

# 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.

# 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.

A handwritten signature in black ink, appearing to read 'John Browett', with a large, stylized flourish at the end.

**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

# 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

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## 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.

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### 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)

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### 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.

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### 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.

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## 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.

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### Professional Development and Accreditation Committee

#### Chair

Julia Marsh

#### Members

Dr Beth Ahlring

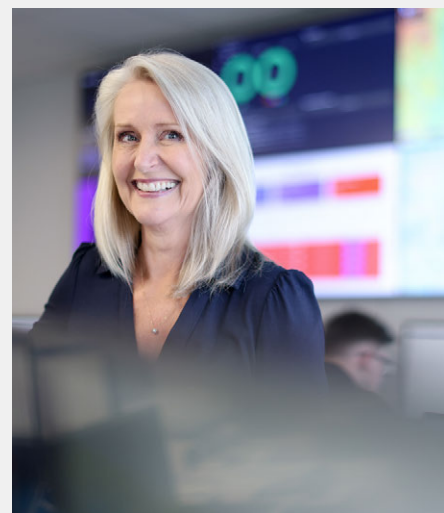
#### New Members

Zoe Robinson (February 2026)

Vikki Smith (February 2026)



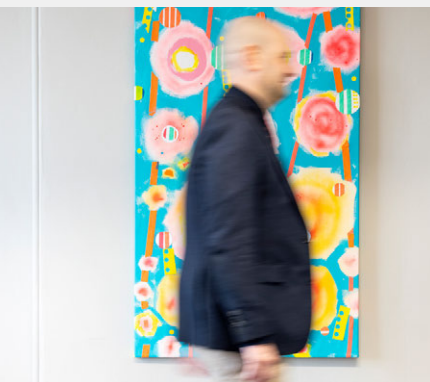
**Our committees are an integral part of the governance of the Institute, covering remuneration, professional development and standards, membership and compliance.**



**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.**



## **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.



#### **Photography**

England, Wales and Scotland:  
Mark Mercer, Tom Crew  
Northern Ireland: Darren Kidd  
South Africa: Michelle Schoeman  
Australia: Sam Affridi

**Concept, design and production**  
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