Institute of Directors
Financial Statements 2024

Empowering directors

In today's uncertain, volatile world, the IoD has a vital role to play. Directors are having to navigate tough geopolitical and economic challenges, while exploring ways to reinvent their businesses to survive and grow. We provide the training needed to enhance their knowledge, skills and expertise. We are their voice to government, shaping policy on key issues. We are a diverse and collaborative community, committed to mutual support and lifelong learning.

Fulfilling that role requires the IoD to lead by example. This year's report outlines continued progress, as we strengthened our financial position, enhanced operations and grew our membership — remaining focused on strategic delivery and long-term resilience.

The IoD would like to thank all the members who agreed to take part in and be profiled in this year's report and gave generously of their time.

View their stories here

Financial review

Building on the foundations established in 2023, underlying financial performance continues to deliver growth. Strengthening our financial resilience whilst facing into challenges as we continue to improve our systems and processes, ensuring the Institute is fit for the future.

Overall results

The Institute continued to build upon the solid foundation established in 2023. A focus on optimising our systems and processes continues to ensure that we address any challenges and deliver efficient operations to support our growth. Revenue for the year was £21.7m, a 16% increase on 2023 as both membership and professional development continued to grow. Total underlying costs, excluding exceptional items but including depreciation came out at £17.7m, a year-on-year increase of £1.4m, largely due to a £0.9m difference on bad debts as 2023 included a one-off credit of £0.6m with an expense of £0.3m in 2024 which is in line with normal trading expectations. Other costs saw savings of £0.2m in operations year on year. The remaining £0.7m increase was attributable to staff costs as we brought some of our back-office services in house and invested in other operational areas, ensuring best value for money.

The balance of cash and cash equivalents at the end of 2023 increased by £4.7m to £10.8m due to the strong underlying operating performance during the period. Further details of cash movements during the year can be found in the Statement of Cash Flows.

The underlying operating position before depreciation and specific ‘one-off’ reorganisation costs was a surplus of £4,929k (2023: £3,436k).

Exceptional costs of £4.1m were recorded in the year, relating to two key items. A £2.8m increase in the provision for dilapidations relating to our lease of 116 Pall Mall. An external valuation of our dilapidations liability was commissioned in 2024, in line with our policy to update this valuation every three years. A detailed assessment concluded that an increase in the provision was due, comprising of repair and restoration costs reflected in the Income and Expenditure Statement and a further £1.2m relating to expected decommissioning costs added to Tangible Assets as a Right of Use asset. A further £1.3m of exceptional costs relates to a provision for a potential VAT liability relating to historic periods.

On 31 December 2024, the Institute’s accumulated funds stood at £2.5m compared with £4.5m a year earlier, a decrease of £2m. With exceptional one-off costs of £4.1m surpassing the underlying total comprehensive income after tax of £2.1m to generate a loss for the period of £2m.

Income

Membership income

Membership continued to grow during the year, with member numbers reaching 19,342 (2023: 18,405) at the end of the year and generating income of £6.3m (2023: £6m). Although changes to mix of membership types partially diluted the revenue per member, growth in member numbers surpassed the effect of this, generating a further £0.3m of income year on year.

Revenue earning activities

During 2024, footfall to our flagship building of 116 Pall Mall continued to increase as members and guests enjoyed the additional benefits delivered from our hospitality offering. Growth in the number of delegates attending our professional development courses, with 424 delegates attaining our certificate in company direction (2023: 283) delivering further value to revenue.

While overall income from revenue earning activities increased by £2.4m to £14.6m, professional development remained as the area with the highest sales of £10.8m (2023: £8.9m).

Expenditure

Total expenditure, before exceptional items, of £17.7m was £1.4m higher than the previous year. Despite the 16% growth in income, underlying costs remained flat except for staff costs which increased by £0.7m, partly due to wage inflation and partly due to bringing some of our back-office functions in house. The corresponding reduction in external fees for these functions were offset by an increase in one off advisory fees relating to operational projects in the year. The difference on bad debt expense contributed to the remaining £0.9m total year on year increase in costs. Operating costs are analysed across membership and policy, revenue earning activities and support costs, as shown in Analysis of Operating Surplus by Activities (Note 2).

With the majority of fixed asset additions relating to the creation of the Right of Use asset in December 2024, the depreciation charge fell slightly by £0.1m year on year to £0.9m (2023: £1m).

Employment costs

Employment costs, together with direct and indirect costs, are the biggest costs incurred by the IoD. In 2024, they increased year on year by £0.7m to £5.9m (2023: £5.2m) with staff numbers increasing to 91 (2023: 82), partly due to bringing some back-office functions in house and partly due to some investment in operational roles towards the end of the year.

Balance sheet

Creditors

For all trade creditors, it is the Institute's policy to agree terms of payment with suppliers at the start of business and to ensure that they are paid in accordance with the agreed contractual and other legal obligations. The total short term creditor balances at 31 December 2024 increased to £6.3m (2023: £4.7m) largely due to the corporation tax creditor of £1.8m (2023: £Nil), as growth in taxable revenue driving activities absorbed remaining tax losses brought forward from historic periods.

Trade creditors increased by £0.2m to £0.9m at 31 December 2024 (2023: £0.7m) due to a reclassification between accruals and creditors relating to annual rates charges for 116 Pall Mall. The reclassification offset an underlying reduction in comparative creditors due to a continued focus on internal processes and controls.

Debtors

Overall debtors decreased to £1.8m at 31 December 2024 (2023: £2m) due to timing differences on prepayments for rent and rates at 116 Pall Mall. Further improvements to credit controls saw net debtors, excluding provision for doubtful debts of £0.2m (2023: £0.3m), drop to £1.1m (2023: £1.3m), despite an increase in trading activity.

Going concern

In 2024, the Board continued to regularly review all management information, including stress tests to forecasts and investments in strategic projects, to consider whether the Institute should prepare the financial statements on a going concern basis.

The Board has reviewed the latest financial information available as well as the trading and cash flow forecasts (that have been stress tested on a quarterly basis), including the assumptions that underpin these. In addition, the Board has also continued to support the implementation of the longer-term strategy for the Institute.

After reviewing the information available, the Board considers that the Institute has adequate resources to continue operations as normal, and that there are no material uncertainties casting doubt over the Institute's ability to operate on an ongoing basis for a period greater than the tested 12-month period following the approval of this report and accounts. Further details are provided within the accounting policies that accompany the financial statements. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

Non-statutory independent auditor's report to the Board of Institute of Directors

Opinion

We have audited the financial statements of Institute of Directors (the 'Institute') for the year ended 31 December 2024 which comprise Statement of income and retained earnings, the Balance sheet, Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the Institute's affairs as at 31 December 2024 and of its deficit for the year then ended
- Have been prepared in accordance with United Kingdom Accounting Standards

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our non-statutory report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Institute's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our non-statutory auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our non-statutory opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 during 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 this gives rise to a material misstatement in the financial statements themselves. 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 engaged to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, if applied, would require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our non-statutory audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law where the Board are considered as equivalent to directors of a private limited company, are not made
- We have not received all the information and explanations we require for our non-statutory audit

Responsibilities of Board

As explained more fully in the Board responsibilities statement set out on page 63, the Board is 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 Board determines 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 Board is responsible for assessing the Institute'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 Board either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 (UK) 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 based on these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Institute operates in and how the Institute is complying with the legal and regulatory framework
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Royal Charter, FRS 102, the Companies Act 2006 requirements in respect of directors' remuneration and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting available correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to general data protection regulations and health and safety legislation. We performed audit procedures to inquire of management whether the Institute follows these laws and regulations and inspected relevant correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and the completeness and cut off of non-membership income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered outside the normal course of business, testing revenue substantively to supporting evidence in year and after year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

http://www.frc.org.uk/auditors responsibilities This description forms part of our auditor's report.

Use of our report

This non-statutory report is made solely to the Institute's Board for their confidential use, in accordance with our engagement letter dated 24 February 2025. Our non-statutory audit work has been undertaken so that we might state to the Institute's Board those matters we are required to state to them in a non-statutory auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the Institute's Board, for our non-statutory audit work, for this non-statutory report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

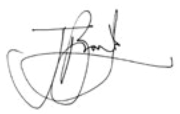
5 June 2025

The accounts

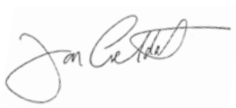
Statement of income and retained earnings

Notes		2024 Pre Exceptional items	2024 Exceptional items	2024 Total	2023 Total
		£'000	£'000	£'000	£'000
2.	**Income**				
	Membership income	6,349	-	6,349	5,976
	Revenue earning activities	14,646	-	14,646	12,162
	Other trading income	368	-	368	512
	Interest receivable and similar income	378	-	378	36
		21,741	-	21,741	18,686
2.	**Expenditure**				
3.	Employment costs	5,909	–	5,909	5,245
	Direct and Indirect costs	8,005	1,291	9,296	7,230
	Property expenditure	2,866	2,800	5,666	2,762
	Loss on disposable of fixed assets	32	-	32	13
	Depreciation	928	-	928	1,042
		17,740	4,091	21,831	16,292
2.	Surplus/(Deficit) before taxation	4,001	(4,091)	(90)	2,394
5.	Taxation	1,886	–	1,886	–
	Surplus/(Deficit) after taxation	2,115	(4,091)	(1,976)	2,394
	Other comprehensive income / loss				
16.	Closed defined benefit pension scheme adjustment	–	–	–	–
	Total comprehensive income/(Expenditure)	2,115	(4,091)	(1,976)	2,394
	Reconciliation of accumulated funds				
	Accumulated funds at 1 January			4,520	2,126
	Accumulated fund at 31 December			2,544	4,520
	The underlying operating position before depreciation, taxation and specific 'one-off' reorganisation costs was a surplus of £4,929k (2023 surplus £3,436k).	*4,929*			*3,436*

Exceptional costs of £4.1m relate to two key items. A £2.8m increase in the provision for dilapidations relating to our lease of 116 Pall Mall. And a further £1.3m relates to a provision for a potential VAT liability relating to historic periods (see Financial Review and Note 11 for further details).



John Browett
Chair
5 June 2025



Jonathan Geldart
Director General
5 June 2025

Balance sheet

Notes		2024	2023
	Fixed assets	**£'000**	**£'000**
6.	Tangible fixed assets	3,260	2,316
7.	Intangible fixed assets	1,581	1,901
		4,841	4,217
	Current assets		
8.	Debtors	1,793	1,970
9.	Cash at bank and in hand	10,800	6,094
		12,593	8,064
	Current liabilities		
10.	Creditors – amounts falling due within one year	(6,349)	(4,671)
12.	Deferred membership income	(2,517)	(2,134)
	Total current liabilities	(8,866)	(6,805)
	Net current assets	3,727	1,259
	Total assets less current liabilities	8,568	5,476
	Non current liabilities		
10.	Creditors – amounts falling due after more than one year	(5)	(18)
11.	Provisions	(5,734)	(568)
12.	Deferred membership income	(285)	(370)
	Net assets and accumulated funds	2,544	4,520

John Browett
Chair
5 June 2025

Jonathan Geldart
Director General
5 June 2025

Statement of cash flows

Notes		2024	2023
		£'000	£'000
	Net cash flows from operating activities (Note A)	4,702	2,777
	Cash flows from investing activities		
	Interest received	378	36
	Purchase of tangible fixed assets	(354)	(157)
	Net cash used in investing activities	24	(121)
	Cashflows from financing activities		
	(Decrease) in finance leases	(18)	(33)
	Interest paid	(2)	–
	Net cash used in financing activities	(20)	(33)
	Change in cash and cash equivalents in the year	4,706	2,621
	Cash and cash equivalents at 1 January	6,094	3,473
	Cash and cash equivalents at 31 December (Note B)	10,800	6,094
A	**Reconciliation of net (deficit) surplus for the year to net cash flows from operating activities**		
	Surplus / (deficit) for the year	(1,976)	2,394
	Adjustments for:		
	– Depreciation on tangible and intangible fixed assets	928	1,042
	– Loss on disposal of fixed assets	32	13
	– Non cash movement relating to the recognition of Right of Use Asset (Note 6)	(1,229)	-
	– Interest receivable and similar income	(378)	(36)
	– Interest payable and similar expenses	2	-
	– Decrease / (increase) in debtors	177	(698)
	– Increase / (decrease) in trade creditors	246	(313)
	– Decrease / (increase) in other creditors and accruals	1,463	(178)
	– Increase in provisions	5,166	-
	– (Decrease) in multiple years' advance membership over one year	(85)	(339)
	– Increase in deferred membership income	383	175
	– (Decrease) / increase in other deferred income	(27)	716
	Net cash provided by operating activities	4,702	2,777
B	**Analysis of cash and cash equivalents**		
	Cash at bank and in hand	10,800	6,094
		10,800	6,094
	Reconciliation of net cash flow movement in net funds		
	Net increase in cash and cash equivalents in the year	4,706	2,621
	Cash outflow from decrease in finance leases	20	33
	Change in net funds resulting from cashflows	4,726	2,654
	Movement in net funds in the year	4,726	2,654
	Net funds at start of year	6,057	3,402
	Net funds at end of year	10,782	6,057

Notes to the Financial Statements

Note 1 Accounting policies

The Institute of Directors (the 'Institute') is not subject to the Companies Act 2006, as a Royal Charter. However, these financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and incorporate the disclosures required by the Companies Act 2006 in respect of directors' emoluments for a private limited company.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These financial statements have been prepared for the year to December 2024, with comparative information provided in respect of the year to 31 December 2023.

The financial statements comprise the accounts of the Institute and the net revenue and assets of its branches. Its wholly owned subsidiaries, The Director Publications Limited, IoD Management Limited, iod.com Limited, and Tomorrow's Directors Limited, IoD International Limited were all dormant during the period.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The items in the financial statements where these judgements and estimates have been made include:

The depreciation / amortisation charge for the year which is based on the estimate of the useful economic lives attributed to the relevant assets, according to their asset class.

The provisions made in respect of bad or doubtful debts, determined according to the age and product profile of aged invoices.

The period over which income from lifetime memberships is recognised (see note 12).

The provision made in respect of expenditure required to bring 116 Pall Mall back to a proper state of repair at the end of the lease (see note 11).

Assessment of going concern

During 2024 we saw growth in our underlying operations, despite challenges in the wider global economy continuing to impact businesses. Uptake of our professional development courses grew during the period as directors continued to invest in their own professional development. As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, the current economic climate has been considered. The assumptions modelled are based on the potential risk of a decline in membership and lower attendance rates on our professional development courses, along with our proposed responses over the course of the next 12 months (to 30 June 2026).

Notes to the Financial Statements

Note 1 Accounting policies

For each of our business areas, we have sensitised the revenue, profit and cash flow impact of reduced trading activity and membership levels. Evidence shows that a decline of UK GDP does not strongly correlate with any changes in professional development activity. However, economic headwinds have assumed to impact membership, professional development and other trading revenues within our stress tests.

A key judgement applied is the potential impact of unforeseen economic factors on the discretionary spend of directors. These stress tests demonstrate that even in the case of a catastrophic event, which could not reasonably be foreseen, the data insight available and the mitigating factors available to management would allow us to take swift action in order to prevent Institute failure.

Within the scenarios explored, the mitigating actions are within management control, and can be initiated as they relate to spend and do not impact the ability to deliver to our members.

In the worst-case scenario modelled our cash reserves are in line with the ranges set out in our Reserves Policy, and satisfy the Institute's needs to be able to meet its liabilities as they fall due. Under all the scenarios modelled, after taking mitigating actions as required, our forecasts did not indicate any possible or probable exhaustion of cash reserves.

To get to this position, there is a need remove discretionary investment and reduce operational expenditure levels to minimum viable levels, which is achievable through controllable spend. A reduction to the Institute's cost base following restructuring in 2021 and control measures implemented at the start of 2023 along with improved trading performance and cash generation in 2024 have allowed us to replenish our reserves up to a point where we are resilient to the materialisation of unforeseen risks.

Based on these reviews, the Board has concluded that while there may be reductions in income and reshaping of some activity, notwithstanding, the Board does not believe that there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Institute to continue as a going concern.

The Board is of the opinion that the Institute will have sufficient resources to meet its liabilities as they fall due and will prepare the financial statements on the going concern basis of accounting.

Membership income

Annual membership subscriptions are recognised as income on an accruals basis applicable to the membership period, and part of the subscription applicable to the following year is carried forward as deferred income. In the case of multiple year membership subscriptions, an annual allocation is included within income for the year, with the unutilised income, carried forward to future years.

Revenue earning activities

Revenue earning activities income consists of non subscription services that are recognised when the service is provided and risks and benefits have been transferred.

Tangible fixed assets

Tangible fixed assets are recorded at historic cost, together with any incidental costs of acquisition. An impairment review of all tangible and intangible fixed assets is completed at the end of each financial year with any impairment losses recognised in the profit and loss account for the excess of the carrying value of the asset.

Decommissioning costs relating to the removal of leasehold improvements at the end of the lease are estimated and capitalised as a Right of Use asset either when the leasehold improvement asset is installed or when the obligation is identified by external survey of the building. The future liability for decommissioning costs is represented in provisions (see note 11).

Notes to the Financial Statements

Note 1 Accounting policies

Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- Leasehold improvements and decommisioning costs 10% or the period of the lease if lower
- Computers, furniture & fittings
- 20% or the period of the lease if lower

Intangible assets

The cost of acquired computer software licenses is capitalised. These costs are amortised over their expected useful lives – up to five years. Costs incurred on development projects relating to the design or improvement of systems are recognised as intangible assets when the recognition criteria set out in FRS 102 are met. Capitalised development costs are amortised from the date available for use of the system over their expected useful lives – not exceeding five years.

Research expenditure is recognised as an incurred expense.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt, where such discounting is material.

Bad debt provision/impairment of trade debtors

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor.

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the statement of income and retained earnings in arriving at the net surplus for the year.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Institute anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment, where such discounting is material.

Notes to the Financial Statements

Note 1 Accounting policies

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Institute to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and excludes recoverable VAT.

Property maintenance

Under the terms of the various leases held by the Institute, there is an obligation to keep the relevant properties in a proper state of repair, together with rentals charged as incurred. In addition, and where necessary, the Institute has set aside a provision for expenditure required to bring 116 Pall Mall back to a proper state of repair at the end of the lease. For this Grade 1 listed property, which is held under a lease expiring in 2043, the public areas of the building are maintained to a standard which is consistent with their revenue earning potential. A provision of £4.6m was held at the balance sheet date, the basis of which is described in note 11.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Consolidated Statement of Income and Retained Earnings on a straight-line basis over the term of the lease.

Pension scheme

The Institute operates both a non-contributory defined contribution pension scheme for benefits accruing from 1 January 1997 and a closed defined benefit pension scheme.

Pension costs for the defined contribution scheme are charged to the Statement of Income and Retained Earnings when they are payable to the scheme.

For the closed defined benefit pension scheme, finance income is credited to the Statement of Income and Retained Earnings. As the scheme is in surplus, the surplus is not carried on the balance sheet as it is not recoverable. Accordingly, a corresponding adjustment equivalent to the finance income is recognised within other comprehensive income.

Employee termination benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Financial Statements

Notes		2024 Income	2024 Expenditure	2024 Net	2023 Net
	Surplus/(Deficit)				
2.	**Analysis of operating surplus / (deficit) by activities**	**£'000**	**£'000**	**£'000**	**£'000**
	Membership	6,349	(1,031)	5,318	5,746
	Revenue earning activities				
	Hospitality	2,122	(64)	2,058	1,931
	Professional (director) development	10,792	(4,961)	5,831	4,709
	Virtual Office	668	(119)	549	357
	Director events	328	(158)	170	404
	Commercial (product marketing)	345	(91)	254	312
		14,255	(5,393)	8,862	7,713
	Member services				
	Regional services	774	(1,384)	(610)	(1,484)
	Information and advisory services	–	(406)	(406)	(390)
		774	(1,790)	(1,016)	(1,874)
	Policy and directorate	2	(1,305)	(1,303)	(1,578)
	Operating and overhead costs				
	Property costs (excluding regions)	13	(3,228)	(3,215)	(2,806)
	Loss on disposal of assets	-	-	-	(13)
	Depreciation	-	(927)	(927)	(1,042)
	IT, iod.com, marketing and new initiatives	-	(1,576)	(1,576)	(1,512)
	Central administration	(28)	(2,490)	(2,518)	(2,276)
		(15)	(8,221)	(8,236)	(7,649)
	Interest receivable	376	–	376	36
	Exceptional Costs	–	(4,091)	(4,091)	–
	Surplus / (deficit) on ordinary activities before taxation	21,741	(21,831)	(90)	2,394

Notes to the Financial Statements

Notes		2024 Income	2024 Expenditure	2024 Net	2023 Net
	Surplus/(Deficit)				
2.	**Analysis of operating surplus / (deficit) by activities**	**£'000**	**£'000**	**£'000**	**£'000**
	Membership and Influence				
	Membership related income and service costs	6,349	(2,428)	3,921	5,816
	National and Regional Director Events	992	(1,763)	(771)	(1,424)
	Information Advisory Service	-	(406)	(406)	(405)
	External Governance and Policy Activity	2	(568)	(566)	(450)
		7,343	(5,165)	2,178	3,537
	Revenue Earning Activities				
	116 Pall Mall	3,148	(4,033)	(885)	(859)
	Director Training and Qualifications	10,900	(4,511)	6,389	4,904
		14,048	(8,544)	5,504	4,044
	Surplus/(deficit) before support costs	21,391	(13,709)	7,682	7,581
	Support costs				
	Marketing, Brand, Communications	-	(1,015)	(1,015)	(580)
	Central Administrations	(28)	(3,016)	(3,044)	(4,643)
	Surplus/(deficit) after support costs	21,363	(17,740)	3,623	2,358
	Net Interest	378	-	378	36
	Exceptional Items	-	(4,091)	(4,091)	-
	Surplus/(deficit) before taxation	21,741	(21,831)	(90)	2,394

The presentation of analysis of operating surplus/(deficit) by activities has been reviewed and updated in 2024 to more closely align to the current organisation of our operations. In this presentation we have applied the same allocations to the prior year values to provide a relative comparison.

Notes to the Financial Statements

Notes		2024	2023
3.	**Employment costs**	**£'000**	**£'000**
(a)	The average number of employees during the year was:	91	82
(b)	Salaries	4,596	3,981
	Social security	467	408
	Pension costs – see note 16	362	294
	Contracted and temporary staff	147	194
	Subsistence and insurance	13	101
	Recruitment and training	30	125
	Motor vehicle and travel	174	126
	Other	120	16
		5,909	5,245
(c)	The fees paid to the Chair totalled £14.4k during the year (2023: £0).		
(d)	Emoluments paid to the Director General (2023: 1), who was the highest paid director, amounted to:		
	– Salaries	272	235
	– Payment in lieu of employer pension contribution	33	40
		305	275
(e)	Executive directors' emoluments		
	Emoluments paid to the 2 executive directors (2023: 1), amounted to:		
	– Salaries	285	235
	– Payment in lieu of employer pension contribution	33	40
	– Pension contributions	1	–
		319	275

Contributions are not payable under money purchase pension schemes to any directors (2023: 0 directors).

Notes to the Financial Statements

Notes		2024	2023
		£'000	£'000
(f)	Emoluments paid to key management		
	7 key management including the Director General (2023: 8 key management)		
	– Salaries and benefits	921	809
	– Payment in lieu of employer pension contribution	33	40
	– Contracted and temporary staff	–	–
	– Pension contributions	55	50
		1,009	899

There were no ex-gratia payments made during the year (2023: £Nil).

Directors' emoluments disclosures have been prepared in compliance with Companies Act requirements for a limited company.

4. (Deficit)/Surplus after taxation

This is stated after charging:

Fees in respect of services provided by the auditor.

	2024	2023
Statutory audit	67	64
Pension advisory services	–	4
	67	68

Notes to the Financial Statements

Notes		**2024**	**2023**
		£'000	**£'000**
5.	**Taxation**		
	Current tax:		
	UK Corporation tax	1,886	–
	Tax reconciliation:		
	Surplus/(deficit) on ordinary activities before taxation	(90)	2,394
	Multiplied by the standard rate of UK Corporation tax of 25%	(23)	455
	Tax Effect Arising From:		
	Surplus/(deficit) arising on non-taxable activity	(1,894)	(436)
	Non deductible expenditure	2,848	–
	Movement in deferred tax not recognised	113	(187)
	Depreciation in excess of capital allowances	176	168
	Adjustments to Tax Charge in respect of previous periods - current tax	666	–
		1,909	–

Corporation tax is payable only on the Institute's externally derived sources of income.
The Institute's membership activities are outside the charge to corporation tax.

No provision for deferred taxation is required (2023 - £nil).

Factors that may affect future tax charges:
As the taxable profits during the period are >£50,000, the higher applicable rate of 25% has been applied in the above reconciliation.

The effective tax rate of the Institute is affected by the profitability of the taxable and non-taxable divisions of its activities. In 2024 a charge relating to previous periods was also recognised.

Notes to the Financial Statements

Notes		Leasehold improvements	Furniture and fittings	Computer hardware	Office equipment	Total
6.	**Tangible fixed assets**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
	Cost:					
	At 1 January 2024	5,902	1,966	421	11	8,300
	Additions	1,552	21	–	1	1,573
	Disposals	(2,724)	(256)	(199)	(6)	(3,185)
	At 31 December 2024	4,730	1,731	222	6	6,689
	Depreciation:					
	At 1 January 2024	(3,819)	(1,857)	(301)	(8)	(5,985)
	Charge for the year	(492)	(69)	(35)	(1)	(597)
	Disposals	2,694	256	197	6	3,153
	At 31 December 2024	(1,617)	(1,670)	(139)	(3)	(3,429)
	Net book value 2024	3,113	61	83	3	3,260
	Net book value 2023	2,083	110	120	3	2,316

The net book value of furniture and fittings includes an amount of £14,709 (2023: £25,082) in respect of assets held under finance leases. The depreciation on these assets for the year was £10,373 (2023: £10,379).

Additions to Leasehold Improvements in the year include £1.2m relating to the recognition of a Right of Use asset, reflecting the estimated decommissioning costs that have been provided for under the dilapidations provision (note 11).

		Computer software etc.
7.	**Intangible fixed assets**	**£'000**
	Cost:	
	At 1 January 2024	3,504
	Additions	10
	Disposals	(284)
	At 31 December 2024	3,230
	Depreciation:	
	At 1 January 2024	(1,603)
	Charge for the year	(330)
	Disposals	283
	At 31 December 2023	(1,649)
	Net book value 2024	1,581
	Net book value 2023	1,901

The net book value of computer software held in respect of finance leases in 2024 is £nil (2023: £8,890) in respect of assets held under finance leases. The depreciation on these assets for the year was £8,890 (2023: £21,335)

Notes to the Financial Statements

Notes		2024	2023
8.	**Debtors**	**£'000**	**£'000**
	Trade debtors	867	899
	Other debtors and prepayments	926	1,071
		1,793	1,970

All debtors are due within one year. Trade debtors includes a provision for doubtful debts of £0.2m (2023: £0.3m).

Other debtors includes prepayments and accrued income.

9.	**Cash at bank and in hand**		
	Cash at bank and in hand	10,800	6,094

Cash at bank and in hand includes £404,806 (2023: £356,883) held in overseas branches.

10.	**Creditors**		
A	Amounts falling due within one year:		
	Trade creditors	924	678
	Deferred non membership income	1,887	1,914
	Other creditors and accruals	1,145	1,917
	Obligations under finance leases	13	19
	Corporation tax payable	1,886	–
	Other taxes and social security costs	494	143
		6,349	4,671

Deferred non membership income relates to professional development courses which are scheduled at a future date.

B	Amounts falling due after more than one year:		
	Obligations under finance leases	5	18
		5	18
C	**Finance leases**		
	The net finance lease obligations committed to are:		
	In one year or less	13	19
	Between one and five years	5	18
	In five years or more	–	–
		18	37

Finance lease obligations are secured on the assets to which they relate.

Notes to the Financial Statements

Notes		2024	2024	2024
		Dilapidations	VAT	Total
11.	**Provisions**	£'000	£'000	£'000
	At 1 January 2024	568	–	568
	Utilised in the year	–	–	–
	Additional provision in the year;			
	Exceptional items charged to Expenditure	2,800	1,137	3,937
	Recognition of Right of Use asset (Note 6)	1,229		
	Reversed in the year	–	–	–
	Increase due to change in discount rate	–	–	–
	At 31 December 2024	4,597	1,137	4,505

Dilapidations
The provision for dilapidations relates to the leasehold property at 116 Pall Mall. The provision is reviewed at each year end, considering all evidence available at the time of review, to estimate the amount that could reasonably be expected to be paid under the lease. This evidence includes an external valuation (renewed every 3 years, in line with our policy) along with other reference points such as leasehold improvements, discussions with the landlord and consideration of the likely future use of the building.

VAT
Provisions relates to a potential correction to VAT treatment in historic periods which is currently under review. As the outcome of the review is not yet certain we have applied prudence in estimating the likely outcome. No specific expenditure has been allocated against the provision during the period.

Notes to the Financial Statements

Notes		2024	2023
12.	**Deferred membership income**		
	Memberships expiring within one year	2,517	2,134
	Memberships expiring after more than one year	285	370
		2,802	2,504

Membership subscriptions received in advance include cash received for annual memberships for which benefits are owed to members until the expiry date of their membership. It also includes cash received for lifetime subscriptions which are released to income over a period of eighteen years.

		2024	2024	2024
13.	**Lease commitments**	**Property £'000**	**Other £'000**	**Total £'000**
	At 31 December, the Institute has total future minimum lease payments under non-cancellable operating leases as follows:			
	Within one year	508	8	516
	After one, but within five years	1,937	6	1,943
	After five years	6,520	–	6,520
		8,965	14	8,979

		2023	2023	2023
	Lease commitments	**Property £'000**	**Other £'000**	**Total £'000**
	At 31 December, the Institute has total future minimum lease payments under non-cancellable operating leases as follows:			
	Within one year	493	8	501
	After one, but within five years	1,957	15	1,972
	After five years	7,003	–	7,003
		9,453	23	9,476

14. Capital commitments

Capital commitments contracted but not provided for in the financial statements amount to £nil (2023: £nil).

15. Related party transactions

The remuneration payable to the Institute's Chair and Directors is disclosed in note 3 to these accounts.

During the year travel and subsistence expenses totalling £9,837 were reimbursed to four Board members (2023: £15,704).

There were no other transactions with related parties during the year (2023: no other transactions).

Notes to the Financial Statements

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16. Pension costs

Pension costs
The Institute of Directors operates both a non-contributory defined contribution pension scheme for benefits accruing from 1st January 1997 and a closed defined benefit pension scheme. The assets of both schemes are held separately from those of the Institute in independently administered funds. Further details of the cost of each scheme are provided below.

Defined Contribution Scheme
Contributions are charged to the Consolidated Statement of Income in accordance with the rules of the scheme. The charge associated with this scheme was £362,296 (2023: £294,415), representing the employer contributions payable during the year.

Defined Benefit Scheme
With effect from 1st January 1997, this scheme became closed to new entrants and ceased to provide any further benefit accrual to the then active members who became entitled to deferred pensions, subject to statutory revaluation as from that date.

The last full funding valuation was carried out as at 1st January 2021. A qualified independent actuary carried out calculations as at 31st December 2024 to obtain the amounts reported under FRS 102. As the scheme is in surplus, the surplus is not carried on the balance sheet as it is not recoverable. Accordingly, a corresponding adjustment equivalent to the finance income is recognised within other comprehensive income.

a) Balance sheet and notes

	At 31 December 2024	At 31 December 2023	At 31 December 2022
The major assumptions for FRS 102 purposes were:			
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase to pensions in payment (Post 88 GMP)	2.07%	2.00%	2.25%
Rate of increase to pensions above GMP in deferment	2.63%	2.47%	2.77%
Discount rate	5.32%	4.48%	4.93%
RPI Inflation assumption	3.17%	3.04%	3.38%
CPI Inflation assumption	2.67%	2.47%	2.77%

No contributions were paid to the scheme during the year (2022: Nil). The amounts charged and credited to the consolidated statement of income and retained earnings are detailed in sections b and c below; the total charge for 2024 was £182,000 (2023: £87,000).

No lump sum contributions are due in the coming year in respect of the scheme (2023: Nil).

Notes to the Financial Statements

Notes

a) Balance sheet and notes (continued)

Under FRS 102 the long term expected rate of return is replaced by the discount rate. The assets in the scheme and the expected rates of return were:

	Discount rate at 31 December 2024	Value at 31 December 2024	Discount rate at 31 December 2023	Value at 31 December 2023	Discount rate at 31 December 2022	Value at 31 December 2022
		£'000		£'000		£'000
Equities	5.32%		4.48%	2,340	4.93%	2,401
Bonds	5.32%		4.48%	3,598	4.93%	3,541
Cash	5.32%	480	4.48%	37	4.93%	28
Annuity Policies	5.32%	3,920				
Total market value of assets	5.32%	4,400	4.48%	5,975	4.93%	5,970
Present value of scheme liabilities		4,079		4,561		4,623
Surplus in the scheme		321		1,414		1,347
Deemed irrecoverable		(321)		(1,414)		(1,347)
Balance sheet valuation		-		-		-

	At 31 December 2024	At 31 December 2023
Reconciliation of present value of scheme liabilities:	£'000	£'000
Opening defined benefit obligation	(4,561)	(4,623)
Past service cost	-	-
Administration costs	(240)	(149)
Interest cost	(198)	(220)
Remeasurement: actuarial gain / (loss)	406	(60)
Benefits paid and expenses	514	491
Closing defined benefit obligation	(4,079)	(4,561)
Reconciliation of fair value of scheme assets:		
Opening fair value of scheme assets	5,975	5,970
Interest income	256	282
Investment (loss) / gain	(1,317)	214
Contribution by employer	-	-
Benefits paid and expenses	(514)	(491)
Closing fair value of scheme assets	4,400	5,975

Notes to the Financial Statements

Notes	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(4,079)	(4,561)	(4,623)	(6,846)	(7,642)
Scheme assets	4,400	5,975	5,970	8,216	8,327
Surplus	321	1,414	1,347	1,370	685
Experience adjustments on assets scheme liabilities	75	(42)	(105)	62	21
Experience adjustments on scheme assets	(1,317)	214	(1,958)	217	482

		At 31 December 2024	At 31 December 2023
b)	**Analysis of amount charged to the Consolidated Revenue Account**	£'000	£'000
	Current service cost	–	–
	Administration costs	240	149
	Past service cost	–	–
	Total operating charge	240	149
c)	**Analysis of amount credited to other finance income**		
	Interest income	256	282
	Less: Interest on pension scheme liabilities	(198)	(220)
	Net return	58	62
d)	**Total amounts taken to other comprehensive income**		
	Remeasurement – gain / (loss) Return on scheme assets excluding interest income	(1,317)	214
	Remeasurement – (loss) Experience (loss) arising on scheme liabilities	75	(42)
	Remeasurement – (loss) / gain Changes in financial assumptions underlying the scheme liabilities – (loss) / gain	325	(89)
	Remeasurement – gain Changes in demographic assumptions underlying the scheme liabilities – gain	6	71
	(Increase) / Decrease in irrecoverable surplus	1,093	(67)
	Actuarial gain recognised in other comprehensive income	182	87

As the pension surplus is irrecoverable, the increase of £67,000 has been treated as a pension scheme adjustment in other comprehensive income in 2023.

Notes to the Financial Statements

Notes		At 31 December 2024	At 31 December 2023
e)	**Movements in surplus during the year**	£'000	£'000
	Surplus in scheme at beginning of the year	1,414	1,347
	Movements in the year:		
	Other finance income	(182)	(87)
	Actuarial gain	(911)	154
	Surplus in scheme at the end of the year	321	1,414

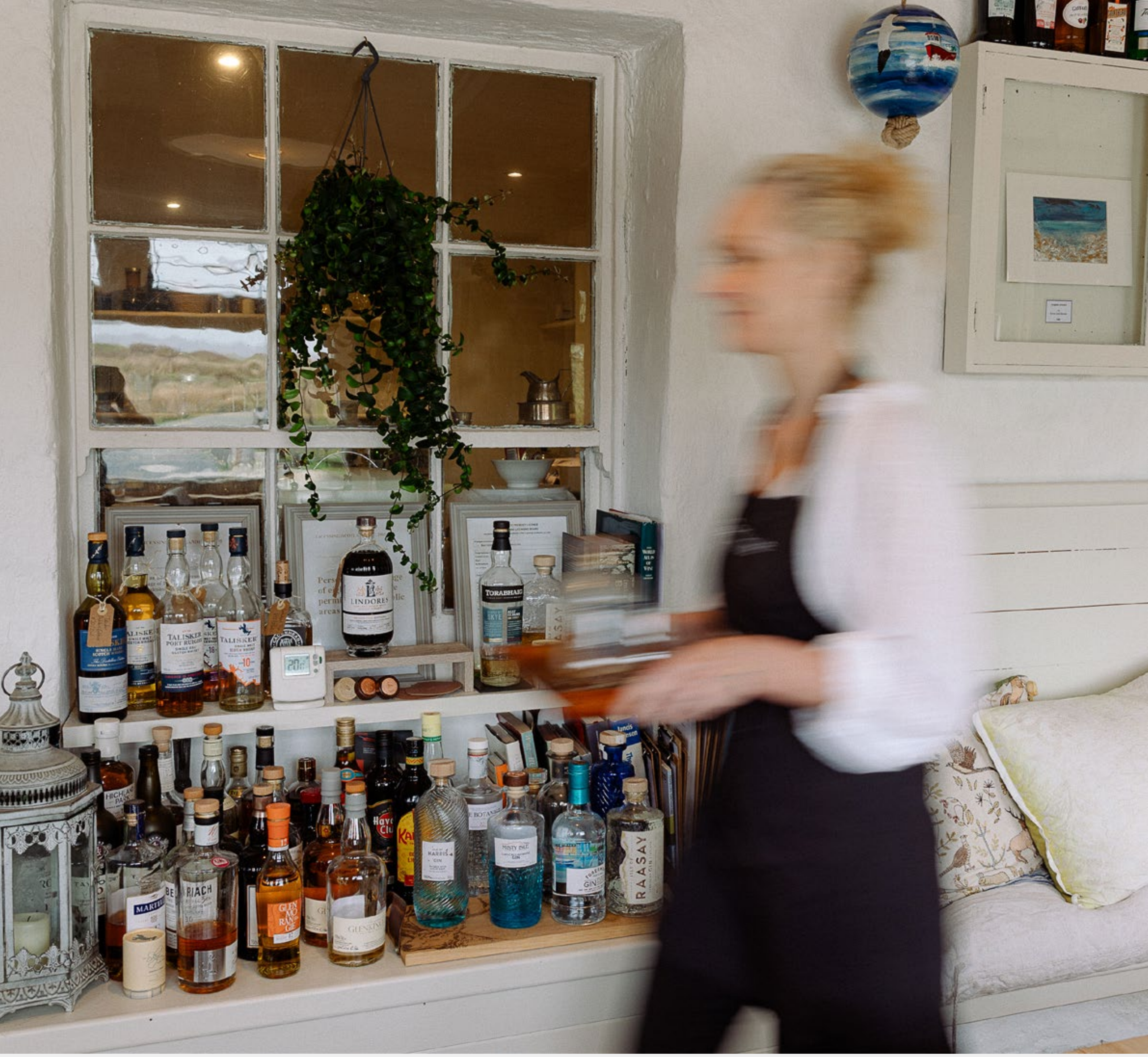
Sensitivity to changes in assumptions:

The assumptions as to discount rate and price inflation have a significant effect on the value placed on the defined benefit obligations. However, since the bulk annuity purchase any change in the defined benefit obligations, except for GMP equalisation, would be matched by the assets limiting the effects on the overall funding level of the Scheme. As at 31December 2024, a 1% pa change to these assumptions would have had the following effects on the closing defined benefit obligation:

	1% pa increase	1% pa increase
Discount rate	(£328K)	£388K
Price inflation	£66K	(£75K)

f) Demographic assumptions used are as follows:

Assumption	31 December 2024 (Changes from 31 December 2023)
Mortality (pre and post retirement)	S3PxA, CMI_2023 [1.25%] (2023: S3PxA, CMI_2022 [1.25%])
Proportion married	90% for men and 70% for women at retirement or earlier date of death for deferred members and at the balance sheet date for pensioner members
Age difference	Men 3 years older than women
Age at retirement	Normal pension age
Cash Commutation	90% of maximum cash allowance



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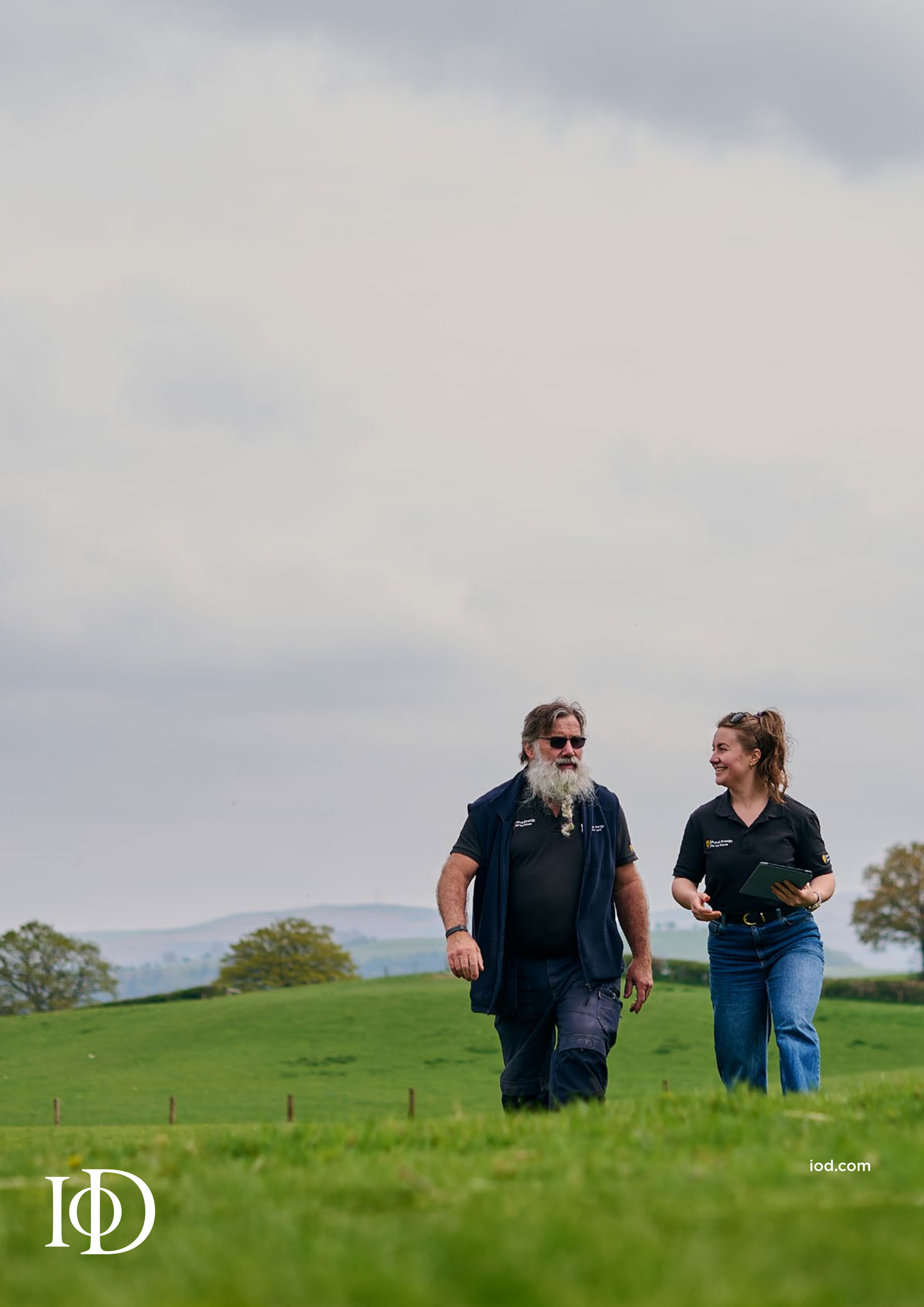
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