & Evening Briefing Series, sponsored by Mazars, the Lunch Bites @ The IoD Series, sponsored by First Names Group, and The Leadership Series, sponsored by Mason Hayes & Curran.

We were pleased to welcome Dómhnal Slattery of Avolon as our guest speaker at the Autumn Lunch in September 2017, sponsored by Maples Group, and look forward to our upcoming Autumn Lunch with Tony Smurfit, sponsored by William Fry.

Our digital footprint is growing with 50,000 new website users in 2017, an increase of 42%, as well as increased presence and activity across Twitter and LinkedIn. We produced 21 blogs, 16 webcasts and videos and 9 infographics last year with plans to increase further the extent of digital content available to members in the coming year.

POLICY AND RESEARCH

In 2017, we produced seven research surveys and reports. The most noteworthy examined the themes of diversity in the boardroom and boardroom ethics with both reports achieving positive levels of media coverage and impact among key stakeholder groups.

November 2017 saw the launch by Minister Paschal Donohoe of a new IoD publication on Governance for Directors on State Boards, produced in partnership with Mazars.

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

> *"Key measures are up in all areas, from member satisfaction and experience through to engagement with, and advocacy for, the organisation."*

COUNCIL

Finally, I wish to express my thanks to the IoD President and Council for the support and direction offered over the past twelve months. 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.

I am delighted to be working closely with our Council and our President, Michael Somers, as we continue on a path of positive growth in 2018.

Warmest regards

Maura Quinn

2017 IN NUMBERS

MEMBERSHIP

2,757 Members

+6% net growth in membership

50 MEMBER PROFILES ONLINE

31% OF NEW MEMBERS FEMALE

476 NEW MEMBERS

EVENTS & TRAINING

55 EVENTS HELD

6,043 attendance

36 FREE EVENTS

8 EVENTS AND WORKSHOPS HELD OUTSIDE OF DUBLIN

3 SEASONAL LUNCHES

546 people attended the Autumn Lunch

16 TRAINING WORKSHOPS

185 Chartered Directors

782 COMPLETED OR REGISTERED for the Chartered Director Programme (41 cohorts)

Non-Executive Directors / Chairs on Boardroom Centre Panel 500

COMMUNICATIONS

49,606 NEW USERS +42% WEBSITE

SESSIONS 74,875 +34%

+21% 223K PAGE VIEWS

484K TWITTER IMPRESSIONS

336K LINKEDIN IMPRESSIONS

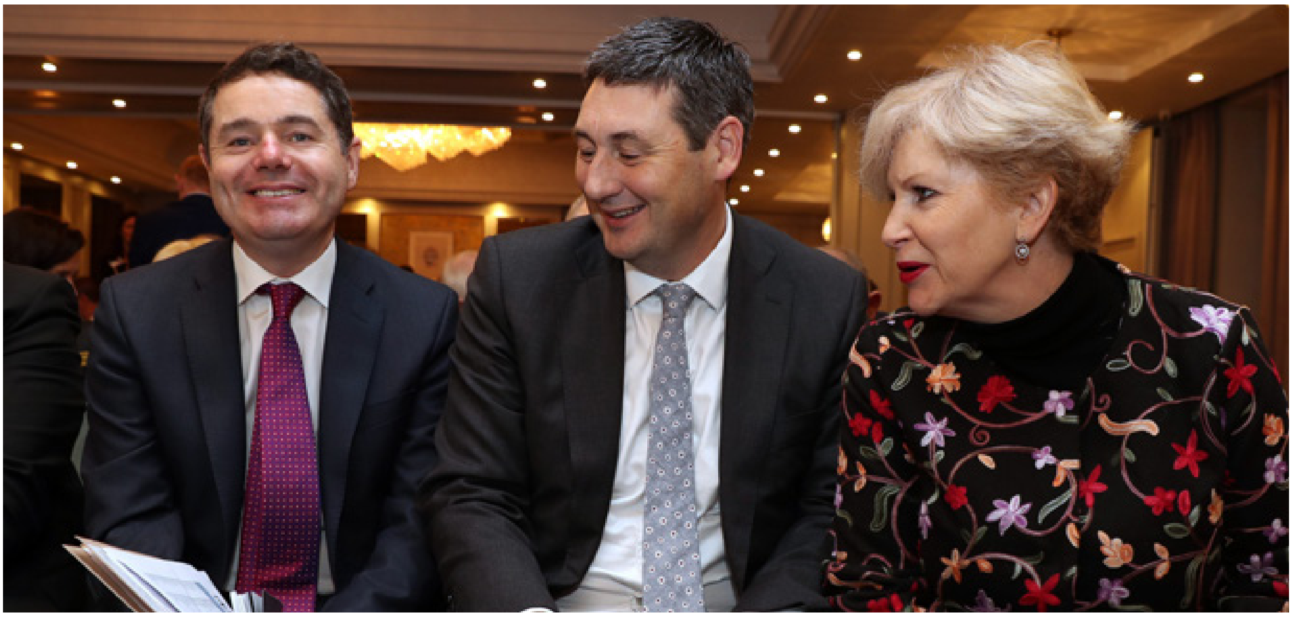
16 WEBCASTS & VIDEOS

21 BLOGS

7 RESEARCH REPORTS & SURVEYS

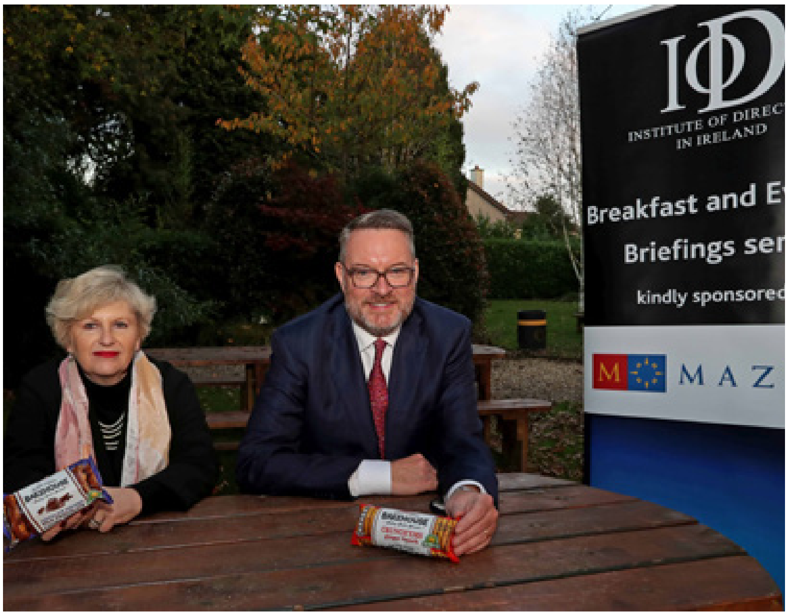
2017 IN PICTURES

(L-R) Michael Somers, IoD President, with Dómhnal Slattery, Chief Executive Officer, Avolon, who spoke at the IoD Autumn Lunch 2017.



(L-R) Minister Paschal Donohoe launching the IoD & Mazars handbook on 'Governance for Directors on State Boards' with Mark Kennedy, Managing Partner, Mazars Ireland, and Maura Quinn, IoD Chief Executive.

(L-R) Michael Somers, IoD President, presents the Graduate of Merit Award to Karen Hennessy, and the Chartered Director Award to Liam Young, at the Chartered Director Programme Awards Ceremony in November 2017.



(L-R) Maura Quinn, IoD Chief Executive is pictured with Michael Carey, East Coast Bakehouse, who spoke as part of the IoD Breakfast & Evening Briefing Series in Cork, sponsored by Mazars.

Dearbhail McDonald, INM Business Editor, guest speaker at Lunch Bites @ The IoD is pictured with (L) Oonagh Hayes, First Names Group, sponsors of the series, and (R) Maura Quinn, IoD Chief Executive.

DIRECTORS & OTHER INFORMATION

DIRECTORS	M Somers (President) E Coughlan L Daniel G D'Arcy D Flinter I Gibney D Lamont H Lorton H A McSharry J Murphy K Neary (resigned 25 May 2017)
COMPANY SECRETARY	L 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
SOLICITORS	Eugene F Collins Temple Chambers 3 Burlington Road Dublin 4

COUNCIL MEETING ATTENDANCE 2017

COUNCIL MEETING ATTENDANCE 2017	FEBRUARY	APRIL	MAY	SEPTEMBER	NOVEMBER	TOTAL
M Somers (President)	✗	✓	✓	✓	✓	4/5
E Coughlan	✓ (PARTIAL)	✗	✗	✓	✗	1.5/5
L Daniel	✓	✓	✓	✓	✓	5/5
G D'Arcy	✗	✓	✓	✗	✗	2/5
D Flinter	✓	✗	✓	✓	✓	4/5
I Gibney	✗	✗	✓	✓	✓	3/5
D Lamont	✓	✓	✓	✓	✓	5/5
H Lorton	✓	✓	✓	✓	✗	4/5
H A McSharry	✓	✓	✓	✓	✓	5/5
J Murphy	✓	✓	✓	✗	✓	4/5
K Neary	✓	✗	✓	RESIGNED	RESIGNED	2/3

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements for the financial year ended 31 December 2017.

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 2018.

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to €174,641 (2016 - €151,665).

DIRECTORS

The directors who served during the financial year were:

M Somers (President)
E Coughlan
L Daniel
G D'Arcy
D Flinter
I Gibney
D Lamont
H Lorton
H A McSharry
J Murphy
K Neary (resigned 25 May 2017)

The following director retires by rotation and being eligible to offer himself for re-election:

J Murphy

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 2017.

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 reduced attendance at courses run by the Institute of Directors in Ireland and 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

M Somers (President)	L Daniel
Director	Director

24 April 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

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 and promulgated by the Institute of Chartered Accountants in Ireland ("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 of the company 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 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

M Somers (President)	L Daniel
Director	Director

24 April 2018

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 for the financial year ended 31 December 2017, 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 2017 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 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 the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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

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 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 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 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 on page 14, 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

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: https://www.iaasa.ie/Publications/ISA-700-(Ireland). The description forms part of our Auditors' Report.

John O'Callaghan

for and on behalf of
BDO
Dublin
Statutory Audit Firm
AI223876

24 April 2018

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

This 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 2017

	NOTE	2017 €	2016 €
Turnover	4	2,641,410	2,331,428
Operating expenses		(2,440,448)	(2,166,187)
Operating profit	5	200,962	165,241
Bank charges	7	(27,213)	(25,607)
Interest receivable and similar income	8	2,959	16,402
Profit before tax		176,708	156,036
Tax on profit	9	(2,067)	(4,371)
Profit after tax		174,641	151,665
Retained earnings at the beginning of the financial year		1,231,569	1,079,904
		1,231,569	1,079,904
Profit for the financial year		174,641	151,665
Retained earnings at the end of the financial year		1,406,210	1,231,569

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

Signed on behalf of the board:

M Somers (President)
Director

L Daniel
Director

24 April 2018

The notes on pages 21 to 29 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2017

	NOTE	2017 €	2016 €
Fixed assets			
Tangible fixed assets	10	61,619	66,956
		61,619	66,956
Current assets			
Debtors: amounts falling due within one year	11	176,955	105,199
Cash at bank and in hand	12	2,676,452	2,259,344
		2,853,407	2,364,543
Creditors: amounts falling due within one year	13	(1,433,653)	(1,124,767)
Net current assets		1,419,754	1,239,776
Total assets less current liabilities		1,481,373	1,306,732
Net assets		1,481,373	1,306,732
Capital and reserves			
Other reserves	15	75,163	75,163
Profit and loss account	15	1,406,210	1,231,569
Shareholders' funds		1,481,373	1,306,732

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

M Somers (President)
Director

L Daniel
Director

24 April 2018

The notes on pages 21 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017	2016
	€	€
Cash flows from operating activities		
Profit for the financial year	174,641	151,665
Adjustments for:		
Depreciation of tangible assets	27,331	22,852
Interest paid	27,213	25,607
Interest received	(2,959)	(16,402)
Taxation charge	2,067	4,371
(Increase)/decrease in debtors	(71,498)	2,149
Increase in creditors	312,990	84,148
Corporation tax (paid)	(6,429)	(11,147)
Net cash generated from operating activities	463,356	263,243
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,994)	(28,321)
Interest received	2,959	16,402
Net cash from investing activities	(19,035)	(11,919)
Cash flows from financing activities		
Interest paid	(27,213)	(25,607)
Net cash used in financing activities	(27,213)	(25,607)
Net increase in cash and cash equivalents	417,108	225,717
Cash and cash equivalents at beginning of financial year	2,259,344	2,033,627
Cash and cash equivalents at the end of financial year	2,676,452	2,259,344
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	2,676,452	2,259,344
	2,676,452	2,259,344

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2017.

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. 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 2017 the company had 2,757 members (2016: 2,604 members).

2.ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis 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 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.

2.3 Debtors

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

2.4 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.

2.5 Financial instruments

The company only enters into basic financial instruments 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 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.

2.6 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.

2.7 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.

2.8 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.

2.9 Interest income

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

2.10 Historic cost convention

The financial statements have been prepared on the historical cost basis of accounting and are denominated in Euro, denoted by the symbol "€".

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2.12 Boardroom Centre income

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

2.13 Chartered Director income

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

2.14 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.

2.15 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.

2.16 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 2017

4. TURNOVER

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

	2017	2016
	€	€
Director development and training programmes	1,553,177	1,348,728
IoD events	170,030	175,915
The IoD members' annual subscriptions and new members' registration fees	918,203	806,785
	2,641,410	2,331,428

All turnover arose in Ireland.

5. OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2017	2016
	€	€
Depreciation of tangible fixed assets	27,331	22,852
Operating lease rentals	138,810	65,651
Directors' remuneration	-	-
Directors' pension	-	-
Affiliation fee to the UK Institute of Directors	74,198	68,226

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. EMPLOYEES

	2017	2016
	€	€
Wages and salaries	673,202	650,022
Social insurance costs	69,463	66,670
Cost of defined contribution scheme	59,659	57,581
	802,324	774,273

Capitalised employee costs during the financial year amounted to €NIL (2016 - €NIL).

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

	2017	2016
	No.	No.
The average number of monthly employees were as follows:	11	10

	2017	2016
	€	€
Key management compensation		
Total key management compensation	258,104	258,104

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

	2017	2016
	€	€
Salary	175,000	175,000
Pension costs	17,500	17,500
Bonus	24,500	24,500
Benefit in kind	17,750	17,750
Employer social security costs	23,354	23,354
	258,104	258,104

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. BANK CHARGES

	2017	2016
	€	€
Bank charges	27,213	25,607

8. INTEREST RECEIVABLE

	2017	2016
	€	€
Interest receivable	2,959	16,402

9. TAXATION

	2017	2016
	€	€
Corporation tax		
Current tax on surplus for the year	2,067	4,371

Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than *(2016 - lower than)* the standard rate of corporation tax in Ireland of 12.5% *(2016 = 12.5%)*. The differences are explained below:

	2017	2016
	€	€
Profit on ordinary activities before tax	176,708	156,036
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 = 12.5%)	22,089	19,505
Effects of:		
Other differences leading to a (decrease) in the tax charge	(20,022)	(15,134)
Total tax charge for the financial year	2,067	4,371

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. TANGIBLE FIXED ASSETS

	Office equipment	Computer equipment	Total
	€	€	€
Cost or valuation			
At 1 January 2017	17,284	150,504	167,788
Additions	21,114	880	21,994
At 31 December 2017	38,398	151,384	189,782
Depreciation			
At 1 January 2017	14,803	86,029	100,832
Charge for the financial year on owned assets	3,856	23,475	27,331
At 31 December 2017	18,659	109,504	128,163
Net book value			
At 31 December 2017	19,739	41,880	61,619
At 31 December 2016	2,481	64,475	66,956

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	€	€
Other debtors	89,175	71,296
Prepayments and accrued income	87,522	33,903
Corporation tax repayable	258	-
	176,955	105,199

All debtors are due within one year.

12. CASH AND CASH EQUIVALENTS

	2017	2016
	€	€
Cash at bank and in hand	2,676,452	2,259,344
	2,676,452	2,259,344

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	€	€
Corporation tax	-	4,104
Other taxes (see below)	76,182	40,193
Accruals	245,766	183,693
Deferred income	1,111,705	896,777
	1,433,653	1,124,767

The terms of the accruals are based on the underlying agreements. Other amounts within creditors are unsecured, interest free and repayable on demand.

	2017	2016
	€	€
Other taxation and social insurance		
PAYE/PRSI control	64,203	22,000
VAT control	11,979	18,193
	76,182	40,193

14. FINANCIAL INSTRUMENTS

	2017	2016
	€	€
Financial assets		
Financial assets measured at amortised cost	2,765,627	2,330,640
	2,765,627	2,330,640

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 2017

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 *(2016 - €NIL)*.

17. CAPITAL COMMITMENTS

The company had no capital commitments at the financial year end *(2016 - €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 €59,659 *(2016 = €57,581)*. The amount payable at the financial year end was €NIL *(2016 - €NIL)*.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	€	€
Within one year	145,124	32,824
Between 1 and 5 years	302,324	-
	447,448	32,824

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 24 April 2018.

INSTITUTE OF DIRECTORS
IN IRELAND

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