



**Institute of Operational Risk**  
(Company Limited by Guarantee)

**Directors' Report and Financial Statements**

For the year ended  
31 March 2018

# Institute of Operational Risk

31 March 2018

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**COMPANY INFORMATION**

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**Directors**

	<b>Appointed</b>	<b>Retired</b>
<b><i>With Portfolio</i></b>		
Trevor Bedeman		23/11/17
Matthew Behan		
George Clark, Chairman		
Shruthi John	18/6/18	
Michael Grimwade		23/11/17
Manoj Kulwal		18/4/18
Stephen Murgatroyd		23/11/17
Elena Pykhova		15/6/18
Alistair Nunn	13/5/18	
Caitlin Frost	13/12/17	30/4/18
Peyman Mestchian	18/6/18	5/10/18
Eva MacDonald	15/2/18	
Sean Titley	15/2/18	
<b><i>Without Portfolio</i></b>		
Philip Martin		
Caroline Coombe		
Jennifer Moodie		23/11/17
Aidan Brock	23/11/17	
John Thirlwell		23/11/17
Anthony Chidwick	26/6/18	
Andrew Sheen	19/10/17	

**Company Number** 5011746

**Registered Office and Business Address** Pelmark House  
11 Amwell End  
Ware  
Hertfordshire  
SG12 9HP

**Bankers** HSBC  
2 Buchanan Street  
Glasgow  
G1 3LB

## **DIRECTORS' REPORT**

For the year ended 31 March 2018.

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2018.

## **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

As a 'not-for-profit' organisation the Institute's prime aim is the promotion and development of skills and standards associated with Operational Risk. It is a professional body designed to support its members through the provision of:

- Standards against which membership and professional competency can be judged
- A recognised professional qualification
- External events for the promotion of ideas, ongoing professional development and networking
- Research to assist the above and ensure the continual improvement of methods, techniques and knowledge
- An educational programme

## **RESULTS**

The company has a net recognised surplus for the year of £16,143 (2017: £9,028) which has been added to reserves.

## **DIRECTORS**

The directors who served the company during the year were as follows:

George Clark  
Andrew Sheen  
Michael Grimwade  
Caroline Coombe  
Trevor Bedeman  
Jennifer Moodie  
Stephen Murgatroyd  
John Thirlwell  
Matthew Behan  
Manoj Kulwal  
Elena Pykhova  
Aidan Brock  
Philip Martin  
Caitlin Frost  
Eva MacDonald  
Sean Titley

**DIRECTORS' REPORT**

For the year ended 31 March 2018

(Continued)

The directors are expected to attend Council Meetings throughout their terms of service. During the year, directors' attendance at Council Meetings was as follows:

	<b>Eligible</b>	<b>Attended</b>
<b><i>With Portfolio</i></b>		
George Clark - Chair	12	12
Michael Grimwade	11	8
Elena Pykhova	12	10
Trevor Bedeman	8	7
Stephen Murgatroyd	8	7
Manoj Kulwal	12	7
Matthew Behan	12	12
Caitlin Frost	5	4
Eva MacDonald	1	1
Sean Tittle	1	1

	<b>Eligible</b>	<b>Attended</b>
<b><i>Without Portfolio</i></b>		
Caroline Coombe	12	6
Jennifer Moodie	8	7
Andrew Sheen	5	4
John Thirlwell	8	6
Philip Martin	12	9
Aidan Brock	5	3

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping proper accounting records 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 Act 2006. 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.



## DIRECTORS' REPORT

For the year ended 31 March 2018

(Continued)

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During the year the Institute of Operational Risk continued to promote good practice in Operational Risk Management, grow a strong and active membership base and supported members in improving the practice of our discipline. Local Chapters of members continue to operate in England and Wales, Germany, Hong Kong, Nigeria, South Africa, Eire and Scotland.

A wide range of events took place across all of the Chapters. These continue to be well attended and are a core focus for our Institute. Recognising the relationship between events and membership growth we continue to work with Chapters on building value from these events. The types of event offered by each chapter are determined in accordance with local needs and preferences and included a mix of breakfast, evening, half-day and whole day events. In Q1 2018 a 1 day conference was again held with Chapter Heads and these sessions are now a regular feature of our working together. They are an important opportunity to have additional contributions to the Institutes progress. We wish to thank all those who have sponsored or provided facilities for all of our events over the last 12 months.

During 2017/18 we have developed our series of webinars which are now recorded and available to members following the event. These provide an increasingly valuable source of insight and reference and complement our Sound Practice Guidance papers.

We continue to consider relevant research projects and in late 2107, working with CefPro, launched a research initiative on the future of operational risk. Published in Spring 2018 this was further developed into an academic paper and continues to form a base for further research. The Institute will give more focus to research given the many emerging and challenging developments impacting our discipline.

We have continued to invest significant effort into the promotion of our Certificate in Operational Risk. This externally accredited qualification has been well received as it gains profile and momentum. Our student numbers continue to grow as does the diversity of their location, sector and background of experience. At the time of writing this report the Institute was successful in being awarded the "Industry Initiative of the Year Award" at the Op Risk Europe Conference. This accolade is further evidence of the value of our programme and the Institutes ability to deliver quality outcomes.

Our focus continues to be on growth while recognising the need to address retention. We continue to seek strategic partnerships that help us achieve our objectives and mission statement.

This has been another challenging but successful year for the Institute and the Institute remains grateful to the volunteers willing to give freely of their time, whether with Council, local Chapters, the SPG group or sub-committees. It is always with regret that we see volunteers step back, as some have this year, but the Institute acknowledges with thanks their considerable contribution.

Our future, as always, lies in the desire, passion and support of our members.

**DIRECTORS' REPORT**

For the year ended 31 March 2018

(Continued)

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**REVIEW OF THE ACCOUNTS**

The Institute of Operational Risk is classed as a small company for Companies House purposes and exempt from the need for audit.

Its accounts have been approved by its Board of Directors.

.....  
**George Clark**

*Director*

.....  
**Date**

# INSTITUTE OF OPERATIONAL RISK

## INCOME AND EXPENDITURE ACCOUNT

Year ended 31st March 2018

	Note	2018 £	2017 £
<b>INCOME</b>	<b>1</b>	<b>67,957</b>	<b>77,441</b>
Administrative expenses		(51,814)	(68,413)
<b>OPERATING (LOSS) / SURPLUS</b>	<b>2</b>	<b>16,143</b>	<b>9,028</b>
Interest payable		-	-
<b>(LOSS) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>16,143</b>	<b>9,028</b>
Taxation		-	-
<b>(LOSS) / SURPLUS FOR THE FINANCIAL YEAR</b>		<b>16,143</b>	<b>9,028</b>



# INSTITUTE OF OPERATIONAL RISK

## BALANCE SHEET

As at 31st March 2018

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Net written down value	4	9,752	19,502
<b>CURRENT ASSETS</b>			
Debtors	5	100	3,350
Cash at bank and in hand		43,808	62,218
Inter-Co : IOR Enterprises		10,000	-
		<u>53,908</u>	<u>65,568</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<b>(4,077)</b>	<b>(9,749)</b>
		<u>49,831</u>	<u>55,819</u>
<b>NET CURRENT ASSETS</b>		<b>49,831</b>	<b>55,819</b>
<b>TOTAL ASSETS</b>		<b>59,583</b>	<b>75,321</b>
<b>CREDITORS: Amounts falling due after one year</b>	7	<b>-</b>	<b>-</b>
		<u>59,583</u>	<u>75,321</u>
<b>CAPITAL AND RESERVES</b>			
Revenue reserves	8	59,583	75,321
<b>TOTAL RESERVES</b>		<b>59,583</b>	<b>75,321</b>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

The financial statements were approved by the Board on ..... 2018  
and signed on its behalf by

Director

Registration number 5011746

# INSTITUTE OF OPERATIONAL RISK

## Notes to the accounts

Year ended 31st March 2018

### 1 ACCOUNTING POLICIES

#### Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities ( effective April 2008).

#### Income

Income represents the value, net of value added tax and discounts, of subscriptions and members services provided during the year.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

<b>2 OPERATING RESULT</b>		<b>2018</b>	2017
		£	£
Operating surplus is stated after charging			
Depreciation and other amounts written off tangible assets		<u>9,750</u>	<u>9,750</u>
<b>3 INTEREST PAYABLE</b>		<b>2018</b>	2017
		£	£
Interest payable		<u>-</u>	<u>-</u>
<b>4 FIXED ASSETS</b>		<b>2018</b>	2017
		£	£
<b>Cost</b>	<b>Membership System</b>	<b>Total</b>	
<b>Balance brought forward - 1 April 2017</b>	<b>29,252</b>	<b>29,252</b>	-
Additions during the year	-	-	29,252
<b>Cost - As at 31 March 2018</b>	<u><u>29,252</u></u>	<u><u>29,252</u></u>	<u><u>29,252</u></u>
<b>Depreciation</b>			
<b>Balance brought forward - 1 April 2017</b>	<b>9,750</b>	<b>9,750</b>	-
Charge for the year ended 31 March 2018	9,750	9,750	9,750
<b>Depreciation - As at 31 March 2018</b>	<u><u>19,500</u></u>	<u><u>19,500</u></u>	<u><u>9,750</u></u>
<b>Written down value - As at 31 March 2018</b>	<u><u>9,752</u></u>	<u><u>9,752</u></u>	<u><u>19,502</u></u>
<b>5 DEBTORS &amp; CASH AT BANK</b>		<b>2018</b>	2017
		£	£
Debtors		<b>100</b>	3,350
Bank accounts			
- Current account		<b>0</b>	1,955
- Current account No. 2		<b>7,369</b>	-
- Deposit account		<b>0</b>	24,000
- Euro account		<b>32,548</b>	32,446
- PayPal account		<b>622</b>	0
- Nigerian Raina accounts		<b>3,269</b>	3,817
		<u><u>43,808</u></u>	<u><u>65,568</u></u>

# INSTITUTE OF OPERATIONAL RISK

## Notes to the accounts

Year ended 31st March 2018

<b>6 CREDITORS : Amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Creditors Control Account	1,866	7,214
Deferred income	1,250	-
Sundry creditors	426	2,000
Chapter control account - Nigeria	535	535
	<u>4,077</u>	<u>9,749</u>
<b>7 CREDITORS : Amounts falling due after one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
There are no amounts falling due after one year	-	-
	<u>-</u>	<u>-</u>
<b>8 PROFIT AND LOSS ACCOUNT</b>	<b>£</b>	<b>£</b>
<b>Balance 1 April 2017</b>	<b>75,321</b>	<b>108,074</b>
Deduct:		
Development costs of the IOR Education Project	(31,881)	(41,781)
	<u>43,440</u>	<u>66,293</u>
Result for the financial year	16,143	9,028
	<u>59,583</u>	<u>75,321</u>