



**Business as a
force for good**

Business as a force for good

Is business a force for good? The question is often framed too simply. Corporate failures have damaged trust, but business is not a single actor – it is a system of decisions shaped by governance, incentives and enforcement.

Business is a force for good when leaders take a long-term view and use their influence for the many, not just the few. This matters because resilient societies depend on economic capacity – jobs, investment, innovation and the tax base that funds public services. Business is not perfect, but it is essential.

Trust, however, depends on integrity. The UK does not lack regulation; it needs stronger enforcement and better governance.

That is where the IoD plays its role – we develop, qualify and connect directors, and we raise standards, improving decision-making in boardrooms so enterprise strengthens society rather than weakening it.



Joyce Onuonga, Managing Director, John White & Son.
Read Joyce's story on p29.

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Steven Pearce, Technical Director,
Mine Environment Management
Read Steven's story on p34.



James Barber
CEO and Co-Founder, Harker

For James Barber, business can enable others to create impact. Motivated by the needs he observed in his community, he established a company that supports charities to evidence their work, secure funding and extend their reach. By providing organisations with the tools to demonstrate their impact, the business amplifies their contribution. Its effect is realised indirectly; through the many lives improved by the organisations it supports.



Purpose and values

Founded in 1903 and incorporated by Royal Charter in 1906, the Institute of Directors exists to promote professional leadership and good governance in the public interest. We support directors, senior leaders and entrepreneurs across the UK and beyond.

Our Royal Charter sets out our purpose:

- To promote high standards of skill, knowledge and integrity
- To represent the interests of directors and the wider business community
- To support entrepreneurship and wealth creation
- To advance the study and practice of good governance

As a Royal Charter body, we serve both our members and the wider public. While we provide services and benefits to members, our broader role is to strengthen leadership standards across the UK economy.

Strong business performance starts with quality leadership. Effective directors shape organisational culture, economic productivity and public trust. By supporting better directors, we help build stronger businesses, responsible workplaces and sustainable growth.

We work closely with government – across Westminster and the devolved nations – as well as regulators, academia and industry to promote high standards of governance, champion responsible enterprise, and create an environment where organisations of all sizes can succeed.

Our values

Our values reflect our Charter responsibilities and our commitment to trusted leadership. In 2024, we introduced a voluntary [Code of Conduct for Directors](#) to help bring these values to life.

The Code sets out six practical principles to guide ethical and responsible decision-making: leading by example, integrity, transparency, accountability, fairness and responsible business. Together, they reinforce high standards of behaviour across the director community.

Principles of director conduct

- 1 Leading by example** Demonstrating exemplary standards of behaviour in personal conduct and decision-making.
- 2 Integrity** Acting with honesty, adhering to strong ethical values, and doing the right thing.
- 3 Transparency** Communicating, acting and making decisions openly, honestly and clearly.
- 4 Accountability** Taking personal responsibility for actions and their consequences.
- 5 Fairness** Treating people equitably, without discrimination or bias.
- 6 Responsible business** Integrating ethical and sustainable practices into business decisions, taking into account societal and environmental impacts.



While we provide services and benefits to members, our broader role is to strengthen leadership standards across the UK economy.

Chair of the Institute's report



There is no doubt that, despite some positives, 2025 was yet another challenging year for businesses in the UK and beyond. Economic uncertainty and political challenges continue to present significant barriers to our members achieving their ambitions.

In times like these, the role of the Institute in supporting members becomes more important than ever. To be able to do our job, we must remain a strong, stable and financially robust organisation.

I am pleased to report that last year revenue grew again to £23.6m and we saw another year of increased membership.

This is the third year in a row of positive progress in these areas. That financial strength allows us to look to the future with confidence, while investing in our team and the wider organisation today. I would like to pay tribute to the Management Team, led by Director General Jon Geldart, as well as our staff and volunteers, for their hard work in delivering this outcome.

We know, however, that things can change quickly. Volatility may well be the new normal when it comes to politics and the economy – so we remain prudent and thoughtful in our approach.

This volatility also underlines why our role in creating and developing better directors remains so valuable. As our Royal Charter states, we exist to promote skilled and competent directors “for the public benefit... and to foster a climate favourable to entrepreneurial activity and wealth creation”.

In practical terms, this means ensuring business is a force for good and demonstrating that its value goes far beyond providing much needed revenue for the Exchequer. Frankly, it is something our political leaders would do well to recognise more often.

Our members are well used to the ups and downs of corporate life. While we welcome the Chancellor's focus on productivity and investment, she and the government must understand that many of the private enterprises that make up the backbone of our economy, are finding life increasingly difficult.

To use just one example, as we have highlighted over the last year, the significant cost of employment is not far off becoming a crisis and is one of the main constraints on business' ability to invest, alongside high levels of uncertainty.



The Institute can make a difference by helping directors navigate the changes that political turbulence creates.

Chair of the Institute's report



I am pleased to report that last year revenue grew again to £23.6m and we saw another year of increased membership.

Greater support is needed to help private enterprise thrive. I would emphasise that we have a good, ongoing dialogue with this Government and they are fully aware of the views of our membership, even if influencing outcomes can, at times, be challenging.

As I said last year, the Institute can make a difference by helping directors navigate the changes that political turbulence creates – whether through our professional development programmes, our insights into the business environment, or our team's constant efforts at helping shape government policy.

These are the core pillars of our work – Connect, Develop and Influence. Across all three, we made good progress over the past year.

As Jon writes elsewhere, we chose to use our surplus to invest in our staff and strengthen our professional development offering. These programmes are world leading but to maintain that position and ensure directors have the right skills, we need to adapt and invest. We have already developed programmes to support the new skills that will be needed, and this work will remain a priority.

We also continued to invest in 116 Pall Mall. This is much more than a prestigious building – it is our headquarters and a strategic asset for the Institute. The work we have done makes it more suited to a modern working environment while preserving its heritage and character.

I would like to thank the Council, led by Chair Dr Eelco Fiore, for their continued help and guidance. Once again, I want to say thank you for the work you do at all levels of the Institute and for your ongoing dedication.

Being your Chair is an enormous privilege. I am optimistic that despite some headwinds, the opportunity for further progress remains. I have no doubt that business is, and will remain, a force for good and the members of our Institute will continue to lead the way.

John Browett
Chair

Director General's report



A year of challenge, opportunity and growth

After a year in which we – like many of our members – navigated challenging economic conditions and global political uncertainty, it is pleasing to report a further 12 months of continued growth.

Membership, revenue and reach all increased. Underpinned by the continued strength and popularity of the Institute's world-leading professional development programmes, this performance enabled us to invest further in our wider business, facilities and people.

This positive position gives us confidence that our plan is working and that the long-term outlook is bright. But we are not complacent. There remains much to do.

When I joined as Director General, the challenges facing us were stark. Our focus was to stabilise, rebuild and grow. At times, it was difficult to see the light at the end of the tunnel, as progress was met with unexpected disruption – not least Covid-19. Thankfully, over the past three years, we have begun to reap the benefits of that work and the path ahead is clearer.

We do not take the stability and growth we have achieved for granted. However, this progress gives us confidence to look further ahead. It allows us to consider how the Institute should evolve, how we lead, and how we continue to demonstrate our value.

As a member business organisation with a Royal Charter, we hold a unique position. From this vantage point, we can show that successful, sustainable businesses are central to building a positive, innovative and optimistic society.

Last year, I said: "We cannot choose the world we live in, but we can do our utmost to make it better." This year's report builds on that belief. Our theme *Business as a force for good* reflects that ambition. To support it, we have launched a Commission led by Lord (Marvin) Rees of Easton to examine that very question.

The role of business as a positive force has always been part of our Royal Charter. Long-term, sustainable success is not achieved through growth alone, but through strong governance, disciplined decision-making, and investment in people. That sits at the heart of the Institute's purpose – and we must lead by example.

Performance and investment

2025 was another strong year. Revenues increased by 8.4% to £23.6m. We made a conscious decision to reinvest in our business and our people to strengthen resilience. While growth for growth's sake may look attractive, we have consistently prioritised long-term capability over short-term optics.

To illustrate this, the year-on-year reduction in our underlying surplus before tax to £2.4m (2024: £4.0m), is primarily the result of investment in staff development and prioritising the evolution of our core professional development offer over major capital expenditure. This fits with our strategic aim of positioning of the Institute for long term, sustained success. At the same time, our accumulated funds increased to £7.5m (2024: £2.5m), strengthening the Institute's financial position and providing greater assurance over long-term sustainability. This increase reflects both operational performance and the impact of prior-year provisions, including the reversal of VAT provisions and a Corporation Tax credit.

Cash balances at year end were £9.1m (2024: £10.8m). The decrease reflects the settlement following tax liabilities during the year (refunded after the year end), alongside continued reinvestment of operating cash flows including into our Pall Mall estate to enhance member experience and future income potential.

Demand for our professional development courses remained high, particularly for our flagship Certificate in Company Direction. During 2025, 5,779 delegates attended our courses and 204 were awarded Chartered Director Status. We also adopted a more

curated approach to supporting participants and alumni, ensuring a more personalised and impactful learning journey.

Membership increased by just under 2%, from 19,342 to 19,686. Our reach continued to expand – our LinkedIn following now exceeds 112,300.

Across England, we reshaped our regional model to provide more focused and locally responsive support – aligning more closely with how we operate in the devolved nations.

Our State of the Nations reports identified key member priorities in Scotland and Wales, shaping our business manifestos ahead of the Holyrood and Senedd elections. In Northern Ireland, we launched our Infrastructure and Investment Forum and published our Infrastructure Action Plan in February 2026.

We continued to invest in our Pall Mall headquarters, enhancing it as a modern, welcoming environment within its historic setting.

We refreshed elements of our professional development portfolio – particularly leadership programmes – to reflect the demands of the modern business landscape. Better-trained directors make better decisions, strengthening businesses and reinforcing their role as a force for good.

Our collaboration with the University of St Andrews Business School delivered the Global Certificate in Company Direction, equipping current and aspiring board members with the skills and insight needed for leadership in a fast-changing world.

Policy and influence

In many respects, 2025 was a transitional year for both the Institute and the UK. For us, it marked a shift from stabilisation to growth and development. For the Labour Government, it was a period where policy direction began to translate into action.

On behalf of members, we continue to hold Government to account. We published a Balanced Scorecard for Government, with KPIs covering business confidence, ease of doing business, access to skills, economic management and trade.

This formed part of our broader engagement to ensure members' voices are heard at the highest levels. We engaged extensively on the Employment Rights Bill to advocate for a balanced outcome that supports both businesses and employees.

We remain firmly apolitical. Our policy work focuses on helping members navigate the shifting political landscape at home and abroad – always through the lens of the director.



By investing in staff development, strengthening our team and evolving our core offer, we are positioning the Institute for sustained success.

Our Commission on reviewing the role of non-executive directors, led by Baroness Evans of Bowes Park, was published. Twenty years on from the initial Higgs Review, its recommendations provide a timely refresh and aim to broaden board representation and strengthen board effectiveness – further reinforcing our theme of business as a force for good.

Looking ahead

I would like to thank the Board and Council for their continued support, and to recognise the Management Team and colleagues across the Institute whose dedication has contributed to another successful year. Our investment in the wider team will only strengthen us further.

Our members make a conscious choice to invest their hard-earned money in the Institute. Whether through professional development, policy advocacy or the promotion of good governance, we must continually demonstrate the value of that investment.

It is encouraging to see the reshaped Institute delivering positive results. Yet I remain ambitious to do more – and move faster. We must continue broadening the reach of our membership. To succeed, we must properly reflect the society we serve. While progress has been made, more is required.

This year, we reinvested because we could – a position not always available to us in the past. When we succeed, we must use that success to strengthen the Institute and invest in the future.

The year ahead will undoubtedly bring further economic and political challenges. But our resilience is strong and our ambitions remain high.

I am more confident than ever that the Institute is well equipped to navigate what lies ahead – and that our forward-looking approach will ensure we continue to grow and prosper.

Jonathan Geldart
Director General

Strategy

Our strategy is focused on strengthening the Institute's position as the UK's leading authority on directors, governance and professional development, while delivering public benefit through our Royal Charter.

It is grounded in our purpose – better directors for a better world – and responds to the evolving needs of directors operating in an increasingly complex and uncertain environment.

We operate at the intersection of three defining roles: as a community, a source of authority, and a movement for better governance. Together, these shape how we create value and guide delivery of our strategy.

Our current five-year strategy (2022–2026) is centred on three priorities:

Strengthening director capability

We are focused on raising standards of leadership and governance by continually evolving our professional development offer. Our aim is to ensure directors at all stages can access relevant, high-quality development that reflects the demands of modern leadership and supports better decision-making.

Building an engaged and representative membership community

We are growing a more diverse, active membership that reflects the breadth of the UK business community. By deepening engagement and broadening participation, we increase both the relevance of our offer and the impact of membership.

Shaping policy, governance and the business environment

We use the insight and experience of our members to inform policy and promote high standards of governance. Through advocacy and thought leadership, we support a business environment that enables responsible enterprise, innovation and long-term growth.

Delivery of our strategy is underpinned by a focus on organisational effectiveness and long-term sustainability. We are strengthening our capabilities as a modern, data-informed and digitally enabled organisation, improving how we understand and respond to member needs while operating more efficiently.

At the same time, we remain focused on sustainable growth, maximising the value of our assets, maintaining financial resilience, and reinvesting to support long-term impact.

Our approach is guided by a set of enduring strategic principles: strengthening our membership model, increasing emphasis on professional development, enhancing policy influence, and better reflecting the communities we serve.

Looking ahead

The Board has commenced development of the next phase of the Institute's strategy, building on these foundations while responding to changes in the external environment and the evolving role of directors.

Objects of the Institute of Directors' Royal Charter

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To promote the study, research and development of the law and practice of corporate governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.





Jacob Lockwood
Founder, Lockwood Premium
British Smocks

For Jacob Lockwood, business is grounded in the people and places behind the product. By prioritising UK manufacturing and working closely with local partners, he supports skills, employment and regional economies. This approach, while often more complex, reflects a long-term perspective – building trusted relationships and creating enduring value. It underscores a belief that responsible, locally rooted business can deliver impact beyond financial performance.



Business model

The Institute of Directors operates a financially self-sustaining model that supports our Royal Charter objectives. We combine professional development, member engagement and policy influence in a joined-up approach that reinforces each area of our work.

Our model is built around three connected pillars: Connect, Develop and Influence.

Connect - bringing directors together

We convene a diverse community of directors through our regions and nations, Special Interest Groups (SIG), events and digital platforms. These networks enable peer learning, collaboration and the sharing of practical experience.

This engagement also helps us understand the real-world challenges businesses face across sectors and geographies, shaping our thought leadership and policy positions.

Develop - raising standards

Professional development is central to our purpose. Through short courses, qualifications and the Chartered Director Programme, we equip leaders with the skills, knowledge and judgement needed to lead effectively in a complex and changing environment.

This activity generates most of our income, allowing us to remain independent and reinvest in member services, research, regional engagement and public interest work. This financial sustainability enables us to deliver on our Charter obligations.

Influence - representing business

We represent directors and the wider business community to governments and in the public arena. Through surveys, research, expert commissions and the Centre for Corporate Governance, we influence with informed and constructive perspectives.

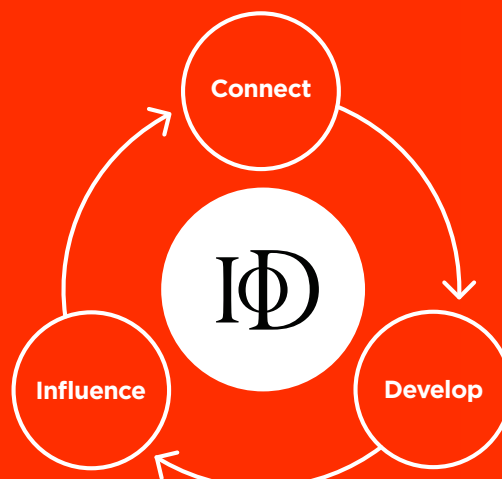
Insight from our Develop and Connect activities strengthens our policy engagement. In turn, our Influence work helps create a business environment that supports responsible leadership and long-term growth.

Together, Develop, Connect and Influence form a continuous cycle.

We strengthen directors' capability, bringing them together and learning from them, representing their views, and helping build a stronger governance environment - reinforcing leadership standards and benefiting the wider economy.

This integrated approach enables us to deliver both member value and public benefit in line with our Royal Charter.

Our business model is built around three connected pillars



Membership and engagement

2025 marked a further year of sustained progress, with membership increasing for the third consecutive year. This growth reflects both the continued relevance of the IoD's offer and the trust placed in us by directors navigating an increasingly complex operating environment.

Our strategic focus is not solely on membership growth, but on ensuring that growth translates into greater impact. In 2025, we strengthened the way members connect, develop and contribute – aligning our networks, professional development and thought leadership more closely with the needs of modern directors.

Engagement across our national, regional, international and Special Interest Group (SIG) communities remained strong. Increasingly, activity is designed to move beyond traditional networking towards purposeful collaboration, enabling members to exchange insight, address shared challenges and promote responsible leadership that delivers long-term economic and societal value.

A key priority during the year was to create a more connected and integrated offer. We encouraged closer alignment between regional activity, national programmes and SIG expertise, resulting in a higher-quality, more cohesive programme of events and engagement. Flagship events such as Unlocking UK Growth at Mansion House, alongside a record-attended Chartered Director Annual Conference, demonstrated both the demand for high-level convening and the IoD's role in shaping debate on sustainable, inclusive growth.

Our affinity partnerships continued to support members in addressing critical issues including workplace culture, pensions, artificial intelligence and cyber resilience, providing practical insight alongside strategic context.

112,300

LinkedIn followers

19,686

Total members





**Ellie Jobes CDir
Group People Director, Bagnalls
(Painting & Decorating)**

For Ellie Jobes, success at Bagnalls is reflected in the impact the business has on people's lives, beginning with opportunity. Each year, apprentices join - often in their first role - gaining skills, confidence and experience through early responsibility. As a family business with a long-term outlook, Bagnalls continues to invest in its people, supporting individual development while contributing to wider social and economic value.

Membership and engagement

Linking growth to impact

Across our UK and international activity, a consistent theme has been the relationship between economic growth and positive societal impact. Regional programmes increasingly reflect this, connecting business performance with skills development, inclusion and community resilience.

Examples ranged from initiatives addressing regional skills gaps and employability, to international delegations exploring innovation and sustainability. These activities reinforce the IoD's role in supporting directors to deliver growth that is responsible, resilient and future-focused.

The role of Special Interest Groups

SIGs remain central to delivering this strategy. They provide a critical link between sector expertise, regional engagement and global opportunity, enabling members to navigate regulatory complexity, technological change and geopolitical uncertainty.

Increased participation in groups such as Sustainability and Property & Built Environment reflects growing demand for credible leadership in areas critical to long-term economic and societal outcomes. At the same time, internationally focused SIGs continue to support members in building trusted relationships and accessing global markets.

A more connected membership offer

During the year, we continued to transition towards a more integrated membership model. Rather than operating as distinct channels, our events, networks and professional communities are increasingly aligned as a single, connected ecosystem.

Regional insight informs national policy development; SIG expertise enhances local programming; and international engagement strengthens domestic practice. This approach has improved the quality and relevance of our offer, deepened member engagement and increased the overall impact of our activities.

In 2025, this was reflected in the delivery of 255 regional events and 60 SIG events, engaging 12,974 members. More importantly, it demonstrates continued progress against our strategic objective: to convert membership growth into meaningful professional, economic and societal impact.



SIGs remain central to delivering this strategy. They provide a critical link between sector expertise, regional engagement and global opportunity...

Professional development and standards

At the IoD, we believe well-trained directors make better decisions, build stronger organisations and contribute positively beyond financial performance. By raising capability and standards at board level, our professional development work is also an asset to the UK economy – strengthening governance, resilience and long-term growth across sectors.

Strategy

In 2025, the Board approved a new professional development strategy centred on lifelong learning as a driver of value, accountability and trust. The strategy is built on three pillars:

Growing the Chartered Director community
Strengthening director career pathways
Innovating learning design and delivery

Pillar one

Growing the Chartered Director community

Under our Royal Charter, the IoD is the only organisation globally able to award Chartered Director Status. We are proud of this heritage and of the standards it represents.

While it is not mandatory for directors to become Chartered Directors, we believe the professional qualification is critical – for directors, boards and the organisations they serve. Strong governance does not happen by chance. Recent corporate failures, including the Post Office scandal, examined in our 2024 policy paper, underline the consequences when oversight and accountability fall short.

In 2025, 204 directors achieved chartered status – the highest number recorded in a single year. This milestone reflects growing recognition of the value of formal professional standards.

Pillar two

Strengthening director career pathways

Directors' responsibilities are evolving rapidly. In response, we undertook a comprehensive review of the IoD Director Competency Framework (DCF) in 2025 to ensure it reflects the realities of modern leadership.

We are now mapping our entire learning portfolio against the framework to support clearer development journeys at every stage of a director's career – from aspiring board members to experienced chairs.

Pillar three

Innovating learning design and delivery

Expectations of professional learning continue to shift. While face-to-face delivery has seen renewed demand, learners now expect digital experiences to be equally engaging and high quality.

In 2025, we expanded our blended and digital provision, strengthening the IoD Digital Academy and investing in new formats to ensure flexibility without compromising depth or rigour. To support this strategy, we also appointed experts-in-residence to deepen thought leadership and challenge our thinking. Their contribution helps ensure our offer remains current, practical and internationally relevant.



Marten Lewis
Director of Sustainability,
Bluestone National Park Resorts

For Marten Lewis, business, sustainability and community are interdependent. At Bluestone, this is reflected in day-to-day decisions – from supporting local employment and suppliers to reducing environmental impact. Innovation is often driven by a focus on practical improvement, identifying new ways to operate responsibly. By aligning these priorities, the business creates long-term value, demonstrating how commercial success and social responsibility can reinforce one another.



Professional development and standards

Updating the Director Competency Framework

First introduced in 2016, the [Director Competency Framework](#) is a structured tool that helps directors assess strengths and identify areas for growth. In 2025, we completed a full review and launched an updated framework. Two new competencies were introduced – Sustainability and Technological Literacy – bringing the total to 16.

Sustainability sits within the Mindset section. We chose this term deliberately, as it reflects long-term resilience and growth benefiting organisations, individuals and society. It signals a broader and more future-focused approach than ESG alone.

Technological literacy sits within the Skills section, recognising the need for boards to engage confidently with digital transformation, AI governance, cyber security and resilience. This competency was developed in consultation with digital experts and informed by lessons highlighted in the IoD's work on governance failures.

The revised framework also integrates the IoD [Code of Conduct](#), ensuring strong alignment between professional standards and professional development.

All IoD learning products are now mapped to the framework and accessible through the Digital Academy, supporting flexible, self-paced progression.

Expanding access and innovation

Mapping our courses to the framework has enabled new product development and broader access. An example of policy-learning integration is the self-paced IoD [Code of Conduct](#) course launched in April 2025, extending the reach and impact of the Code published in October 2024.

We introduced new cyber governance training developed with the National Cyber Security Centre, expanded our Digital Academy resource library, and launched Fit for the Board with the IoD [Director Competency Framework](#), a course designed to help directors apply the Competency Framework to their own development.

We also launched our first massive open online course (MOOC), [Boardroom Foundations](#), hosted on FutureLearn. Aimed at aspiring and newly appointed directors, the five-week free course attracted nearly 900 learners from 103 countries within six months. This global reach supports our Royal Charter commitment to promote high standards of competence and integrity for the public benefit.

New product development

The IoD continues to lead the way in shaping the standards of governance and professional development for directors. The inaugural [Global Certificate in Company Direction](#), delivered in collaboration with the University of St Andrews Business School, marks a significant evolution in how the IoD supports directors to meet today's complex leadership challenges.

Designed to strengthen confidence, competence and credibility in the boardroom, the Global Certificate combines academic enrichment with practical director development. The programme equips participants to make well-informed decisions under pressure, apply sound judgement, and lead with integrity in an increasingly unpredictable environment.

Through immersive learning, masterclasses, and peer collaboration, participants explore how responsible leadership delivers lasting organisational value by creating skilled employment, fostering innovation, and supporting communities and sustainable growth. These experiences bring to life the IoD's belief that professional development is not an abstract exercise but a direct driver of stronger, more ethical businesses.



Overall, the programme delivered a rich and immersive learning experience... The balance of structured content and peer engagement made it both professionally rewarding and personally energising.

Angela Blakelock, Director

Professional development and standards



A keynote address by Erin Brockovich challenged delegates to reflect on courage, respect and tenacity as essential qualities of effective governance. Her message reinforced the need for directors who can navigate complex moral decisions with honesty and resolve.

Graduates of the Global Certificate return to their organisations equipped to influence strategy, strengthen governance frameworks and lead with greater purpose. By investing in this new benchmark for director education, the IoD is helping to ensure that better-trained directors make better decisions building businesses that drive prosperity, trust and long-term value across the economy.



I found the course to be a truly transformative experience. Learning from such inspiring speakers and delegates had a significant impact on my career focus and motivation.

Samuel Munden, Learning and Development Manager

Standards and quality assurance

We continue to strengthen the standards and quality assurance of our learning products and qualifications, ensuring consistently high-quality design and delivery across the portfolio. In 2025, we introduced a new Quality Assurance Framework that clearly defines the standards, processes and checks required to maintain quality, accessibility and alignment in learning content, delivery and assessment.

In December 2025, Qualifications Scotland conducted an external quality assurance audit of our credit-rated qualifications, confirming that our governance, assessment and oversight arrangements are robust, transparent and subject to ongoing review. This demonstrates the IoD's commitment to delivering high-quality, professionally-assured learning that supports directors to develop ethically, sustainably and in line with our belief that business can be a force for good.

5,779

Learners

15

Countries

95%

Customer satisfaction rating



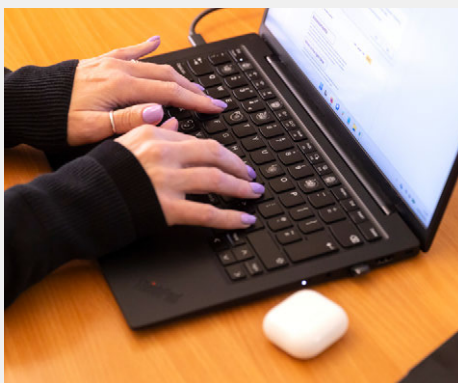
The programme connects governance, strategy, and financial oversight to the real decisions that directors face. It has strengthened my approach to these responsibilities in my roles as both a business leader and a board member.

Steve Beynon, Director



I valued the unique combination of the IoD and St Andrews University, bringing together perspectives from professional practice and academia. The content reflected the competencies required of modern directors.

Matt Roche, Cathexis, COO



**Léonie Watson CDir
Director, TetraLogical**

For Léonie Watson, access to the digital world is fundamental to participation in modern life. Through her work, she supports organisations to design technology that is inclusive and accessible to all users, including people with disabilities. This extends beyond compliance,

with a focus on enabling independence and meaningful engagement. By combining lived experience with professional expertise, she demonstrates how inclusive design can deliver value for both individuals and businesses.

Chartered Director Programme

The role of chartership in raising standards

Chartered Directorship is a globally recognised benchmark of governance capability and ethical leadership. It signals not only experience, but also the knowledge, judgement and accountability required to lead responsibly. By professionalising the role of the director, chartership strengthens board effectiveness and reinforces high standards of governance across organisations.

Core qualifications

The programme comprises three progressive stages:

Certificate in Company Direction

Four modules covering:

- Role of the Director and the Board
- Finance for Non-Finance Directors
- Leadership for Directors
- Strategy for Directors

Each module concludes with a 45-minute multiple-choice examination. The qualification is credit rated at SCQF level 9 (comparable to RQF level 6).

Diploma in Company Direction

Focused on applying knowledge in real-world board scenarios. Credit rated at SCQF level 11 (comparable to RQF level 7) and assessed through a 3-hour 15-minute examination.

Chartered Director Status

Following completion of the Diploma and meeting all eligibility requirements, candidates undertake a professional interview that assesses their strategic decision-making, leadership capability and overall effectiveness as a director.



Successes in 2025

4,308

Exams

629

Certificate in Company
Direction graduates

204

Chartered Directors

387

Diploma in Company
Direction graduates

This record year reflects both growing demand and our continued commitment to raising professional standards in governance.

Policy and governance

The IoD is committed to supporting a dynamic, innovative and responsibly governed economy. Guided by our Royal Charter, our policy work ensures that the priorities of our members and the wider business community are heard clearly by the governments of Westminster and devolved nations, and policymakers.

Throughout 2025, we promoted pro-business reform, pressed for regulatory and fiscal certainty, and provided evidence-based analysis to decision-makers. Our policy team is supported by local policy and governance ambassadors across branches and regions, while in Scotland, Wales and Northern Ireland we continue to shape and influence devolved policy agendas.

Policy review

2025 was a challenging year for UK business. The rise in business taxation set out in the 2024 Autumn Budget, combined with ongoing fiscal uncertainty around both 2024 and 2025 budgets, weighed heavily on sentiment, constrained investment and slowed hiring. This was reflected in the IoD's monthly Directors' Economic Confidence Index, which fell to record lows toward the end of the year.

To ensure we accurately represented our members' views we continued our monthly Policy Voice surveys and thrice-yearly Economic Policy and Trend meetings. Our membership spans all sectors and regions - from listed companies to SMEs and microbusinesses - providing a broad and representative snapshot of sentiment across the UK business landscape.

Through regular engagement with ministers, parliamentarians, officials and regulators, we ensured policymakers understood members' concerns and those of the wider business community. Our evidence-based positions also strengthened the IoD's media visibility, with Advertising Value Equivalent (AVE) rising 30% on 2024 and 155% on 2023.

Our policy team attended all major UK party conferences, hosting discussions on Mainstreaming AI: what UK business needs from Government at both Labour and Conservative events, with speakers including

Kanishka Narayan MP, Minister for AI and Online Safety; Dr Ben Spencer MP, Shadow Minister for Science, Innovation and Technology; and Alison Griffiths MP, member of the Business and Trade Select Committee

Employment rights and business reform

A major policy focus in 2025 was the passage of the Employment Rights Act. The implementation of the act will require directors to balance enhanced worker protections with competitiveness and flexibility. Alongside tax reform, scaling back aspects of the proposed employment changes was identified by members as key to restoring business confidence in 2026.

Working with other B5 business group members (this is BCC, CBI, FSB and Make UK in addition to IoD), we secured a significant outcome - the government's decision to withdraw the proposed introduction of day-one unfair dismissal rights.

UK-EU reset and trade

Ahead of the UK-EU Reset Summit in May 2025, we advocated for the Sanitary and Phytosanitary (SPS) Agreement, carbon trading alignment and a youth mobility scheme - now agreed in the form of a Youth Experience Scheme. We continue to work with the government to address regulatory divergence and its impact on UK firms.

Policy 'wins' in 2025

In 2025, policymakers adopted several IoD-backed proposals, including:

- Greater employer flexibility on English and maths requirements for adult apprenticeships
- An overall business impact target for regulatory reduction
- The UK-EU Youth Experience Scheme
- Removal of peak train fares in Scotland
- A six-month qualifying period for additional unfair dismissal protections
- Increased fiscal headroom (Budget 2025)
- Launch of Apprenticeship Levy-funded short courses (from April 2026)
- Maintaining the frequency of OBR economic assessments (Budget 2025)



**Brian Reid CDir
CEO, Deli Lites**

For Brian Reid, the impact of a business is shaped by its people. Leading a large organisation, he focuses on fostering a culture where individuals feel valued, supported and engaged in their work. By encouraging participation in community initiatives, the business becomes something people feel part of, not simply a place of employment. At scale, this approach enables the organisation to contribute meaningfully both internally and more widely.





Helena McLeod
Former Deputy Director-General,
Global Green Growth Institute (GGGI)

For Helena McLeod, leadership is defined by responsibility - to people, organisations and the wider world. Her approach is grounded in principled decision-making, with a focus on protecting and supporting individuals, particularly in challenging circumstances. This perspective extends beyond the organisation, recognising the role business plays in addressing broader societal and environmental issues. It reflects a values-led approach to leadership, where doing the right thing is understood as a core responsibility.

Policy and governance

Devolved nations

In Scotland and Wales, we published State of the Nations reports identifying members' priorities – regulation, tax, skills and growth. The Scotland launch featured Deputy First Minister Kate Forbes and Sir John Curtice. These findings informed IoD business manifestos ahead of the Holyrood and Senedd elections in May 2026. The IoD Scotland and Wales policy committees formed in 2025 were instrumental in developing these manifestos.

In Northern Ireland, we launched an Infrastructure and Investment Forum to address infrastructure as a barrier to growth. In early 2026, this led to the publication of an Infrastructure Action Plan outlining practical policy solutions to help Northern Ireland unlock its economic potential.

Relaunching Director

In July 2025, we relaunched Director magazine, first published in 1949 and paused during the pandemic. The Summer edition featured business secretary Jonathan Reynolds, entrepreneur Margaret Heffernan, columnist Stefan Stern and TUC general secretary Paul Nowak. The Autumn edition, The Entrepreneurial Mind, included interviews with Sir Mel Stride and commentary from IoD Chair John Browett.

The Spring 2026 edition explores whether business is a force for good, with contributions from Julian Richer, Baroness Evans, Rory Sutherland and Richard Tice.

Insight and intelligence

Alongside the print title, the Director title supports a growing portfolio of digital content. Director Weekly continued to provide timely analysis of key policy developments. The Director podcast hosted discussions with senior business leaders and policymakers, including widely listened-to episodes on the Autumn Budget (featuring Dan Neidle, founder of think tank Tax Policy Associates) and the Employment Rights Bill.

Member-exclusive updates included quarterly policy briefings and webinars on the UK economy delivered in collaboration with the Bank of England, and cyber resilience alongside the Department for Science, Innovation and Technology.

The role of non-executive directors

Following successful IoD commissions looking at the Future of Inclusive Business and a [Code of Conduct for Directors](#), in 2025, we launched a commission on the evolving role of non-executive directors, chaired by Baroness Evans of Bowes Park.

The resulting report, NEDs Reimagined, argues that boards must move from periodic oversight to active, informed and adaptive stewardship. More than twenty years after the Higgs Report, it sets out a practical roadmap for strengthening governance and board effectiveness. The contribution of NEDs remains vital. In a time of uncertainty and rapid change, boards need directors who are bold, engaged and forward-looking.

Business – a force for good?

In 2026, in line with the Institute's broader focus on this theme, we established a new commission, chaired by Lord (Marvin) Rees, to examine the role of business in society and define what it means to be a force for good.

The commission will assess how business contributes to economic, social and environmental value and wellbeing, identify the conditions that enable responsible enterprise, and develop practical recommendations. We hope to publish a final report from the commission in the autumn.

Looking ahead

UK directors enter 2026 operating in an increasingly uncertain world. Geopolitical volatility continues to influence supply chains, energy markets and investment decisions. At home, devolved elections and the English local elections in May will sharpen political focus on growth, public services and regional development – areas where business leadership will be vital.

In this environment, effective directorship is critical. The IoD will continue to provide insight, advocacy and practical guidance – helping its members navigate uncertainty and shape the future of UK business with confidence and responsibility.

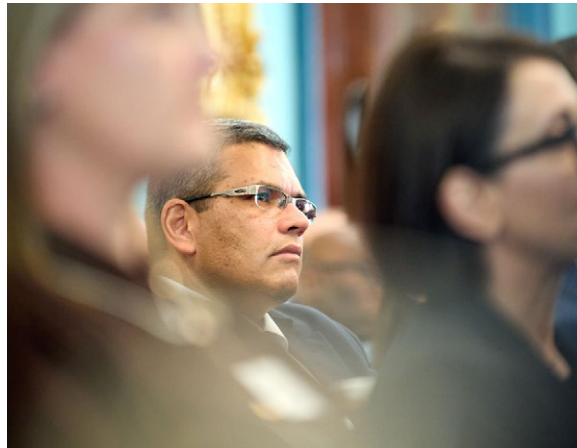
Stakeholder engagement

Who and how

As a Royal Charter organisation serving both members and the wider public, engaging with our stakeholders is core to effective governance.

We engage to understand priorities and concerns, balance competing interests responsibly, and inform our strategy, risk management and decision-making. This helps ensure we deliver on our Charter objectives and assess the impact of our work.

Insights from stakeholders are regularly considered by management and the Board, supporting balanced and responsible decision-making.





Stakeholder

Our community

- IoD members
- Council
- Regions and Nations
- Volunteers
- Special Interest Groups
- Chartered Directors
- IoD learners
- Wider business community

Why we engage

To promote high standards of professional competence and integrity, provide relevant services and benefits, and understand the governance and business challenges our community faces.

These insights shape both our professional development programmes and our policy work.

How we engage

- Professional Development programmes
- Events and networking forums
- Regional and SIG communities
- Regular email newsletters
- Social media
- Blogs and podcasts
- IoD website
- IoD publications, including Director magazine
- National and local media
- Surveys and consultations

Our people

IoD employees

To build a high-performance, purpose-led culture that enables us to effectively deliver our strategy and Charter obligations.

Our people are central to the Institute's success, and we are committed to creating an environment where they can thrive.

- Line management and biannual performance conversations
- Monthly all-colleague calls
- Biannual all-colleague away days
- Annual Great Place to Work® survey

Collaborations

- Outsourced functions and suppliers
- Course tutors
- Information Advisory Service advisors
- Sponsors
- Customers
- Organisations

To maintain quality, resilience and value for money across our services and professional development.

Our collaborations enable us to deliver the best value for our members and the wider community.

- Contractual oversight
- Collaborative programme design
- Regular relationship management

Governments and regulators

- Privy Council
- Crown Estate
- Regulators
- UK and devolved governments/parliaments
- Regional mayors, combined authorities, and local government
- Civil society

To ensure stable operations, constructive oversight, compliance and a supportive regulatory environment.

To represent the interests of members and the wider business community to government and the public, and to champion responsible enterprise and a climate that supports entrepreneurial activity and wealth creation.

- Direct engagement and roundtables
- Consultation responses
- Policy reports and commissions
- National and local media

Financial performance

Growth and stability established; 2025 was a good year financially with revenues up but the IoD accepted short term underlying margin pressure in order to reinvest back into the business and strengthen resilience.

Overall results

The Institute continued to grow in 2025. Building on the solid foundations established, the organisation made conscious choices to reinvest back into the business and strengthen resilience. Revenue for the year was £23.6m, a 8.4% increase on 2024 as both membership and professional development continued to grow. Total underlying costs, excluding exceptional items but including depreciation came out at £21.2m, a year on year increase of £3.5m, largely due to investment in staff development, and the core professional development offer – strengthening the team, reviewing and sharpening content, ensuring relevance and quality, and introducing two new courses – over major capital expenditure. Other costs saw further investment in marketing with the relaunch of *Director* magazine and central costs remaining broadly flat.

The balance of cash and cash equivalents at the end of 2025 decreased by £1.7m to £9.1m due to payments made to HMRC in relation to corporation tax of £2.2m in the year and £1.7m of capital expenditure, mainly relating to refurbishment of 116 Pall Mall. Further details of cash movements during the year can be found in the Statement of Cash Flows.

The underlying surplus / (deficit) before taxation and specific 'one-off' VAT repayment and reorganisation costs was a surplus of £3,252k (2024: £4,929k).

Exceptional items of £0.8m (2024: £4.1m) were recorded in the year, relating to two key items. A £1.1m release of a provision, provided in 2024, for a potential VAT liability relating to historic periods, of which £0.9m qualified as exceptional. This review concluded in 2025 with no liability to settle. One-off costs relating to the restructure of our commercial function were £0.2m (2024: Nil).

Further benefit was derived from a review of our corporation tax attributes in the year, resulting in reversal of prior year tax charges of £1.9m, refunded shortly following the year end.

On 31 December 2025, the Institute's accumulated funds stood at £7.5m compared with £2.5m a year earlier, an increase of £5m. With exceptional one-off items of £0.8m contributing in addition to the underlying surplus of £4.2m.

Income

Membership income

Membership continued to grow during the year, with member numbers reaching 19,686 (2024: 19,342) at the end of the year and generating income of £7.3m (2024: £6.3m). A pricing review in the year delivered a higher revenue per member, partially recovering inflation in costs to serve whilst delivering value for money for our members.

Revenue earning activities

During 2025, footfall at 116 Pall Mall was sustained with members enjoying our various hospitality offerings and event spaces at our flagship building. Growth in the number of delegates attending our professional development courses, with 2,138 delegates attaining our certificate in company direction (2024: 424) delivering further value to revenue.

While overall income from revenue earning activities increased by £0.9m to £15.5m, professional development remained as the area with the highest sales of £11.6m (2024: £10.9m).



Building on the solid foundations established, the organisation made conscious choices to reinvest back into the business and strengthen resilience.



Joyce Onuonga
Managing Director, John White & Son
(Weighing Machines)

For Joyce Onuonga, business involves balancing legacy with progress. Leading a company with more than 300 years of history, she combines respect for its heritage with a clear focus on the future - modernising operations and adopting new technologies. At the same

time, the business continues to deliver a strong social impact, supporting communities, creating employment and widening access to opportunity. Her experience reflects the potential to align long-standing tradition with forward-looking change.

Financial performance

Expenditure

Total expenditure, before exceptional items, of £21.2m was £3.5m higher than the previous year. With staff costs being the main contributor but increases across membership services and events as well as the relaunch of *Director* magazine delivering further value to members. Other costs remained largely static aside from inflation. 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 investment centred around enriching our service offering and capital expenditure relating to the ongoing refurbishment of 116 Pall Mall, with further capital commitments of £2.5m (Note 14), the depreciation charge remained flat at £0.9m (2024: £0.9m).

Employment costs

Employment costs, together with direct and indirect costs, are the biggest costs incurred by the IoD. In 2025, they increased year on year by £1.1m to £7m (2024: £5.9m) with staff numbers increasing to 98 average headcount across the year (2024: 91). This was driven by the investment in our professional development team and wider staff development as the Institute embarked on a refresh of content and product development ensuring relevance and quality in our offering.

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 creditor balances at 31 December 2025 decreased to £4.9m (2024: £6.3m) largely due to a provision for corporation tax of £1.8m in the prior year which was paid during the year.

Trade creditors increased by £0.9m to £1.8m at 31 December 2025 (2024: £0.9m) due to timing of invoices from key suppliers around the year end and costs for refurbishment of the 4th floor of 116 Pall Mall received at the end of the year.

Debtors

Overall debtors increased to £5.3m at 31 December 2025 (2024: £1.8m) largely due to repayments due from HMRC in relation to VAT and corporation tax. Trade debtors, including provision for doubtful debts of £0.1m (2024: £0.2m), increased from £0.9m to £1.4m with some timing differences around collection of hospitality receipts year on year.

Going concern

In 2025, the Board continued to regularly review all management information, including stress tests to forecasts and investments in strategic projects, to consider whether or not 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, in particular, 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.



During 2025, footfall at 116 Pall Mall was sustained with members enjoying our various hospitality offerings and event spaces at our flagship building.



After reviewing the information available, the Board considers that the Institute has adequate resources to continue operations as normal.

Connect

30m

Improvement on awareness through touchpoints (website, paid/organic media and email)
Financial year target 18m

290k

Pall Mall footfall
Financial year target 280k

Develop

92%

Courses and exams - customer satisfaction rating
Financial year target 80%

212

Chartered Director examinations out of a total 4,990
Financial year target 125

Influence

£13.5m

Advertising value equivalent
Financial year target £6.2m

People and culture

7.45%

Employee turnover
Financial year target 10%

Sustainability

0.99m

Energy consumption (electric, KWH)
2024 consumption = 1.02m

Diversity and inclusion

25.8%

Proportion of workforce from diverse ethnic backgrounds
Target 25%



Top: Jonathan Geldart at the IoD ACAD.

Middle left: NI team at their annual dinner - Marc Strathie, host Donna Traynor, Chelsea Brennan, Heather White and Aoife McCreesh. Right: IoD colleagues, Pedro Santos, Sasha Trapani and Sophie Breedon at the Unlocking UK Growth event at Mansion House.

Bottom left: IoD colleagues outside 116 Pall Mall singing carols collecting for Centrepoint. Right: Anna Leach, IoD Chief Economist addresses the Chartered Director Conference 2025.

People and culture

The IoD's success depends on our people. In 2025, we continued to focus on creating the conditions for colleagues to do their best work - through a supportive culture, meaningful development, and practical tools that help teams perform well together.

We have embedded a culture that encourages high standards, invests in learning and creates moments of connection across the organisation.

Flexible working

We believe individuals should be able to perform in the roles best suited to them, without unnecessary barriers. To support this, the IoD offers flexible working from day one. For many roles, location is not a constraint, enabling colleagues to work from anywhere with hours tailored to their needs, irrespective of seniority or length of service. This approach has improved engagement, widened our talent pool and strengthened a culture of trust. For us, flexibility isn't about where people sit or where they live - it's about enabling colleagues to perform at their best.

Pay, benefits and wellbeing

Attracting and retaining talented people remains central to delivering the IoD's strategic objectives. We recognise that colleagues are more likely to stay and perform at their best when they experience meaningful work, strong team environments, fair and transparent reward, and opportunities for development.

Over the past year, we have continued to strengthen our employee value proposition, with a particular focus on building a more consistent and transparent approach to reward. This has included the introduction of salary benchmarking and structured pay frameworks, alongside targeted cost-of-living adjustments, ensuring our approach remains competitive and equitable.

Recognising that sustained organisational performance depends on colleague wellbeing, we continue to prioritise initiatives that support rest and balance. IoD Days, including additional time over the Christmas period, provide a coordinated opportunity for colleagues to pause and recharge, supporting resilience and long-term performance across the organisation.

Professional development

We offer all colleagues the opportunity to experience our courses, to better understand the nature and quality of our offering, helping colleagues feel connected to our mission and to the standards we champion externally.

Engagement, retention, recruitment and progression

Engagement and retention remain central to organisational performance. We continue to use colleague feedback to strengthen the IoD as a workplace, supported by our collaboration with Great Place to Work, which provides an independent and confidential route for colleagues to share their experience.

Great Place to Work

2025 marked the fifth year of our relationship with Great Place to Work. After achieving certification in 2023 and 2024, we were recognised as one of the UK's Best Workplaces in Charity and Not-for-Profit in 2025, alongside achieving certification for a third consecutive year.

The Trust Index survey captures colleague views on areas such as work-life balance, fulfilment, psychological safety and fairness, as well as the consistency of experience across teams and levels. We are proud of this recognition - and clear that it reflects continued effort and honest feedback. We will keep building on this work in 2026.



Steven Pearce
Technical Director, Mine Environment
Management

For Steven Pearce, business involves applying scientific expertise and clear principles to deliver real-world impact. Working in a highly complex industry, his focus is on managing environmental impact and developing more sustainable approaches to operations. Central to this is a commitment to integrity, with decisions guided by evidence, including in challenging circumstances. By combining technical expertise with a strong sense of responsibility, his work demonstrates how business can contribute to the development of more sustainable industries.



People and culture

Pay gaps

Although the IoD has fewer than 250 employees and is not legally required to publish gender or ethnicity pay gap data, we report annually in the interests of transparency.

Gender pay gap review

(as of 05/04/2025)

The mean gender pay gap reduced from 26.2% in 2024 to 21.2% in 2025. The median pay gap also reduced, from 20.6% to 13.8%. Excluding the Director General, the mean gender pay gap was 8.76% (down from 12.0% in 2024).

This improvement reflects actions taken over the year, including recruitment outcomes, structural changes at senior level and internal promotions. We will continue to advertise roles with transparent pay ranges, inclusive language and, where possible, flexible and remote working arrangements – approaches that have increased the number of female candidates applying for and securing more senior roles.

Ethnicity pay gap review

(as of 05/04/2025)

Given low turnover, significant year-on-year movement was not expected. The mean ethnicity pay gap reduced slightly from 29.5% in 2024 to 29.0% in 2025, while the median pay gap increased from 22.8% to 24.2%.

Encouragingly, representation of colleagues from other ethnic groups in the upper pay quartiles continued to rise. Across the upper and upper-middle quartiles, representation increased from 16.7% in 2024 to 21.7% in 2025. In the upper quartile specifically, it increased from 9.5% to 13.0%.

We will continue to build on progress through our recruitment and internal progression approach in 2026, with a focus on embedding positive change over time.

↓ **13.8%**

Median gender pay gap
(hourly pay relevant employees) 12.94%
(excl. Director General)

7.5%

Median bonus gender pay gap
7.2% (excl. Director General)

↑ **24.2%** **17.5%**

Median ethnicity pay gap
(hourly pay relevant employees) 12.94%
(excl. Director General)

Median bonus ethnicity pay gap
17.2% (excl. Director General)

↓ **21.2%**

Mean gender pay gap
(hourly pay relevant employees) 8.76%
(excl. Director General)

24.5%

Mean bonus gender pay gap
9.9% (excl. Director General)

↓ **29.0%** **26.3%**

Mean ethnicity pay gap
(hourly pay relevant employees) 19.1%
(excl. Director General)

Mean bonus ethnicity pay gap
20.0% (excl. Director General)

Retention

Voluntary turnover remains a key indicator of colleague experience. In 2024, voluntary turnover reached a record low of 3.37%, compared to 27.4% in 2022. At the end of 2025, voluntary turnover was 7.5%, which we consider a healthy level – supporting stability while enabling natural career movement.

Workforce profile (2025)

Number of employees: 93 (FTE 90.93).
Gender composition: 30.1% male, 69.9% female.

Recruitment and promotions

In 2025, we welcomed 25 new starters across the organisation, strengthening capability in areas including Finance, IT, Membership and Professional Development.

We also continued to invest in internal progression, with ten internal promotions during the year. Our promotion process has been refreshed and is now underpinned by a clearer framework to support fair, timely progression for colleagues and to ensure we build leadership strength from within.

↑ **7.75%**

Retention in 2025

93

Number of employees
(Full time equivalent)
90.93

30.1% **69.9%**

Gender composition
Male / Female

Governance structure

Our governance structure is an integral part of the way the Institute of Directors delivers its Royal Charter obligations and strategy, supporting effective decision-making. This enables the right people to have access to the right information at the right time.

We are immensely proud of the diversity and depth of experience contained in our Board and Council, which are responsible for the Institute's strategic direction and sustainability.

The Board

The Board provides strategic leadership and oversight for the organisation, setting its long-term direction and ensuring that its purpose, values and objectives are achieved. It is responsible for governance, risk management and financial stewardship, holding the management team to account for the delivery of strategy and overall performance.

Non-executive Chair

Leads the Board and ensures it operates effectively.

Non-executive directors

Work with and challenge executive directors.

Director General and executive directors

Day-to-day management of the business and implementation of strategy.

The Council

Holds the Board to account for delivery of the Charter Objects and adherence to the Laws of the Institute.

Committee of the Board and Council

Nomination Committee

Leads process for board and council appointments.

Committees of the Board

Audit and Risk Committee

Oversees financial reporting, internal control, risk management systems and audit processes.

Remuneration Committee

Advises on the Institute's remuneration framework and policy and terms of employment for senior members of staff and executive directors.

Professional Development and Accreditation Committee

Oversees the organisation's overall professional development strategy and standards and competencies required by directors and boards and the methods for assessing directors.

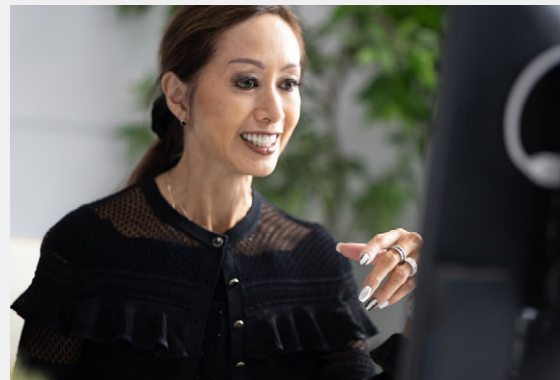
Management Team

Executive remit

Is responsible for the ongoing management of the Institute. It considers day-to-day operational matters for running the business and reviews performance of the Institute in line with the strategic plan.

Region, Nation and Branch Chairs

Work closely with all staff and volunteers in the IoD to promote the ethos of 'OneIoD'.



**Deborah Davis CDir
Non-Executive Director**

For Deborah Davis, business as a force for good is not defined by intentions alone, but by the outcomes it delivers. As a Chair and Non-Executive Director, her focus is on linking strategy to execution - ensuring decisions are thoughtful, practical and deliverable. Working across complex organisations, she believes long-term success is built on trust, innovation, sound governance and the ability to adapt at pace. For Deborah, doing good is not separate from performance - it builds resilience and creates lasting value.



Governance of the Institute

The Institute is dedicated to a high standard of governance and follows best practice for guidance.

The Institute of Directors was established in 1903 and became a body corporate under Royal Charter in 1906. The IoD's constitution comprises the Charter, by-laws and regulations.

The Board is responsible for the management of the Institute's affairs. The Council provides a forum through which the Board is held accountable for the discharge of its responsibilities and for ensuring that the Institute's strategy and activities are consistent with its Royal Charter and Charter Objects.

The Institute is incorporated by Royal Charter and governed in accordance with its Charter and by-laws. Authority ultimately derives from its members, with amendments to the Charter and by-laws subject to approval by the Privy Council acting on behalf of the King in Council. The Institute does not have shareholders or owners, reflecting its status as a chartered membership body. Within this framework, the Institute adopts governance and management practices appropriate to delivering its objects effectively. In doing so, it recognises its responsibilities both to its members and to the wider public interest.

Our governance structure shapes the way that information flows throughout the Institute, and we constantly strive to improve our own governance procedures and processes.



The Board approves the strategy, sets the Institute's values, standards, aims and objectives in line with the Charter Objects.

The relationship between the Board, Council and committees as defined in the Institute's constitution are:

- The King in Council and Privy Council granted the Institute its Royal Charter
- The membership approves any changes to the Royal Charter and by-laws prior to submission to the Privy Council
- The Board acts as a unitary board, exercises all powers of the Institute and is responsible for the overall leadership and governance of the Institute and for holding the executive to account. The Board approves the strategy, sets the Institute's values, standards, aims and objectives in line with the Charter Objects. The Board has several committees that support its decision-making across the Institute
- Council holds the Board to account for delivery of the Royal Charter Objects and provides critique and opinion on the Institute's overall progress
- Council also appoints Board members on the recommendations of the Nomination Committee (the joint committee of the Board and Council). Council member appointments are approved by members at the Annual General Meeting.

The committees of the Board are: the Audit and Risk Committee, Remuneration Committee, and the Professional Development and Accreditation Committee. There is also an established geographic network, which reports to the Board via the regional chairs.

Within its framework, the Institute adopts governance and management practices appropriate to delivering its objects effectively. In doing so, it recognises its responsibilities both to its members and to the wider public interest.

Council Chair statement



This is my first report as Chair of the Council. I took on the role from David Langworth, CDir, after he completed his second term last year. I would like to thank both David and fellow outgoing Council member Prof. Marie McHugh, OBE for their tireless efforts on behalf of the Institute.

The positive trend reported last year has carried on and both the Council and Board are working together to ensure this continues. In a world that is becoming more complex and uncertain, and where things seem to move at lightning speed, it is crucial that the Institute remains a beacon of good governance.

The Council is an important link between the Institute's public interest mandate, board, and the membership. Our role is to hold the Board to account for delivery of the Royal Charter objects, act as guardian of the Institute and provide the Board with critique and opinion on the Institute's overall progress.

We report Council's opinion on the Institute's delivery of the Charter Objects to the membership and to the public at large, on Board performance at the AGM, monitor stakeholder engagement, relay key themes back to the Board and finally, the Council appoints and remove non-executive directors to the Board.

These are all vital functions to ensure the Institute remains true to its purpose. I also feel that the breadth of experience and diversity of backgrounds we have are important factors that demonstrate the Council's continuing value to the Institute and the public interest

Past results are no guarantee of future success, but we have trust in the Board and management's ability to lead the Institute.

Our commitment to public service, director communities and members remains unabated and I look forward with confidence to the year ahead.

A handwritten signature in black ink, appearing to read 'Eelco Fiole', with a long horizontal stroke extending to the right.

Dr. Eelco Fiole CDir
Chair

Council

Chair of Council and Senior Independent Council Member (SICM)

Dr Eelco Fiole CDir

Council members

Andrew Griffiths
Kahumbya Bashige CDir
Robert Stansbury CDir
Antony Kearns CDir

New members

Allie Renison (April 2025)
Philippe Vogeleer CDir (April 2025)
Menai Owen-Jones CDir (June 2025)

Departed Members

Mehrdad Mansourpour (July 2025)
Anneliese Reinhold (July 2025)
Prof. Marie McHugh OBE (December 2025)
David Langworth CDir (December 2025)
Derek McIntyre (December 2025)

IoD Board

Board leadership and structure

As at 31 December 2025, the Board comprised the Chair, seven independent Non-Executive Directors, the Director General and the Chief Financial Officer. Independent Non-Executive Directors form the majority of the Board and bring a range of experience and perspectives relevant to the Institute's activities.

The Chair is responsible for the leadership and effectiveness of the Board. The Director General leads the management of the Institute and is responsible for implementing the strategy approved by the Board and overseeing the organisation's operations with the support of the Management Team.

The Senior Independent Director acts as a sounding board for the Chair and is available to other Non-Executive Directors, Council members and stakeholders should they wish to raise concerns. Mark Pacitti was appointed as Senior Independent Director in July 2025.

Role of the Board

The Board is responsible for the overall leadership and long-term success of the Institute. It sets the organisation's strategic direction and oversees performance, risk management and governance.

The Board has reserved key decisions for its own approval, including approval of strategy, oversight of financial performance, monitoring the effectiveness of internal controls and setting the culture and values of the Institute.

The Board is supported in these responsibilities by its committees, including the Audit and Risk Committee which provides detailed oversight of the Institute's risk management and internal control framework.

A clear division of responsibilities exists between the Chair and the Director General. The Board has delegated authority for the day-to-day management of the Institute to the Director General and the Management Team within defined parameters.

Board operation and effectiveness

A schedule of Board and committee meetings is agreed annually, with additional meetings held where required to address time-sensitive matters.

Board papers are circulated in advance of meetings and clearly identify items for decision, discussion or information. The Board uses a secure board portal to distribute meeting materials.

Under the direction of the Chair, the Institute Secretary supports the effective operation of the Board and facilitates information flows between the Board, its committees and the Management Team. Directors have access to the advice and services of the Institute Secretary and may obtain independent professional advice, at the Institute's expense, where they consider it necessary to perform their duties.

The Board undertakes periodic reviews of its effectiveness and that of its committees to ensure that governance arrangements continue to support the Institute's objectives.



The Board is responsible for the overall leadership and long-term success of the Institute.

IoD Board

Strategy oversight

During the year the Board held its annual strategy day in London, attended by the Board and the Management Team. The session provided an opportunity to review the Institute's strategic priorities and consider the external environment.

Discussions focused on the development of professional development programmes, the membership value proposition, investment in 116 Pall Mall and opportunities to create sustainable long-term value for members.

Board committees

The Board is supported by four standing committees: the Audit and Risk Committee, the Remuneration Committee, the Professional Development and Accreditation Committee and the Nomination Committee (a joint Board and Council committee).

Each committee operates under terms of reference approved by the Board and provides detailed oversight within its remit. Reports from these committees are set out in the following sections of this report.

Conflicts of interest

Directors are required to avoid situations in which they have, or may have, a conflict with the interests of the Institute. Directors complete annual declarations of interests and are required to notify the Chair and the Institute Secretary of any new interests that may give rise to a conflict. A register of interests is maintained and reviewed regularly.

Board Non-Executives

Chair

John Browett

Members

Ieda Gomes Yell
Graeme Jenkins
Dr Beth Ahlering
Julia Marsh

New members

Mark Pacitti (January 2025)
Dr Vikas Shah (January 2025)
Renee Hunt (January 2025)

Departed members

Femi Bamsaiye (July 2025)

Board Executive Directors

Jonathan Geldart
Kate Cooper



Directors are required to avoid situations in which they have, or may have, a conflict with the interests of the Institute.



Barry Byrne
CEO, The Mount Charles Group

For Barry Byrne, success is reflected in the opportunities a business creates. At Mount Charles, this is demonstrated through investment in people - via development programmes, training and clear career pathways. Many employees build long-term

careers, developing skills, confidence and experience over time. As a family-run business, there is a strong sense of responsibility to provide stability and support, ensuring continued opportunity for a large and growing workforce.

Nomination Committee

The Nomination Committee assists the Board and Council in overseeing governance relating to Board and Council composition, succession planning and diversity.

The Committee ensures that appointment processes are rigorous, transparent and aligned with the skills, experience and perspectives required to support the Institute's strategy and Charter Objects. The Committee remains mindful that the composition of the Institute's governance bodies should reflect the breadth of its membership and stakeholders.

During the year, following a formal selection process and the recommendation of the Committee, Members approved the appointment of Allie Renison, Philippe Vogeleer and Menai Owen-Jones who joined the Council in April and June 2025 respectively.

Committee composition

The Nomination Committee is a joint committee of the Board and Council and currently comprises four members: three Board members and one Council representative. The Committee is chaired by the Senior Independent Council Member.

The Committee's principal responsibilities are to:

- oversee the appointment principles and processes for Board and Council office holders
- ensure an appropriate balance of skills, experience, independence and diversity
- review the structure, size and composition of the Board and Council and make recommendations where appropriate.

The Committee reviews its terms of reference periodically to ensure they remain aligned with the Institute's governance framework and evolving best practice.

Appointments and governance body changes

During the year the Committee reviewed the composition of the Board and Council and oversaw a number of appointments and departures.

Femi Bamisaiye stepped down from the Board in July 2025 following the completion of two three-year terms and an additional six-month extension.

Anneliese Reinhold and Mehrdad Mansourpour stepped down from the Council in July 2025, followed by Prof. Marie McHugh and David Langworth in December 2025 after completing their terms.

Following a recruitment exercise conducted in late 2024, Mark Pacitti, Dr Vikas Shah and Renee Hunt joined the Board as Non-Executive Directors in January 2025.

Succession planning

Succession planning for the Board and Council remained a key focus of the Committee during the year.

The Committee reviews succession plans regularly to ensure an appropriate balance of skills, experience and independence across the governance bodies and to support orderly refreshment as members reach the end of their terms.

A skills matrix is used to assess the current capabilities of Board and Council members and to identify areas where additional expertise may be required in the future. Particular attention is given to maintaining expertise in areas such as audit, finance, professional development, remuneration and governance in various key sectors.

Succession planning for senior management is overseen by the Director General with the support of the People and Culture team.

These processes support the ongoing effectiveness and orderly refreshment of the Institute's governance bodies.

Nomination Committee

Selection and appointment process

The Committee oversees a structured and transparent process for the appointment of Board and Council members.

External search firms engaged by the Institute are required to be signatories to the voluntary code of conduct for executive search firms on diversity and best practice.

The Committee seeks to ensure that all appointments are conducted through a fair, transparent and objective process.

Diversity and inclusion

During the year the Board and Council approved a new Board and Council Diversity and Inclusion Policy, which sets out the Institute's approach to promoting diverse governance bodies.

The policy recognises the value of diversity across a broad range of characteristics including gender, ethnicity, age, disability, professional background, geography and diversity of thought, which together contribute to effective decision-making and governance.

Appointments to the Board and Council continue to be made on merit against objective criteria. In doing so, the Committee seeks to ensure that governance bodies benefit from a wide range of skills, perspectives and experience.

The policy also sets out diversity aspirations for the governance bodies, including an aim that no gender should represent more than 60% of Board or Council membership and that representation from different ethnic backgrounds is maintained.

The Committee monitors progress against these aspirations and considers diversity as part of its regular reviews of Board and Council composition.

Focus for the coming year

In addition to its regular work on appointments and succession planning, the Committee will continue to focus on maintaining a strong pipeline of potential candidates for Board and Council roles.

During the year the Board and Council also established a Constitutional Review Group, chaired by the Senior Independent Director. The group is reviewing aspects of the Institute's governance framework, including Board and Council structures and appointment processes, to ensure they remain effective and appropriate for the organisation's future development.

The Committee remains satisfied that the Board and Council maintain an appropriate balance of skills, experience and perspectives to support the Institute's long-term success.

Nomination Committee

Chair

Dr Eelco Fiole CDir

Members

Ieda Yell
John Browett

New members

Mark Pacitti (July 2025)

Member departures

Femi Bamsaiye (July 2025)
Anneliese Reinhold (July 2025)
David Langworth CDir (December 2025)
Prof. Marie McHugh OBE (December 2025)



The Committee seeks to ensure that all appointments are conducted through a fair, transparent and objective process.

Committees of the Board

Our committees are an integral part of the governance of the Institute, covering remuneration, professional development and standards, membership and compliance.

Audit and Risk Committee

Committee composition and governance

The Committee is chaired by Graeme Jenkins and comprises primarily independent Non-Executive Directors who collectively bring appropriate financial, commercial and governance experience to the Committee's work.

Members of the Management Team, including the Director General, Chief Financial Officer and Institute Secretary, attend meetings by invitation. Representatives of the external auditor also attend meetings when appropriate.

The Committee Chair maintains regular dialogue with the Director General, Chief Financial Officer and the external auditor between meetings in order to remain informed of key developments affecting the Institute's financial reporting and risk environment.

The Committee is satisfied that its members collectively possess the financial and sector expertise required to discharge their responsibilities effectively.

Overview

The Audit and Risk Committee supports the Board in overseeing the integrity of the Institute's financial reporting, the effectiveness of its risk management and internal control framework and the independence of the external audit process. In carrying out its responsibilities, the Committee seeks to ensure that appropriate financial, risk management and assurance processes are in place to support effective decision-making and maintain the confidence of members and stakeholders.

The Committee's responsibilities are set out in its terms of reference and it reports regularly to the Board on the matters it has considered and how it has discharged those responsibilities.

Key areas of focus during the year

During the year the Committee focused on several areas of particular importance to the Institute's financial reporting and governance framework. These included:

- Reviewing the Institute's tax and VAT position
- Strengthening the risk register framework to improve the identification, assessment and monitoring of risk
- Reviewing and recommending updates to the Institute's risk appetite framework
- Monitoring the effectiveness of the internal control environment and financial reporting processes
- Overseeing the transition and development of the finance function and associated systems
- Reviewing the external audit process, including the transition following the retirement of the previous lead audit partner.

Financial reporting and the Annual Report

The Committee reviewed the content and tone of the Annual Report and Accounts prior to their consideration by the Board and made recommendations regarding their accuracy and appropriateness.

In undertaking this review, the Committee considered the key messages within the report, paying particular attention to matters that are significant to the Institute due to their size, complexity, level of judgement involved or potential impact on the financial statements and wider business model.

The Committee also reviewed the processes and controls in place to ensure the accuracy and consistency of the information presented and the procedures supporting the Board's confirmation that the Annual Report is fair, balanced and understandable.

Committees of the Board

Internal control and risk management

The Committee oversees the identification and assessment of principal and emerging risks, key risk indicators and the Institute's risk appetite framework. During the year the Committee received biannual assessments of the most significant risks facing the Institute, including analysis of exposure levels and potential impact.

The Committee also reviewed the operation of key financial and operational controls and monitored progress on improvements to the Institute's control environment, financial reporting processes and systems.

During the year, the Committee reviewed the need for an internal audit function and, having regard to the size and complexity of the Institute and the strength of its existing control environment, concluded that a separate internal audit function is not currently required.

A particular area of focus during the year was the further development of the Institute's risk management framework. The Committee reviewed the structure and operation of the risk register to ensure that risks are clearly identified, assessed and monitored across the organisation and considered both internal and external factors that may affect the Institute's strategic objectives.

Risks are assessed against the Institute's risk appetite framework, enabling the Board to understand the level of risk the Institute is prepared to accept in pursuit of its Charter Objects.

The Committee continued to monitor cyber security and information governance arrangements as part of its oversight of operational and technology-related risks.

The Committee also allocates time to consider the Institute's whistleblowing arrangements, which enable staff and contractors to raise concerns confidentially regarding potential wrongdoing or non-compliance.



The Committee oversees the identification and assessment of principal and emerging risks.

The Committee receives periodic reports on whistleblowing and compliance matters and is satisfied that appropriate procedures are in place to ensure that any issues raised are investigated independently and addressed appropriately.

External audit

RSM UK Audit LLP continues to act as the Institute's external auditor following its appointment through a competitive tender process.

The Committee oversees the relationship with the external auditor and reviews their independence, effectiveness and the quality of the audit process. During the year the Committee reviewed and approved the audit plan, considered the findings of the audit and reviewed the auditor's management letter together with management's responses to the recommendations raised.

During the year the lead individual responsible for the Institute's audit changed following the retirement of the previous lead audit partner. The Committee reviewed the transition arrangements and met with the incoming audit lead to ensure continuity and the continued quality and independence of the audit process.

Following its review, the Committee remains satisfied with the performance, independence and effectiveness of the external auditor.

Audit and Risk Committee

Chair

Graeme Jenkins

Members

Aidan O'Carroll CDir

New Members

Mark Pacitti (March 2025)

Dr Vikas Shah (March 2025)



Chris Saul
Chief Strategy Officer, Hitachi EMEA

For Chris Saul, business is about leadership that extends beyond profit. With a career spanning global corporations and SMEs and (International) Director of the Year 2024, he has worked across complex organisations, helping to shape strategy, drive transformation and build long-term value. At Hitachi, that means bringing together capabilities across industries – from energy and mobility to digital to address wider societal challenges. He also serves as a (non-executive director, bringing the same values-led approach to other boards.

Central to his approach is balance: delivering commercial success while considering the impact on employees, customers and communities. For Chris, business as a force for good is not an abstract concept – it's simply good leadership in practice.

Committees of the Board

Remuneration Committee

The Remuneration Committee supports the Board in overseeing the Institute's remuneration framework for Executive Directors and senior management. The Committee ensures that remuneration policies and practices support the Institute's purpose and values and are aligned with the successful delivery of its long-term strategy.

In doing so, the Committee seeks to ensure that remuneration arrangements attract, retain and motivate individuals of the calibre required to lead the organisation effectively, while remaining proportionate and appropriate to the Institute's financial position.

The Committee is chaired by Dr Beth Ahlering, who assumed the role following the AGM in July 2025. Femi Bamisaiye chaired the Committee until that time.

During the year the Committee:

- reviewed the Institute's remuneration framework
- worked with management to reframe the organisation's reward and recognition proposition
- oversaw the implementation of a performance-related element within the annual salary review process
- considered gender and ethnicity pay gap reporting requirements and employee wellbeing initiatives



In 2024 the remuneration policy was updated to introduce a performance-related element within annual salary reviews.

Remuneration framework and workforce considerations

In 2024 the remuneration policy was updated to introduce a performance-related element within annual salary reviews. This approach was implemented during the 2025 salary review cycle and represented a shift from the previous practice of applying a uniform salary increase across the workforce.

Under the revised framework, annual salary adjustments are informed by inflation together with an assessment of individual performance. This approach aims to recognise stronger individual contribution while maintaining fairness and transparency across the organisation.

The Committee will continue to review the calibration of performance-related salary adjustments to ensure they appropriately recognise individual contribution and support organisational objectives. The Committee also considered the application of this framework to executive directors and senior management to ensure consistency with the wider workforce.

Bonus framework and reward transparency

The Committee also oversaw the operation of the Institute's bonus scheme, which had been approved by the Board in 2024 as part of the refreshed reward and recognition framework.

The scheme links bonus outcomes to the achievement of key organisational objectives together with an assessment of individual performance. Following consideration of organisational performance during the year, the Committee reviewed the proposed bonus outcomes and was satisfied that the scheme operated as intended, rewarding both collective performance and individual contribution.

To support transparency and employee engagement, total reward statements were distributed to staff during the year, providing colleagues with greater visibility of the full value of their remuneration and benefits.

Committees of the Board

Workforce remuneration and culture

The Committee continues to consider remuneration practices across the organisation when determining remuneration arrangements for executive directors and senior management.

The Committee also noted progress made in strengthening workplace culture and employee engagement. In 2025 the Institute achieved Great Place to Work Certification, with a Trust Index score of 72%.

Governance and engagement

In making remuneration decisions the Committee maintains close dialogue with the Board and management. Members of the Management Team, including the Director General and representatives from the People and Culture function, attend meetings by invitation to provide updates on workforce matters, employee engagement and organisational priorities.

This engagement enables the Committee to maintain an informed understanding of the organisation's operating environment and workforce experience when considering remuneration decisions.

No executive director or member of senior management participates in decisions relating to their own remuneration.

Focus for the coming year

In the coming year the Committee will continue to review the effectiveness of the Institute's remuneration framework and its alignment with the organisation's strategy and financial position.

Key areas of focus will include:

- a review of pension scheme contributions
- oversight of succession planning for the Management Team and key staff
- monitoring the performance measures used within the bonus scheme

Remuneration Committee

Chair

Dr Beth Ahlering

Members

John Browett

Departed members

Femi Bamisaiye (July 2025)

New members

Ieda Yell (November 2025)

Professional Development and Accreditation Committee (PDAC)

The Professional Development and Accreditation Committee (PDAC), chaired by Julia Marsh, supports the Board in overseeing the Institute's professional development activities and the standards associated with its qualifications and professional assessments.

Operating under Terms of Reference approved by the Board, the Committee advises on the Institute's professional development strategy, recommends the educational competencies and standards expected of directors and boards, and oversees the accreditation and assessment frameworks supporting the Institute's programmes. In doing so, the Committee helps ensure that the Institute maintains the standards required to exercise its powers under the Royal Charter to award professional qualifications.

The PDAC replaced the former Accreditation and Standards Committee with effect from January 2025, reflecting the increasing importance of professional development and accreditation within the Institute's overall strategy.



The Committee also noted progress made in strengthening workplace culture and employee engagement.

Committees of the Board

Key activities during the year

During 2025 the Committee focused on the following areas:

Professional development strategy

- Oversight of the implementation of the professional development strategy
- Review of the director competency framework and associated content development plan

Learning programme development

- Development of the Massive Open Online Course (MOOC)
- Rationalisation and mapping of existing courses against the competency framework

Professional standards and accreditation

- Oversight of accreditation and assessment standards
- Review of English proficiency requirements for programme participants

Assessment governance and policy

- Development of an AI policy for assessments
- Oversight of quality assurance processes for examinations and assessments

Curriculum development

Revalidation and update of key programmes including:

- Role of the Director and the Board
- Leadership for Directors

Committee membership and expertise

To strengthen the Committee's expertise in professional education and accreditation, two external members were appointed in February 2026:

- **Zoe Robinson, Managing Director of Kaplan Assessments**, who brings extensive experience in professional qualifications, assessment design and the development of professional examinations across regulated professions.
- **Dr Vikki Smith, Executive Director for Education and Standards at the Education Training Foundation**, who brings significant expertise in professional standards, workforce development and quality assurance within the education and training sector.

These appointments broaden the Committee's external insight and strengthen its oversight of the Institute's professional development and accreditation activities.

Professional Development and Accreditation Committee

Chair

Julia Marsh

Members

Dr Beth Ahlring

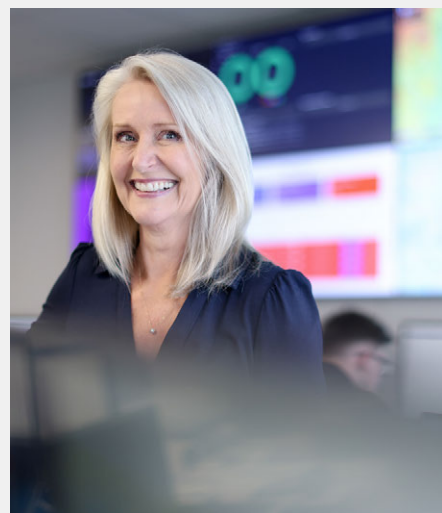
New Members

Zoe Robinson (February 2026)

Vikki Smith (February 2026)



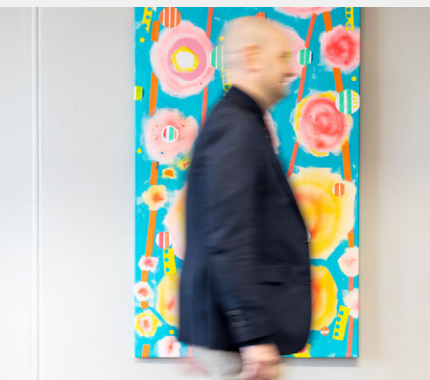
Our committees are an integral part of the governance of the Institute, covering remuneration, professional development and standards, membership and compliance.



Linda McMillan
Chief People Officer, Fibrus Group

For Linda McMillan, business plays a key role in connecting people to opportunity. At Fibrus, this is reflected in the delivery of high-speed broadband to previously underserved communities, improving access to work, education and daily life. In recent years, the

business has connected a significant number of homes, supporting economic activity across the region. Alongside this, it continues to invest in people and communities, demonstrating how infrastructure can contribute to long-term impact.



Matt Lancashire
Regional Director, Institution of
Civil Engineers (ICE) Scotland

For Matt Lancashire, the impact of business is often indirect but essential. Through infrastructure and civil engineering, his work connects communities, supports economic activity and underpins growth. From bridges to flood defences, these projects enable people and businesses to operate and develop. With a focus on long-term value and responsible decision-making, his work illustrates how business can shape society in ways that are fundamental, though not always visible.



Statement of Board responsibilities

As a body corporate established by Royal Charter, the Institute is obliged to comply with its constitution (comprising charter, by-laws and regulations).

The constitution requires that the Board lays before the members, in a general meeting, financial statements for the year, giving a true and fair view of the state of affairs of the Institute. The financial statements must include the surplus or deficit of the Institute for that period. The Board is also required to approve the financial statements, only if they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the surplus or deficit for that period.

In preparing the financial statements, the Board is required to:

- Select suitable accounting policies and apply them consistently
- Make informed judgments and estimates that are reasonable and prudent
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in operation

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Institute. The Board is also responsible for safeguarding the assets of the Institute and taking reasonable steps to ensure the prevention and detection of fraud and any other irregularities.

Each board member confirms that:

- So far as they are aware, there is no relevant audit information of which the Institute's auditor is unaware
- They have taken all necessary steps to ensure that they are aware of any relevant audit information and to establish that the Institute's auditor is aware of the information
- The Board is responsible for the maintenance and integrity of the financial information included on the Institute's website. Practice in the United Kingdom governing the preparation and dissemination of financial statements may differ from practice in other jurisdictions.



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



Sweena Badhan
Director, iKnekt

For Sweena Badhan, business is built on people and relationships. As a connector, she focuses on bringing the right individuals together, creating opportunities through trust and shared value. Her work is grounded in action-mentoring, building networks and supporting others to grow. For Sweena, doing good isn't something separate from business. It's reflected in how you show up, how you help others succeed, and the impact created through the connections you build.



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

We have audited the financial statements of Institute of Directors (the 'Institute') for the year ended 31 December 2025 which comprise the 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 2025 and of its surplus for the year then ended;
- have been properly 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)). 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 in the course of 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.

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

Matters on which we are engaged to report by exception

In the light of the knowledge and understanding of the Institute and its environment obtained in the course of 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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; or
- 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 53 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 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 (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 on the basis of 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.

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

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, inspecting correspondence with local tax authorities and evaluating advice received from internal and external tax advisors.

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 is in compliance with these law and regulations and inspected correspondence with relevant regulatory bodies.

The audit engagement team identified the risk of management override of controls and 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 into outside the normal course of business, performing analytical review year on year by revenue type to assess for potential omitted income, using data analytics to assess whether income outside of the normal sales cycle has been appropriately classified as revenue and 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/auditorsresponsibilities>. 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 engaged 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 Institutes Board, for our non-statutory audit work, for this non-statutory report, or for the opinions we have formed.

RSM UK Audit LLP

12 May 2026
RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

The accounts

Statement of income and retained earnings

Notes	2025 Pre Exceptional items	2025 Exceptional items	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
2. Income				
Membership income	7,237	-	7,237	6,349
Revenue earning activities	15,506	-	15,506	14,646
Other trading income	350	-	350	368
Interest receivable and similar income	474	-	474	378
	<u>23,567</u>	<u>-</u>	<u>23,567</u>	<u>21,741</u>
2. Expenditure				
3. Employment costs	7,034	-	7,034	5,909
Direct and Indirect costs	10,046	(763)	9,283	9,296
Property expenditure	3,235	-	3,235	5,666
Loss on disposal of fixed assets	-	-	-	32
Depreciation	898	-	898	928
	<u>21,213</u>	<u>(763)</u>	<u>20,451</u>	<u>21,831</u>
2. Surplus / (Deficit) before taxation	<u>2,354</u>	<u>763</u>	<u>3,116</u>	<u>(90)</u>
5. Taxation (Credit) / Charge	(1,886)	-	(1,886)	1,886
Surplus / (Deficit) after taxation	<u>4,239</u>	<u>763</u>	<u>5,002</u>	<u>(1,976)</u>
Other comprehensive income / loss				
16. Closed defined benefit pension scheme adjustment	-	-	-	-
Total comprehensive Income / (Expenditure)	<u>4,239</u>	<u>763</u>	<u>5,002</u>	<u>(1,976)</u>
Reconciliation of accumulated funds				
Accumulated funds at 1 January			2,544	4,520
Accumulated fund at 31 December			<u>7,546</u>	<u>2,544</u>
The underlying surplus / (deficit) before taxation before depreciation & exceptional items consisting of a VAT provision release and staff restructuring costs was a surplus of £3,252k (2024 surplus £4,929k)	3,252			4,929

John Browett
Chair



11 May 2026

Jonathan Geldart
Director General



11 May 2026

Balance sheet

Notes	2025	2024
	£'000	£'000
Fixed assets		
6. Tangible fixed assets	4,099	3,260
7. Intangible fixed assets	1,592	1,581
	<u>5,691</u>	<u>4,841</u>
Current assets		
8. Debtors	5,292	1,793
9. Cash at bank and in hand	9,076	10,800
	<u>14,368</u>	<u>12,593</u>
Current liabilities		
10. Creditors – amounts falling due within one year	(4,992)	(6,349)
12. Deferred membership income	(2,412)	(2,517)
Total current liabilities	<u>(7,404)</u>	<u>(8,866)</u>
Net current assets	<u>6,964</u>	<u>3,727</u>
Total assets less current liabilities	<u>12,655</u>	<u>8,568</u>
Non current liabilities		
10. Creditors – amounts falling due after more than one year	(61)	(5)
11. Provisions	(4,816)	(5,734)
12. Deferred membership income	(231)	(285)
Net assets and accumulated funds	<u>7,546</u>	<u>2,544</u>
16. Pension liability	-	-
Net assets including pension liability	<u>7,546</u>	<u>2,544</u>
Represented by:		
Accumulated funds at 31 December	<u>7,546</u>	<u>2,544</u>

John Browett
Chair



11 May 2026

Jonathan Geldart
Director General



11 May 2026

Statement of cash flows

For year ended 31 December 2025

Notes	2025	2024
	£'000	£'000
Cash flows from operating activities (Note A)	3,966	4,702
Increase in Corporation Tax receivable - refer to note 8	(2,302)	-
Corporation Tax paid	(2,191)	-
Net cash (used in) / generated from operating activities	(528)	4,702
Cash flows from investing activities		
Interest received	474	378
Purchase of intangible / tangible fixed assets	-	(354)
Purchase of tangible fixed assets	(1,423)	-
Purchase of intangible fixed assets	(327)	-
Net cash (used in) / generated from investing activities	(1,276)	24
Cashflows from financing activities		
Increase in finance leases	-	(18)
Increase in lease capital	106	-
Lease interest paid	(6)	-
Interest paid	(19)	(2)
Net Cash (used in) / generated from investing activities	81	(20)
Change in cash and cash equivalents in the year	(1,724)	4,706
Cash and cash equivalents at 1 January	10,800	6,094
Cash and cash equivalents at 31 December (Note B)	9,076	10,800
A Reconciliation of net surplus / (deficit) for the year to net cash flows from operating activities		
Surplus / (deficit) for the year after taxation	5,002	(1,976)
Adjustments for:		
- Depreciation on tangible and intangible fixed assets	-	928
- Depreciation on tangible assets	582	-
- Amortisation on tangible assets	316	-
- Loss on disposal of fixed assets	-	32
- Non cash movement relating to the recognition of Right of Use Asset (Note 6)	219	(1,229)
- Interest receivable and similar income	(474)	(378)
- Interest payable and similar expenses	-	2
(Increase) / decrease in debtors	(1,196)	177
Increase in trade creditors	831	246
(Increase) / decrease in other creditors and accruals	(119)	1,463
(Increase) / decrease in provisions	(1,137)	5,166
(Decrease) in multiple years' advance membership over one year	(54)	(85)
(Increase) / decrease in deferred membership income	(105)	383
Increase / (decrease) in other deferred income	100	(27)
Net cash provided by operating activities	3,966	4,702
B Analysis of cash and cash equivalents		
Cash at bank and in hand	9,076	10,800
	9,076	10,800
Reconciliation of net cash flow movement in net debt		
Net (decrease) / increase in cash and cash equivalents in the year	(1,724)	4,706
Cash outflow from decrease in finance leases	(81)	20
Change in net debt resulting from cashflows	(1,805)	4,726
Movement in net debt in the year	(1,805)	4,726
Net debt at start of year	10,782	6,057
Net debt at end of year	8,977	10,782

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 2025, with comparative information provided in respect of the year to 31 December 2024.

The financial statements comprise the accounts of the Institute and the gross revenue and expenditure 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 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 a 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 decommissioning 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. 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 ten 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 the statement of income and retained earnings.

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	2025 Income	2025 Expenditure	2025 Net	2024 Net
Surplus / (deficit)				
2. Analysis of operating surplus / (deficit) by activities	£'000	£'000	£'000	£'000
Membership and Influence				
Membership related income and service costs	7,323	(1,485)	5,838	3,921
National and Regional Director Events	750	(2,074)	(1,324)	(771)
Information Advisory Service	-	(420)	(420)	(406)
External Governance and Policy Activity	7	(917)	(910)	(566)
	8,080	(4,896)	3,184	2,178
Revenue earning activities				
116 Pall Mall	3,434	(4,411)	(976)	(885)
Director training and qualifications	11,574	(5,225)	6,349	6,389
	15,008	(9,635)	5,373	5,504
Surplus / (deficit) before support costs	23,089	(14,532)	8,557	7,682
Support costs				
Marketing, brand, communications	-	(1,504)	(1,504)	(1,015)
Central administrations	5	(5,179)	(5,174)	(3,044)
Surplus / (deficit) after support costs	23,093	(21,214)	1,879	3,623
Net Interest	474	-	474	378
Exceptional Items	-	763	763	(4,091)
Surplus / (deficit) before taxation	23,567	(20,451)	3,116	(90)

Notes to the Financial Statements

Notes	2025	2024
	£'000	£'000
3. Employment costs		
(a) The average number of employees during the year was:	98	91
(b) Salaries	5,055	4,596
Social security	607	467
Pension costs – see note 16	394	362
Contracted and temporary staff	410	147
Subsistence and insurance	74	13
Recruitment and training	34	30
Motor vehicle and travel	236	174
Other	224	120
	<u>7,034</u>	<u>5,909</u>
(c) The fees paid to the Chair totalled £24k during the year (2024: £14.4k).		
(d) Emoluments paid to the Director General (2024: 1), who was the highest paid director, amounted to:		
– Salaries and benefits	290	272
– Payment in lieu of employer pension contribution	36	33
	<u>326</u>	<u>305</u>
(e) Executive directors' emoluments		
Emoluments paid to the 2 executive directors (2024: 2), amounted to:		
– Salaries and benefits	452	285
– Payment in lieu of employer pension contribution	36	33
– Pension contributions	15	1
	<u>503</u>	<u>319</u>
Contributions are not payable under money purchase pension schemes to any directors (2024: 0 directors).		
(f) Emoluments paid to key management		
6 key management including the Director General (2024: 7 key management)		
– Salaries and benefits	772	921
– Payment in lieu of employer pension contribution	36	33
– Pension contributions	45	55
	<u>853</u>	<u>1,009</u>

There were no ex-gratia payments made during the year (2024: £Nil).

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

Notes to the Financial Statements

Notes	2025	2024
	£'000	£'000
4. Surplus after taxation		
This is stated after charging:		
Fees in respect of services provided by the auditor:		
Statutory audit	75	67
	<u>75</u>	<u>67</u>
5. Taxation		
Current tax:		
UK Corporation tax (credit) / charge	(1,886)	1,886
Tax reconciliation:		
Surplus / (deficit) on ordinary activities before taxation	3,116	(90)
	<u>630</u>	<u>(23)</u>
Multiplied by the standard rate of UK Corporation tax of 19% (2024: 25%)		
Tax effect arising from:		
Surplus / (deficit) arising on non-taxable activity	(2,219)	(1,894)
Non deductible expenditure	1,426	2,848
Movement in deferred tax not recognised	63	113
Depreciation in excess of capital allowances	100	176
Adjustments to tax charge in respect of previous periods - current tax	(1,886)	666
	<u>(1,886)</u>	<u>1,909</u>

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

No provision for deferred taxation is required (2024 - £nil).

Factors that may affect future tax charges:

As the taxable profits during the period are <£50,000, the lower applicable rate of 19% has been applied in the above reconciliation (2024 - 25%).

The effective tax rate of the Institute is affected by the profitability of the taxable and non-taxable activities. In 2025 credit arose following a targeted review of the tax computation methodology, which reduced taxable profits and resulted in a refund of tax paid in prior years. After the year end, HMRC approved the refund and it was repaid in full on 6 March 2026.

Notes to the Financial Statements

Notes	Leasehold improvements	Furniture and fittings	Computer hardware	Office equipment	Total
	£'000	£'000	£'000	£'000	£'000
6. Tangible fixed assets					
Cost:					
At 1 January 2025	4,730	1,731	222	6	6,687
Additions	1,201	10	213	(1)	1,423
Disposals	(16)	(251)	(21)	-	(288)
At 31 December 2025	5,915	1,489	414	5	7,822
Depreciation:					
At 1 January 2025	(1,617)	(1,670)	(139)	(3)	(3,429)
Charge for the year	(421)	(36)	(124)	(1)	(582)
Disposals	16	251	21	-	288
At 31 December 2025	(2,022)	(1,455)	(242)	(4)	(3,723)
Net book value 2025	3,893	34	172	1	4,100
Net book value 2024	3,113	61	83	3	3,260

The net book value of furniture and fittings includes an amount of £4,324 (2024: £14,709) in respect of assets held under finance leases. The depreciation on these assets for the year was £10,385 (2024: £10,373).

	Computer software etc.
	£'000
7. Intangible fixed assets	
Cost:	
At 1 January 2025	3,230
Additions	327
At 31 December 2025	3,557
Depreciation:	
At 1 January 2025	(1,649)
Charge for the year	(316)
At 31 December 2025	(1,965)
Net book value 2025	1,592
Net book value 2024	1,581

Notes to the Financial Statements

Notes	2025	2024
8. Debtors	£'000	£'000
Trade debtors	1,436	867
Other debtors and prepayments	-	926
Prepayments and accrued income	1,433	-
VAT receivable	120	-
Corporation tax receivable	2,302	-
	<u>5,292</u>	<u>1,793</u>
<p>All debtors are due within one year. Trade debtors includes a provision for doubtful debts of £0.1m (2024: £0.2m).</p>		
9. Cash at bank and in hand		
Cash at bank and in hand	9,076	10,800
<p>Cash at bank and in hand includes £375,825 (2024: £404,806) held in overseas branches.</p>		
10. Creditors		
A Amounts falling due within one year:		
Trade creditors	1,755	924
Deferred non membership income	1,987	1,887
Other creditors and accruals	-	1,145
Other creditors	134	-
Accruals	674	-
Obligations under finance leases	56	13
Corporation tax payable	-	1,886
Other taxes and social security costs	386	494
	<u>4,992</u>	<u>6,349</u>
<p>Deferred non membership income relates to professional development courses which are scheduled at a future date.</p>		
B Amounts falling due after more than one year:		
Obligations under finance leases	61	5
	<u>61</u>	<u>5</u>
C Finance leases		
The net finance lease obligations committed to are:		
In one year or less	56	13
Between one and five years	61	5
In five years or more	-	-
	<u>117</u>	<u>18</u>
<p>Finance lease obligations are secured on the assets to which they relate.</p>		

Notes to the Financial Statements

Notes	2025	2025	2025
	Dilapidations	VAT	Total
	£'000	£'000	£'000
11. Provisions			
At 1 January 2025	4,597	1,137	5,734
Utilised in the year	-	-	-
Finance charge in Right of Use asset	219	-	219
Reversed in the year	-	(1,137)	(1,137)
At 31 December 2025	4,816	-	4,816

Dilapidations

The provision for dilapidations relates to the leasehold property at 116 Pall Mall. The provision is reviewed at each year, 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 latest 2024 (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.

As the IoD has no Debt or Equity, as a Royal Charter, a calculation of WACC specific to the entity is not possible. Therefore, we have considered a suitable equivalent rate to represent the IoD cost of capital. A 'Risk Free Rate of Return' equivalent to Gilts has been used as typically this is seen as an accurate, reliable, and transparent reference point at an interest rate of 4.76%. This is to estimate the present value of the Right of Use asset disclosed.

VAT

The provision release related to a potential correction to VAT treatment in historic periods recognised in 2024. The outcome of the review has concluded with no liability to settle in respect of VAT. The provision release is classified within Direct and Indirect costs on the statement of income and retained earnings.

Notes to the Financial Statements

Notes	2025	2024
12. Deferred membership income	£'000	£'000
Memberships expiring within one year	2,412	2,517
Memberships expiring after more than one year	231	285
	2,643	2,802

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.

Notes	2025	2025	2025
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	663	49	712
After one, but within five years	2,610	129	2,739
After five years	7,663	-	7,663
	10,936	178	11,114

Notes	2024	2024	2024
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

14. Capital commitments
Capital commitments contracted but not provided for in the financial statements amount to £2,526,414 (2024: £nil) in relation to the renovation of the 4th Floor in 116 Pall Mall.

15. Related party transactions
The remuneration payable to the Institute's Chair and Directors is disclosed in note 3 to these accounts.
There were no other transactions with related parties during the year (2024: no other transactions).

Notes to the Financial Statements

Notes

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 £394,431 (2024: £362,296), 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 2024.

A qualified independent actuary carried out calculations as at 31st December 2025 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 2025	At 31 December 2024	At 31 December 2023
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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)	1.92%	2.07%	2.00%
Rate of increase to pensions above GMP in deferment	2.32%	2.63%	2.47%
Discount rate	5.35%	5.32%	4.48%
RPI Inflation assumption	2.84%	3.17%	3.04%
CPI Inflation assumption	2.32%	2.67%	2.47%

No contributions were paid to the scheme during the year (2024: 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 2025 was £161,000 (2024: £182,000).

No lump sum contributions are due in the coming year in respect of the scheme (2024: 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 2025	Value at 31 December 2025	Discount rate at 31 December 2024	Value at 31 December 2024	Discount rate at 31 December 2023	Value at 31 December 2023
		£'000		£'000		£'000
Equities	5.35%	-	5.32%	-	4.48%	2,340
Bonds	5.35%	-	5.32%	-	4.48%	3,598
Cash	5.35%	331	5.32%	480	4.48%	37
Annuity Policies	5.35%	3,904	5.32%	3,920	-	-
Total market value of assets	5.35%	4,235	5.32%	4,400	4.48%	5,975

Present value of scheme liabilities		4,063		4,079		4,561
Surplus in the scheme		172		321		1,414
Deemed irrecoverable		(172)		(321)		(1,414)
Balance sheet valuation		-		-		-

	At 31 December 2025	At 31 December 2024
	£'000	£'000
Reconciliation of present value of scheme liabilities:		
Opening defined benefit obligation	(4,079)	(4,561)
Past service cost	-	-
Administration costs	(173)	(240)
Interest cost	(209)	(198)
Remeasurement: actuarial (loss) / gain	(97)	406
Benefits paid and expenses	495	514
Closing defined benefit obligation	(4,063)	(4,079)

Reconciliation of fair value of scheme assets:		
Opening fair value of scheme assets	4,400	5,975
Interest income	221	256
Investment gain / (loss)	109	(1,317)
Contribution by employer	-	-
Benefits paid and expenses	(495)	(514)
Closing fair value of scheme assets	4,235	4,400

Notes to the Financial Statements

Notes	Current year 2025	Prev year 1 2024	Prev year 2 2023	Prev year 3 2022	Prev year 3 2021
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(4,063)	(4,079)	(4,561)	(4,623)	(6,846)
Scheme assets	4,235	4,400	5,975	5,970	8,216
Surplus	172	321	1,414	1,347	1,370
Experience adjustments on scheme liabilities	(7)	75	(42)	(105)	62
Experience adjustments on scheme assets	109	(1,317)	(214)	(1,958)	217
				At 31 December 2025	At 31 December 2024
b) Analysis of amount charged to the Consolidated Revenue Account				£'000	£'000
Current service cost				-	-
Administration costs				173	240
Past service cost				-	-
Total operating charge				<u>173</u>	<u>240</u>
c) Analysis of amount credited to other finance income					
Interest income				221	256
Less: Interest on pension scheme liabilities				(209)	(198)
Net return				<u>12</u>	<u>58</u>
d) Total amounts taken to other comprehensive income					
Remeasurement – gain / (loss)					
Return on scheme assets excluding interest income				109	(1,317)
Remeasurement – (loss) / gain					
Experience (loss) / gain arising on scheme liabilities				(7)	75
Remeasurement – gain				21	325
Changes in financial assumptions underlying the scheme liabilities – (loss) / gain					
Remeasurement – (loss) / gain				(111)	6
Changes in demographic assumptions underlying the scheme liabilities – gain					
Decrease in irrecoverable surplus				149	1,093
Actuarial gain recognised in other comprehensive income				161	182

As the pension surplus is irrecoverable, the decrease of £149,000 has been treated as a pension scheme adjustment in other comprehensive income in 2025.

Notes to the Financial Statements

Notes	At 31 December 2025	At 31 December 2024
e) Movements in unrestricted surplus during the year	£'000	£'000
Surplus in scheme at beginning of the year	321	1,414
Movements in the year:		
Other finance income	(161)	(182)
Actuarial gain	12	(911)
Surplus in scheme at the end of the year	<u>172</u>	<u>321</u>

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 31 December 2025, a 1% pa change to these assumptions would have had the following effects on the closing defined benefit obligation:

	1% pa increase	1% pa decrease
Discount rate	(£316k)	£372k
Price inflation	£66k	(£73k)

f) Demographic assumptions used are as follows:

Assumption	31 December 2025 (Changes from 31 December 2024)
Mortality (pre and post retirement)	S3PxA, CMI_2024 [1.25%] (2024: S3PxA, CMI_2023 [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 on terms available immediately prior to the bulk annuity purchase



Rie Hamaguchi
Special Advisor to the Governor of Osaka

For Rie Hamaguchi, business is centred on creating opportunity. Following a career in diplomacy, she established a company focused on providing safe, affordable housing to bring greater stability to people's lives. Her approach is informed by a strong sense of social responsibility. Through mentoring and

support, she also contributes to the development of others, helping to build confidence and direction. It reflects a view that success is defined not only by outcomes, but by the positive impact a business has on people's lives.



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