



Institute of Operational Risk
(Company Limited by Guarantee)

Directors' Report and Financial Statements

**For the year ended
31 March 2019**

Institute of Operational Risk

31 March 2019

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COMPANY INFORMATION

Directors

	Appointed	Retired
<i>With Portfolio</i>		
George Clark, Chairman	18/11/15	
Matthew Behan	19/5/16	
Caitlin Frost	13/12/17	30/4/18
Shruthi John	18/6/18	
Manoj Kulwal	16/2/17	18/4/18
Eva MacDonald	21/11/18	
Peyman Mestchian	18/6/18	5/10/18
Alistair Nunn	13/5/18	
Elena Pykhova	24/11/16	15/6/18
Sean Titley	21/11/18	
<i>Without Portfolio</i>		
Aidan Brock	23/11/17	
Caroline Coombe	18/11/15	21/11/18
Anthony Chidwick	26/6/18	
Philip Martin	24/11/16	21/11/18
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 2019.

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2019.

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 loss for the year of (£15,261) [(2018: £15,738)] which has been taken from reserves.

DIRECTORS

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

George Clark, Chairman
Matthew Behan
Aidan Brock
Anthony Chidwick
Caroline Coombe
Caitlin Frost
Shruthi John
Manoj Kulwal
Eva MacDonald
Philip Martin
Peyman Mestchian
Alistair Nunn
Elena Pykhova
Andrew Sheen
Sean Tittley

DIRECTORS' REPORT

For the year ended 31 March 2019

(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:

	Eligible	Attended
With Portfolio		
Matthew Behan	10	7
George Clark, Chairman	10	9
Caitlin Frost	1	0
Shruthi John	8	8
Manoj Kulwal	0	0
Eva MacDonald	10	8
Peyman Mestchian	3	1
Alistair Nunn	9	7
Elena Pykhova	2	2
Sean Titley	10	9
Without Portfolio		
Aidan Brock	10	7
Anthony Chidwick	8	4
Caroline Coombe	7	1
Philip Martin	7	3
Andrew Sheen	10	5

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 2019

(Continued)

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, Scotland, Germany, Hong Kong, South Africa, Nigeria, Ireland and Scandinavia. We continue discussions on potential future chapters in India, Singapore, Malaysia and Japan.

A wide range of events took place across all of the Chapters. These continue to be well attended and are a core focus for the Institute. Recognising the relationship between events and membership growth we continue to work with Chapters on building value from these events and the work we do in the centre with the potential to support local 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. The Council of the Institute thanks all those who have sponsored or provided facilities for all of our events over the last 12 months.

The Institute continues to upgrade its operating environment including a significant effort to achieve conformance with the new requirements of GDPR. The Institute is currently in the process of Trademarking its logo and brand name. Time was also invested in further developing our series of Webinars and improving our profile on social media, creating an IOR corporate page. Both of these initiatives have seen encouraging increases in attendance and "clicks" together with much positive feedback.

We also continue to focus on our externally accredited Certificate in Operational Risk Management, CORM, leveraging the Industry of the Year Initiative award gained in 2018. Again feedback from students and employers is highly encouraging and the Institutes Council remain convinced this qualification is a must for new practitioners entering the discipline.

This has been another challenging but rewarding year for the Institute. Our key challenge remains our ability to achieve scale and presence based on our current access to finance and the volunteer based resourcing model. The need to develop a sustainable, long term platform has been a core focus for Directors over the last 12 months and a number of options have been explored. The Institutes Council sees an early resolution to these constraints as critical to our success and intend to make recommendations to members as soon as practicable.

The Institute remains grateful to the volunteers willing to give freely of their time, whether with Council, local Chapters 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 significant contribution. The future of our Institute, as always, lies in the desire, passion and support of our members.

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 who also form its Council

.....
George Clark

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Date

Director

INSTITUTE OF OPERATIONAL RISK**INCOME AND EXPENDITURE ACCOUNT**

Year ended 31st March 2019

	Note	2019 £	2018 £
INCOME	1	79,219	67,957
Administrative expenses		(64,480)	(83,695)
OPERATING (LOSS) / SURPLUS	2	14,739	(15,738)
Interest payable		-	-
(LOSS) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		14,739	(15,738)
Extraordinary charge		(30,000)	
Taxation		-	-
(LOSS) / SURPLUS FOR THE FINANCIAL YEAR		<u>(15,261)</u>	<u>(15,738)</u>

INSTITUTE OF OPERATIONAL RISK

BALANCE SHEET

As at 31st March 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Net written down value	4	0	9,752
CURRENT ASSETS			
Debtors	5	13,000	100
Cash at bank and in hand		62,406	43,808
Inter-Co : IOR Enterprises		13,391	10,000
		<u>88,797</u>	<u>53,908</u>
CREDITORS: Amounts falling due within one year	6	<u>(44,475)</u>	<u>(4,077)</u>
NET CURRENT ASSETS		44,322	49,831
TOTAL ASSETS		<u>44,322</u>	<u>59,583</u>
CREDITORS: Amounts falling due after one year	7	-	-
		<u>44,322</u>	<u>59,583</u>
CAPITAL AND RESERVES			
Revenue reserves	8	44,322	59,583
TOTAL RESERVES		<u>44,322</u>	<u>59,583</u>

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 2019
and signed on its behalf by

Director

Registration number 5011746

INSTITUTE OF OPERATIONAL RISK

Notes to the accounts

Year ended 31st March 2019

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.

2 OPERATING RESULT

	2019 £	2018 £
Operating surplus is stated after charging		
Depreciation and other amounts written off tangible assets	-	-

3 INTEREST PAYABLE

	2019 £	2018 £
Interest payable	-	-

4 FIXED ASSETS

	Membership System	2019 £ Total	2018 £
Cost			
Balance brought forward - 1 April 2018	29,252	29,252	29,252
Additions during the year	-	-	-
Cost - As at 31 March 2019	<u>29,252</u>	<u>29,252</u>	<u>29,252</u>
Depreciation			
Balance brought forward - 1 April 2018	19,500	19,500	9,750
Charge for the year ended 31 March 2019	9,752	9,752	9,750
Depreciation - As at 31 March 2019	<u>29,252</u>	<u>29,252</u>	<u>19,500</u>
Written down value - As at 31 March 2019	<u>0</u>	<u>0</u>	<u>9,752</u>

5 CURRENT ASSETS

	2019 £	2018 £
Debtors	<u>13,000</u>	<u>100</u>
Cash at Bank and in hand		
- Current account	25,585	7,369
- PayPal account	0	622
- Euro account	32,548	32,548
- Nigerian Naira accounts	1,212	3,269
- Nigerian Domicillary account	3,061	
	<u>62,406</u>	<u>43,908</u>

INSTITUTE OF OPERATIONAL RISK

Notes to the accounts

Year ended 31st March 2019

6 CREDITORS : Amounts falling due within one year	2019	2018
	£	£
Creditors Control Account	3,398	1,866
Deferred income	10,000	1,250
Sundry creditors	426	426
Chapter control account - Nigeria	651	535
General provision	30,000	
	<u>44,475</u>	<u>4,077</u>
7 CREDITORS : Amounts falling due after one year	2019	2018
	£	£
There are no amounts falling due after one year	-	-
	<u>-</u>	<u>-</u>
	£	£
8 PROFIT AND LOSS ACCOUNT		
Balance 1 April 2018	59,583	75,321
	<u>59,583</u>	<u>75,321</u>
Result for the financial year	(15,261)	(15,738)
	<u>44,322</u>	<u>59,583</u>