The Insurance Institute

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS

COMPANY INFORMATION

DIRECTORS	Mr Philip Bradley (appointed 25 April 2017) Mr Frank Craven Mr Brian Curtis (appointed 7 March 2017) Mr Jim Duncan Mr Dargan FitzGerald Mr Gearóid Gilley Ms Clare Grimes (appointed 25 April 2017) Ms Evelyn Hanrahan Ms Paula Hodson Mr Denis Kelleher Mr Gerard McHugh Mr Dermot Murray Ms Caitríona Somers
SECRETARY	Mr Frank Craven
COMPANY NUMBER	518942
REGISTERED OFFICE	Insurance Centre 5 Harbourmaster Place IFSC Dublin 1
PRINCIPAL BANKERS	Bank of Ireland Allied Irish Banks
INDEPENDENT AUDITORS	Grant Thornton Chartered Accountants and Statutory Audit Firm Molyneux House Bridge Street Dublin 2
SOLICITORS	Linda Scales and Associates Castleview House Sandymount Green Dublin 4

NATIONAL COUNCIL 2017/18

PRESIDENT	Mr Jim Duncan ACII Chartered Insurer B Eng (Hons) MIRM
DEPUTY PRESIDENT	Mr Philip Bradley FCII Chartered Insurer Certified Insurance Director
VICE PRESIDENT	Mr Gearóid Gilley FCII Chartered Insurer Certified Insurance Director
CORK REPRESENTATIVES	Ms Fiona Charles BA (Hons) APA Mr Eamonn R. Downey CIP Mr Glen Goggin FCII Dip Law BCL (Hons) Mr John Higgins ACII Chartered Insurance Practitioner QFA Dip Inf Tech Ms Mary McAuliffe ACII BSc Mr Brían McMahon BBS CIP Mr Brian O'Dwyer BA (Hons) CIP Dip FS Ins Mr Niall O'Shea CIP Dip PMI Mr Rory O'Sullivan BA (Hons) CIP Mr Morgan O'Toole CIP Dip CII Ms Susan Stanley ACII Chartered Insurer Mr William Sullivan BCL (Hons) SIA
DUBLIN REPRESENTATIVES	Mr John Armstrong FSA Mr Patrick Brennan QFA APA Mr Tom Brennan FCA FCSI Mr Kevin Currivan ACII Chartered Insurer (resigned 20 Dec 2017) Ms Sarah Hannon CIP Mr Michael Fleming ACII Chartered Insurance Risk Manager BA (Hons) (resigned 16 Jun 2017) Mr Coleman Hudson LCOI Mr Gareth Logan CIP Ms Melanie MacDonald ACII (appointed 01 Feb 2018) Ms Suzanne McKearney ACII Mr Denis O'Leary ACII Chartered Insurer Mr Alan Ryan FCII Chartered Insurance Practitioner (appointed 20 Dec 2017) Ms Mary Smith CIP Mr David Whelan ACII Chartered Insurer
GALWAY REPRESENTATIVES	Mr Richard Geraghty CIP MDI Mr Michael Gough ACII Chartered Insurer BComm Ms Clare Grimes Certified Mediator Certified Insurance Director APA Mr Darragh Guinnane CIP Mr Danny McGovern BBS CIP MDI Ms Gretta McGrath CIP (resigned 14 Sep 2017) Mr Jim Molloy Ms Amy Mulryan APA (appointed 14 Sep 2017) Ms Arlene O'Brien CIP Ms Pamela Treacy Dip PMI Mr John Walsh CIP
LIMERICK REPRESENTATIVES	Mr Brian Collins BA CIP Ms Evelyn Hanrahan Dip IoD BA HDE QFA FLIA APA Ms Martina Healy CIP Ms Ide O'Keeffe CIP Mr Paddy Redmond BBS CIP QFA
SLIGO REPRESENTATIVES	Mr Gavin Barrett CIP MDI Dip Compliance (appointed 23 Oct 2017) Ms Jane Brady BA QFA CIP Mr Brendan Boyle Dip. Civ. Eng. M.I.E.I APA Ms Martina Clancy CIP (resigned 20 Oct 2017) Mr Brendan Connolly ACII Chartered Insurer Mr Michael Fitzgerald CIP ALIA (Dip) QFA Mr Conor O'Brien Nat. Dip H&S CMIOSH CIP

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Directors have pleasure in presenting their report and the financial statements of the Company for the financial year ended 31 December 2017.

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Irish Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the company for that year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

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 institute for the financial year end date of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014 and the Companies (Accounting) Act 2017.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Institute will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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 surplus or deficit of the Institute to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and the Companies (Accounting) Act 2017 and enable the financial statements to be audited. The Directors are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the financial information included on the Institute's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Legal Status – Incorporation
The Company incorporated on 17 October 2012 as The Insurance Institute of Ireland and commenced trading on 1 January 2013. The Company does not have a share capital and consequently the liability of the members is limited by guarantee.

Principal Activities and Business Review
The principal activity of the company is the provision of education and training to the general insurance industry in Ireland. The directors are satisfied with the performance of the company during the financial year under review.

Principal Risk and Uncertainties
The directors consider the following to be the principal risks and uncertainties facing the company:

- Entry into the market served by The Insurance Institute of Ireland by competitors
- Changes to the regulatory environment
- Continued fragmentation of the market due to reducing indigenous companies

The directors are satisfied that appropriate measures are undertaken to ensure the wellbeing of the company.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Results
The results for the financial year are set out in the company Statement of Comprehensive Income on page 8. As the Company is limited by guarantee and does not have a share capital the directors have not recommended a dividend.

Important Events since the financial year end
There have been no significant events affecting the company since the financial year end.

Accounting Records
The measures taken by the Directors to ensure compliance with the requirements of Section 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 kept at the Company's registered office, 5 Harbourmaster Place, IFSC, Dublin 1.

Directors
The names of the persons who were Directors at any time during the financial year ended 31 December 2017 are set out below. Unless otherwise indicated, they served as Directors for the entire year.

Mr Philip Bradley (appointed 25 April 2017)
Mr Frank Craven
Mr Brian Curtis (appointed 7 March 2017)
Mr Jim Duncan
Mr Dargan FitzGerald
Mr Gearóid Gilley
Ms Clare Grimes (appointed 25 April 2017)
Ms Evelyn Hanrahan
Ms Paula Hodson
Mr Denis Kelleher
Mr Gerard McHugh
Mr Dermot Murray
Ms Catriona Somers

Going Concern
The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on the going concern basis.

Statement on relevant audit information
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 auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors
The Auditors, Grant Thornton, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

On behalf of the Board

Signed:

Mr Denis Kelleher

Mr Dargan FitzGerald

Date: 6 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS

OPINION
We have audited the financial statements of The Insurance Institute of Ireland, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 December 2017, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets,liabilities and financial position of the Company as at 31 December 2017 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the Companies (Accounting) Act 2017.

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 'responsibilities of the auditor 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, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

OTHER INFORMATION
Other information comprises information included in the Annual Report, other that the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014 AND THE COMPANIES (ACCOUNTING) ACT 2017

- We have obtained all the information and explanations which we consider necessary for the

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS

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.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014 and the Companies (Accounting) Act 2017.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on our 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.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as directors determine 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, management is 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Jason Crawford

for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm

Date: 6 March 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Turnover	16	5,312,190	5,254,931
Administrative Expenses		(5,027,978)	(4,884,535)
Operating Surplus		284,212	370,396
Interest Receivable		4,151	5,695
Interest Payable and Similar Charges		(1,805)	(4,386)
Surplus on Ordinary Activities before Taxation		286,558	371,705
Tax on Surplus on Ordinary Activities	4	(10,307)	(2,334)
Surplus for the financial year		276,251	369,371

The accounting policies and notes on pages 12 to 22 form part of the financial statements.

There was no other comprehensive income for 2017 (2016: €Nil).

All of the activities for the Company are classified as continuing.

These financial statements were approved by the Directors on the 6 March 2018 and are signed on their behalf by

Signed:

Denis Kelleher

Mr Denis Kelleher

Mr Dargan FitzGerald

Date: 6 March 2018

STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Fixed Assets			
Tangible Fixed Assets	6	596,455	620,537
Current Assets			
Debtors	7	386,049	222,600
Cash at Bank	12	2,983,653	2,620,955
		3,369,702	2,843,555
Creditors: Amounts falling due within one year	8	(1,119,318)	(893,504)
Net Current Assets		2,250,384	1,950,051
Total Assets less Current Liabilities		2,846,839	2,570,588
REPRESENTED BY			
Reserves			
Other Reserves		2,570,588	2,201,217
Income and Expenditure Account	10	276,251	369,371
Members' Funds		2,846,839	2,570,588

The accounting policies and notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved by the Directors and authorised for issue on 6 March 2018, and are signed on their behalf by:

Signed:

Mr Denis Kelleher

Mr Dargan FitzGerald

Date: 6 March 2018

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2017

	Total Members' Funds €
At 1 January 2017	2,570,588
Surplus for the financial year	276,251
At 31 December 2017	2,846,839

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2016

	Total Members' Funds €
At 1 January 2016	2,201,217
Surplus for the financial year	369,371
At 31 December 2016	2,570,588

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	**Year Ended 31 Dec 2017 €**	**Year Ended 31 Dec 2016 €**
Cash inflow from Operating Activities	11	456,026	466,525
Returns on Investment and Servicing of Finance			
Interest received		4,151	5,695
Interest paid		(1,805)	(4,386)
Taxation			
Tax paid		(10,307)	(2,334)
Capital Expenditure			
Payments to acquire Tangible Fixed Assets		(85,367)	(114,288)
Increase in Cash and Cash Equivalents	12	362,698	351,212

The accounting policies and notes on pages 12 to 22 form part of these financial statements.

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

a) Company Information

The Insurance Institute of Ireland is a company limited by guarantee, which is registered and incorporated in the Republic of Ireland. The company's registered office is 5 Harbourmaster Place, IFSC, Dublin 1.

b) Basis of Preparation of the 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 and Companies (Accounting) Act 2017.

The financial statements are presented in Euro (€).

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 2). The following principal accounting policies have been applied:

c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

d) 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.

d) Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Computer equipment	33.3%	Straight Line
Fixtures and fittings	20%	Straight Line
IT systems	20%	Straight Line
Property Over		15 years
Medals and trophies		Not depreciated

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 comprehensive income.

e) Debtors

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

f) 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.

g) 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. 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.

g) Financial instruments (continued)
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 comprehensive income.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

h) Creditors

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

i) Interest payable

Interest payable is charged to the Statement of comprehensive income 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.

j) Interest receivable

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

k) Local institutes

All the administration support for Local Institutes is provided under The Insurance Institute of Ireland. Therefore, transactions of Local Institutes are reflected in the Statement of comprehensive income of the company.

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. Significant Judgements and Estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Useful lives of depreciable assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined, and there are a significant number of asset lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

3. Operating Surplus

Surplus for the financial year is stated after charging Directors' remuneration:	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Emoluments in respect of qualifying services	**472,939	*364,790
Other benefits, including pension costs	42,097	36,793
Employer social security costs	50,853	52,431
	565,889	454,014
Auditors' remuneration – as auditor	13,398	12,000
Depreciation of owned assets	109,209	132,120

* Includes remuneration of 5 Executive Directors
**Includes remuneration of 4 Executive Directors

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. Taxation

Full provision has been made in these accounts for the Corporation Tax liability arising on the investment income of The Insurance Institute of Ireland.

	Year Ended 31 Dec 2017	Year Ended 31 Dec 2016
	€	€
Tax on deposit interest at 41%	10,307	2,334

The Insurance Institute of Ireland is exempt from Corporation Tax on activities with members.

5. Particulars of Employees

The average number of staff employed by the Company during the financial year amounted to 38 (2016: 37):

	2017	2016
Student Services	4	3
Member Services & IT	9	6
Education	8	9
Events & Marketing	12	13
Finance & Administration	5	6
	38	37

The aggregate payroll costs of the above were:	2017	2016
	€	€
Wages, Salaries & associated Taxes	2,243,466	1,998,874
Employer Pension Contributions	84,577	124,987
Total Salary Costs	2,328,043	2,123,861

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. Tangible Fixed Assets

Cost	**Opening Balance 01/01/17 €**	**Additions**	**Disposals**	**Closing Balance 31/12/17 €**
Computer equipment	513,548	9,303	(251,531)	271,320
Fixtures and fittings	186,715	-	(80,960)	105,755
Property	438,368	-	-	438,368
Medals and trophies	30,568	-	-	30,568
IT systems	401,120	76,064	-	477,184
	1,570,319	85,367	(332,491)	1,323,195

Depreciation	**Opening Balance 01/01/17 €**	**Charge**	**Disposals**	**Closing Balance 31/12/17 €**
Computer equipment	435,784	44,031	(251,291)	228,524
Fixtures and fittings	122,461	10,443	(80,960)	51,944
Property	33,057	40,004	-	73,061
IT systems	358,480	14,731	-	373,211
	949,782	109,209	(332,251)	726,740

Net Book Value	**Opening Balance 01/01/17 €**	**Closing Balance 31/12/17 €**
Computer equipment	77,764	42,796
Fixtures and fittings	64,254	53,811
Property	405,311	365,307
Medals and trophies	30,568	30,568
IT systems	42,640	103,973
	620,537	596,455

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. Tangible Fixed Assets (continued)

In respect of prior financials

Cost	**Opening Balance 01/01/16 €**	**Additions**	**Disposals**	**Closing Balance 31/12/16 €**
Computer equipment	455,289	58,259	-	513,548
Fixtures and fittings	179,886	6,829	-	186,715
Property	438,368	-	-	438,368
Medals and trophies	30,568	-	-	30,568
IT systems	351,920	49,200	-	401,120
	1,456,031	114,288	-	1,570,319

Depreciation	**Opening Balance 01/01/16 €**	**Charge**	**Disposals**	**Closing Balance 31/12/16 €**
Computer equipment	382,915	52,869	-	435,784
Fixtures and fittings	89,674	32,787	-	122,461
Property	14,613	18,444	-	33,057
IT systems	330,461	28,019	-	358,480
	817,663	132,119	-	949,782

Net Book Value	**Opening Balance 01/01/16 €**	**Closing Balance 31/12/16 €**
Computer equipment	72,374	77,764
Fixtures and fittings	90,212	64,254
Property	423,755	405,311
Medals and trophies	30,568	30,568
IT systems	21,459	42,640
	638,368	620,537

7. Debtors

	31 Dec 2017 €	**31 Dec 2016 €**
Prepayments and other debtors	386,049	222,600
	386,049	222,600

All amounts are recoverable within one year.

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. Creditors: Amounts falling due within one year

	31 Dec 2017	31 Dec 2016
	€	€
Creditors and accruals	661,258	397,154
Deferred Income	366,535	435,693
PAYE/PRSI	91,525	60,657
	1,119,318	893,504

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

9. Pensions

The Insurance Institute of Ireland operates a defined contribution group for directors and a PRSA scheme for staff. The assets of the scheme are held separately from those of the Institute.

Pension costs amounted to €84,577 during the financial year. (€124,987: 2016)

10. Income and Expenditure Account

	31 Dec 2017	31 Dec 2016
	€	€
Surplus for the Financial Year	276,251	369,371
Balance Carried forward	2,846,839	2,570,580

11. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	31 Dec 2017	31 Dec 2016
	€	€
Operating surplus	284,212	370,396
Depreciation of tangible fixed assets	109,209	132,119
Loss on disposal	240	-
Increase in debtors and prepayments	(163,449)	(26,659)
Increase / (decrease) in creditors and accruals	225,814	(9,331)
Net cash inflow from operating activities	456,026	466,525

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. Reconciliation of net cash flow movement in net funds

	31 Dec 2017	31 Dec 2016
	€	€
Opening Balance as at 1 January	2,620,955	2,269,743
Increase in cash and cash equivalents	362,698	351,212
Net funds at end of year	2,983,653	2,620,955

13. Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

14. Events after the financial year

There were no important events after the financial year end.

15. Company Limited by Guarantee

The Company is limited by guarantee not having share capital.

The liability of the members is limited. Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up while they are members of within one year thereafter for the payment of the debts and liabilities of the Company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the rights of the contributions amounts themselves such amount as may be required, not exceeding €1.

16. Turnover

	31 Dec 2017	31 Dec 2016
	€	€
Member Subscriptions	2,621,948	2,623,123
Income from Student Services, Development and Events	2,690,242	2,631,808
Total Income	5,312,190	5,254,931

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. Membership

The total membership of the Institute as at 31 December 2017 was 20,127 (31 December 2016: 19,162) and is analysed as follows:

Local Institute Table of Members	Cork		Dublin		Galway		Limerick		Sligo		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Associates & Fellows	93	97	879	867	55	57	41	39	14	15	**1,082**	**1,075**
Qualified Members	937	898	6,088	5,683	752	652	340	316	499	410	**8,616**	**7,959**
QFA Licence Holders	706	992	5,133	4,362	386	349	417	370	172	160	**6,814**	**6,233**
CPD Members	198	203	555	615	62	65	50	46	33	35	**898**	**964**
Affiliate Members	16	16	196	216	19	17	8	8	9	10	**248**	**267**
Non-Qualified Members	209	240	1,591	1,759	267	246	90	107	226	224	**2,383**	**2,576**
Retired Members	13	15	59	59	8	8	5	5	1	1	**86**	**88**
Total Membership	**2,172**	**2,461**	**14,501**	**13,561**	**1,549**	**1,394**	**951**	**891**	**954**	**855**	**20,127**	**19,162**

Associates & Fellows are members who hold Associateship or Fellowship of the Chartered Insurance Institute. Qualified Members are members who hold any of The Insurance Institute of Ireland designations. QFA Licence Holders are members who hold the QFA designation jointly awarded by The Insurance Institute of Ireland and Life Insurance Association. CPD Members are members who have been grandfathered under minimum competency requirements. Affiliate Members are members availing of the Institute's CPD services. Non- Qualified Members are students and non designation holders.

Membership income for the financial year amounted to €2,621,948 (€2,623,123: 2016).

18. Financial assets and liabilities

	31 Dec 2017	31 Dec 2016
	€	€
Financial assets measured at amortised cost	2,983,653	2,620,955
Financial liabilities measured at amortised cost	661,258	397,154

Financial assets measured at amortised cost comprise of cash and cash equivalents.

Financial liabilities measured at amortised cost comprise of creditors and accruals.

19. Leasing commitments

The company's future minimum operating lease payments are as follows:

	31 Dec 2017	31 Dec 2016
	€	€
Within one year	158,771	66,155
Between one and five years	635,084	635,084
Greater than five years	2,725,567	2,884,338
Total	3,519,422	3,585,577

20. Approval of the accounts

The accounts were approved by the Board on the 6 March 2018.

MANAGEMENT INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report.

DETAILED PROFIT & LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Members Subscriptions	2,621,948	2,623,123
Income from Student Services, Development and Events	2,690,242	2,631,808
Investment income	4,151	5,695
Total Income	5,316,341	5,260,626
Less: Overheads		
Property expenses	286,101	306,431
Administration expenses	735,940	772,459
Operating expenses	14,351	11,239
Student Services expenses	710,911	728,467
Education expenses	631,899	780,910
Member Services expenses	662,842	558,554
Events expenses	403,938	401,771
Marketing expenses	990,370	853,698
IT Support expenses	482,417	338,886
Bank interest and charges	1,805	4,386
Depreciation	109,209	132,120
Total Expenditure	5,029,783	4,888,921
Surplus on Ordinary Activities before Tax	286,558	371,705
Less: Tax	(10,307)	(2,334)
Surplus for the Financial Year	276,251	369,371

SCHEDULE OF EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Property expenses		
Rent, rates and property costs	256,371	264,676
Insurance	29,657	41,555
Repairs and mainteanance	73	200
	286,101	306,431
Administration expenses		
Salary, pension, PHI and VHI	563,084	489,403
Accountancy and legal fees	42,971	36,376
Mainteanance agreements	32,954	18,327
Staff costs – recruitment and training	10,337	113,029
Telephone	18,229	19,080
Printing and stationery	6,466	22,279
Postage	6,170	8,665
Other costs	55,729	65,300
	735,940	772,459
Operating expenses		
Travel and Council expenses	14,351	11,239
Student Services expenses		
Salary costs	91,054	78,104
Printing, postage, telephone and stationery	45,205	43,391
Examination expenses	327,699	235,175
Student Services expenses	246,953	371,797
	710,911	728,467
Education expenses		
Salary costs	435,559	431,922
Development expenses	196,340	348,988
	631,899	780,910

SCHEDULE OF EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Year Ended 31 Dec 2017 €	Year Ended 31 Dec 2016 €
Member Services expenses		
Salary costs	341,301	315,428
CII membership fees	71,600	73,698
Grants to Local Institutes	48,333	32,451
Member Services expenses	201,608	136,977
	662,842	558,554
Events expenses		
Salary costs	161,364	152,978
Events expenses	242,574	248,793
	403,938	401,771
Marketing expenses		
Salary costs	654,202	639,197
Marketing expenses	336,168	214,501
	990,370	853,698
IT Support expenses		
Salary costs	161,300	82,001
IT Support expenses	321,117	256,885
	482,417	338,886

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