



Annual
Report and
Financial
Statements
2018



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CPA Ireland will
be dynamic and
entrepreneurial,
innovative yet
personal and efficient.



CPA Ireland will concentrate on five strategic priorities in 2019 and 2020.

President's Perspective



Disruption is not a new phenomenon. It is, more explicitly, the accelerating frequency of disruption that poses a new challenge for the accountancy profession.

It is interesting and, perhaps, uncomfortable to reflect on the fact that the current pace of change is only likely to increase. In a world where trust in the professions cannot be taken for granted, where new technologies such as artificial intelligence and blockchain are disrupting the world of work, CPA Ireland cannot stand still.

The unpredictable nature and pace of disruption means that organisational strategy needs to be at the ready in a new kind of way to have the agility to take advantage when opportunities arise.

Members can be assured that the Council of CPA Ireland has developed a new approach to strategy for CPA Ireland which cascades down from our purpose and values through our vision, mission and strategic priorities into actions and measures defining success. To take account of disruption, we now operate on shorter horizons with the tactical agility to cope with change.

So, what can members and stakeholders expect of CPA Ireland as we focus on a future-ready profession in which CPAs will be strategic leaders in business? In summary, CPA Ireland will concentrate on five strategic priorities in 2019 and 2020, as follows:

Brand: to communicate the value of CPAs to all stakeholders and to ensure that CPA Ireland is central to every conversation on accountancy.

Education: to transform our pre- and post-qualification education with a future-focused syllabus which is attractive to employers and the market with innovation in delivery and assessment models.

Customer Centric: to offer a great personalised experience to our stakeholders treating them with respect and further build relationships and engagement.

Global: building on the strength of our national recognition to be an acknowledged player on the global stage, building capacity, influencing policy and innovating in global education.

People: acknowledge and develop the valuable talent of our people, volunteers and staff, to create and deliver value for our members.

Council has also reached a common understanding of the impact of culture on our organisational performance and is satisfied that the dominant culture within our Council and staff is aligned and supports our strategic ambitions.

In essence, CPA Ireland will be dynamic and entrepreneurial, innovative yet personal and efficient. CPA Ireland's behaviours will demonstrate a careful balance between stability and flexibility.

Innovation is at the core of everything we do at CPA Ireland and this is evidenced through our reaction to the challenge to reframe our qualification to prepare the next generation of CPAs. We adopted design thinking to identify the sweet spot of innovation and to create something new and attractive with the Technological University Dublin.

Our joint CPA/TU Dublin Masters in Applied Accounting is innovative, addresses the needs of employers and students alike, and delivers the skills and competencies for future ready CPAs. The operational summary of activity within this report demonstrates other great examples of innovation within CPA Ireland in education, customer engagement and research.

Advocacy remained a high priority during 2018, particularly in support of indigenous business. Throughout 2018, CPA Ireland called for a rebalance of government policy to support indigenous SME businesses. Among the issues we have highlighted are:

- **R&D Tax Credit Regime** - simplify the R&D tax credit regime, streamline the process and make it fit for purpose for indigenous business;
- **Liquidity Gap and Cost of Finance** - SMEs desperately need access to funding at a competitive interest rate in line with our EU counterparts;
- **The Enterprise Investment Incentive Scheme** - needs to be amended to make it friendlier both to investors and SMEs.

There is also an urgent need to incentivise direct investment in unlisted companies. The high level of risk associated with such investments should be recognised through the application of a reduced rate of capital gains tax on returns;

- **Balancing Personal Taxation** - SMEs are placed in an invidious position when it comes to attracting and retaining talent. Large companies can afford to pay the higher salaries, and this is leading to wage inflation which SMEs just cannot keep up with. SMEs are haemorrhaging their brightest and best talent, both to the multinational sector as well as to overseas competitors;
- **Share Based Remuneration** - The share-based remuneration scheme announced in the last budget was welcome, but it didn't go nearly far enough and needs to be improved as a matter of urgency. This would allow SMEs to compete on more equal footing for talent by rewarding key employees with equity as well as salary and other benefits. But this is just part of the solution. The headline rates of tax and USC must be reduced as well to take the burden off middle earners throughout the economy;
- **Level the playing field** - Indigenous SME businesses and their owners find themselves at a disadvantage when it comes to taxation incentives, the cost of capital and a variety of other aspects. It is hard to come to any other conclusion, but that Government needs to align the incentives and make these available not only to the FDI sector but also to indigenous SME businesses. The government needs to act on this as a matter of urgency to address the imbalance.

Apart from indigenous business, we also published our “Social Enterprise Report – The Irish and International Landscapes”, which encouraged government to do more in support of social entrepreneurs. This sector has the capacity to deliver 40,000 additional jobs and to contribute an additional €2 billion to GDP.

Throughout my Presidency, I have had the opportunity to represent CPA Ireland’s advocacy positions directly to An Taoiseach, Leo Varadkar, the Minister for Business, Enterprise and Innovation, Heather Humphreys, and to the Minister for Higher Education, Mary Mitchell O’Connor.

Together with my colleagues on Council and the senior management we have developed a new approach to strategy, ensured that our culture supports our strategic ambitions, and created the capacity for Council to remain agile in the face of disruption.

We have invested in executive development for our volunteers and staff to support innovation, within an appropriate framework, ensuring that our service outputs prepare the CPA of the future and equip current CPAs to add value.

Having the opportunity to serve on Council and to become President of CPA Ireland is a great opportunity to give something back to the profession.

CPA Ireland is a wonderful community of members, many of whom volunteer their expertise at Council, Committee and Regional CPA Society level.

I would like to remind members that service at every level is open to all members and we remain conscious of retaining a Council that is representative of our membership.

I have received great support from all of my colleagues on Council, and my Vice-Presidents, Gearóid O’Driscoll and John Devaney, the CEO and fully engaged team at CPA Ireland. We are fortunate to have motivated and energetic staff, in whose development we will continue to invest.

In conclusion, I believe that CPA Ireland is very well positioned to cope with disruption and to equip our members and students for the changing world of work. We believe in the unique skills and experience that our people bring to the world of work. We will ensure that our people will be equipped to take advantage of new technology and deliver even greater value.

I wish my successor, Gearóid O’Driscoll, every success and I know that he will benefit from the support of our CPAs located right around the globe.



Cormac Mohan
President, CPA Ireland

Chief Executive's Review



Throughout 2018, CPA Ireland implemented change and delivered on innovation to lay the foundations for future success. Despite being at the centre of a world of disruptive change, our Council created an environment in which investments in our future were approved.

Our key achievements in 2018 included:

- The launch of our new brand;
- The development of our new website;
- The creation of our own learning management system (Canvas) which delivers innovation in digital learning;
- The transfer of our pre-qualification training process into a paperless, online process;
- The commencement of a fundamental review of our syllabus of education;
- The development of further advanced learning programmes to better equip CPAs for the changing world of work;
- Advocacy on matters of concern to members and on matters in the public interest;
- Developing thought leadership with a particular emphasis on social enterprise;
- Increased both our membership and our student numbers;
- Engaged and networked with key stakeholders to promote the value of the CPA qualification;
- Focused on key issues in the external environment and on Brexit, in particular, where our membership of the British Irish Chamber of Commerce is invaluable;
- Produced a positive financial performance in line with expectations.

In the international arena, CPA Ireland renewed our strategic partnership and mutual recognition agreement with the Institute of Chartered Accountants of India. We also facilitated the development and launch of an Irish (Dublin) Chapter of ICA India.

CPA Ireland used the occasion of the World Congress of Accountants in Sydney, Australia to reconnect with many of our international partners and to commence discussions on some new partnerships in key markets.

Through our membership of the Edinburgh Group, we participated in the development of new global research entitled "The SMP of the Future in a Changing World". This research finds that Small to Medium Practices (SMPs) and professional accountancy bodies that support them should prepare together for a rapidly evolving future that sees many changes on the horizon. Changes include digital technologies, regulation, deregulation and the education and skills needed to sustain an SMP in the changing environment.

CPA Ireland will use the recommendations in the Edinburgh Group report to self-assess the services and supports that we offer SMPs. This self-assessment will lead to a gap analysis which will then tailor the support and services that SMPs can expect from CPA Ireland.

Through our membership of the Edinburgh Group, CPA Ireland can collaborate with the 15 other member organisations and leverage off best practice services and supports already available in other jurisdictions.

Another important initiative, which commenced in 2018, relates to our new education programme designed to create the next generation of business leaders. This programme takes participants on a journey of personal and professional transformation discovering signature strengths and developing those strengths into an effective leadership style. The leadership programme is designed to grow the capacity of CPAs to inspire and positively motivate others.

This new learning initiative demonstrates how CPA Ireland is innovating to support CPAs and to position CPAs for leadership positions in the changing world of work.

The Council of CPA Ireland has also acknowledged the capabilities of its people and has resourced a talent management and development programme within CPA Ireland.

This programme has seen CPA Ireland staff members undertake Masters level programmes in subject matter like Strategy, Innovation, Digital Marketing, Management, Regulation and Leadership. In addition, staff have undertaken a range of training programmes in new technologies to support innovation in digital learning and other areas of operations.

CPA Ireland has also continued to recruit strategically with a focus on the future by recruiting talented individuals with the necessary skills and experience to support our members and students.

Throughout 2018, Council carefully monitored the implementation of strategy by the executive team and provided adequate resources, human and financial, to support CPA Ireland's operational plans.

The main operational highlights from 2018 are described across the following headings:

- **Business Development**
- **Education and Training**
- **Member Services**
- **Professional Standards**



Moving Forward in 2019

Throughout 2019, CPA Ireland will deliver on its strategic objectives and Council have approved plans, goals and sequencing of actions and timeframes, all of which are appropriately resourced and have defined outcomes. All of this activity will support our five strategic priority areas of:

- Brand;
- Product;
- Customer Centric;
- Global; and,
- People

Brand is much more than a new identity as the identity piece has come at the end of a process informed by research. 2019 will be a year of promotion of the CPA Ireland brand through targeted digital marketing, an innovative radio campaign, increased engagement with employers and recruitment agencies, an increased focus on networking and a continuing focus on advocacy.

CPA Ireland will also launch a new economic sentiment survey which will be informed by the views of CPAs. Our ambition is to have CPA central to every conversation on accountancy.

Product encapsulates all of our qualifications and educational offerings.

Innovation and design thinking are evident at every level of our qualifications. Our students and employers are already embracing the online processes for recording training.

CPA will continue to deliver leading edge information through 30 webinars, 66 class room events, 7 conferences, 4 live streaming days and 5 further learning courses all planned for 2019.

The new Learning Management System will be populated with new programmes and our website

content will be both enhanced and easier to navigate.

The Amárach Research has given us a great base from which to become best in class in terms of service delivery. We will submit to independent benchmarking to keep this behaviour on track.

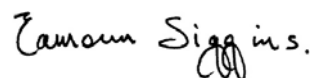
Being perceived as Irish but with global reach and connections was a recurring theme from the Amárach Research. We have plans in place to increase our global alliances and to develop thought leadership on one or more of the global trends impacting on the profession.

Our Past President, Gail McEvoy, will complete her 6 year term on the Board of the International Federation of Accountants in 2019. This voluntary service at the highest level in the profession reflects very well on CPAs and CPA Ireland will continue to position CPAs for leadership positions globally.

The Council has included a strategic focus on people and this will become more evident in 2019. Apart from attracting retaining and developing talented staff, CPA Ireland will also maximise and facilitate greater input from volunteers.

The Council of CPA Ireland has approved a range of measures against which we will define our success as we continue to lead, innovate, stand up on issues of importance and protect the public interest.

We will achieve our ambitions with the support of our global community of members and students whose ethical standards will underpin the future of CPA Ireland.



Eamonn Siggins

Chief Executive Officer, CPA Ireland

Business Development



Highlights in 2018:

Launch of
new brand
identity and
website

CPA
Employer
Network grew
by over 50 new
employers

Admission
to the joint TU
Dublin MSc in
Applied Accounting
& CPA Qualification
programme
doubled

CPA Ireland
FastTrack
launched
in 2018



This new brand will positively differentiate CPA Ireland in the market place.

New Identity

2018 saw the launch of a new brand identity for CPA Ireland.

This new brand will positively differentiate CPA Ireland in the market place, will be attractive to next generation students and will underpin growth of the CPA community.

The new brand is informed by research which was conducted amongst members, students, employers, prospective students and other stakeholders. The strengths identified during the process were that CPA Ireland and its members are flexible, supportive and accessible, brand strengths which we will build on in the future.

The conjoined sections of the new logo represent an ever-developing pathway that provides members with the best tools, supports and services for their career journey.

New Website

2018 also saw the launch of a new CPA Ireland website which is built on the latest technology and will be the primary information portal for members, students and prospective students.

The overall objective of the new website is to 'attract a younger audience whilst remaining appealing and relevant to current members, students and other stakeholders'.

Through research, it was identified that the resources contained on the website including technical, business and study supports were deemed extremely valuable and these areas have all been enhanced on the new website.



Purpose

To be the go-to accountancy brand offering open access and support for ambitious students whilst encouraging the development of existing members, empowering them to continue their careers at the highest possible standards.

Mission

- Provide internationally recognised qualifications, enabling members to grow their career through valuable education and employment
- Offer a warm, human service through regular communication and support networks, for potential students through to experienced members
- Promote innovation in new products and programmes that demonstrate to employers our commitment to constantly evolving our offering to align with the high standards of the professional world



Vision

- To be recognised as a highly respected, premium accountancy brand with a global reach
- To be at the forefront of the accountancy profession in Ireland, attracting the brightest talent to join CPA
- To be seen as a game changer, pioneering new services with a wider suite of qualifications

Our Values

- Credible
- Forward Thinking
- Assured
- Open

Tone of Voice

- Supportive
- Aspirational
- Confident
- Knowledgeable

Building Capacity

Building the CPA community at home and abroad is at the forefront of the Business Development team's objectives. The CPA Employer Network grew by over 50 new employers. 2018 also saw the launch of CPA FastTrack, a new initiative working with 14 colleges and universities nationwide that is aimed at third level graduates who can count their training on placements towards their three-year required training.

Social Media

CPA Ireland social and digital media channels continued to perform well in 2018. The CPA Ireland LinkedIn page now has 10,956 followers, representing an increase of 7.6% in the last year. The CPA Ireland Twitter page profile visits increased by 15%, and CPA Ireland Facebook followers increased from 4,807 at the start of the year to 5,726 by the end of the year, representing an increase of 19.1%.

Student Growth

Admissions to our Master's programme in association with Technical University Dublin city campus doubled in 2018. The programme has been in operation since September 2017 and will be entering its third year, with the next intake commencing in September 2019.

Student growth in 2018 was strong and CPA Ireland student numbers grew by 2.4%. CPA Ireland has warned that Ireland is facing a growing shortage of professional accountants.

CPA Ireland points out that in 2008 more than 4,800 students registered across all the accountancy Institutes to commence their professional training. However, this had fallen to 2,970 students, in 2012, embarking on the pathway to obtain a professional accounting qualification. This reflected the dramatic downturn in the economy where many potential accountancy students emigrated or opted for a different career path.

Although slowly increasing, the number of new accountancy students remains 27% below pre-recession levels. CPA Ireland estimates a shortfall of almost 15,000 trainees in the accountancy profession over the last decade. Despite the wealth of opportunities for newly qualified accountants, the number of trainees entering the profession has not recovered since they "fell off the cliff" during the recession.

Advocacy

As an accountancy body, CPA Ireland is committed to supporting its members and wider stakeholders by lobbying with Government on topics such as promoting the profession and on matters that will ease the burden on accountants doing business in Ireland.

The following outlines the activities that took place and were recently filed with the register of Lobbying which is maintained by the Standards in Public Office Commission (Standards Commission).

Leaving Certificate Accountancy Syllabus

CPA Ireland has lobbied and called for the urgent updating of the Leaving certificate accountancy syllabus. Following a review of the current syllabus which was last updated in 1996 and the accounting examination which took place in June 2018, CPA Ireland feel that it is not fit for purpose and does not provide a representative view of today's accountant.

This aligns to the Government's Skills Strategy 2025 and, in turn, implementing a revised syllabus will assist in supporting Ireland's competitiveness.

Pre-Budget Submission 2019

CPA Ireland Pre-Budget 2019 lobbying submission outlined recommendations for government to provide support in the areas of Research & Development Tax Credits, Capital Gains Tax and Personal Taxation, as well as the need to provide targeted support to indigenous Irish businesses particularly those with growth potential to compete internationally.

CPA Ireland is continuously aiming to create a vibrant and progressive future for the accountancy profession and remains committed to the evolving needs of its membership.



2018 in the Media

Ireland missing out on 75,000 jobs in social enterprises

The Times
13 April 2018

Irish SMEs 'losing out to FDI firms' on tax breaks

Sunday Independent
29 April 2018

A team that is learning is a team that is innovating

Sunday Business Post
13 May 2018

Former Microsoft Europe business manager elected President of CPA Ireland

Business & Finance
3 May 2018

Awards night puts accountancy profession centre stage

Irish Times
29 May 2018

CPA Ireland partners with CIT & UCC to create FastTrack programme

TheCork.ie
10 October 2018

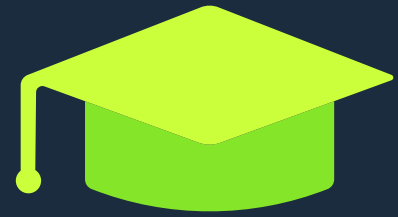
Mixed reaction on SME measures

Irish Examiner
10 October 2018

Accountants to be fast-tracked from college to meet graduate shortfall

Sunday Independent
30 September 2018

Education and Training



Highlights in 2018:

Training
can now be
recorded
on-line by
students

New syllabus
with increased
focus on data
analytics

CPA
Ireland
syllabus review,
new syllabus
being launched
in 2019

2 new
research
articles
published

The CPA in the Age of Digital Disruption

CPA Ireland is committed to the provision of the highest quality support for students, educators and employers at every point along the qualification pathway and their continuing professional development.

Delivering on this commitment will never be as easily achievable again. Disrupting technologies are radically changing key relationships, leading to an inversion of influence and loss of trust in leaders and organisations. In this age of disruption the role of the CPA as a trusted advisor is of greater value than ever. "Technology platforms sit between content suppliers and consumers and now own the relationship with customers." (IFAC – Developing a future ready profession, May 2017).

The disruptors currently include: robotic process automation (RPA), artificial intelligence (AI), machine learning (ML), cloud computing, the IoT, drone technology, social media platforms, and blockchain, all of which present exciting opportunities for the accounting and auditing professions. Data gathering, compliance reporting, preparing tax returns, financial reporting and financial analysis will be largely automated with the technologies working at lower cost and 24/7. Professional accountants and auditors will move to higher value roles and must now hone their skills to embrace the new opportunities for example: the analysis of the huge volumes of

structured and unstructured data to discover deep insights in support of clients and organisations; and identify and manage increased cyber-security risks.

CPA Ireland Syllabus Review

CPA Ireland has, in the past two years, undertaken extensive research and consulted widely with key stakeholders in: industry, practice, academia, its membership and student populations.

It has developed a revised syllabus which has an increased focus on data analytics and strategic information management in addition to the traditional core technical competencies in: performance measurement and reporting; auditing, assurance and risk management; taxation; finance; and leadership.

These will be underpinned by the personal attributes of integrity and trust, empathy, emotional intelligence, strategic thinking, problem solving, innovation, commitment to life-long learning, and possessing a worldview embracing the ethics of the profession.

This revised syllabus will position CPAs to embrace the challenges and innovate so as to optimise the opportunities that arise in this age of disruption. Computer based assessments (CBA) will be used for 50% of the modules initially. The remainder of the assessments will migrate to a CBA platform during the following three to five years.

On-line Training Record

Training may now be recorded daily on-line in a matter of moments by students, or weekly in five to ten minutes. The diverse and exciting range of high quality training opportunities available to CPA Ireland students, including: public practice; industry (SMEs to the global hi-tech sector); financial services; agricultural; public and not-for-profit sectors are managed through the on-line training record.

Employers and students may now easily enhance the training experience to their mutual benefit, through the timely recording of progress and ease of access for performance review and planning.

Examination Workshops

Two further examiner led workshops for students were held in 2018. These, covering Financial Accounting and Taxation, completed the series of workshops for the subjects in the syllabus of examinations from Formation 2 to Professional 2. Recordings of the workshops are available to all students through the CPA Ireland website, www.cpaireland.ie. This suite of workshops is an invaluable study support resource for CPA Ireland students.

Research

Arising from CPA Ireland's funded support for research two articles were published in Accountancy Plus. The first provided insight into "Accounting for Public Interest" and was authored by Dr Brid Murphy of Dublin City University and Ann Marie Bennett of the National University of Ireland Maynooth.

The second, by Dr Margaret Healy, Claire O'Sullivan Rochford, John Doran and Maeve McCutcheon of University College Cork, was based on their research into the experiences of a group of recently qualified accountants which was representative of the different pathways into the profession.

CPA Ireland continues its support for the development of the profession and the advancement of knowledge and will issue a call for research proposals in the Spring of 2019.

Student e-Bulletin

In conjunction with the re-design of the CPA Ireland website which makes resources and content more accessible and delivers a greatly enhanced user experience, a re-designed Student eBulletin was launched. This has been very favourably received, by students and educators, as evidenced by the very positive feedback and increasing access statistics.

Member Services



Highlights in 2018:

70
webinars,
66 classroom
courses and 7
conferences

Launch of New
Live Streaming
Facility

Roll out of
8th annual
Certified Tax
Adviser (CTax)
programme

Launch
of New
Leadership
Programme

CPD and Further Learning

Throughout 2018, the CPD & Further Learning Programme continued to provide the CPA Ireland membership with a wide variety of technical and professional development courses through multiple delivery methods including classroom, webinar, live streaming and text based online courses. We looked at ways in which we could be innovative and forward thinking whilst being as supportive as possible to our members. With 70 webinars, 66 classroom courses, 7 conferences, 4 live streaming days and 5 further learning courses the programme provided excellent learning opportunities whilst being flexible, supportive and accessible for our members.

New Learning Management System

2018 saw the launch of a new Learning Management System, Canvas. The new system now hosts the further learning courses including the Diploma in US GAAP, Diploma in Governance for the Charitable Sector and FRS102.

We needed to be forward thinking when it came to digital learning and consider ways in which we could promote innovation and evolve the way we offered our further learning courses to suit our learners.

Canvas does this by providing high-quality learning in a flexible and accessible way for members who can view all video recordings and download materials through this platform. It also provides learners with the opportunity to interact with other learners, CPA Staff and trainers via

the online system offering them continued support through their learning and encouraging them to continue their lifelong learning. Canvas has enabled CPA to streamline our online courses through one platform where we can upload material, monitor student participation, host webinars, livestream and provide course recordings.

CPA Ireland also invested in recording and live streaming equipment, Ubcast, providing us with more control and flexibility over the CPD & Further Learning offering.

During the year our eighth cohort of Certified Tax Advisers (CTax) qualified, and our eighth commenced the programme in September. The new LMS system and live streaming facilities will enhance the delivery of this qualification in 2019 and beyond, giving a much improved user experience.

We are proud to announce that the initial rollout of our new further learning course, Leadership: Developing Strategies for Success. This has been exceptionally well received with participants describing it as "interesting, insightful, thought-provoking and well delivered".

This course is a combination of lectures and an experiential day allowing for innovative and pioneering ways of teaching essential skills. Developed in conjunction with CPA Ireland Skillnet, the course covers essential leadership topics including leadership theory and concepts, positive leadership, leadership principles, getting results, planning and negotiating.

The experiential day involves teams being tasked with creating a three-course meal. The teams must plan, prepare, cook and deliver a 3-course lunch with each team serving the other. The aim of the experiential day is to help the participants to develop better collaboration skills to overcome practical obstacles (both foreseeable and otherwise) and to learn to critically evaluate and to deliver suggestions for improvement in a positive way.

CPA Ireland Annual Conference

The Annual Conference 2018 held on 23rd May in the Castleknock Hotel and chaired by journalist and broadcaster, Audrey Carville, was once again the highlight of the conference programme. The conference was very well received and provided a fantastic opportunity for members to hear from exceptional business leaders and to network with one another.

The excellent line up of speakers included Edmond Scanlon, CEO, Kerry Group; Rachel Grimes, Former President of the International Federation of Accountants (IFAC); Dr Brian McNamee of the UCD School of Computer Science; Aidan Donnelly, Davy; Verona Murphy, President of the Irish Road Haulage Association; Dr Patrick Flood, Professor of Organisational Behaviour, DCU and John Carey of U First Coaching.

We were delighted to welcome An Taoiseach, Leo Varadkar to the conference where he met with President, Cormac Mohan and President of IFAC, Rachel Grimes.

Skillnet Ireland

Many of the CPD & Further Learning courses were funded, or part funded, by Skillnet Ireland and we acknowledge and thank them for their support.

Company Law

The Companies (Statutory Audits) Act 2018 commenced on 21st September 2018. The status quo had been that small companies could, for bona fide reasons apply to the District Court for an extension of time to file an annual return. However, It had been proposed that such applications would now have to be made to the High Court. As such a move would effectively put such an application beyond the resources of small companies, (and thus put their audit exemption at risk).

CPA Ireland lobbied to preserve the status quo, i.e. the District Court option, and following successful lobbying by the Institute, and Members, the proposed High Court option was abandoned.

CPA Ireland President Cormac Mohan said "Reversing these proposals demonstrates the capacity of our Oireachtas to objectively listen to and respond appropriately to the concerns of the people and business owners. We welcome this decision."

Member Engagement

In early 2018, CPA Ireland collaborated with Amárach Research to engage with members around the country at the Review of Professional Update events. Over 500 members participated in the process. A number of questions were put to the members regarding the performance of CPA Ireland and how we could improve our service and offering to members by being more flexible, supportive and accessible.

We appreciate all the feedback that was received. CPA Ireland are always looking to improve our services to members and welcome the opportunity to act on the recommendations made by the membership during this process.

Accountancy Plus Redesign

With the launch of the new CPA Ireland brand in 2018 we took the opportunity to redesign our quarterly journal Accountancy Plus. This new design brings a freshness, uniqueness and confident look to Accountancy Plus ensuring it stands out from other similar publications.

The new brand has also enabled us to launch a new logo and personality for the CPD & Further Learning Programme ensuring it stands out from other CPA Ireland activities and other CPD providers.



Professional Standards



Highlights in 2018:

Technical Services team responded to 460 technical queries

1,200 licences renewed for practitioners and 33 new licences granted

90% of technical queries were answered within 24 hours

72 on-site quality assurance visits to CPA regulated firms

2018 Review

Confidence and trust in the accounting and auditing professions is fundamental to the operation of business of every size and to the overall health of the economy.

CPA Ireland operates a regulatory process designed to serve the public interest by ensuring CPA members are operating to the highest standards at all times.

As a Recognised Accountancy Body in accordance with Part 27 and Schedules 19 and 20 of Companies Act 2014, the following functions are conferred on CPA Ireland to regulate its members for the purposes of statutory audit:

- Approval and registration, which includes activities in relation to training and qualifications;
- Continuing education;
- Quality assurance systems;
- Investigative and administrative disciplinary systems; and
- The setting, monitoring and enforcement of appropriate standards.

CPA Ireland is also a Prescribed Accountancy Body in accordance with Companies Act 2014 which allows us carry out regulatory functions in respect of members not engaged in statutory audit.

CPA Ireland in turn is supervised in all its regulatory activities by the Irish Auditing and Accounting Supervisory Authority (IAASA). CPA Ireland also enjoys delegated authority from the Central Bank to authorise CPA

member firms to engage in investment business services. CPA Ireland is supervised by the Central Bank in this area of operation.

CPA Ireland's disciplinary process is operated in an open and transparent manner, in accordance with international best practice. The disciplinary committee, investigation committee and appeal panel are all comprised of majority lay members.

During 2018, seven cases were heard in public by disciplinary tribunals. CPA Ireland received 14 new complaints against members, from a combination of members of the public, information in the public arena and internal sources.

CPA Ireland's Investigation committee met on 12 occasions during 2018. Under the quality assurance system, CPA Ireland monitors the activities of regulated firms operating in public practice. This includes licensing members to engage in public practice and issuing authorisations for specialist areas, such as auditing and investment business. CPA Ireland undertook 72 on site visits to regulated firms in 2018.

Technical Services

During 2018, the CPA Ireland Technical Services team responded to 460 technical queries from members. This service provides CPA members with support and advice on any technical query over the phone or by email, with 90% of queries being answered within 24 hours.

2018 in Pictures



CPA Ireland Annual Conference, May 25th; Great Expectations – Accountancy and Business in 2018. Rachel Grimes, President, IFAC; Leo Varadkar, An Taoiseach; Cormac Mohan, President, CPA Ireland.



World Congress of Accountants, November 5th- 8th 2018. Cormac Mohan, President, CPA Ireland and Dr. In-Ki Joo, President, IFAC.

CPA Ireland Conferring Ceremony, December 1st, 2018.



CPA Ireland President Dinner, September 12th 2018. Cormac Mohan, President, CPA Ireland and Guest Speaker, Cormac Lucey, Finance Lecturer, Economics Consultant, Sunday Times and Chairman, Hibernia Fund.



The launch of "Social Enterprise Report – The Irish and International Landscapes" on April 16th, 2018. Lucy Masterson, CEO Charities Institute; Deirdre Mortell, CEO Social Innovation Fund; Eamonn Siggins, CEO, CPA Ireland; Deirdre Kiely, President, CPA Ireland; Alison Cowzer, East Coast Bake House.





CPA Ireland President Dinner, September 12th, 2018
Gearoid O Driscoll, Vice President, CPA Ireland; Cormac Lucey, Finance Lecturer, Economics Consultant, Sunday Times and Chairman, Hibernia Fund; Cormac Mohan, President, CPA Ireland, John Devaney, Vice President, CPA Ireland.

CPA Ireland and the Institute of Chartered Accountants India (ICA India), MRA renewal on October 5th 2018 at CPA Ireland headquarters in Dublin.



CPA Ireland Annual Conference, May 25th; Great Expectations – Accountancy and Business in 2018. Cormac Mohan, President, CPA Ireland and Rachel Grimes, President, IFAC.

75th Annual General Meeting of CPA Ireland, April 25th, 2018
John Devaney, Vice President, CPA Ireland, Deirdre Kiely, Council Member, CPA Ireland, Cormac Mohan, President, CPA Ireland and Gearoid O Driscoll, Vice President, CPA Ireland.





Council & Other Information

Members of Council

Cormac Mohan (President)
Gearoid O' Driscoll (Vice President)
John Devaney (Vice President)

Nano Brennan
Áine Collins
Mark Gargan
Clodagh Henehan
Enda Jordan
Michael Kavanagh
Richard O' Hanrahan
Michael O' Regan
Brian Purcell
James Sheehan
Orna Stokes
Deirdre Kiely
Cormac Fitzgerald

Chief Executive

Eamonn Siggins

Secretary

Cáit Carmody

Registered Office

17 Harcourt Street, Dublin 2, D02 W963

Registered Number

010475

Auditors

Hayes & Co.,
Certified Public Accountants
and Statutory Audit Firm,
7 Fields Terrace, The Triangle,
Ranelagh, Dublin 6

Bankers

AIB Bank
1 Lower Baggot St
Dublin 2

Ulster Bank
130 Lower Baggot St
Dublin 2

Report of the Directors

Report of the Directors

The Directors are pleased to submit the 76th Annual Report of the Council and the Financial Statements for the year ended 31 December 2018.

The surplus for the financial year amounts to €100,433 (2017 €127,576).

Risks and Uncertainties

The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Institute, and that it has been in place for the year under review and up to date of approval of the Annual Report and Financial Statements.

Principal Activity

The Institute of Certified Public Accountants in Ireland (CPA Ireland) is an Irish Accountancy body with over 5,000 members and students. The Institute fulfils its statutory role as a recognised Accountancy body by overseeing the professional activities of its Members, and ensuring that education and training standards are maintained.

President and Vice-Presidents

At a meeting of Council on 16 February 2018, Cormac Mohan was elected President. Gearóid O'Driscoll was re-elected Vice-President and John Devaney was elected Vice-President.

Council

Council is the governing body of CPA Ireland, and is comprised of a maximum of 16 elected members and up to three non-members. Council met on 6 occasions in 2018.

Directors

The Directors who held office during the year in review were:

Joseph Aherne (Retired 25/04/2018)
Nano Brennan
Áine Collins
John Devaney
Cormac Fitzgerald
Mark Gargan
Enda Jordan
Michael Kavanagh (Appointed 25/04/2018)
Deirdre Kiely
Cormac Mohan
Gearóid O'Driscoll
Michael O'Regan
Brian Purcell
James Sheehan
Richard O'Hanrahan
Orna Stokes (Appointed 16/02/2018)
Clodagh Henehan (Appointed 16/02/2018)

The following Director retires by rotation and offers himself for re-election:

Michael O'Regan

The following Directors are retiring and not seeking re-election:

Deirdre Kiely
Cormac Fitzgerald

The following valid nominations for election to Council have been received:

Brendan Brady
Barry Clarke

There are three nominations for three vacancies, and in accordance with Article 22(b) such candidates will be duly elected to Council without the need for a postal Vote.

Subsequent Events

No events have occurred subsequently to the Balance Sheet date which require disclosure in the Financial Statements.

Accounting Records

The measures that the directors have taken to secure compliance with requirements of Sections 281 to 285 of Companies Act 2014 with regard to the keeping of accounting records are the employment of appropriately qualified accounting personnel and the Institute has maintained appropriate computerised accounting systems.

The books of accounts are located at CPA Ireland's registered office at 17 Harcourt Street, Dublin 2.

Statement on Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Auditor, Hayes & Co., continue in their office in accordance with the provision of and Section 383 (2) of the Companies Act, 2014.

On Behalf of the Directors.



Cormac Mohan CPA
Director and Council Member




Clodagh Henehan CPA
Director and Council Member

26th March 2019

Financial Statements


Highlights in 2018:



Continued
financial
stability



Income
exceeds
€4m



Generated
surplus
of €100k



Website
& rebrand
delivered
on budget

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Directors' responsibilities statement

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial period. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial period end date and of the surplus or deficit of the company for the financial period and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of Directors on 26th March 2019 and signed on its behalf by:



Cormac Mohan CPA
Director and Council Member



Clodagh Henahan CPA
Director and Council Member

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Independent auditor's report

to the Members of The Institute of Certified Public Accountants in Ireland

Opinion

We have audited the financial statements of The Institute of Certified Public Accountants in Ireland for the year ended 31 December 2018, which comprise the Income statement, the Statement of financial position, the Statement of Cash Flows and the related notes to the financial statements, including the summary of significant accounting policies set out in note 4.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and 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, in accordance with Generally Accepted Accounting Practice in Ireland, of the assets, liabilities and financial position of the company as at 31 December 2018 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act, 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the

'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) concerning the integrity, objectivity and independence of the auditor, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information in the annual report. Other information comprises information included in the annual report, other than the financial statements

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of our audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- In our opinion the financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, the directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are Required to Report by Exception

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of Directors and those charged with governance for the Financial Statements

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are 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 they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

Responsibilities of the Auditor for the Audit of the Financial Statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

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

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

The purpose of our Audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kieron P Hayes

For and on behalf of Hayes & Co
Certified Public Accountants & Statutory Audit Firm
7 Fields Terrace, Ranelagh, Dublin 6

Date: 26th March 2019

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Income statement

For the Year Ended 31 December 2018

	Notes	2018 €	2017 €
Income	5	4,171,506	4,243,003
Administration expenses		(3,355,657)	(3,171,364)
Other operating expenses		(642,446)	(856,453)
		(3,998,103)	(4,027,817)
Operating Surplus	6	173,403	215,186
Rental income		66,833	60,301
Interest receivable		228	
Interest payable and similar charges	7	(132,189)	(142,451)
Surplus on ordinary activities before taxation		108,275	133,036
Tax charge on surplus on ordinary activities	8	(7,842)	(5,460)
Surplus for the financial year	15	100,433	127,576
Total Comprehensive Income for the year		100,433	127,576

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Statement of financial position

As at 31 December 2018

	Notes	2018 €	2017 €
Fixed assets			
Intangible assets	9	197,022	27,703
Tangible assets	10	9,771,239	9,880,721
Total fixed assets		9,968,261	9,908,424
Current assets			
Debtors	11	511,346	565,109
Prize bonds		190	190
Cash and cash equivalents		794,790	999,743
Total current assets		1,306,326	1,565,042
Creditors: amounts falling due within one year	12	(739,797)	(792,515)
Net current assets		566,529	772,527
Total assets less current liabilities		10,534,790	10,680,951
Creditors: amounts falling due after more than one year	13	(4,740,307)	(4,986,901)
Net assets		5,794,483	5,694,050
Reserves			
Accumulated surplus	15	5,794,483	5,694,050

Approved by the Board of Directors on 26th March 2019 and signed on its behalf by:



Cormac Mohan CPA
Director and Council Member



Clodagh Henehan CPA
Director and Council Member

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Statement of changes in equity

For the Year Ended 31 December 2018

	Accumulated Surplus Account €
At 1 January 2017	5,566,474
Surplus for the year	127,576
At 31 December 2017	<u>5,694,050</u>
At 1 January 2018	5,694,050
Surplus for the year	100,433
At 31 December 2018	<u>5,794,483</u>

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Statement of cash flows

For the Year Ended 31 December 2018

	Notes	2018 €	2017 €
Cash flows from operating activities			
Operating surplus for the financial year		173,403	215,186
Adjustments for:			
Amortisation of intangible assets	9	24,832	24,996
Depreciation of property, plant and equipment	10	230,719	260,832
(Increase)/decrease in trade and other receivables	11	52,204	(126,425)
Increase/(decrease) in trade payables	12	(53,453)	149,097
Cash from operations		427,705	523,686
Interest paid	7	(132,189)	(142,451)
Rental income		66,833	60,301
Tax paid		(5,548)	(5,460)
Net cash generated from operating activities		356,801	436,076
Cash flows from investing activities			
Purchase of intangible assets	9	(194,151)	-
Purchase of tangible fixed assets	10	(121,237)	(49,880)
Interest received		228	-
Net cash from investing activities		(315,160)	(49,880)
Cash flows from financing activities			
Repayment of borrowings		(246,594)	(240,362)
Net cash used in financing activities		(246,594)	(240,362)
Net increase/(decrease) in cash and cash equivalents		(204,953)	145,834
Cash and cash equivalents at beginning of year		999,743	853,909
Cash and cash equivalents at end of year		794,790	999,743

Notes to the financial statements

For the Year Ended 31 December 2018

1 General Information

The Institute of Certified Public Accountants in Ireland is a company limited by guarantee and not having a share capital. It is incorporated in Ireland and the registered office is 17 Harcourt Street, Dublin 2, Ireland (registration no. 010475).

In accordance with The Memorandum of Association, in the event of the Company being wound up, each member's liability is limited to €190.46. The members of the Institute, as defined in The Articles of Association, consist of all qualified persons who have been admitted to membership.

2 Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the Republic of Ireland and Irish statute comprising the Companies Act 2014.

The financial statements are presented in Euro (€) and all amounts have been rounded to the nearest euro.

3 Significant judgements and estimates

Estimates and judgements made in the process of preparing the financial statements 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 directors consider that there are no estimates which would have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied.

4.1 Currency

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses are presented in the income statement within administration expenses.

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Notes to the financial statements

For the Year Ended 31 December 2018

4.2 Income

The following bases have been used in determining the principal sources of income:

Admission Fees - cash basis

Subscriptions, fees and other income - earnings basis, time apportioned

4.3 Intangible Assets

Intangible assets are measured using the cost model which measures the asset at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised at rates of 20-33.3% per annum.

4.4 Tangible Assets

Tangible assets are shown at cost or valuation less accumulated depreciation. Cost includes purchase cost plus those costs, including financing costs, that are directly attributable to bringing the asset into the final condition for its intended use.

Depreciation is calculated on a straight line basis in order to write off the cost of fixed assets over their estimated useful lives at the following rates:

Computer Equipment	20%
Computer Software	33.3%
Fixtures & Fittings, and Equipment	10%
Buildings	2%
Land	Nil

Impairment reviews are carried out where there are events or changes in circumstances that indicate that the carrying amount of fixed assets may not be recoverable. Where there is an impairment loss it is recognised in the income statement. There is no policy of revaluing fixed assets.

4.5 Leases

The cost of fixed assets acquired under finance leases are included in fixed assets and written off on the same basis as assets purchased outright. The capital portion of outstanding lease obligations is included in creditors while the lease portion is written off to the income statement over the term of the primary lease period.

Rentals in respect of operating leases are charged to the income statement as incurred.

4.6 Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

4.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

Notes to the financial statements

For the Year Ended 31 December 2018

4.8 Creditors

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

4.9 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

4.10 Taxation

Corporation tax payable is provided on deposit interest and net rental income earned in the year.

4.11 Grants

The company receives grants from Skillnets towards the cost of specified training courses. The grants are taken to income in the year in which the specified training course is held.

4.12 Regional Societies

The expenditure included in the accounts only relates to the grant aid provided by the company to the various societies.

4.13 Retirement Benefits

Retirement benefits are met by payments to a defined contribution pension fund. Contributions are charged to the income statement in the year in which they fall due.

The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to €138,137 (2017: €124,163) for the year.

4.14 Research and Development

All research and development costs are expensed as incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured in line with requirements of FRS 102. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 5 years.

4.15 Going Concern

The Company's financial statements for the year ended have been prepared on a going concern basis. The directors anticipate that the Company will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Notes to the financial statements

For the Year Ended 31 December 2018

5 Income

All revenue derives from the company's principal activities wholly undertaken in the Republic of Ireland.

6 Operating surplus

	2018 €	2017 €
The surplus before taxation is stated after charging:		
Directors' emoluments	-	-
Amortisation of intangible assets	24,832	24,996
Depreciation of tangible assets	230,719	260,832
	<u>230,719</u>	<u>260,832</u>

7 Interest payable and similar charges

	2018 €	2017 €
On bank loans and overdrafts	132,189	142,451
	<u>132,189</u>	<u>142,451</u>

8 Taxation

	2018 €	2017 €
Current year taxation		
Corporation tax @ 25% on passive income	7,842	5,460
	<u>7,842</u>	<u>5,460</u>

9 Intangible Fixed Assets

	Website Development €	Programme Development €	Total €
Cost			
At 1 January 2018	-	74,988	74,988
Additions	194,151	-	194,151
At 31 December 2018	<u>194,151</u>	<u>74,988</u>	<u>269,139</u>
Depreciation			
At 1 January 2018	-	47,285	47,285
Charge	6,472	18,360	24,832
At 31 December 2018	<u>6,472</u>	<u>65,645</u>	<u>72,117</u>
Net Book Values			
At 31 December 2018	<u>187,679</u>	<u>9,343</u>	<u>197,022</u>
At 31 December 2017	<u>-</u>	<u>27,703</u>	<u>27,703</u>

Included in intangible assets are website development costs and development costs of Certification and other innovative programmes.

Notes to the financial statements

For the Year Ended 31 December 2018

10 Tangible Fixed Assets

	Land & Buildings €	Equipment Fixtures & Fittings €	Total €
Cost			
At 1 January 2018	11,128,864	1,370,301	12,499,165
Additions	-	121,237	121,237
At 31 December 2018	<u>11,128,864</u>	<u>1,491,538</u>	<u>12,620,402</u>
Depreciation			
At 1 January 2018	1,390,591	1,227,853	2,618,444
Charge	142,575	88,144	230,719
At 31 December 2018	<u>1,533,166</u>	<u>1,315,997</u>	<u>2,849,163</u>
Net Book Values			
At 31 December 2018	<u>9,595,698</u>	<u>175,541</u>	<u>9,771,239</u>
At 31 December 2017	<u>9,738,273</u>	<u>142,448</u>	<u>9,880,721</u>

11 Debtors

	2018 €	2017 €
Debtors (due within one year)	511,346	563,550
Corporation tax refundable	-	1,559
	<u>511,346</u>	<u>565,109</u>

12 Creditors: amounts falling due within one year

	2018 €	2017 €
Bank Loan (see note 14)	246,594	239,961
Subscriptions in advance	135,190	126,259
PAYE / PRSI	134,764	84,443
Corporation Tax	735	-
Creditors and accruals	222,514	341,852
	<u>739,797</u>	<u>792,515</u>

13 Creditors: amounts falling due after one year

	2018 €	2017 €
Bank loan (see note 14)	4,740,307	4,986,901
	<u>4,740,307</u>	<u>4,986,901</u>

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Notes to the financial statements

For the Year Ended 31 December 2018

14 Details of Borrowings

	Repayable 1 year €	Within 1 & 2 years €	Between 2 & 5 years €	Between 5 years €	After Total €
By instalments					
Bank loans	246,594	513,509	820,593	3,406,205	4,986,901

Bank borrowings are secured by a first legal charge over the company's property at 17 Harcourt Street, Dublin 2.

15 Reserves

	2018 €	2017 €
Retained surplus at beginning of year	5,694,050	5,566,474
Surplus for the year	100,433	127,576
Retained surplus at end of year	5,794,483	5,694,050

16 Employee information

The average number of persons employed by the company during the year was:

	2018 Number	2017 Number
Administration	31	30

Staff costs

	2018 €	2017 €
Wages and salaries	1,708,324	1,590,119
Social welfare costs	174,999	172,697
Pension costs	138,137	124,163
	2,021,460	1,886,979

Key management compensation

The senior management team and the Chief Executive are considered to be the key management personnel of the Institute.

The average number of the key management personnel during the year was 6 (2017: 6).

	2018 €	2017 €
Total key management compensation	757,902	740,473

Directors remuneration

No director received any remuneration for their services in the year or the previous year.

The Institute of Certified Public Accountants in Ireland (a company limited by guarantee)

Notes to the financial statements

For the Year Ended 31 December 2018

17 Events after the reporting period

There have been no events since the end of the reporting period that would impact on these financial statements.

18 Approval of financial statements

The financial statements were approved by the board of directors on 26th March 2019.





The Institute of Certified Public Accountants in Ireland

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