

# Annual Report

# 20



*A year of positive progress*

2014



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Cormac Fitzgerald

# President's Perspective

Professional accountancy bodies, such as CPA Ireland, serve the public interest in a variety of ways. They contribute to standard setting, regulation, quality assurance, education, examinations, corporate social responsibility and much more.

I have immense pride, as President of CPA Ireland, in how our professional body recognises that the provision of direct support to SME owners is also in the public interest.

This is particularly true in times of economic challenge, when much of the focus can be on large corporations and foreign direct investment. CPA Ireland has an established track record of providing SMEs with critical research, practical guidance, surveys to reflect changes in the market place and best practice to indicate how survivors are thriving and why.

We can learn far more from the analysis of success than from studying the anatomy of failure. The CPA Ireland report entitled "Weathering the Storm – SME Lessons from the Crisis", examines recent SME experiences during the economic crisis in Ireland. A key finding is that success in business is not simply about avoiding mistakes, it is about making the right decisions at the right time.

Unsurprisingly, Irish SME success factors have global applicability and it was very rewarding to see Weathering the Storm gain both national and international acclaim as an important support for SME owners.

I had the pleasure of representing CPA Ireland at the World Congress of Accountants in Rome in November 2014. This event is referred to as the Olympics of Accountancy with over 4,000 delegates from 140 nations and 200 speakers in 34 sessions. Weathering the Storm was referenced in more than one of the sessions dealing with SMEs, proving the value of such a practical resource. I was also very proud to attend two separate sessions at the World Congress which were chaired by Gail McEvoy, Past President CPA Ireland and current IFAC Board member and Eamonn Siggins, Chief Executive CPA Ireland.

At CPA Ireland we provide webinars, information bulletins and research reports for the SME sector. We also advocate extensively on public policy issues affecting SMEs. The greatest challenge for SME owners in recent years has been access to finance and to working capital, in particular. I am pleased to report that through several meetings with the Department of Finance and other interested parties, CPA Ireland has made a positive contribution to policy development on this critical issue. Hopefully the launch of the Strategic Banking Corporation of Ireland will add a fresh impetus to SME lending in Ireland, with a particular focus on working capital.

Of course, CPA Ireland's policy positions and advocacy are based on the intelligence provided by CPAs operating at the coalface of business. A sincere thanks to the many members who frequently contribute to CPA surveys and reflect the business landscape in real time.

Cormac Fitzgerald,  
President, CPA Ireland  
and Alex Malley, CEO,  
CPA Australia renewing  
the MRA between  
CPA Ireland and CPA  
Australia



“Signs of a recovery are becoming more tangible and it is particularly encouraging to see an 11% increase in our new student registrations.”

The CPA Ireland Annual Report 2014 is, in many ways, reflective of the economy in which we operate. Signs of a recovery are becoming more tangible and it is particularly encouraging to see an 11% increase in our new student registrations. Innovation is key to Ireland's recovery and it is inspiring to see the degree of innovation within the executive team in CPA Ireland. Early in 2014 the Council of CPA Ireland approved a business plan for CPA Ireland in conjunction with our longstanding online education partners, Nelson Croom, to develop an online learning programme leading to the CPA Certificate in IPSAS™ Financial Reporting. Within eight months of concept the online programme was launched at the World Congress of Accountants via the purpose built website [www.ipsasacademy.net](http://www.ipsasacademy.net), through which the programme is delivered. I also had the great pleasure of signing our first international partnership on the Certificate in IPSAS™ with the President of the Association of National Accountants of Nigeria (ANAN), Alhaji Sakirudeen Tunji Labode. ANAN have over 10,000 members in the public sector in Nigeria and have taken a leadership role in public sector financial reporting in Nigeria in conjunction with CPA Ireland.

My term as President of CPA Ireland has been enjoyable and fulfilling. I have come to see first hand the high level of respect in which CPA Ireland is held, both nationally and internationally. I have signed international agreements on behalf of CPA Ireland and experienced the trust and confidence of others in the capacity of CPA Ireland to deliver. I could not have enjoyed my role as much without the support of family, friends, my colleagues on Council and the staff at CPA Ireland.

I wish my successor, Brian Purcell every support and success. I wish CPA Ireland members everywhere continued success and it has been an absolute pleasure to represent you all as President of CPA Ireland.

A handwritten signature in black ink that reads "Cormac Fitzgerald". The signature is written in a cursive style.

Cormac Fitzgerald  
President, CPA Ireland



Eamonn Siggins

# Chief Executive's Review

Mark Twain once said: "I didn't have time to write a short letter, so I wrote a long one instead".

I can appreciate Mark Twain's dilemma when it comes to preparing a review of 2014 for Annual Report purposes.

CPA Ireland has been active and innovative in so many areas that prioritisation and brevity are challenged. However, all of that activity is within a framework of good governance in which CPA Ireland's Council, carefully monitored the implementation of strategy by the executive team and provided adequate resources, human and financial, to support the Institute's operational plan.

Just like many other entities operating in the Irish economy in recent years, CPA Ireland had a growth strategy in place. However, growth was often hindered by factors in the external environment which were beyond our control. The status quo was not an option, so innovation, diversification and diligent application were crucial to our progress since 2008.

Achieving a double digit increase of 11% in new student registrations was both impressive and encouraging. The competition for quality students, both from within the accountancy profession, and from other professions and educational options, is nothing short of immense. So against that competitive backdrop, double digit growth is a testament to our "every student counts" approach. In addition, the support of CPAs in referring the CPA qualification to prospective students is invaluable. Having almost 4,000 ambassadors promoting and advocating the CPA qualification is a powerful resource and I can only

thank our members and encourage you to keep up the promotion and referrals.

Innovation is key to CPA Ireland's sustainability and we had a text book example in 2014. Developing an entirely new product for an entirely new market sits in the most challenging quadrant in Ansoff's matrix of growth strategies.

In early 2014 we identified the global demand for an online education programme in International Public Sector Accounting Standards – IPSAS. Some products did exist already but we firmly believed that we could do better and we set ourselves that challenge. Together with our online education partners, Nelson Croom, we developed a world class programme of online education which was authored by Dr Wayne Bartlett CPA and academically reviewed by Professor Robert Kirk CPA. Together we moved from concept to launch in 6 months and on that journey we created [www.ipsasacademy.net](http://www.ipsasacademy.net), the purpose built website through which the 9 module education programme is delivered and assessed.

The CPA Certificate in IPSAS™ Financial Reporting was showcased at the World Congress of Accountants in Rome in November 2014 and attracted a high level of interest from prospective international partners. We signed up our first international partners, the Association of National Accountants of Nigeria (ANAN) at the World Congress and since then we have entered into partnership agreements with ICA Bangladesh, CPA Russia and SAIPA (South Africa).

Alhaji Sakirudeen Labode, President, ANAN and Cormac Fitzgerald, President, CPA Ireland at the launch of the online CPA Certificate in IPSAS Financial Reporting ([www.IPSASAcademy.net](http://www.IPSASAcademy.net)) for accountants working in public sector organisations



This initiative is underpinning enhanced public sector financial management in our partner countries. We are in ongoing discussions with a number of other potential partners so we expect to report further positive developments in 2015.

Further innovation was demonstrated in our development of the CPA Certificate Programme on FRS102 which is designed to provide the appropriate level of expertise for our members, and other accountants in UK and Irish GAAP.

We introduced live streaming for this event, initially with a view to trialling the technology, but subsequently to satisfy the demand for participation in the Dublin centre as physical spaces were totally booked out. The participant

reaction to the live streaming was very positive and we will now build on this positive development.

The founding fathers of CPA Ireland had a vision for their professional body as one that would contribute to the profession through the development of “scientific papers”. In this century we tend to refer more to “research” and CPA Ireland has been research active in 2014. We are supporting four academic research papers, as follows, all to be published in 2015:

- Dr. Breda Kenny, Cork Institute of Technology, Research Project Title: Determinants of SME Growth in Ireland: How to identify and support them?

- Dr. Martin Quinn, Dublin City University and Dr. Stephen Jollands, University of Exeter, Research Project Title: The formation of Irish Water - economics or sustainability?
- Prof. Ciaran Connolly, Queens University, Research Project Title: A picture is worth a thousand words
- Dr. Sheila Killian, University of Limerick, Research Project Title: Equality budgeting in Ireland: costs and consequences

In addition to our support for academic research, CPA Ireland also leveraged off the intelligence of our community of CPAs to develop a highly acclaimed research report entitled “Weathering the Storm – SME Lessons from the Crisis”.

This report was launched by An Tánaiste, Joan Burton TD, who commented positively on CPA Ireland’s continuing support for indigenous industry and SMEs in particular.

The publication of “Weathering the Storm” is consistent with the public interest policy of CPA Ireland, which is to offer direct support to SMEs. That perspective on public interest was noted and acknowledged by the International Federation of Accountants (IFAC) and supported a thought leadership piece on supporting SMEs in the public interest on the IFAC Global Knowledge Gateway.

Eamonn Siggins, Chief Executive, CPA Ireland, Joan Burton TD, Tánaiste and Minister for Social Protection and Cormac Fitzgerald, President, CPA Ireland, pictured at the launch of the research report, Weathering the Storm - SME Lessons from the Crisis





Martina Woodlock, CPA Ireland Student Development Award Winner 2014 pictured with Marc O'Dwyer, Managing Director, Big Red Cloud, Cormac Fitzgerald, President, CPA Ireland and Alex Fisher, Head of Skills & Training, State Street

The main operational highlights are described over the following areas: Business Development, Education and Training, Member Services and Professional Standards.

## BUSINESS DEVELOPMENT

The imperative to increase our new student registrations led to a change of approach in 2014. As our economic recovery was more apparent in multinational and foreign direct investment companies, these were first to seek to grow their finance teams.

We identified our members already employed in such companies and they facilitated meetings with the HR and Finance Directors. Using our existing contacts in the Institutes of Technology and the Universities, we were able to convince some of those employers that the CPA qualification was the best fit for their new intake. We were then able to promote those opportunities to the recent graduates of the ITs and Universities and this approach produced results. We will see this approach being rolled out further in 2015, and hopefully continue this success.

To deepen our relationship with the Institutes of Technology we welcomed the heads of their Business Schools to

our headquarters at Harcourt Street where we hosted their annual meeting. We are also sponsoring a Social Entrepreneurship Awards initiative in 2015 which includes all of the ITs and two of our Universities.

SMPs and SMEs are showing signs of recovery and we are seeing positive developments in terms of recruiting accounting trainees. With member support we hope to ensure that CPA is the qualification of choice where we can influence these decisions. 2015 will see investment in further resources to support members in their involvement in recruiting CPA students, both in their own organisations and generally in their region at school leaver, accounting technician and third level career events. This support will include training and a recruitment resource pack.

Public Sector recruitment was also on the agenda for 2014. We have worked with the central recruitment agency for the public sector to ensure that CPA is considered the qualification of choice for new recruits to entities such as the Comptroller and Auditor General's Office, which is about to undertake a new recruitment campaign.

2014 was the final year for The CPA Ireland Student Development Award, with plans afoot at CPA to reinvent

this award in a new format for next year. The award ran successfully for the last four years with this year's award of €5,000 going to LIT Tipperary student, Martina Woodlock. A runner up prize of €1,000 was awarded to Aleksandra Bobro, who is currently pursuing her CPA studies.

Social media continued to be a key platform for communication with members and students as we continued to strategically build our online profile in 2014, though Facebook, Twitter, LinkedIn, Google Plus, Youtube and Pinterest. Specifically in relation to the CPA Ireland Facebook page, likes increased month on month in 2014, placing us second within the four main professional bodies. 2015 will see an increased focus on content management and the deployment of value added articles which follows the current trend amongst millennials.

## EDUCATION AND TRAINING

The focus of the Education and Training Department is to ensure that CPA Ireland students are fully supported to the highest possible standard with quality assured education and training throughout their studies. This, allied to the personal commitment of students is

CPA Conferees hit the ball out of Croke Park. CPA Members Natalie Hurley and David Carroll pictured at the CPA Ireland Conferring Ceremony in December



the cornerstone in them achieving their ambition to become members of the profession, with an internationally recognised qualification. In 2014, online learning was used to prepare for 21% of examinations taken by CPA Ireland students. Demand for this education channel is growing relative to the more traditional classroom based model of education and it ensures that CPA Ireland students can study anywhere, anytime at their own pace.

During 2014 there was an increased number of visits to Approved Employer Partners to deepen the relationship with CPA Ireland students, their employers and the Institute. This has also had a positive impact in stimulating growth in the recruitment of further CPA trainees. Following this success more visits are planned for 2015.

In response to the demand stimulated by the Institute, two day workshops funded by CPA Ireland Skillnet were held in Cork and Dublin in April 2014. These were for past students that wished to recommence their CPA Ireland training and education. The workshops covered Taxation, Law, Ethics, Financial Accounting, Auditing and Governance and resulted in a number of students successfully recommencing their training and education.

The Institute in conjunction with its sponsors was pleased to congratulate all CPA Ireland student prizewinners in 2014 and recognised their academic excellence at a ceremony held in Croke Park in December.

## MEMBER SERVICES

The Institute endeavours to ensure that CPAs remain at the leading edge of their profession throughout their career. We therefore have a comprehensive programme of supports for CPA Ireland members, both at home and abroad, ranging from general support and advice to the provision of specialist relevant professional education.

We were pleased, again, in 2014, to run the very successful “Career Link” support programme aimed at helping unemployed accountants to re-enter the workplace. Funded by Skillnets, this course ran in both Dublin and Cork, and it enabled participants to update their knowledge and enhance their skills in a number of key areas, giving them a distinct advantage when seeking employment. In addition to upskilling on technical issues relating to the profession, the programme afforded an opportunity to participants to develop their CV preparation and interview techniques. Approximately 30% of those who

participated in the programme had progressed into employment by the end of 2014.

We acknowledge the support of Skillnets in this programme and in other activities during the year.

Members were provided with a wide range of professional development opportunities during the year. These included further roll-out of certificate programmes, individual CPE events, an increased number of online courses and enhanced content in these. Increased use of technology in the delivery of these afforded further opportunities for members to participate, irrespective of their location.

## Certificate Programmes

In terms of Certificate programmes, we continued to deliver the highly successful Certified Tax Adviser (CTax) course in 2014. During the year, the third cohort of 49 Certified Tax Advisers qualified and a further 63 participants commenced the 2014/2015 programme in Dublin and Cork. Participants on the course continue to be extremely positive about its benefits and advantages for their career. It is a testament to the attractiveness of this qualification that over 30% of participants who enrolled



Cormac Fitzgerald,  
President, CPA Ireland,  
Clair MacDonnell,  
Marketing Executive Adare  
HRM and Sean Gallagher,  
Entrepreneur pictured at  
the launch of CPA Ireland's  
Annual Conference

on the 2014/2015 course are members of professional bodies other than CPA Ireland.

### Certificate in FRS 102

A major initiative in 2014, was the development and delivery by CPA Ireland Skillnet of the new Certificate in FRS 102.

FRS 102 is the new Accounting Standard which replaced all local accounting standards in Ireland on 1st January 2015. Thus there was an urgent need for accountants to get to grips as soon as possible with the changes that will impact on their work.

The new standard should be considered as a completely new accounting framework, not just a change in accounting policy, introducing, as it does, many changes or new requirements.

The Certificate in FRS 102 programme was delivered in both Dublin and Cork and involved 63 participants.

As FRS 102 is so important, we offered participants the alternative

opportunity to attend lectures via online streaming, thus facilitating access to members who might otherwise be disadvantaged by location.

We intend to run this Certificate Programme again in 2015. In keeping with our policy of extending the range of formal structured courses for members we will be launching an additional major Certificate Programme during the year.

In 2014, we again provided an extensive programme of Continuing Professional Education courses. This comprehensive series, based on the needs of members as they outlined in our annual training needs analysis consisted of 122 separate events and includes 36 online webinars. These webinars now account for almost 50% of all CPE attendance.

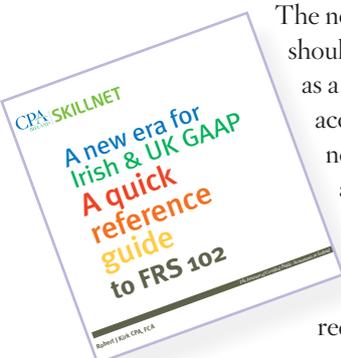
Webinars have become an increasingly popular medium for CPE delivery as members become more comfortable using the technology, and also as they recognise the value they represent. A good illustration of how webinars can work well is in the Farming Taxation webinar held during the year. Almost 200 members logged in to this event, and without technology either the Institute would have had to travel the length and breadth of the country – or

many members with an interest in the topic would have had to travel to the main cities. The saving of time for members is significant.

In parallel with webinar development, we also expanded our online suite of courses. Recognising the continued popularity of online CPE for its ease and convenience, the Institute expanded its online suite of courses to a total of 68 in 2014. These include the design and delivery of three new CPA authored online courses, Transition to the New Financial Reporting Standard FRS 102, VAT - Place of Supply and Audit Report Dilemmas, all of which incorporate video presentations as part of the content delivery.

### Conferences

We are particularly pleased with the success of our conference programme in 2014. The annual Tax Conferences, which are held in Dublin and Cork, attracted almost 400 attendees. The CPA Ireland Practitioners' Conference was held in the Heritage Hotel, Killenard and speakers included Mark Pery-Knox-Gore, Beauchamps and Adrian Weckler, Independent Newspapers. The Industry Matters Conferences took place in Dublin and Cork in October and featured speakers such as Gerard Cleary, Glenisk and Economist Jim Power.



Cormac Fitzgerald,  
President, CPA Ireland and  
Niamh Bushnell, Dublin's  
Start-Up Commissioner  
pictured at the inaugural  
CPA Ireland Start-Ups,  
SMEs and You Conference



The Annual Conference was well attended and featured Sean Gallagher, Entrepreneur, Catriona Hallahan, MD of Microsoft Ireland and Conall O'Móráin, Journalist and MD of the Media Group.

### New Initiatives

A key new initiative was the introduction a new event - the Start-Ups, SMEs and You Conference, funded by Skillnets.

This complemented the new "CPE Wrap-Ups" in December, which gave members the opportunity to catch up on some of the key training on major issues that arose during the year.

## TECHNICAL SERVICES

During 2014, the CPA Ireland Technical Services team responded to 630 technical queries from members. This service provides CPA members with support and advice on any technical query over the phone, with 88% of queries answered on the day and 98% completed within 72 hours.

### Professional Standards

Confidence and trust in the accounting and auditing profession is fundamental to the operation

of businesses of every size and to the overall health of our economy. The Institute operates a regulatory process designed to serve the public interest by ensuring CPA members are operating to the highest standards at all times. CPA Ireland operates a system of delegated self-regulation, which allows the Institute to directly regulate its members. The Institute in turn is supervised in all its regulatory activities by the Irish Auditing and Accounting Supervisory Authority (IAASA). The Institute also enjoys delegated authority from the Central Bank to authorise CPA member firms to engage in investment business services and in turn, are supervised by the Central Bank in this area of operation.

The Institute'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 2014, 7 cases were heard in public by disciplinary tribunals and 2 by an appeal tribunal. The Institute received 21 new complaints against members from a combination of members of the public, other regulators and internal sources. The Institute's investigation committee met on 11 occasions during 2014.

Under the quality assurance system, the Institute 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. The Institute undertook 37 on-site visits to regulated firms in 2014 and conducted a further 30 desk-based reviews.

## FURTHER PROGRESS IN 2015

As 2015 evolves, CPA Ireland will continue to innovate, diversify, keep our members informed, advocate and increase the number of new students choosing CPA as their accountancy qualification of choice.

We recognise and appreciate the continued support and loyalty of CPA Ireland members operating in every business sector in Ireland and around the world. Thanks to you all, the CPA Ireland qualification is synonymous with integrity, professionalism and excellence.

*Eamonn Siggins.*

Chief Executive, CPA Ireland

# Council & Other Information

## MEMBERS OF COUNCIL

- Joseph Aherne
- Niall Byrne
- Nano Brenan Vice President
- John Devaney
- Cormac Fitzgerald President
- Evelyn Fitzpatrick
- Enda Jordan
- Deirdre Kiely
- Gail McEvoy
- Ciarán Martin
- Geoffrey Meagher
- Gearóid O'Driscoll
- Paul O'Leary
- Michael O'Regan
- Brian Purcell Vice President
- James Sheehan
- John Cusack {External Council Member}

Chief Executive	Eamonn Siggins
Secretary	Cáit Carmody
Registered Office	17 Harcourt Street, Dublin 2
Registered Number	010475
Auditors	Hayes & Co., Certified Public Accountants, Statutory Audit Firm 7 Fields Terrace, The Triangle, Ranelagh, Dublin 6

Bankers	AIB Bank	Ulster Bank
	1/3 Baggot Street, Dublin 2.	33 College Green, Dublin 2.

# Report of the Directors

## REPORT OF THE DIRECTORS

The Directors are pleased to submit the 72nd Annual Report of the Council and the Financial Statements For the year ended 31 December 2014.

The surplus for the financial year amounts to €283,988 (2013 €17,187)

## 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 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 14 February 2014, Cormac Fitzgerald was elected President and Brian Purcell was re-elected Vice-President. At a meeting of Council on 30 April 2014, Nano Brennan 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 7 occasions in 2014.

Cormac Fitzgerald, President, CPA Ireland, pictured with CPA Ireland Vice-Presidents, Brian Purcell and Nano Brennan





Deirdre McDonnell, Director of Business Development, CPA Ireland, Sean Gallagher, Entrepreneur, Cormac Fitzgerald, President, CPA Ireland and Justin Kinnear, The Talent Factory, Author and Leadership Development Trainer pictured at the CPA Ireland Annual Conference

## DIRECTORS

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

Joseph Aherne  
 Nano Brennan  
 Niall Byrne  
 John Cusack {External Council Member}  
 John Devaney  
 Cormac Fitzgerald  
 Evelyn Fitzpatrick  
 Enda Jordan  
 Deirdre Kiely  
 Ciarán Martin  
 Gail McEvoy  
 Geoffrey Meagher  
 Gearóid O'Driscoll  
 Paul O'Leary  
 Michael O'Regan  
 Brian Purcell  
 James Sheehan

*The following Directors retire by rotation and offer themselves for re-election:*

Michael O'Regan  
 Joseph Aherne

*The following Director retires by rotation and is not seeking re-election:*

Geoffrey Meagher

*The following valid nomination for election to Council has been received:*

Cormac Mohan

Eamonn Siggins, Chief Executive, CPA Ireland pictured with a delegation from The Institute of Chartered Accountants of India



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

## Compliance with Section 90 of the Company Law Enforcement Act, 2001.

To ensure that proper books and accounting records are kept in accordance with Section 202, Companies Act 1990, appropriately qualified accounting personnel are employed 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.

## Post Balance Sheet Events

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

## Auditors

The Auditor, Hayes & Co., have indicated their willingness to continue in office in accordance with the provision of Section 160(2) of the Companies Act, 1963.

On Behalf of the Directors.

**Cormac Fitzgerald FCPA**  
Director and Council Member

**Gearóid O'Driscoll FCPA**  
Director and Council Member

Dated: 27 March 2015

# Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations. Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and Irish law).

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

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

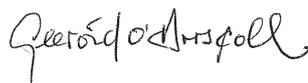
The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2013. They are also responsible for safeguarding the 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 27 March 2015 and signed on its behalf by:



Cormac Fitzgerald FCPA  
Director and Council Member



Gearóid O' Driscoll FCPA  
Director and Council Member

# Independent Auditor's Report

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

We have audited the financial statements of The Institute of Certified Public Accountants in Ireland for the year ended 31 December 2014 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Institute's members as a body in accordance with the requirements of the Companies Acts 1963 to 2013. Our audit work has been undertaken so that we might state to the Institute's members those matters that we are required to state to them in our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute or the Institute's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 14 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Institute's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the President's Perspective, Chief Executive's Review and Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently

materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Institute's affairs as at 31 December 2014 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

### Matters on which we are required to report by the Companies Acts 1963 to 2013

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

### Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.



**Kieron P Hayes FCPA**

*For and on behalf of*

**Hayes & Co.  
Certified Public Accountants,  
Statutory Audit Firm,  
7 Fields Terrace, Ranelagh, Dublin 6.  
Date 27 March 2015**

# Income and Expenditure Account

for the year ended 31 December 2014

	Notes	2014 €	2013 €
<b>Income</b>	<b>1</b>	<u>4,065,479</u>	<u>3,826,222</u>
Administration expenses		(2,909,503)	(2,841,877)
Other operating expenses		<u>(856,095)</u>	<u>(784,553)</u>
		<u>(3,765,598)</u>	<u>(3,626,430)</u>
<b>Operating Surplus</b>	<b>2</b>	299,881	199,792
Exceptional item	<b>3</b>	183,462	-
Interest receivable		12,024	37,859
Interest payable and similar charges	<b>4</b>	<u>(208,373)</u>	<u>(210,999)</u>
<b>Surplus before taxation</b>		286,994	26,652
Taxation	<b>5</b>	<u>(3,006)</u>	<u>(9,465)</u>
<b>Surplus for the year</b>	<b>11</b>	<u><u>283,988</u></u>	<u><u>17,187</u></u>

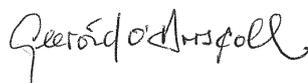
All income and expenditure and the surplus for the year arise from continuing activities.

There are no recognised gains or losses other than those included in the above two financial years.

Approved by the Board of Directors on 27 March 2015 and signed on its behalf by:



Cormac Fitzgerald FCPA  
Director and Council Member



Gearóid O' Driscoll FCPA  
Director and Council Member

# Balance Sheet

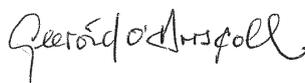
at 31 December 2014

	Notes	2014		2013	
		€	€	€	€
<b>Fixed Assets</b>					
Tangible assets	6		10,402,862		10,510,133
<b>Current Assets</b>					
Debtors	7	439,623		279,287	
Prize bonds		190		190	
Cash at bank		1,136,320		1,070,020	
		<u>1,576,133</u>		<u>1,349,497</u>	
<b>Creditors: amounts falling due within one year</b>					
	8		<u>(652,811)</u>		<u>(653,052)</u>
<b>Net Current Assets</b>					
			<u>923,322</u>		<u>696,445</u>
<b>Total Assets Less Current Liabilities</b>					
			11,326,184		11,206,578
<b>Creditors: amounts falling due after more than one year</b>					
	9		<u>(5,687,064)</u>		<u>(5,851,446)</u>
<b>Net Assets</b>					
			<u>5,639,120</u>		<u>5,355,132</u>
<b>Reserves</b>					
Accumulated surplus	11		<u>5,639,120</u>		<u>5,355,132</u>

Approved by the Board of Directors on 27 March 2015 and signed on its behalf by:



Cormac Fitzgerald FCPA  
Director and Council Member



Gearóid O' Driscoll FCPA  
Director and Council Member

# Cash flow statement

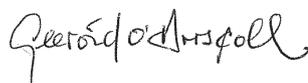
for the year ended 31 December 2014

	Notes	2014 €	2013 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus		299,881	199,792
Depreciation		258,303	244,801
(Increase) in debtors		(159,600)	16,485
Increase in creditors		191,644	(26,520)
Exceptional item		183,462	-
(Decrease) / Increase in deferred revenue		(180,044)	427
<b>Net cash inflow from operating activities</b>		<u>593,646</u>	<u>434,985</u>
<b>Cash flow statement</b>			
<b>Net cash inflow from operating activities</b>		593,646	434,985
<b>Returns on investments and servicing of finance</b>	13	(196,349)	(173,140)
<b>Taxation</b>	13	(3,741)	(9,049)
<b>Capital expenditure</b>	13	(151,032)	(103,977)
		242,524	148,819
<b>Financing</b>	13	(164,382)	(159,245)
<b>Increase / (Decrease) in cash in the year</b>		<u>78,142</u>	<u>(10,426)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Increase / (Decrease) in cash in the year</b>		78,142	(10,426)
Cash outflow from decrease in debt and lease financing		164,382	159,245
<b>Movement in net funds in the year</b>	14	242,524	148,819
<b>Net debt at 1 January 2014</b>	14	(4,953,545)	(5,102,364)
<b>Net debt at 31 December 2014</b>	14	<u>(4,711,021)</u>	<u>(4,953,545)</u>

Approved by the Board of Directors on 27 March 2015 and signed on its behalf by:



Cormac Fitzgerald FCPA  
Director and Council Member



Gearóid O' Driscoll FCPA  
Director and Council Member

# Accounting policies

## Accounting policies

The significant accounting policies adopted by the Institute are as follows:

### Historical Cost Convention

The financial statements are prepared under the historical cost convention.

### 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*

### Tangible assets

Tangible assets are shown at cost 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 with reference to the above value to write off the assets over their expected useful lives on a straight line basis at the following annual rates:

<b>Computer equipment</b>	<b>20%</b>
<b>Computer software</b>	<b>33.3%</b>
<b>Fixtures / Fittings &amp; Equipment</b>	<b>10%</b>
<b>Buildings</b>	<b>2%</b>
<b>Land</b>	<b>Nil</b>

### Taxation

Corporation tax payable is provided on deposit interest earned in the year.

### 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 interest portion is written off to the Income and Expenditure Account over the term of the primary lease period.

Rentals in respect of operating leases are charged to the Income and Expenditure Account as incurred.

### Regional Societies

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

# Accounting policies

Continued

## **Pension Benefits**

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in independently administered funds. Pension costs are charged to the income and expenditure account as they fall due.

## **Grants**

The Institute receive grants from Skillnet towards the cost of specified training courses. The grants are taken to income in the year in which the specified training course is held.

## **Exceptional items**

Exceptional items are items which individually or, if of a similar type, in aggregate, are relevant to an understanding of the financial performance. These items are separately disclosed on the face of the Income & Expenditure account and in the related notes.

# Notes to the Financial Statements

for the year ended 31 December 2014

## 1 Income

	2014	2013
	€	€
Deferred subscriptions at 1 January	241,913	241,486
Income receivable in year	<u>3,885,435</u>	<u>3,826,649</u>
	4,127,348	4,068,135
Deferred subscriptions at 31 December	<u>(61,869)</u>	<u>(241,913)</u>
Income for year	<u><u>4,065,479</u></u>	<u><u>3,826,222</u></u>

## 2 Surplus before taxation

	2014	2013
	€	€
The surplus before taxation is stated after charging:		
Directors' emoluments	-	-
Depreciation of tangible assets	258,303	244,801
Auditors' remuneration	<u>12,730</u>	<u>12,730</u>

## 3 Exceptional item

	2014	2013
	€	€
Exceptional item	<u>183,462</u>	<u>-</u>

In previous years levies were collected to discharge an amount expected to be payable to Interim IAASA. These payments will now not arise and therefore the amount is being released to the Income and Expenditure Account

## 4 Interest payable and similar charges

	2014	2013
	€	€
On bank loans and overdrafts	<u>208,373</u>	<u>210,999</u>

## 5 Taxation

	2014	2013
	€	€
<b>Current year taxation</b>		
Corporation tax @ 25% on interest earned	<u>3,006</u>	<u>9,465</u>

# Notes to the Financial Statements

for the year ended 31 December 2014 (continued)

## 6 Tangible assets

	Premises	Fittings & Equipment	Total
	€	€	€
<b>Cost</b>			
At 1 January 2014	11,128,864	928,844	12,057,708
Additions	-	151,032	151,032
At 31 December 2014	<u>11,128,864</u>	<u>1,079,876</u>	<u>12,208,740</u>
<b>Depreciation</b>			
At 1 January 2014	820,286	727,289	1,547,575
Charge for the year	142,577	115,726	258,303
At 31 December 2014	<u>962,863</u>	<u>843,015</u>	<u>1,805,878</u>
<b>Net book values</b>			
At 31 December 2014	<u>10,166,001</u>	<u>236,861</u>	<u>10,402,862</u>
At 31 December 2013	<u>10,308,578</u>	<u>201,555</u>	<u>10,510,133</u>

In accordance with FRS 11: Impairment of Fixed Assets and Goodwill, the carrying value of the Institute's premises has been compared to the recoverable amount (the higher of the net realisable value and the value in use). Due to the current limited activity in the Georgian property market it is not considered possible to obtain a reliable estimate of net realisable value and therefore the recoverable amount has been determined by value in use alone. Value in use is defined as the "present value of the future cashflows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal". The directors have considered the current cash flows being generated and expected growth rates for the coming years. They have also considered the projected property valuation on an assumed disposal date of fifty years from the date of review. Having considered all of the above the directors have concluded that the recoverable amount is greater than the carrying value and therefore in accordance with the requirements of FRS 11 the asset is not impaired.

## 7 Debtors

	2014	2013
	€	€
Debtors - (due within one year)	437,696	278,096
Corporation tax refundable	1,927	1,191
	<u>439,623</u>	<u>279,287</u>

# Notes to the Financial Statements

for the year ended 31 December 2014 (continued)

<b>8 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	€	€
Bank overdraft (See Note 10 )	467	12,309
Bank loan (See Note 10 )	160,000	160,000
Subscriptions in advance ( See Note 1 )	61,869	241,913
PAYE / PRSI	63,260	35,307
Creditors and accruals	<u>367,215</u>	<u>203,523</u>
	<u>652,811</u>	<u>653,052</u>

<b>9 Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	€	€
Bank loan ( See Note 10 )	<u>5,687,064</u>	<u>5,851,446</u>

## 10 Details of Borrowings

<b>Repayable</b>	<b>Within 1 Year</b>	<b>Between 1 &amp; 2 years</b>	<b>Between 2 &amp; 5 years</b>	<b>After 5 Years</b>	<b>Total</b>
	€	€	€	€	€
<b>Other than by instalments</b>					
Bank overdraft	467	-	-	-	467
<b>By instalments</b>					
Bank loans	<u>160,000</u>	<u>320,000</u>	<u>480,000</u>	<u>4,887,064</u>	<u>5,847,064</u>
	<u>160,467</u>	<u>320,000</u>	<u>480,000</u>	<u>4,887,064</u>	<u>5,847,531</u>

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

# Notes to the Financial Statements

for the year ended 31 December 2014 (continued)

## 11 Reserves

	<b>Accumulated Surplus €</b>
<b>At 1 January 2014</b>	5,355,132
Surplus for year	<u>283,988</u>
<b>At 31 December 2014</b>	<u><u>5,639,120</u></u>

## 12 Employee information

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

	<b>2014 Number</b>	<b>2013 Number</b>
Administration	<u>25</u>	<u>25</u>

	<b>2014 €</b>	<b>2013 €</b>
<b>Staff costs</b>		
Wages and salaries	1,280,108	1,274,012
Social welfare costs	145,882	133,752
Pension costs	<u>95,852</u>	<u>94,912</u>
	<u><u>1,521,842</u></u>	<u><u>1,502,676</u></u>

The pension charge represents contributions payable by the Institute to independently administered defined contribution pension schemes.

# Notes to the Financial Statements

for the year ended 31 December 2014 (continued)

## 13 Gross Cash Flows

	2014	2013
	€	€
<b>Returns on investments and servicing of finance</b>		
Interest received	12,024	37,859
Interest paid	<u>(208,373)</u>	<u>(210,999)</u>
	<u>(196,349)</u>	<u>(173,140)</u>
<b>Taxation</b>		
Corporation tax paid	(4,932)	(10,656)
Corporation tax repaid	<u>1,191</u>	<u>1,607</u>
	<u>(3,741)</u>	<u>(9,049)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	<u>(151,032)</u>	<u>(103,977)</u>
<b>Financing</b>		
Repayment of bank loan	<u>(164,382)</u>	<u>(159,245)</u>

## 14 Analysis of changes in net debt

	At 1 Jan 2014	Cash flows	At 31 Dec 2014
	€	€	€
Cash at bank	1,070,020	66,300	1,136,320
Overdrafts	<u>(12,309)</u>	<u>11,842</u>	<u>(467)</u>
	<u>1,057,711</u>	<u>78,142</u>	<u>1,135,853</u>
Current asset investments	<u>190</u>	<u>-</u>	<u>190</u>
Debt due within one year	(160,000)	-	(160,000)
Debt due after one year	<u>(5,851,446)</u>	<u>164,382</u>	<u>(5,687,064)</u>
	<u>(6,011,446)</u>	<u>164,382</u>	<u>(5,847,064)</u>
Total	<u>(4,953,545)</u>	<u>242,524</u>	<u>(4,711,021)</u>

# Notes to the Financial Statements

for the year ended 31 December 2014 (continued)

## **14. Company status**

The Institute is a Company limited by guarantee and not having a share capital. 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.

## **15. Approval of financial statements**

The financial statements were approved by the board of directors on 27 March 2015.

## Institute of Certified Public Accountants in Ireland (CPA Ireland)

The Institute of Certified Public Accountants in Ireland (CPA Ireland) is one of the main Irish accountancy bodies representing 5,000 members and students. The CPA designation is the most commonly used designation worldwide for professional accountants and the Institute's qualification enjoys wide international recognition. Its current membership operates in public practice, Industry, financial services and the public sector and CPAs work in over 40 countries around the world.

The Institute is active in the profession at national and international level participating in the Consultative Committee of Accountancy Bodies – Ireland – CCAB (I) and together with other leading accountancy bodies the Institute was a founding member of the International Federation of Accountants (IFAC) – the worldwide body. The Institute is also a member of the Federation des Experts Comptables Européens (FEE), the representative body for the main accountancy bodies in 36 European countries.

The Institute fulfils its statutory role as a recognised body by overseeing the professional activities of its members in practice, and insuring that education and training standards are maintained. As the first accountancy body to introduce a mandatory regime of Continuing Professional Education, the Institute ensures that all CPAs remain at the leading edge throughout their careers. The Institute provides a quality service to its Members and Students, which has been recognised through the award and maintenance of ISO 9001:2008. For further information visit [www.cpaireland.ie](http://www.cpaireland.ie)

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