

# Statement of Accounts

for the year ended 28 February 2010

Insurance  
Institute of  
Ireland



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<u>2</u>	<u>National Council Members</u> <u>and Other Information</u>
<u>4</u>	<u>Statement of Council's</u> <u>Responsibilities</u>
<u>5</u>	<u>Independent Auditor's Report</u>
<u>6</u>	<u>Income and Expenditure Account</u>
<u>7</u>	<u>Balance Sheet</u>
<u>8</u>	<u>Cash Flow Statement</u>
<u>9</u>	<u>Notes to the Financial</u> <u>Statements</u>
<u>15</u>	<u>Detailed Income and</u> <u>Expenditure Account</u>

## National Council 2009/2010

<b>Title</b>	<b>Name</b>
PRESIDENT	Ms. Adrienne O'Sullivan ACII DLS Chartered Insurer
DEPUTY PRESIDENT	Mr. Denis Kelleher ACII QFA Chartered Insurer
VICE PRESIDENT	Mr. Malcolm Hughes ACII FCILA FUEDI ELAE Chartered Insurance Practitioner
<u>DUBLIN REPRESENTATIVES</u>	Ms. Deirdre Murphy FCII ACCA Mr. Paul Murphy Ms. Paula Hodson ACII Chartered Insurer Grad MMII HDip RM Mr. Ray O'Doherty ACII Chartered Insurance Practitioner Mr. Joe Ganly ACII Chartered Insurer Mr. Joe Whelan FCII Chartered Insurer Mr. Michael Cullen BA Mgmt (Hons) FTC Elect Eng MIES GFireE Mr. Malcolm Hughes ACII FCILA FUEDI ELEA Chartered Insurance Practitioner Ms. Adrienne O'Sullivan ACII DLS Chartered Insurer Ms. Marvyn Henry Dip CII Mr. Marc Sweeney ACII Chartered Insurance Practitioner BSc Hons Ms. Michelle Boland ACII BSc Hons H Dip Mr. Martin Casey ACII Mr. Brendan Little Dip CII Dip F.S. Ins
<u>CORK REPRESENTATIVES</u>	Mr. Alan Fitzgerald FCII FCILA FEUDI ELAE Chartered Insurance Practitioner Mr. Tom Nolan Mr. Eamonn R. Downey CIP Mr. Finbarr Moloney ACII Chartered Insurance Practitioner BA DIP SHWW Mr. John Higgins ACII QFA Dip Inf Tech Chartered Insurance Practitioner Mr. Denis Kelleher ACII QFA Chartered Insurer Ms. Mary Scannell Chartered Fellow CIPD Mr. Paddy Wallace BA Dip SHWW
<u>GALWAY REPRESENTATIVES</u>	Mr. Bartley Lydon Ms. Della Keane Ms. Hazel Morrison Mr. Derek Coffey ACII Chartered Insurer Mr. Paul McGrady Mr. Padraic Benson
<u>LIMERICK REPRESENTATIVES</u>	Mr. Peter J. Thomas FCII Chartered Insurance Broker Ms. Evelyn Hanrahan BA HDE QFA FILA (Dip) Ms. Anna Maria Courtney LLB LLM Mr. Padhraic Hastings FCII Chartered Insurance Practitioner
<u>SLIGO REPRESENTATIVES</u>	Mr. Gerard McLaughlin B.Sc(Mgt) CIP Mr. Michael Fitzgerald QFA Mr. Donagh McSharry
CHIEF EXECUTIVE & SECRETARY	Mr. Denis Hevey MBS FCPA
CHIEF OPERATIONS OFFICER	Mr. Eamon Shackleton BL MBA MA
CHAIRMAN OF EXECUTIVE COMMITTEE	Mr Malcolm Hughes ACII FCILA FUEDI ELAE Chartered Insurance Practitioner
CHAIRMAN OF PSAB-GI	Mr. Tony Culley, FCII Chartered Insurer
CHAIRMAN OF THE EDUCATION & TRAINING COMMITTEE	Mr. Paddy McGovern LLM FCII (retired 06/10/2009)
CHAIRMAN OF THE EDUCATION STRATEGY COMMITTEE	Dr. Gerard Mc Hugh MA PhD FCCA
CHAIRMAN OF THE FINANCE COMMITTEE	Mr. Liam Kilmartin B. Comm DPA FCA
CHAIRMAN OF THE CULTURAL AFFAIRS COMMITTEE	Mr. Padhraic Hastings FCII Chartered Insurance Practitioner
CHAIRMAN OF THE SOCIETY OF FELLOWS	Mr. Paddy McGovern LLM FCII

## Institute Information

### PRINCIPAL BANKERS

Bank of Ireland  
Allied Irish Bank  
Anglo Irish Bank

### AUDITORS

Grant Thornton  
Chartered Accountants and Registered Auditors  
24 -26 City Quay  
Dublin 2.

### SOLICITORS

Matheson Ormsby Prentice  
70 Sir John Rogerson's Quay  
Dublin 2.

## Statement of Council's Responsibilities

The Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and Generally Accepted Accounting Principles in Ireland, including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Trust law requires the Council 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 Institute for that year. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in being.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institute. The Council is 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 Council is 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.

## Independent Auditor's Report to the Trustees and Members

We have audited the financial statements of The Insurance Institute of Ireland for the year ended 28 February 2010, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein on pages 6 to 14.

This report is made solely to the Institute's trustees and members, as a body. Our audit work has been undertaken so that we might state to the trustees and 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 Institute and the trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Council's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated in Ireland by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. We also report to you whether in our opinion proper books of account have been kept by the Institute. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the President's Message and the Chief Executive's Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Principle in Ireland, of the state of the affairs of The Institute as at 28 February 2010 and of its Income and Expenditure for the year then ended.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Institute. The financial statements are in agreement with the books of account.

24-26 City Quay  
Dublin 2  
Ireland

Grant Thornton  
Registered Auditors &  
Chartered Accountants

## Income & Expenditure Account for the year ended 28 February 2010

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	Notes	2010 €	2009 €
Surplus before Taxation and Exceptional Items		510,483	251,639
Exceptional Items	4	<u>32,038</u>	<u>(205,581)</u>
Surplus before Taxation		542,521	46,058
Taxation	5	<u>(6,283)</u>	<u>(9,283)</u>
Retained Surplus for the year		<u>536,238</u>	<u>36,775</u>

There were no recognised gains or losses in 2010 or 2009 other than as stated above.

All Income and Expenditure is in respect of continuing operations.



**President**

Ms Adrienne O'Sullivan



**Chief Operations Officer**

Mr Eamon Shackleton

**Date** 27th April 2010

## Balance Sheet as at 28 February 2010

	Notes	2010 €	2009 €
Tangible Fixed Asset	6	183,875	157,327
Investments at Cost	7	1,672,486	1,205,158
<b>CURRENT ASSETS</b>			
Prepayments and Accrued Income		87,302	112,621
Amounts due from Sargison Fund	8	16,067	3,101
Amounts due from Professional Services Advisory Board		1,005	-
Cash on Hand		500	500
Cash at Bank		49,271	79,078
Cash on Deposit		<u>24,822</u>	<u>26,842</u>
		178,967	222,142
<b>LESS: CURRENT LIABILITIES</b>			
Creditors and Deferred Income	9	<u>(970,320)</u>	<u>(1,055,857)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(791,353)</u>	<u>(833,715)</u>
<b>NET ASSETS</b>		<u>1,065,008</u>	<u>528,770</u>
Represented by			
<b>REVENUE ACCOUNT</b>			
Opening Balance		528,770	491,995
Surplus for year		<u>536,238</u>	<u>36,775</u>
		<u>1,065,008</u>	<u>528,770</u>

The Statement of Accounts were approved by the Council on the 27th April 2010.



**President**  
Ms Adrienne O'Sullivan



**Chief Operations Officer**  
Mr Eamon Shackleton

**Date** 27th April 2010

## Cash Flow Statement for the year ended 28 February 2010

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	Notes	2010 €	2009 €
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>	11	513,713	188,140
<b>TAXATION</b>			
Tax paid		(6,283)	(9,283)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire fixed asset investments		(467,328)	(120,196)
Payments to acquire tangible fixed assets		<u>(71,929)</u>	<u>(75,915)</u>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>(31,827)</u>	<u>(17,254)</u>

## Notes to the Accounts for the year ended 28 February 2010

### 1. ACCOUNTING POLICIES

#### a) Accounting Convention

The accounts are prepared under the historical cost convention.

#### b) Depreciation of Fixed Assets

Fixed assets are depreciated at appropriate rates in order to write them off over their expected useful lives.

The relevant annual rates are:

Computer	33.3%	Straight Line
Fixtures & Fittings	20.0%	Straight Line
Library Books	20.0%	Straight Line
Assets under Construction	0.0%	

#### c) Local Institutes

All the administration support for Local Institutes is provided under The Insurance Institute of Ireland. Therefore, transactions of local bodies are reflected in the Income and Expenditure Accounts.

### 2. MEMBERSHIP

The total membership of the Institute for the year was 13,044 (2009: 10,682) and is analysed as follows:

Regional Table	Fellows / Associates		Qualified Members		QFA Members		Non-Qualified Members		Life Members		Total Members	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Institute</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Cork	101	101	117	92	504	281	831	549	22	23	1,575	1,046
Dublin	811	789	912	582	2,090	2,389	4,847	3,938	118	128	8,778	7,826
Dundalk	17	16	25	22	202	44	41	38	8	7	293	127
Galway	46	48	114	76	282	132	498	477	15	16	955	749
Limerick	42	43	34	26	246	135	272	214	18	19	612	437
South East Ctr	5	5	22	12	249	99	172	122	2	1	450	239
Sligo	9	10	21	14	97	56	252	175	2	3	381	258
<b>Total</b>	<b>1,031</b>	<b>1,012</b>	<b>1,245</b>	<b>824</b>	<b>3,670</b>	<b>3,136</b>	<b>6,913</b>	<b>5,513</b>	<b>185</b>	<b>197</b>	<b>13,044</b>	<b>10,682</b>

Associates & Fellows are members who hold Associateship or Fellowship of the Chartered Insurance Institute. Diploma Holders are members who hold any of The Insurance Institute of Ireland designations. QFA members hold the QFA designation jointly awarded by The Insurance Institute of Ireland and the Life Insurance Association. Non-Diploma Holders is mainly comprised of students and non designation holders, but also individuals who have been grandfathered under minimum competency requirements due to accredited prior learning in the workplace.

## Notes to the Accounts for the year ended 28 February 2010

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### 2. MEMBERSHIP Continued

Membership income of €1,236,910 (2009: €952,502) includes membership contributions from the Irish Institute of Pensions Managers of €21,140 (2009:€21,140).

### 3. SURPLUS FOR YEAR

	2010	2009
	€	€
Result for the year is stated after charging		
Auditors Remuneration	5,309	11,678
Depreciation	<u>44,573</u>	<u>36,873</u>

### 4. EXCEPTIONAL ITEMS

	2010	2009
	€	€
Business Process Review	-	2,170
Refurbishment Expenses	19,860	-
Key Stakeholders' Survey	-	4,200
Data Migration	-	30,000
PSAB-GI Legal Advices	-	(17,811)
Provision for (increase) / diminution in value of shares	<u>(51,898)</u>	<u>187,022</u>
	<u>(32,038)</u>	<u>205,581</u>

During the year, expenditure was accrued for on Refurbishment expenses. Due to the unusual nature of the above transactions, these items have been shown as exceptional items in the Income and Expenditure account. These accounts also take into account the increase in the previous reduction in share price and accordingly quoted shares have been re-valued from book value to market value.

## Notes to the Accounts for the year ended 28 February 2010

### 5. TAXATION

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

	<b>2010</b>	<b>2009</b>
	€	€
Retention Tax on Income	4,760	7,833
Dividend Tax on Investments	1,523	1,450
	<u>6,283</u>	<u>9,283</u>

The Insurance Institute of Ireland is exempt from Corporation Tax.

### 6. TANGIBLE FIXED ASSETS

	<b>Cost</b>		<b>Disposals</b>	<b>Closing</b>
	<b>Balance</b>	<b>Additions</b>	<b>Balance</b>	<b>Balance</b>
	€	€	€	€
Computer Equipment	206,264	12,342	-	218,606
Fixtures and Fittings	171,626	6,127	(4,770)	172,983
Medals and Trophies	30,568	-	-	30,568
Library Books	22,530	-	-	22,530
Assets under Construction	<u>34,020</u>	<u>53,460</u>	<u>-</u>	<u>87,480</u>
	<u>465,008</u>	<u>71,929</u>	<u>(4,770)</u>	<u>532,167</u>

<b>Depreciation</b>	<b>Opening</b>		<b>Disposals</b>	<b>Closing</b>
	<b>Balance</b>	<b>Charge</b>	<b>Balance</b>	<b>Balance</b>
	€	€	€	€
Computer Equipment	167,338	28,479	-	195,817
Fixtures and Fittings	120,650	15,148	(3,962)	131,836
Library Books	<u>19,693</u>	<u>946</u>	<u>-</u>	<u>20,639</u>
	<u>307,681</u>	<u>44,573</u>	<u>(3,962)</u>	<u>348,292</u>

## Notes to the Accounts for the year ended 28 February 2010

### 6. TANGIBLE FIXED ASSETS Continued

Net Book Value	Opening Balance €	Closing Balance €
Computer Equipment	38,926	22,789
Fixtures and Fittings	50,976	41,147
IT System	34,020	87,480
Medals and Trophies	30,568	30,568
Library Books	<u>2,837</u>	<u>1,891</u>
	<u>157,327</u>	<u>183,875</u>

The Insurance Institute of Ireland has recently entered into a capital commitment to purchase a new IT system, the costs incurred to date have been classified as "Assets Under Construction" and will not be depreciated until the full costs have been incurred.

### 7. Investments At Cost

The market value of the Investments at the Balance Sheet date was €1,674,311 of which €1,464,005 are classified as unlisted investments and €208,481 are classified as listed investments (2009: €1,272,641; split €1,116,091 as unlisted investments and €156,550 as listed investments). Listed investments were written down to market value at the year end. The market value includes accrued interest of €1,825 (2009: €67,512), which is included in the Balance Sheet under the heading Prepayments and Accrued Income.

8. Sargison Fund Opening	2010 €	2009 €
Balance at start of year	3,101	28,346
Movement in year	12,966	(3,359)
Provision for non recoverable amount	<u>0</u>	<u>(21,886)</u>
Balance at end of year	<u>16,067</u>	<u>3,101</u>

The Sargison Fund is a fund separately administered by independent trustees nominated by the National Council of The Insurance Institute of Ireland. The amounts due to the Institute represent the net amounts of previously approved awards paid from the fund less dividend income received. The market value of the Sargison Fund at the Balance Sheet date was €16,067 (2009: €3,101). These funds are allocated only for the intended purpose for which the fund is set up.

## Notes to the Accounts for the year ended 28 February 2010

### 9. CREDITORS AND DEFERRED INCOME

	2010	2009
	€	€
Creditors and Accruals	493,158	304,763
Deferred Income	433,364	707,296
Grant Received	<u>43,798</u>	<u>43,798</u>
	<u>970,320</u>	<u>1,055,857</u>

#### Deferred Income

Deferred Income represents amounts received prior to the year-end for projects and services to be delivered, which will be carried out after the year-end, and for which no expenditure has yet been incurred.

#### Grant Received

In 2002 the C.I.I. agreed to convert its long-term loan to The Insurance Institute of Ireland to a grant against the development of future products, expenditure for which is currently being incurred. The grant has been matched against such expense in the Income and Expenditure Account and is expected to be fully utilised in 2010.

### 10. PENSIONS

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

Pension costs amounted to €53,784 during the year.

### 11. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	€	€
Surplus before tax	542,521	46,058
Depreciation of tangible fixed assets	44,573	36,873
Loss on disposal of fixed assets	808	2,376
(Increase) / decrease in debtors and prepayments	11,348	71,507
Increase / (decrease) in creditors and accruals	<u>(85,537)</u>	<u>31,326</u>
Net cash inflow from operating activities	<u>513,713</u>	<u>188,140</u>

### 12. RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET FUNDS

	2010	2009
	€	€
(Decrease) in Cash and Cash Equivalents	(31,827)	(17,254)
Net Funds at 1 March	<u>106,420</u>	<u>123,674</u>
Net Funds at 28 February	<u>74,593</u>	<u>106,420</u>

## Notes to the Accounts for the year ended 28 February 2010

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### 13. ANALYSIS OF NET FUNDS

	2010	2009
	€	€
Bank of Ireland	49,271	81,232
Anglo Irish Bank	24,822	24,688
Cash in Hand	<u>500</u>	<u>500</u>
	<u>74,593</u>	<u>106,420</u>

### 14. Capital Commitment

	2010	2009
	€	€
Future Capital Expenditure approved but not Provided for in these financial statements	<u>75,535</u>	<u>128,995</u>

Capital Expenditure, incurred during this financial year, in relation to the purchase of a new IT system previously approved by Council amounted to €53,460. The total cost of this project will amount to €163,015 of which €87,480 has been incurred in total. This project will be financed solely out of the Institute's cash reserves.

### 15. Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

### 16. Events after the year end

There were no significant events since the year-end.

### 17. Approval of the accounts

The accounts were approved by the Council on the 27<sup>th</sup> April 2010.

## Detailed Income & Expenditure Account for the year ended 28 February 2010

	2010 €	2009 €
Employers Subscriptions	-	56,000
Members Subscriptions	1,236,910	952,502
Income on Education Courses	2,747,759	2,174,403
Income on Annual Conference	107,581	162,321
Investment Income	<u>32,453</u>	<u>54,970</u>
	<u>4,124,703</u>	<u>3,400,196</u>
 <b>Less: OVERHEADS</b>		
Property Expenses	179,613	124,935
Administration Expenses	957,939	787,433
Operating Expenses	25,869	29,919
Membership Costs	299,055	304,544
Marketing and Promotion	190,572	24,004
Computer Expenses	91,220	45,033
Education Expenses	1,609,018	1,547,021
Annual National Conference	63,473	99,803
Grants to Local Bodies	71,783	63,000
CII Membership Fees	77,963	80,625
Bank interest and charges	2,533	2,342
Loss on Disposal of Fixed Assets	808	2,376
Depreciation	44,573	36,873
Loss / (Gain) on Foreign Exchange	<u>(199)</u>	<u>649</u>
	<u>3,614,220</u>	<u>3,148,557</u>
 <b>NET SURPLUS BEFORE EXCEPTIONAL ITEMS</b>	 <u>510,483</u>	 <u>251,639</u>

## Schedule of Expenses for the year ended 28 February 2010

	2010 €	2009 €
<b>PROPERTY EXPENSES</b>		
Repairs and Maintenance	14,483	6,182
Rent and Rates	145,961	102,850
Insurance	<u>19,169</u>	<u>15,903</u>
	<u>179,613</u>	<u>124,935</u>
<b>ADMINISTRATION EXPENSES</b>		
Accountancy and Legal Fees	19,547	40,139
Salaries, Pension, PHI and VHI	609,474	500,084
Employers' PRSI	54,668	46,082
Printing and stationery	40,662	33,187
Postage	46,343	31,188
Telephone	15,306	11,742
General	61,923	42,037
Staff costs – Recruitment, Training	<u>110,016</u>	<u>82,974</u>
	<u>957,939</u>	<u>787,433</u>
<b>OPERATING EXPENSES</b>		
Travel and Council Expenses	21,508	24,341
International Conference	<u>4,361</u>	<u>5,578</u>
	<u>25,869</u>	<u>29,919</u>
<b>EDUCATION EXPENSES</b>		
C.I.I. Education	63,441	60,074
Salary Costs	780,614	684,720
CPD	71,802	48,242
Telephone	5,907	5,460
Examination Expenses	87,715	88,723
Training Programmes	238,950	217,860
Text Rewrites and Printing	315,477	362,409
Printing / Postage / Stationery	40,528	60,299
Miscellaneous Education Expenses	<u>4,584</u>	<u>19,234</u>
	<u>1,609,018</u>	<u>1,547,021</u>

# Insurance Institute *of* Ireland



advancing your career

## The Insurance Institute *of* Ireland

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