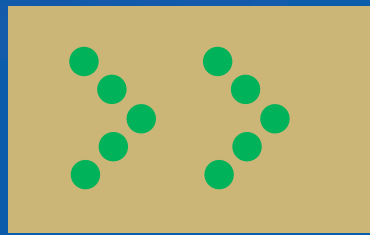





2012 Annual Report



*The Institute of Certified
Public Accountants in Ireland*

Annual Report 2012

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President's Perspective

The Institute of Certified Public Accountants in Ireland



2012 has been a year of great change in every aspect, on both a national and international scale. Ireland faced yet another Budget that brought further cuts to public spending. However, it also drew focus to the spirit of entrepreneurship that continues to fuel Ireland's recovery. There is no doubt that times have been tough for Irish business, however signs of a returning confidence will give a much needed boost to the thousands of indigenous businesses, who are providing much needed employment and enterprise in communities all around Ireland. CPA Ireland recognises the importance of supporting these small businesses not only for our own members, but for the economic future of Ireland as a whole.

As a professional body, CPA Ireland has long been a vocal supporter of the SME community and this year has been no different as we developed a number of practical, pro-business initiatives at a Government and community level. In December, the Institute published a follow-up to the 2010 Entrepreneurship Report, which was launched by An Taoiseach, Enda Kenny at CPA headquarters. Taking a look at the state of business in Ireland two years on, the report put forward a number of no-cost or low cost suggestions for the positive development of the environment for entrepreneurship in

Ireland. This included the establishment of a National Skills Register, the introduction of entrepreneurship as a subject at second and third level and more equitable treatment of entrepreneurs under the tax and social protection systems.

One of CPA Ireland's primary goals is to advocate for our members and Irish businesses on the issues that affect them the most. Guests at this year's CPA President's Dinner were addressed by the Minister for Public Expenditure and Reform, Brendan Howlin. CPA Ireland took the opportunity to call for the swift commencement of the negotiation of Croke Park II, and as we write, that debate is ongoing. As a community of professional business people, we must continue to campaign for the best possible deal both for the Government, for the workers and most importantly, for Ireland's economic future.

CPA Ireland always strives for excellence in member and student service delivery and continues to innovate and broaden our offering to members, students and CPA employers. It is important not to stand still in such a competitive market. In 2012, we launched the CPA Certificate in Business and Accounting to reach a larger demographic of prospective students. CPA Ireland Skillnet also launched the Career Link upskilling programme, providing unemployed

accountants with the opportunity to improve their chances at finding employment.

CPA Ireland continues to build its global network with new international collaborations, including a Mutual Recognition Agreement with the Institute of Chartered Accountants in Bangladesh and a Memorandum of Understanding with CPA Sri Lanka. These relationships add to our already extensive international portfolio that includes agreements with accountancy bodies in Australia, Canada, India, South Africa and Zimbabwe. This year also saw the completion of the Institute's contract in Rwanda and the ongoing work with Mozambique remains on track for completion in 2013.

As my term as President of CPA Ireland draws to a close, I would like to wish my successor Joe Aherne the best of luck for the coming year. I would also like to thank the staff at the Institute and the members of the Council for their continued help and support throughout the year. To all our members, I wish you every success for the future and know you will continue to uphold the good standing and reputation of CPA in Ireland and abroad.

Niall Byrne
President, CPA Ireland

Chief Executive's Review

The Institute of Certified Public Accountants in Ireland



Throughout 2012, 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.

On review, 2012 has been a significant year for CPA Ireland and for Ireland. For many, it was a challenging year; a difficult budget, further cuts and unfavourable conditions

for business continued to stifle consumer sentiment. On the positive side, exports continue to drive the economy and the Government has made great strides in the restructuring of the national debt. There is evidence of an emerging recovery.

CPAs are very much at the heart of this recovery, working across diverse industries and sectors, servicing businesses large and small, tackling the strategic and financial challenges

persisting in our economy. CPA Ireland's role as advocate on behalf of our membership and the broader SME community has allowed us to play our part in championing business.

The CPA Entrepreneurship Report 2012 painted a largely positive view of entrepreneurship in Ireland and highlighted areas requiring practical support. One of the findings of the CPA Entrepreneurship Report 2012 was the increasing need

KEY PERFORMANCE INDICATORS SNAPSHOT

KPI	2011	2012
MEMBERSHIP	▲ 3,835	3,869
STUDENTS	▼ 1,069	927
NEW STUDENTS	▼ 209	173
AUDIT FIRMS	● 361	361
PRACTISING CERTS	▼ 573	572
EDUCATORS (ACTIVE)	▼ 10	9
APPROVED EMPLOYERS	▲ 121	136
CPE EVENTS	▲ 93	123
CPE ATTENDEES	▲ 3,295	4,919
TECHNICAL QUERIES	▼ 772	730

*Taoiseach Enda Kenny
speaking at the launch of the
CPA Entrepreneurship Report.*



for management training and development. In response, a CPA Ireland SkillNet initiative, Taking Charge of Your Business, compiled a series of webinars from a panel of experts providing unique insight to business owners and managers. The subject matter was carefully chosen to address key areas of concern for business owners, managers and their professional advisers. The webinars are available free of charge and this resource will continue to be developed in 2013.

CPA Ireland is now very much part of a global community. Our members work in over 40 countries around the world and CPA Ireland has forged international alliances in Australia, Canada, India and South Africa. As a founding member of the International Federation of Accountants (IFAC), we continue to engage in the development of the profession at the highest level. This sustained level of activity on an international scale is vital to the continued professional advancement of the membership both at home and abroad.

Key operational highlights are

NUMBER OF MEMBERS

3,869

described over the four areas of operations; Business Development, Education & Training, Professional Standards and Member Services.

Business Development

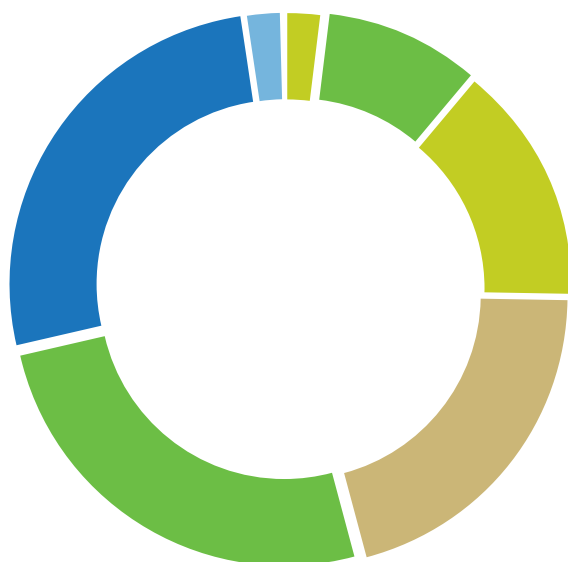
The Business Development department continues to focus on building the CPA Ireland brand and driving student recruitment nationally and internationally. In 2012, our recruitment campaign, 'CPA Ireland – A Career Move Worth Making' ran throughout August and September on radio, in press and online. We would like to thank Glanbia, Insomnia, Microsoft, Morgan McKinley and State Street for their assistance in developing the advertisement and continued support for CPA recruitment.

In 2012, Cathal McNamara was appointed to the new role of Business Relationship Manager. The role involves developing and increasing educator and employer partner

networks to increase student and member recruitment in the coming years.

We are very pleased to announce the new CPA Ireland brand identity, which extends to all aspects of the Institute's programmes and activities. You will note the change on the cover of this report. As we review 2012 and look forward to the coming year, the Annual Report seemed an appropriate launching pad. As we evolve and progress as a professional body, we know it is critical that we remain relevant and vital. Openness, assurance and progression have always been core values at CPA Ireland. The CPA qualification opens a wide range of business opportunities for students, members and employers. It assures students and members of an internationally recognised qualification and employers of progressive, pragmatic individuals capable of making a broad contribution to their business.

WHERE 2012
**CONFEREES
 ARE EMPLOYED:**



2%

Retail

20%

Manufacturing

9%

State Organisation/
Local Authority

25%

Public Practice

14%

Financial Services

28%

Service

2%

Unemployment

We believe our new brand identity — specifically it's refreshed colour pallet, modern and open type face, sense of space and creative reference to the bridge of our old logo — gives us a forward-looking, energized identity to underpin all Institute activities. Special thanks to our members, design partners and colleagues, who provided valuable input into its development.

The CPA Student Development Award continues to be a facilitator for prospective students to pursue their goal of becoming a professional accountant. The award is a way of providing prospective students with an opportunity to pursue their CPA studies in a time when continued education can be hindered by financial difficulties. This year the €5000 student bursary was awarded to

Clodagh Dunne from Co. Mayo, with runner-up Tina Walsh receiving a €1000 bursary towards her CPA studies. The finalists were judged by CPA President, Niall Byrne, CEO of Big Red Book, Marc Dwyer and Vice President in Skills Training at State Street, Alex Fisher. The competition was successfully promoted through print and social media.

CPA Student Development Award winner Clodagh Dunne with judges, Marc Dwyer, Big Red Book, Alex Fisher, State Street and



Education and Training

The Education and Training department is dedicated to improving the breadth and level of support to students. 2012 saw the launch of the CPA Ireland Skillnet Certificate in Business and Accounting. This provides future accountants with another avenue into the world of business and accounting. The course spans one academic year and covers business law and professional ethics, accounting, management in organisations and economics and business planning. Once students have completed the course, they are then exempt from all CPA Formation 1 exams.

The aim of this certificate is to provide prospective students with an entry route into accountancy and business. This is particularly beneficial for those who have worked in the profession for years without any formal education. The certificate is targeted at any individual interested in embarking on a career in accountancy, from school leavers to employees who wish to upskill and formalise their experience in the workplace. The certificate is delivered in an online learning environment, fully tutor supported and examined online. The next step on completion is to continue

to the professional CPA qualification, as the certificate exempts the candidate to the Formation 2 Level.

In 2012, CPA E-Learning was extended to Professional 2 stage students. A new student travel card was launched in September, which includes exclusive discounts and offers on travel and retail for students. In addition, new webinars were added to the online student resource in order to increase the amount of support available to students. This includes a guide for students on completing training records and a webinar providing information on the qualification, examinations, training requirements and application to membership process.

Approved Employer Programme

CPA Ireland recognises the importance of training in the process of becoming a professional accountant and we have continued to add to our Approved Employer Programme to increase the number of opportunities available to our

students. In the past year, 15 new employers have joined the programme, bringing the total number to 136. Additions to the Approved Employers Programme in 2012 include: Errigal Fish Co. Ltd, IFAC Accountants, EMC, Permanent TSB, Irish Life Ltd, RSM Farrell Grant Sparks and International Fund Services (IFS).

Member Services

The Member Services department remains dedicated to providing quality service and support to our membership. We are committed to furthering the career and learning of our members, evidenced in the continued success of the Certified Tax Adviser qualification and the launch of the new CPA Ireland Skillnet programme, Career Link.

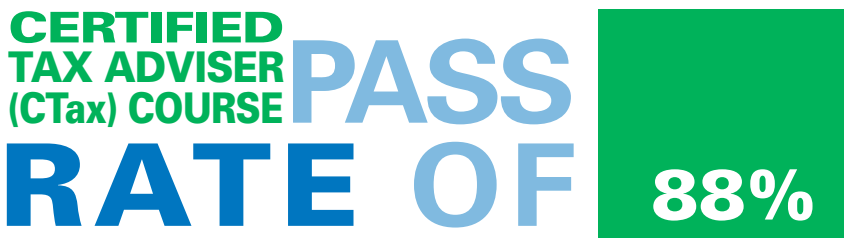
Career Link is a free upskilling course available to all unemployed accountants and courses are available in Dublin and Cork. The aim of the course is to ensure those struggling to find employment remain at the peak of their learning. The course also incorporates in-company training to improve a candidate's employability

49% RISE **IN ATTENDANCE AT CPE EVENTS** **IN 2012**

and experience. The course proved a great success with over one in three attendees securing employment.

We take pride in our ability to provide superior CPE at reduced prices to our members. CPA Ireland continued to

Jerry Kennelly, founder and CEO of Tweak.com. The theme focussed on the state of the nation today, with particular attention on Ireland's debt, the struggle of businesses, the imminent Fiscal Treaty and Ireland's place in Europe.



The Certified Tax Adviser (CTax) Course, which was supported by Skillnets, went from strength in 2012. This year recorded a pass rate of 88% and enables conferees with a practising certificate to provide advanced tax and planning advice to their clients.

Continued Professional Education

The Member Services department increased the CPE courses available this year by nearly 32%, ensuring CPAs remain at the peak of their professional learning. Additional online courses this year included succession planning, corporate social responsibility, the road to continuous improvement and working capital optimisation and cash flow management.

lower the cost of CPE in 2012 and provided special offers to members such as the 'Buy One Get One Free' offer on courses in February and December and the offer of a half price online course when you attended a full day course in November. We also provided a number of free webinars, including an economic update with Jim Power and two budget briefings in December.

The 2012 Annual Conference, which was supported by Skillnets, was hailed as one of the best yet and took place at the Rochestown Park Hotel in Cork on the 18th of May. The conference featured Declan Ganley, Chairman and CEO of Rivada Networks, Patrick Coveney, CEO of Greencore, Donal Donovan, former Deputy Director of the IMF and

Other major CPE events this year included the Tax Conferences in March and events like the Delivering Innovation Conference, the Women in Business Conferences, the Practitioners Conferences and the Industry Matters Conferences, which were all supported by Skillnet.

Member Networking

Our Regional CPA Society networks continue to provide opportunities for our members to network and build their business contacts. 2012 saw the first annual debate of the Leinster CPA Society and featured economist Jim Power and Nat O'Connor from the independent think-tank TASC debating the topic, 'Ireland is a Company Limited by Guarantee'.

The British CPA Society also held a seminar in London in collaboration with the UK (London) Chapter of the ICAI, formally launching the Mutual

*Certified Tax Adviser
Conferees 2012 with Niall
Byrne, President, CPA Ireland.*



Recognition Agreement between CPA Ireland and ICA India. The seminar featured a presentation by Prabhakar Kalavacherla, a member of the International Accounting Standards Board.

Technical Services

During 2012, the CPA Ireland Technical Services team responded to 730 technical queries from members. This service provides our members with support and advice on any technical query over the phone within 48 hours of receipt.

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. CPA Ireland operates a regulatory process designed to serve the public interest by ensuring our members are operating to the highest standards at all times. We operate a system of delegated self-regulation, which allows us to directly regulate its members. CPA Ireland in turn is supervised in all its regulatory

activities by the Irish Auditing and Accounting Supervisory Authority (IAASA). We also enjoy delegated authority from the Central Bank to authorise our member firms to engage in investment business services and in turn, are supervised by the Central Bank in this area of operation.

CPA Ireland's disciplinary processes are operated in an open and transparent manner, in accordance with international best practice. Our disciplinary committee, investigation committee and appeal panel are all comprised of majority lay members. During 2012, six cases were heard in public by disciplinary tribunals and one by an appeal tribunal. CPA Ireland received twenty five new complaints against members, from a combination of members of the public, other regulators and internal sources. CPA Ireland's investigation committee met on fifteen occasions during 2012 and one case was referred for independent review.

Under the quality assurance system, we monitor 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 fifty seven on-site visits to regulated firms in 2012 and conducted a further twenty desk-based reviews.

Moving Forward in 2013

Our executive team will continue to innovate and pursue excellence in its service delivery to students and members. Student development remains a challenge in these difficult economic times and, as you are aware, our members are a vital part of the student recruitment process. Almost a third of students who joined CPA Ireland in 2012 were the result of a referral by a CPA member or employer. We would like to thank our members for their ongoing support and know that you will continue to uphold this tradition of promoting your CPA qualification at every opportunity in 2013.

Eamonn Siggins.

Eamonn Siggins
Chief Executive, CPA Ireland

Members of Council

Norman Adams	
Joseph Aherne	<i>Vice-President</i>
Niall Byrne	<i>President</i>
Nano Brennan	
John Devaney	
Cormac Fitzgerald	<i>Vice-President</i>
Evelyn Fitzpatrick	
Deirdre Kiely	
Gail McEvoy	
Ciarán Martin	
Geoffrey Meagher	
Gearóid O'Driscoll	
Paul O'Leary	
Michael O'Regan	
Brian Purcell	
John White	
John Cusack	<i>(External Council Member)</i>



Vice President Cormac Fitzgerald, President Niall Byrne and Vice President Joe Aherne.

Chief Executive: Eamonn Siggins

Secretary: Cáit Carmody

Registered Office: 17 Harcourt Street, Dublin 2.

Registered Number: 010475

Auditors: Hayes & Co.,
Certified Public Accountants, Statutory Auditors, 7 Fields Terrace, The Triangle, Ranelagh, Dublin 6.

Bankers:	AIB Bank	Ulster Bank
	1/3 Lr. Baggot Street, Dublin 2.	South Dublin - Wicklow, Business Centre, Frascati Hall, Sweetmans Avenue, Blackrock, Co. Dublin.

Report of the Directors

The Directors are pleased to submit the 70th Annual Report of the Council and the Financial Statements for the year ended 31 December 2012.

The surplus for the financial year amount to €52,976 (2011: €90,779).

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 is has been in place for the year under review and up the date of approval of the Annual Report and Financial Statements.

Principal Activity

The Institute of Certified Public Accountants in Ireland (CPA) 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 in practice, and ensuring that education and training standards are maintained.

President and Vice-Presidents

At a meeting of Council on 24 February 2012, Niall Byrne was elected President and Cormac Fitzgerald was elected as Vice-President. At a meeting of Council on 26 April 2012, Joe Aherne was re-elected as Vice-President.

Council

Council is the governing body of the Institute, and is comprised of a maximum of 16 elected members and up to three non-members. Council met on six occasions in 2012.



CPA Ireland, 17 Harcourt St, Dublin 2.



Directors

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

Norman Adams

Joseph Aherne

Nano Brennan

Niall Byrne

John Cusack
(External Council Member)

John Devaney
Appointed 26 April 2012

Cormac Fitzgerald

Evelyn Fitzpatrick

Deirdre Kiely
Appointed 24 February 2012

Janice Lau-Burke

Ciarán Martin

Gail McEvoy

Geoffrey Meagher

Gearóid O'Driscoll

Paul O'Leary
Appointed 24 February 2012

Michael O'Regan

Brian Purcell

Denis Ryan
Resigned 24 February 2012

Daragh Solan
Resigned 26 April 2012

John White

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

Brian Purcell

Gail McEvoy

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

Norman Adams

A valid nomination has been received for election to Council from Enda Jordan.

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 the Institute's registered office at 17 Harcourt Street, Dublin 2.

Post Balance Sheet Events

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

Auditors

The Auditors, 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



Niall Byrne, FCPA
Director and Council Member

Dated: 29 March 2013



Declan Ganley, chairman and CEO of Rivada Networks, addresses attendees at the CPA Ireland Annual Conference.



Gearóid O'Driscoll, FCPA
Director and Council Member

Statement of Directors' Responsibilities

The Institute of Certified Public Accountants in Ireland

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and 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 which disclose with reasonable accuracy at any time the financial position of the Institute and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors on 29 March 2013 and signed on its behalf by:



Niall Byrne,
Director and Council Member



Gearoid O'Driscoll,
Director and Council Member



Lars Frisell, Chief Economist, Central Bank of Ireland, speaking at the CPA Ireland Annual Business Lecture.



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 2012 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Institute's members as a body in accordance with the requirements of the Companies Acts 1963 to 2012. 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 auditor

As described in the Statement of Directors' Responsibilities, the Institute's directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and the Accounting Standards issued by the Accounting Standards Board.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with generally accepted accounting practice in Ireland, and

are properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the Institute; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the Institute's Balance Sheet and Income and Expenditure Account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the President's Perspective, Chief Executive's Review and Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatement's or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.

.....

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2012 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 2012.

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 Institute's financial statements are in agreement with the books of account.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



Kieron P Hayes

For and on behalf of

Hayes & Co.

Certified Public Accountants,

Statutory Audit Firm,

7 Fields Terrace,

Ranelagh, Dublin 6.

Date: 29 March 2013

Income and Expenditure Account
for the year ended 31 December 2012

*The Institute of Certified
 Public Accountants in Ireland*

		2012	2011
	Notes	€	€ €
Income	1	3,793,768	3,684,848
Administration expenses		(2,773,803)	(2,761,558)
Other operating expenses		(694,247)	(573,424)
		(3,468,050)	(3,334,982)
Operating Surplus	2	325,718	349,866
Interest receivable		32,123	40,615
Interest payable and similar charges	3	(296,835)	(289,548)
Surplus before taxation		61,006	100,933
Taxation	4	(8,030)	(10,154)
Surplus for the year	10	52,976	90,779

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 29 March 2013 and signed on its behalf by:



Niall Byrne,
 Director and Council Member



Gearoid O'Driscoll,
 Director and Council Member

Balance Sheet
at 31 December 2012

*The Institute of Certified
 Public Accountants in Ireland*

		2012		2011	
	Notes	€	€	€	€
Fixed Assets					
Tangible assets	5		10,650,957		10,783,585
Current Assets					
Debtors	6	296,188		134,353	
Prize bonds		190		190	
Cash at bank		1,123,791		1,136,281	
		<u>1,420,169</u>		<u>1,270,824</u>	
Creditors: amounts falling due within one year	7	<u>(645,490)</u>		<u>(590,651)</u>	
Net Current Assets			<u>774,679</u>		<u>680,173</u>
Total Assets Less Current Liabilities			<u>11,425,636</u>		<u>11,463,758</u>
Creditors: amounts falling due after more than one year	8		<u>(6,087,691)</u>		<u>(6,178,789)</u>
Net Assets			<u>5,337,945</u>		<u>5,284,969</u>
Reserves					
Accumulated surplus	10		<u>5,337,945</u>		<u>5,284,969</u>

Approved by the Board of Directors on 29 March 2013 and signed on its behalf by:



Niall Byrne,
 Director and Council Member



Gearoid O'Driscoll,
 Director and Council Member

Cash flow statement
for the year ended 31 December 2012

The Institute of Certified
Public Accountants in Ireland

	Notes	2012 €	2011 €
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus		325,718	349,866
Depreciation		227,422	221,924
(Increase) in debtors		(162,228)	(75,202)
Increase in creditors		11,559	12,936
(Decrease) in deferred revenue		(12,374)	(32,294)
Net cash inflow from operating activities		390,097	477,230
Cash flow statement			
Net cash inflow from operating activities		390,097	477,230
Returns on investments and servicing of finance	12	(264,712)	(248,933)
Taxation	12	(7,637)	(14,234)
Capital expenditure	12	(94,794)	(74,733)
		22,954	139,330
Financing	12	(91,098)	(61,511)
(Decrease) / Increase in cash in the year		(68,144)	77,819
Reconciliation of net cash flow to movement in net funds			
(Decrease) / Increase in cash in the year		(68,144)	77,819
Cash outflow from decrease in debt and lease financing		91,098	61,511
Movement in net funds in the year	13	22,954	139,330
Net debt at 1 January 2012	13	(5,125,318)	(5,264,648)
Net debt at 31 December 2012	13	(5,102,364)	(5,125,318)

Approved by the Board of Directors on 29 March 2013 and signed on its behalf by:



Niall Byrne,
Director and Council Member



Gearoid O'Driscoll,
Director and Council Member

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:-

Computer equipment	20%
Computer software	33.3%
Fixtures / Fittings & Equipment	10%
Buildings	2%
Land	Nil

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.

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.

Notes to the Financial Statements
for the year ended 31 December 2012

*The Institute of Certified
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1. Income		
	2012	2011
	€	€
Deferred subscriptions at 1 January	253,860	286,154
Income receivable in year	3,781,394	3,652,554
	<u>4,035,254</u>	<u>3,938,708</u>
Deferred subscriptions at 31 December	(241,486)	(253,860)
Income for year	<u><u>3,793,768</u></u>	<u><u>3,684,848</u></u>
2. Surplus before taxation		
	2012	2011
	€	€
The surplus before taxation is stated after charging:		
Directors' emoluments	-	-
Depreciation of tangible assets	227,422	221,924
Auditors' remuneration	12,730	12,730
	<u>240,152</u>	<u>234,654</u>
3. Interest payable and similar charges		
	2012	2011
	€	€
On bank loans and overdrafts	296,835	289,548
	<u>296,835</u>	<u>289,548</u>
4. Taxation		
	2012	2011
	€	€
Current year taxation		
Corporation tax @ 25% on interest earned	8,030	10,154
	<u>8,030</u>	<u>10,154</u>

Notes to the Financial Statements
for the year ended 31 December 2012
Continued..

*The Institute of Certified
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5. Tangible assets

	Premises	Fittings & Equipment	Total
	€	€	€
Cost			
At 1 January 2012	11,128,864	730,073	11,858,937
Additions	-	94,794	94,794
At 31 December 2012	<u>11,128,864</u>	<u>824,867</u>	<u>11,953,731</u>
Depreciation			
At 1 January 2012	535,132	540,220	1,075,352
Charge for the year	142,577	84,845	227,422
At 31 December 2012	<u>677,709</u>	<u>625,065</u>	<u>1,302,774</u>
Net book values			
At 31 December 2012	<u>10,451,155</u>	<u>199,802</u>	<u>10,650,957</u>
At 31 December 2011	<u>10,593,732</u>	<u>189,853</u>	<u>10,783,585</u>

In accordance with FRS 11: Impairment of Fixed Assets and Goodwill, the carrying value of the Institute's premises have 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 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.

6. Debtors

	2012	2011
	€	€
€ Debtors - (due within one year)	290,602	132,353
Corporation tax refundable	1,607	2,000
PAYE/PRSI refundable	3,979	-
	<u>296,188</u>	<u>134,353</u>

Notes to the Financial Statements
for the year ended 31 December 2012
Continued.

*The Institute of Certified
Public Accountants in Ireland*

7. Creditors: amounts falling due within one year	2012	2011
€	€	€
Bank overdraft (See Note 9)	55,654	-
Bank loan (See Note 9)	83,000	83,000
Subscriptions in advance (See Note 1)	241,486	253,860
PAYE / PRSI	-	19,680
Creditors and accruals	265,350	234,111
	<u>645,490</u>	<u>590,651</u>

8. Creditors: amounts falling due after more than one year	2012	2011
€	€	€
Bank loan (See Note 9)	6,087,691	6,178,789
	<u>6,087,691</u>	<u>6,178,789</u>

9. Details of Borrowings

Repayable	Within 1 Year	Between 1 & 2 years	Between 2 & 5 years	After 5 Years	Total
€	€	€	€	€	€ €
Other than by instalments					
Bank overdraft	55,654	-	-	-	55,654
By instalments					
Bank loans	83,000	130,000	390,000	5,567,691	6,170,691
	<u>138,654</u>	<u>130,000</u>	<u>390,000</u>	<u>5,567,691</u>	<u>6,226,345</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 2012
Continued.

*The Institute of Certified
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10. Reserves	Accumulated Surplus
	€
At 1 January 2012	5,284,969
Surplus for year	52,976
At 31 December 2012	<u>5,337,945</u>

11. Employee information

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

	2012 Number	2011 Number
Administration	24	23

Staff costs	2012	2011
€	€	€
Wages and salaries	1,207,578	1,202,801
Social welfare costs	126,235	126,255
Pension costs	104,296	107,476
	<u>1,438,109</u>	<u>1,436,532</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 2012
Continued.

*The Institute of Certified
Public Accountants in Ireland*

12. Gross Cash Flows	2012	2011
	€	€
Returns on investments and servicing of finance		
Interest received	32,123	40,615
Interest paid	(296,835)	(289,548)
	<u>(264,712)</u>	<u>(248,933)</u>
Taxation		
Corporation tax paid	(9,637)	(14,234)
Corporation tax repaid	2,000	-
	<u>(7,637)</u>	<u>(14,234)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(94,794)</u>	<u>(74,733)</u>
Financing		
Repayment of bank loan	<u>(91,098)</u>	<u>(61,511)</u>

Notes to the Financial Statements
for the year ended 31 December 2012
Continued.

*The Institute of Certified
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13. Analysis of changes in net debt

	At 1 Jan 2012	Cash flows	At 31 Dec 2012
	€	€	€
Cash at bank	1,136,281	(12,490)	1,123,791
Overdrafts	-	(55,654)	(55,654)
	<u>1,136,281</u>	<u>(68,144)</u>	<u>1,068,137</u>
Current asset investments	190	-	190
	<u>(83,000)</u>	<u>-</u>	<u>(83,000)</u>
Debt due within one year	(83,000)	-	(83,000)
Debt due after one year	(6,178,789)	91,098	(6,087,691)
	<u>(6,261,789)</u>	<u>91,098</u>	<u>(6,170,691)</u>
Total	<u><u>(5,125,318)</u></u>	<u><u>22,954</u></u>	<u><u>(5,102,364)</u></u>

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 29 March 2013.



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The Institute of Certified Public Accountants in Ireland

The Institute of Certified Public Accountants in Ireland (CPA) is one of the main Irish accountancy bodies with 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 Europeens (FEE), the representative body for the main accountancy bodies in 33 European countries, including all of the 27 EU Member States.

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