

Annual Report
2023

BACK

LOOKING

MOVING

FORWARD



CONTENTS

WELCOME	05
ABOUT US	06
FROM THE CHAIR	10
FROM THE PRESIDENT	14
STATEMENT OF SERVICE PERFORMANCE	18
OUR YEAR	
From the Chief Executive	26
Leadership team	31
Setting and driving standards of best-practice governance	32
Supporting boards to deliver effective leadership	36
Protecting and enhancing the standing of IoD members	40
BOARD AND COUNCIL	
Our Board	46
Board committees	50
Our Council	52
Council committees	58
FINANCIAL STATEMENTS	59
THANK YOU	78

The “people” photographs in this Annual Report were taken at our 2023 Leadership Conference in Auckland. Thank you to all the members who gave permission for us to photograph them.

This report covers the activities of the Institute of Directors in New Zealand for the year 1 January 2023 to 31 December 2023. This is the second of our annual reports to incorporate a Statement of Service Performance.



Welcome

2023 was a year of focusing on our core purpose – to support and equip directors to lead their organisations – during a time of rapid change and challenge.

It was also a year of increased interest in climate change – the hottest year on record – and we saw good growth in engagement with our Chapter Zero New Zealand climate governance initiative. This is part of a global network, one of the many ways we bring international perspectives, experience and ideas to Aotearoa New Zealand’s governance community.

On the international stage, Chief Executive Kirsten (KP) Patterson served as the Chair of the Global Network of Director Institutes, representing 25 membership bodies that collectively represent more than 150,000 directors worldwide.

Ross Buckley CMIInstD, Board Chair

Jackie Lloyd CFInstD, President

Kirsten (KP) Patterson CMIInstD, Chief Executive

About us

OUR BRANCH NETWORK 07

OUR MEMBERS 08

DISTINGUISHED FELLOWS 09

CHARTERED FELLOWS 09



ANNUAL REPORT 2023

Our branch network

4,014 Auckland members

Chair Jonathan Mason, CFInstD

706 Bay of Plenty members

Chair Sam Fellows, MInstD

724 Waikato members

Chair Simon Lockwood, CFInstD

179 Taranaki members

Chair Craig Hattle, CMIInstD

2,286 Wellington members

Chair Suse Reynolds, MInstD

332 Nelson Marlborough members

Chair Sarah-Jane Weir, CFInstD

1,538 Canterbury members

Chair Lloyd Mander, CFInstD

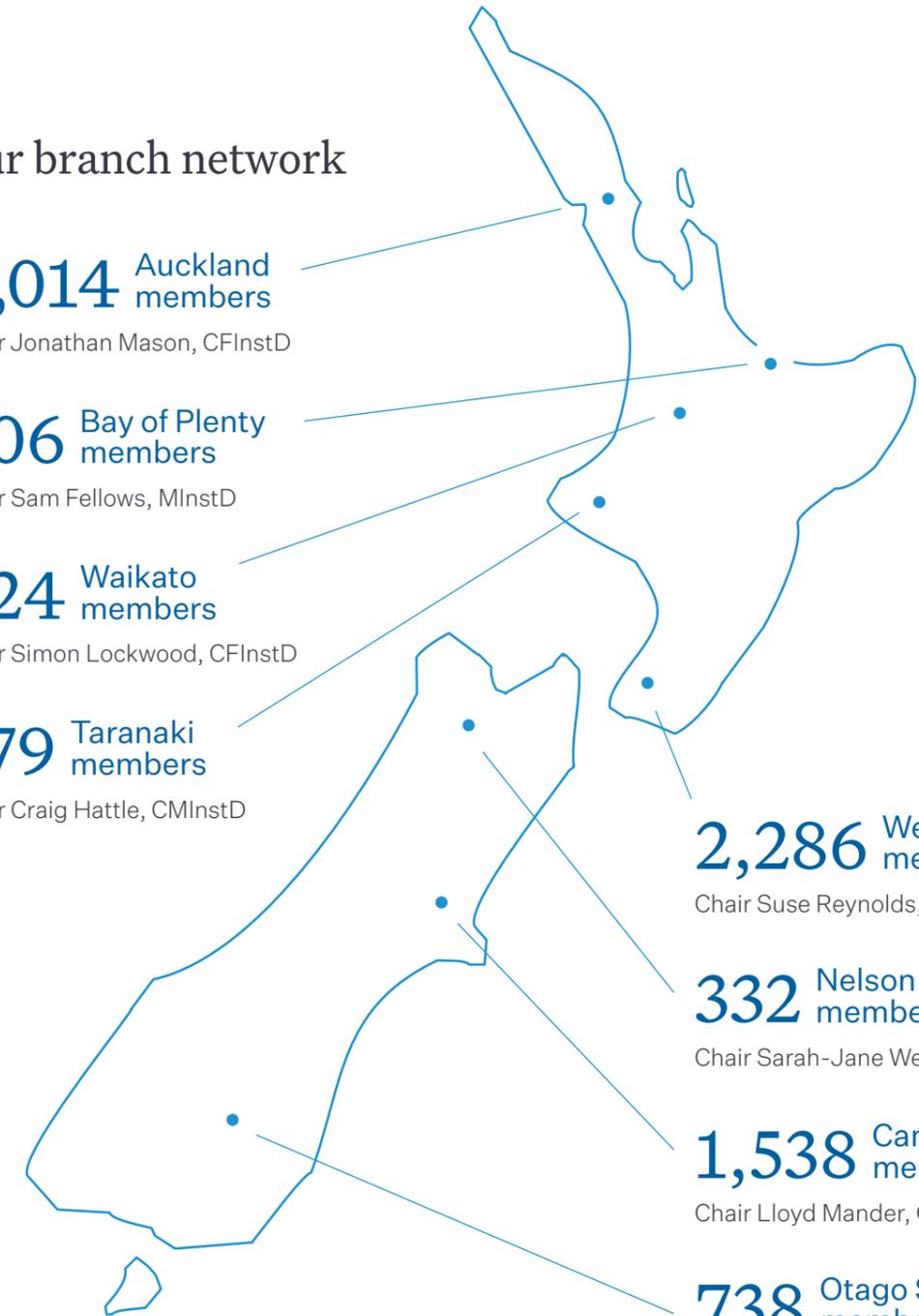
738 Otago Southland members

Chair Trish Oakley, CFInstD

69 overseas members
unchanged from 2022

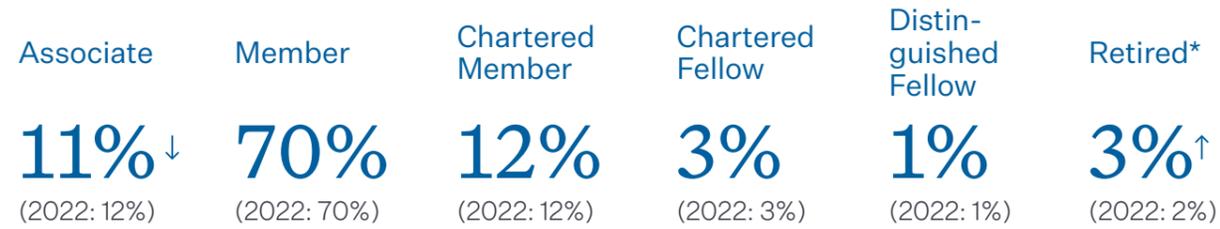
Our members

10,586 members
↑ 0.4% from 2022



ABOUT US

Membership type



*Includes: Retired Member, Retired Chartered Member, Retired Fellow.

Age trends



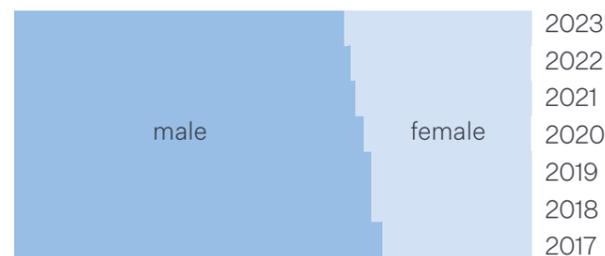
	2017	2018	2019	2020	2021	2022	2023
18-29				1%	1%	1%	1%
30-39	10%	10%	11%	10%	10%	10%	9%
40-49	27%	27%	26%	26%	26%	25%	24%
50-59	36%	35%	35%	35%	35%	35%	36%
60-69	21%	20%	21%	21%	21%	22%	22%
70+	6%	6%	7%	7%	7%	7%	8%

Gender trends

64%
of members identify as **male** ↓ (2022: 65%)

36%
of members identify as **female** ↑ (2022: 35%)

Those identifying as gender diverse remain static at 0.1%.



Most common female names:
Sarah, Jo, Kate (2022: Sarah, Jo, Jane)

Most common male names:
John, Mark, David (2022: unchanged)

Distinguished Fellows (DistFInstD)

Fellowships are awarded to IoD members who have had a prominent career as a director and have contributed positively to business and society.

This is the highest honour the IoD can bestow. During 2023, the following members were awarded Distinguished Fellow status:

- | | |
|------------------------|------------------------------------|
| Rick Christie | Sue Sheldon CNZM |
| Rodger Fisher | Bruce Sheridan |
| Robin Hapi CNZM | Geoff Thomas |
| Alan Isaac CNZM | Bruce Ullrich OBE |
| David Jackson | Adrienne von Tunzelmann QSO |
| David Kerr CNZM | Gavin Walker ONZM |
| Brian Kreft | |

Chartered Fellows (CFInstD)

Chartered Fellow is the highest designation on our Chartered Pathway, which provides directors with the opportunity to test themselves against the highest standards of governance.

During 2023, the following members were awarded Chartered Fellow status:

- | | |
|---------------------------------|--------------------------|
| Rachel Afeaki-Taumoepeau | Alison O’Connell |
| Paul Bingham | Susan Peterson |
| Mark Cairns | Karen Price |
| Lynda Carroll | Caroline Saunders |
| Bridget Coates | Samantha Sharif |
| Andy Coupe | Jeremy Smith |
| Mark Cross | Vanessa Stoddart |
| David Glover | Cecilia Tarrant |
| Julia Hoare | Trevor Thornton |
| Mark Jordan | Sue Tindal |
| Richard Lauder | Clayton Wakefield |
| Lloyd Mander | Steve Wakefield |
| Jim Mather | |



From the Chair

This was my first year as Chair of the Board and it has been satisfying to watch our strategies to support members, and the broader governance community, come to life through the work of our teams.

Ross Buckley
CMIInstD, Board Chair

The challenges faced by boards today are manifold. In order to govern their organisations effectively, directors need to develop their knowledge in areas such as artificial intelligence, climate governance, flexible working and how to ensure financial sustainability in an unsettled economy.

Not only do we need to come up to speed in these areas (and many others), we also need to stay abreast of new developments - as all these areas change fast and often.

For 2023, a major focus of our strategy was to ensure our organisation was providing the support and resources the governance

One of the major initiatives rolled out this year was our new Learn@IoD learning management system.

This is already delivering more flexible options to members and customers in terms of when they learn and how they learn, with in-person, online and blended (a bit of both) courses available.

community needs. That has meant developing new courses, new board assessment tools and rethinking how our members want to learn and grow in governance – to ensure we are delivering what they need, when they need it and how they want to receive it.

For the Institute of Directors, that has meant first looking at ourselves to ensure that we are a sustainable organisation, that we are capable of innovation and focused on driving value for members and our customers.

One of the major initiatives rolled out this year was our new Learn@IoD learning management system. This is already delivering more flexible options to members and customers in terms of when they learn and how they learn, with in-person, online and blended (a bit of both) courses available.

Another was the revamp and modernisation of our board evaluations service, which provides boards with an opportunity to benchmark their performance against others and to identify gaps in their collective skill set.

The new service, Evaluate, runs a contemporary lens over board performance and provides for assessments in-person, online or a combination of both. This flexibility aligns our services with the varying needs in the governance community.

Major projects such as these, with large IT components, are complex to deliver and things do not always go to plan. I am proud of the way our team got them over the line and pleased to see good uptake across both Learn@IoD and Evaluate.

We were also able to deliver these substantial projects on time and under budget, ensuring that our organisation remains financially resilient in this uncertain economic environment.

Another area where members will have seen advances is in our events programme. These provide opportunities to hear from experts, share ideas and network which are highly valued. This year we held 271 in-person events, up 50 per cent from 181 in 2022, reflecting a renewed commitment to delivering up-to-the-minute ideas directly to directors' minds.

As with the Learn@IoD and Evaluate projects, our events team has worked to ensure major events can be accessed from anywhere in the country via live stream or webcast, ensuring that members in our smaller branches receive the same opportunities as those in large urban centres, or who were willing to travel.

By the time you read this we will be well into 2024 and I'd like to offer you a glimpse of the strategy that is driving our work this year.

Firstly, we are looking for ways to grow both our membership and our customer base of non-member governance professionals. New Zealand organisations, whether commercial or for purpose/not-for-profit (NFP), need effective governance in order to thrive and we remain committed to ensuring there is a diverse pipeline of high-quality directors. This includes a particular focus on encouraging more Māori, Pacific, Asian and younger people into governance, and our ongoing support for directors in NFP organisations. We also worked with accessibility advocates Be. Lab, with whom we awarded a scholarship to undertake our Company Directors' Course.

Secondly, we are looking to expand our connections and networks throughout the governance community in New Zealand and the Pacific. Our aim is to make best-practice governance the baseline for boards, wherever we can reach them, so their businesses, organisations and communities can benefit.

Thirdly, the enhancements we made to our learning and events support in 2023 must continue to evolve.

The world does not stand still, boards must not stand still – and nor should we – in terms of offering a variety of pathways to directors that provide opportunities to enhance their governance abilities. I hope to be able to share some of the initiatives we are considering in this area with you as 2024 progresses.

During my first six months as Board Chair, I managed to visit Otago Southland, Taranaki, Northland, Bay of Plenty, Waikato and my hometown of Auckland. Everywhere I went it was great to hear feedback from members on what the top-of-mind issues were for them, and how the IoD could help them become better directors.

Our branch network is sustained by

volunteers, members who give their time and expertise to ensure we can all access relevant support and networks, wherever we are. I would like to share my appreciation and thanks to all of those who help to ensure our branches keep operating at a high level.

That, of course, includes our Council members, who are drawn from the branch committees. It has been a pleasure seeing how the Board and the Council have come together so quickly, since the new governance structure was established last year, to collaborate on moving the organisation forward.

I would like to acknowledge Past President and inaugural Chair Julia Hoare CFIInstD and current President Jackie Lloyd CFIInstD for all their efforts including the implementation of the new governance structure.

Our partners and our sponsors are another key group – not just the organisations but the people in them – who help to ensure we are able to bring ideas and expertise to directors all over the country. Thank you.

Our Chief Executive Kirsten Patterson and her team have worked hard to deliver the initiatives Board signed off, and I feel the whole team at the IoD deserves thanks for their ongoing commitment to good governance.

And to my fellow Board members, it has been a challenging year, but also a gratifying one. We have begun to see our strategy for the organisation come to life. Thank you for your clear thinking, contribution and hard work. I look forward to continuing to work with you to ensure good governance is available to New Zealand businesses, organisations and communities through the commitment and development of our members.

Ross Buckley
CMIInstD, Board Chair



From the President

As member representatives, the Council has embraced its role in the new governance structure appointing and supporting the Board, maintaining a focus on governance standards and ensuring those members who give so much back to their organisations, their communities and to governance, are celebrated.

Jackie Lloyd
CFInstD, Council President

The Council is the “guardian” of the Institute of Directors. Made up of representatives from all of our branches, we ensure there is a member focus on all of the IoD’s work and that our mission – to

support and enable directors to add value to their organisations and wider communities, and prepare them to positively transform the future – remains the driving force behind all we do.

FROM THE PRESIDENT

This year has seen the Council grow into its role, following the introduction of a Board in 2022. We have been focussed on representing members by providing guidance to the Board on strategy, overseeing membership matters, hearing and determining complaints through the Standards Committee and monitoring the overall performance of the Board.

The Council has also provided a forum for branch Chairs to share new ideas on how the branches can best serve their members in this modern, ever-changing environment.

One of our first, and most important, tasks of 2023 was to appoint Ross Buckley CMIInstD, as the Chair of the Board. Ross is the first Chair to serve under the new governance model, following the dual Chair-President role played by Julia Hoare CFIInstD during the transition.

Ross has brought a deep understanding of the IoD to the Board, from his time chairing the Auckland branch and as a member of the Council, and he has a strong background in professional services. It has been great to see how the Board and the Council have worked together – within their respective lanes – to ensure the IoD is guided by a strong strategy and a strong member voice.

Of course, the Council also oversees the performance of the Board and this year we had the pleasure of being able to use the IoD's new board assessment tool, Evaluate. This was one of those times where you can feel that we are truly walking the talk. We were not only delivering on the governance model voted for by members, but also applying the best-practice tools developed by the IoD to ensure that we are delivering for the organisation.

Having served as Vice President during the transition, it feels good to see that the governance pieces have fallen into place and the organisation is set up to thrive.

From a member perspective, the Evaluate tool represents a modernisation of the services we provide to boards – which include assessments, appointments and governance advice. These provide expert feedback and advice that can improve board performance.

These services complement another stream of our work that is incredibly important to members – the professional development and networking available through our branches.

Continuing professional development helps members achieve the high standards of governance practice they aspire to. But the Council also has a role, through our Standards Committee, which hears and determines complaints against members, in order to highlight when directors fall short of that aspiration. We reviewed three cases in 2023, with two fully resolved before 31 December, down from five in 2022. I am pleased at how well the Standards Committee is operating, and upholding good governance and the reputation of the IoD.

Much of the Council's work is undertaken through committees. In terms of eligibility for membership and status recognition – this is the Membership Committee's domain. So when looking back on 2023 it is great to see this committee delivering guidance to the organisation around who can be members, recommending nominations for Chartered Fellow and Distinguished Fellow status and advising the Council on subscriptions and levies.

One of the key things we have worked on, through our Membership Committee, is how we recognise individuals who have given a lot to their organisations, their communities and to governance. The highest honour the IoD can bestow is a Distinguished Fellowship. This year, we looked into how those Fellowships had been decided and found ways to improve that process, and to recognise more of our leading voices in governance.

As we move through 2024, the Council is undertaking a project to understand the latent potential in our branch network, and to ensure we are capitalising on the volunteer hours that so many members give to the fullest possible extent.

With the significant task of managing the selection process to appoint the inaugural Board behind them, the Nominations Committee also hit its cadence. Alongside the appointment of Ross Buckley, the Council was pleased to appoint Lana Ngawhika MInstD to the Board. The Independent Chair of the Nominations Committee, Whaimutu Dewes CFIInstD, retired and was succeeded by Alison Barrass CFIInstD.

As we move through 2024, the Council is undertaking a project to understand the latent potential in our branch network, and to ensure we are capitalising on the volunteer hours that so many members give to the fullest possible extent.

My fellow Council members, the Board, branch committee members, and many others who volunteer are the lifeblood of the IoD. That is one of the special things that makes this organisation what it is, that it exists for, and because of the work of, an amazing network people who generously share their time and expertise so willingly. Thank you to all of you who volunteer. You know who you are.

To outgoing President Julia Hoare, your service as President, leading the Council into its new role at the same time as being the inaugural Board Chair until June 2023 is deeply appreciated. Having retired from both roles, Julia remains connected with the IoD through her appointment to the Nominations Committee as a Past President.

And a special thank you to my fellow Councillors. With robust debate, underpinned by a shared sense of purpose, we have done our part this year to set the IoD on the road to a bright future.

Jackie Lloyd

CFIInstD, Council President

Statement of Service Performance

for the year ended 31 December 2023

OBJECTIVE ONE 20

OBJECTIVE TWO 21

OBJECTIVE THREE 22

OBJECTIVE FOUR 23

Our vision

A strong, fair and sustainable future for Aotearoa New Zealand, powered by best-practice governance.

Our mission

To support and enable directors to add value to their organisations and wider communities, and prepare them to positively transform the future.

Our values

We are **bold** and have the courage to do the right thing. We embody **manaakitanga** hospitality and welcome. We **respect** the value that each individual brings. We embrace **kaitiakitanga**. We are **learners for life** and seek to share knowledge.

The Institute of Directors (IoD) in New Zealand is Aotearoa New Zealand's leading organisation for directors and is at the heart of the governance community. We believe in the power of good governance to create a strong, fair and sustainable future for New Zealand.

Our role is to drive excellence and high standards in governance. We support and equip our members, and the broader governance community, who lead a range of organisations from listed companies to large private businesses, public sector entities, small and medium enterprises, not-for-profit organisations and charities.

In reviewing our activities for the Statement of Service Performance, we look at four key objectives relating to:

- our engagement with our membership and customers
- how our organisation is evolving and adapting to deliver for members and the governance community
- our influence on lifting the standard of governance in New Zealand
- how we are perceived locally and globally

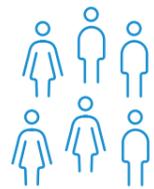
The information relating to each objective is not exhaustive but encompasses data that has been subject to audit. Further detail is included in the following sections.

Objective One

Engaged members and customers accessing the most relevant and up-to-date governance insight and support.



315 ↑
events held
(excluding courses)
(2022: 234)



3,250 ↑
members attended
at least one event
(2022: 2,721)

We continue to focus on high-quality events. In 2023 we held 35% more events than 2022. Pleasingly our reach also increased with a growth of 19% in the number of members who attended at least one event.



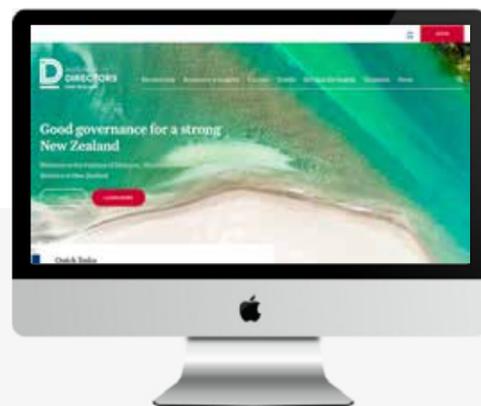
2,828,329
lod.org.nz website visits
(2022: 1,664,332)



89,616
chapterzero.nz
website visits
(2022: 81,054*)

In 2023, Google introduced a new version of its analytics platform including new definitions of key metrics. As a result, year-on-year figures do not offer like-for-like comparisons.

** Data is not for a full year. The Chapter Zero NZ website was launched on 3 March, 2022.*

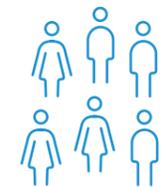


Objective Two

A sustainable and effective organisation able to innovate and deliver value to its members and the broader governance community.



7k ↓
surplus before
income tax
(2022: \$378k)



10,586 ↑
members
(2022: 10,548)



39
new Chartered
Members, 3% ↑
(2022: 65, 5% ↑)



9.4%
of members identify
as **Māori** ↑
(2022: 8.6%)



2.4%
of members identify
as **Pasifika** ↑
(2022: 2.3%)



64%
of members identify
as **male** ↓
(2022: 65%)



36%
of members identify
as **female** ↑
(2022: 35%)

Those identifying as gender diverse remain static at 0.1%.

Membership growth was flat, but at 10,586, our membership is the largest it has been in our history.

Members and Fellows on our Chartered Membership pathway remain at 15 per cent of the total membership.

The diversity of the membership continues to grow with small increases in the proportion of those identifying as Māori or Pasifika, and female.

Objective Three

Setting and driving standards of best-practice governance.



Our public courses are available to the general governance community as well as IoD members. This total does not include bespoke training undertaken for organisations or industry groups.



A Net Promoter Score is a global measure that indicates customer loyalty. Anything above zero is positive (the score can range from -100 to +100) and anything above 50 is considered excellent.



We have seen regular completion by members of their CPD requirements, a good indicator that directors are fulfilling the required standards of their membership.

Objective Four

Recognised locally and globally as the leading organisation and the authority on good governance in Aotearoa New Zealand.



Our Governance Leadership Centre makes submissions to ensure that governance perspectives are incorporated into government or regulator discussions.

DISTRIBUTION OF:



Through emails, *Boardroom* magazine, and media appearances, we strive to keep governance perspectives in the public eye and raise awareness of the value of good governance.

MEDIA SENTIMENT TOWARDS TOPICAL GOVERNANCE ISSUES:



We also play an active role as part of the Global Network of Director Institutes (GNDI) which is focused on good global governance. This year, our Chief Executive Kirsten Patterson chaired the GNDI.

*Part year from 1 July to 31 December 2022.

Judgements

In preparing the service performance information for the period the IoD has made a number of significant judgements about what information to present, based on an assessment of what information would be most appropriate and meaningful to users when assessing performance against the entity's objectives.

The selection of key activities to report was initially based on an assessment of the IoD's value chain and problem statements. This created the foundations for an investment logic map allowing management to select measures of most relevance related to each activity.

Our measures have focused on delivery of public courses, events and conferences as these services are key to delivering our objectives and reach a higher number of members and customers.

Our Year

FROM THE CHIEF EXECUTIVE 26

LEADERSHIP TEAM 31

**SETTING AND DRIVING STANDARDS
OF BEST-PRACTICE GOVERNANCE** 32

**SUPPORTING BOARDS TO DELIVER
EFFECTIVE LEADERSHIP** 36

**PROTECTING AND ENHANCING THE
STANDING OF IOD MEMBERS** 40



This was a year of significant investment that will ensure we remain well placed to support members and the governance community through fast-changing times.

From the Chief Executive

KIRSTEN (KP) PATTERSON
CMIInstD, Chief Executive

When you invest in the future, you must be prepared to expend staff time, leverage expertise and carefully manage your budget to reach the desired result.

2023 was a year when investments of time, money and intellectual capital led to improvements to our capability as an organisation that will help us support the ever-expanding needs of directors and boards today, and tomorrow.

I say “today” because, as you read this in 2024, two of our major initiatives are already delivering more contemporary, and more flexible, opportunities for boards to upgrade their performance than we were able to offer before – our new learning and governance services programmes.



This was also the first full year of delivery of our Advanced Directors' Course for senior directors, and our Kotahitanga – Principles of Māori Governance (piloted in 2022).

These are areas of our work which deliver vital knowledge to members and customers, enabling them to expand their governance skill sets through courses or programmes, or enhance the capability of boards through understanding what mix of skills and personalities can best deliver on behalf of their organisations.

We have taken on board member feedback in the development of new courses, and more flexible, (often digital) delivery options so directors can personalise their learning programmes. The topics range from the immensely practical (such as Effective Board Meeting Minutes, launched in 2023), to the existential (but also practical) Climate Change Governance Essentials, which was developed in 2023 and launched in 2024.

This was also the first full year of delivery of our Advanced Directors' Course for senior directors, and our Kotahitanga – Principles of Māori Governance (piloted in 2022).

The delivery of our board assessments and advice services has been revolutionised by the launch of Evaluate. These accessible tools and the expert advice that accompanies them are part of the solution for boards that are seeking to improve their governance capability or anticipate the skill sets the board might bring on now to prepare for future challenges.

That we were able to deliver these improvements with only limited impact on reserves is testament to the careful approach taken by the development teams, and was only possible due to the advice, sense-checking and oversight from our new Board, alongside the Council's feedback.

High demand for our courses and governance services – the very areas we were investing in – enabled us to post a small surplus of \$7,000 before income tax, when we had budgeted for a loss. It is clear these investments reflect a very real need and will deliver, not only for the governance community but also for us, as we continue to face the same uncertain, high-inflation environment as all organisations.

Membership growth was relatively flat this year, yet reached 10,586 - the highest on record. In my view, this reflects a challenging economic environment and the cautious outlook directors held for the New Zealand economy. Inflation and cost of living was the issue that most worried respondents to our Director Sentiment Survey 2023. I am pleased we were able to again ensure free-of-charge opportunities for all members to complete their continuing professional development (CPD) requirements.

Given the uncertainty that surrounds the economic outlook in 2024, I suspect it will turn out to be another year of limited membership growth. We know many directors and organisations are finding it tough going – which makes the role of directors in guiding their organisations even more important.

Supporting them is our core role and we continued to broaden the reach of that support. One of the great initiatives of 2023 was the launch of our Scholarship Fund, which will help support members to access development and training where they may have had limited access. We are always looking to add value to our membership and this is one way we can help support members.

Another was work in the Pacific, where we began exploring opportunities – some of which have come to fruition already in 2024 – to offer governance training in association with local professional and governmental organisations. This will build the governance capability available to our Pacific neighbours and help their economies and communities thrive.

At home, we continued to have conversations about how to bring more Māori and Pasifika people into governance roles to broaden the talent pool. We have maintained a focus on ensuring not-for-profit boards can access good governance talent, or upskill the people they have. And our longstanding Future Director, Mentoring for Diversity and Emerging Director programmes continued to receive great support from host boards, senior mentors and aspirational directors.

Part of ensuring New Zealand organisations have access to great governance leadership is sharing overseas perspectives on best practice. One of the most important ways we do this is through our annual Leadership Conference, which brings a mix of local and international expertise into view across a range of governance topics. 2023 was the first time we delivered a hybrid conference, after moving between live events and virtual events (depending on the impacts of Covid-19) during preceding years. This successful hybrid conference reflects our stronger digital capabilities that benefited our learning and governance services programmes.

One of the rewarding parts of the year for me, in terms of international engagement, was chairing the Global Network of Director Institutes (GNDI).

This international body brings together more than 150,000 directors across 21 membership bodies. As a GNDI member, we gain access to the support and expertise of world leaders in governance thinking and are able to provide members with insights and perspectives on global issues.

Another key global relationship for us is the Climate Governance Initiative's Chapter Zero network. I am very proud that we host the New Zealand Chapter. And we were thrilled that Chapter Zero NZ was recognised as a finalist in the 2023 Sustainable Business Awards. I was also a finalist, and it was humbling to receive a commendation.

It was encouraging to see our Across the Board podcast, which I co-hosted, win a silver medal in the New York Festivals podcast awards, and a bronze in the New Zealand Podcast Awards.

To close, a few thank yous to the people who helped make our busy and successful 2023 possible. Thank you to our partners ASB and Marsh, and our national sponsors Dentons, Diligent, Kordia and KPMG, and the branch sponsors that work with us to deliver events at a local level.

To Chair Ross Buckley and the Board, thank you for working to come to grips with this organisation and its membership so quickly, and for identifying where we need to put our energy in order to prepare for a rapidly changing future.

And, of course, thank you to Julia Hoare, the inaugural Chair for her work both on the Board and the Council as President.

“At the IoD, we believe in the power of good governance to create a better future for New Zealand, we believe in you.”

To President Jackie Lloyd and the Council, your work ensuring the members’ voice is heard and standards are maintained guides everything we do, and has benefits well beyond our membership to improve the broader governance community.

To our Chapter Zero NZ Steering Committee, Chapter Zero Working Group, Branch Committee volunteers and facilitators – thank you all for your time and support. And to my management team, thank you for working so hard to ensure the IoD is delivering what members want and need now, and in the future.

Congratulations to our 2023 Distinguished Fellows. This is the highest accolade the IoD can confer and you should be rightly proud of your contributions to business, governance and New Zealand communities. To our Chartered Fellows and Chartered Members, thank you for choosing to commit to achieving the highest standards of governance.

And finally, thanks to our members for the work you do on behalf of organisations large and small, for-profit and for the community. We believe in the power of good governance to create a better future for New Zealand, we believe in you.

Ngā mihi

Kirsten (KP) Patterson
CMIInstD, Chief Executive

Leadership team



KIRSTEN (KP) PATTERSON CMIInstD
Chief Executive



GUY BEATSON CMIInstD
General Manager,
Governance Leadership Centre



BRENDON BENTLEY
Chief Finance and Technology Officer



SARAH DEANS
General Manager, People and Culture



DR MICHAEL FRASER MInstD
General Manager,
Learning and Branch Engagement



SOPHI ROSE
General Manager, Brand,
Strategy and Engagement

Setting and driving standards of best-practice governance

LIFELONG LEARNING

GOVERNANCE SERVICES

PATHWAY TO SUCCESS

Effective governance can deliver success for businesses, ensure for-purpose organisations achieve their purpose, and create prosperity for the communities in which businesses and other organisations operate.

The IoD's role is to support and enable directors to best-practice governance. We do that through assisting boards to identify skill or process gaps, bring on new members and by providing directors with opportunities to improve their capabilities.

Lifelong learning

We launched our new learning management system Learn@IoD in 2023 to provide an enriched learning experience and more flexible training options to members. Within this system, each learner has their own dashboard of achievement and options to learn in-person and/or virtually (depending on the course).

For example, the mix of digital and face-to-face learning in our Effective Board Meeting Minutes course, also launched in 2023, gives participants flexibility in how they study, and when. This course aims to upskill participants in how to optimise board documentation processes, a skill relevant to individual directors making their own notes as well as to those who take on official record-keeping roles, such as company or board secretaries.

We ran 113 face-to-face courses in 2023 (2022: 119). Forty-one of these were our flagship Company Directors' Course and two were our specialist Advanced Directors' Course.

Governance services

It is important that boards make the time to not only look out for their organisations but also assess their own performance as a board, and ensure their structure, processes and personnel remain fit for purpose.

Our Board Services team helps boards to assess and improve their performance and advises on appointments, remuneration and the board's skills matrix. In 2023, the team worked with clients across a broad range of sectors, including NZX-listed, large private, SME and NFP organisations.

New for 2023 was Evaluate, our new board evaluation service and tool. Evaluate makes the provision of our services more flexible, meeting the needs of different boards in the way they want to engage.

Our Board Services team helped 54 boards evaluate their performance and find ways to become more effective.



418 roles made available to members through our Director Vacancies service ↓ (2022: 455)

Another strand of our work is providing information on director remuneration trends, so boards can ensure their remuneration levels are appropriate. This service includes tailored fee reviews, snapshot reports and fee indicator reports.

Pathway to success

Our Chartered Members commit to maintaining the highest standards and there is growing recognition of the value of having a structured pathway that provides the support and information needed to achieve outstanding governance.

The Chartered Membership Pathway is a programme through which directors can make additional commitments to professional development and adopt the principles of conduct, ethics and best practice captured in the IoD Charter.

While we encourage all members to aspire to more than simply comply with regulations, our Chartered Members and Chartered Fellows adopt a set of higher standards that makes them extremely valuable around the board table.

Members who have chosen the Chartered Pathway comprised 15 per cent of the total membership in 2023.

While we are not a regulator, we do promote professional standards for governance and ensure our members maintain appropriate standards of conduct.



2 complaints resolved

and one under investigation by the Standards Committee of our Council



Supporting boards to deliver effective leadership

INITIATIVES TO NURTURE LEADERS

CLIMATE GOVERNANCE FOCUS

GROWING THE GOVERNANCE COMMUNITY

Directors are expected to lead on a large and complex range of business issues, and increasingly on environmental, social and governance issues (ESG) that have become a part of a board's role. In 2023, we continued a range of initiatives to support boards to lead effectively while launching new programmes to ensure effective leadership is nurtured across the governance community.

We provide a range of programmes to support effective leadership, be that among directors who are starting out in governance or those who have many years of experience at the board table. While our main focus is on providing tools and support to our members, we also offer our training to customers outside the membership base.

Initiatives to nurture leaders

For many organisations, finding experienced and savvy directors to sit on their boards can be a challenge. This is particularly true for small businesses and not-for-profit (NFP) organisations.

In 2023, we piloted a new Scholarship Fund (with initial support from executive recruitment company SWR Group) to enable members to access development and training. The goal is to build the fund with support from partners, government and other supporters who share our view that good governance is vital to the success of organisations large and small, for profit or for purpose.

This pilot was well received and SWR Group has kindly agreed to continue to support this initiative in 2024. We could not have done this without their belief and support, and we hope more organisations may consider supporting this initiative in the future.

The scholarship provided recipients with access to our flagship Company Directors' Course and our suite of Essentials governance training courses. These provide the foundations for effective leadership in governance and the scholarship covers the costs of training that would otherwise be out of reach.

Another new initiative was our (NFP) Chairs Forum, which brought together board leaders from many organisations and promoted discussion on issue of importance to the NFP community. This continues a focus on governance in the NFP sector that came to the fore during the early stages of the pandemic, when charities, in particular, were hit hard by falling revenues and donations. This support includes our NFP resources hub, the Tuakana Teina NFP chair mentoring programme, run in association with Community Governance Aotearoa, and courses and guides developed specifically for NFPs.

 **25** NFP chairs mentored through the Tuakana Teina programme in 2023

In response to feedback from the membership, we launched our Women Directors' Network in June 2023. A survey of female members found 85 per cent of respondents wanted more opportunities to connect with fellow women directors. There was a widespread feeling (72 per cent) that women-only events could provide an informal mentoring network for new and existing directors.

Speakers at events during 2023 included former chair of the Australian Institute of Company Directors and current Fujitsu Oceania Advisory Board member Elizabeth Proust, AIG Insurance NZ Chair Mary-Jane Daly CFInstD, leadership and governance consultant Jo Cribb CFInstD, and IP CFT Los Lagos (Chile) director Rachel Petero.

Climate governance focus

An increase in the number of in-person events during the year (271, up from 181 in 2022) increased our scope 3 emissions (those created by the people coming to our events). Our events generated an estimated 647.55 tonnes of carbon dioxide equivalent, largely due to travel by event attendees.

It should be noted that our 2022 events programme was reduced in response to covid-19 restrictions and lingering concerns about large gatherings, so 2022 should not be considered a baseline year for our scope 3 emissions.

These scope 3 emissions were the largest component of our total footprint for 2023, estimated at 872.49 tonnes of carbon dioxide equivalent, up 55 per cent from 561.85 in 2022.



While we increasingly also offer events online, our members continue to value attending in person because of the opportunities to network and learn around the core event.

In the governance community, our major climate contribution is as host of Chapter Zero New Zealand. Chapter Zero is a Climate Governance Initiative (CGI) project backed by the World Economic Forum (WEF).

Chapter Zero NZ provides directors with a range of practical tools, resources and events, and a community of peers both local and global, from which to gain and share knowledge and experience. It is led by a volunteer Steering Committee.

This year, we saw a surge of interest in climate governance. During 2023, the leaders of three of our political parties – then Prime Minister Chris Hipkins, current Prime Minister Christopher Luxon and then Greens co-leader James Shaw – spoke at Chapter Zero events, alongside a host of local and international climate experts.

The number of Chapter Zero NZ supporters nearly doubled to 1,699 from a year earlier, while Chapter Zero NZ's LinkedIn following more than doubled to 2,127.

Chapter Zero NZ was a finalist in the Sustainable Business Awards in 2023, alongside our Chief Executive Kirsten Patterson, who received a commendation.



Growing the governance community

We believe good governance is crucial to the future success of Aotearoa New Zealand and that a diverse pool of talented directors is crucial to good governance. We offer a range of programmes that aim to encourage more people into governance to improve the capability and representation available in the governance community.

In 2023, we continued our Te Kākano project to explore and increase understanding of governance through a Māori perspective. This included outreach to Māori directors and communities to understand barriers to Māori entering governance, and ways to address them.

In 2023, we held three wānanga in Te Whanganui-a-Tara (Wellington), Tāmaki Makaurau (Auckland) and Ōtautahi (Christchurch) to explore insights from Māori directors. We will run a further two in 2024, in the Bay of Plenty and Waikato.

Our in-house Poipoia te Kākano te reo and te ao lessons were popular with staff, with 50 per cent taking on the challenge. Others continued to develop their understanding through external study.

Our Hautū app – a Māori cultural intelligence tool designed to support directors, boards, and anyone wanting to improve their understanding of te ao Māori and te reo – was updated in 2023. It now incorporates new features including a waiata section with translations and recordings, additional karakia options and an updated iwi map.

Increasing the representation of Pasifika people in governance is something we are exploring with guidance from our Pacific Advisory Group. We hosted a series of four in-person workshops for Pasifika people in governance, which provided valuable opportunities to talanoa (discuss) a range of issues including the opportunities and barriers for Pasifika and how to enable more to enter the governance world.

The number of members who identify as Māori was slightly up at 9.4 per cent, while the number of members who identify as Pasifika rose to 2.4 per cent.

This work is complemented by ongoing outreach to our neighbours in the Pacific, where we are involved in improving governance capabilities, in association with local communities.

During 2023, we ran governance courses in the Solomon Islands, Vanuatu, Papua New Guinea, plus a specific project across the region in association with Oceania Rugby.

Sixteen directors were mentored by senior governance professionals through our Mentoring for Diversity programme.

Our branch network runs regional Emerging Director Awards and Future Director Awards to ensure younger people are given opportunities to develop their board experience. The awards vary and may include free membership for a year, mentoring, opportunities to undertake professional development and/or attend branch functions and placement on a host board as an observer.



Protecting and enhancing the standing of IoD members

ADVOCACY, GOVERNMENT LIAISON AND ADVICE

MEDIA PRESENCE

UNDERSTANDING AND SHARING DIRECTORS' CONCERNS

IoD membership is valuable in part because our members are respected for their expertise, ethics and ability. Our work, alongside maintaining standards, involves ensuring this respect is translated into a voice for governance when government policy or regulation is being developed.

As part of this, we undertake surveys of member views to understand what issues are top of mind for directors. With government policy at the forefront of directors' minds during 2023, we were highly engaged with both the government of the day, and in ensuring the incoming government understood the value of a governance perspective, and that we could provide that perspective.

Advocacy, government liaison and advice

We are an apolitical organisation trusted to bring a governance lens to questions of public policy, business concerns and regulation.

Our Governance Leadership Centre made 12 submissions on a broad range of issues including: climate-related disclosures; the future of local government; director independence and directors' duties; and the safety issues associated with compulsory publication of directors' home addresses.

While it is sometimes difficult to see how much influence a submission has, our insights were reflected in changes to the *Deposit Takers Act 2023*, *Business Payments Practice Act 2023* and the *Charities Amendment Act 2023*.

We also support members and the governance community with technical advice on specific governance questions.

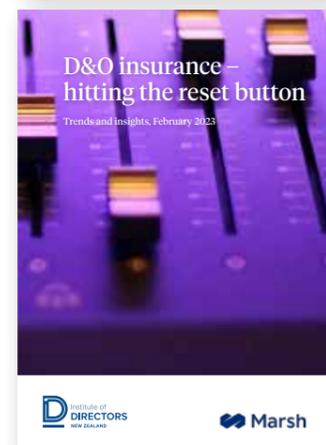
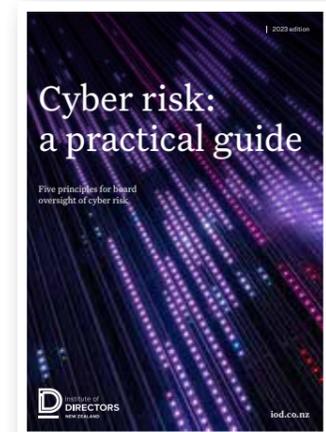
Our Governance Leadership Centre answered 143 queries, of which 58 per cent were from members.

We also share local knowledge internationally and are a respected member of the international governance community. This year that included taking a lead role in analysing and preparing the Global Network of Director Institutes' global governance survey report.

Our Governance Leadership Centre contributed to the Climate Governance Initiative (the global movement behind Chapter Zero) submission on the Taskforce on Nature-related Financial Disclosures draft framework during 2023.

As governance continues to evolve and become more complex, we develop toolkits, guides and advice for members to govern their organisations.

During 2023 key guidance released included:



Media presence

Media commentary, interviews and opinion articles help to ensure governance issues are visible to mainstream New Zealanders, regulators and the government. Our spokespeople are sought after on a range of business topics and frequently appear across newspaper, radio, television and online channels.

Our media reach was assessed at 13.4 million in 2023 (2022: 9.2 million, a part year from 1 July to 31 December). Positive media sentiment towards topical governance issues rose to 22 per cent (2022: 15 per cent), despite high-profile stories of governance failure surfacing during the year.

Sentiment, in this context, refers to the tone of the story, rather than to the depiction of the IoD in the story.

While many of the most widely-reported stories to feature us derived from our governance research – such as our Director Fees Report, Director Sentiment Survey and Top Five Issues for Directors in 2023 – we contributed a governance perspective to public discussions on many other issues.

Media reach remains an important component of enhancing the reputation of IoD members and can impact in ways bare statistics may not capture. For example, we were referenced by the then Prime Minister Chris Hipkins in 2023 on approaches to managing conflicts of interests. This led to engagement with the Department of the Prime Minister and Cabinet on the approaches directors use, and IoD advocates, around conflicts of interests.

Alongside the public media, we have our own channels including our website, direct emails and *Boardroom* magazine, which is distributed to members, business subscribers and through Air New Zealand airport lounges.

Our website received 2,828,329 page views (2022: 1,664,332). However, because of a mid-year change to the way Google assesses online analytics, this is not an apples-with-apples comparison.

A significant first in 2023 was the two wins for our Across the Board podcast, which explores why good governance is important in our everyday lives. Across the Board won a silver in the Business Podcast category at the New York Festivals awards, and a bronze in the Best Documentary category of the New Zealand Podcast Awards. The podcast is available on major streaming platforms and via the *New Zealand Herald* website.

Our news, events and perspectives are promoted through social media on LinkedIn and the number of followers continues to grow.

 **28,340**
LinkedIn followers
(↑17% from 2022)

Understanding and sharing directors' concerns

Our membership of 10,586 possesses an incredible body of knowledge and insight into New Zealand businesses and communities. This is captured and shared each year in our Director Sentiment Survey, and those views are widely reported in the media.

Cost of living and inflation topped the list of directors' concerns revealed in the Director Sentiment Survey, for the first time, in 2023.

Our Director Fees Report presents another window into the thoughts of the governance community, reflecting how cost pressures and increasing expectations influence the work directors do, and their willingness to take on personal risk through their roles.

The 2023 report revealed an increase in hours worked from 2022, and that 36 per cent of respondents had turned down a governance role because of the time commitment required.

Reflecting local and global trends, and incorporating feedback from the membership, we produce an annual Top Five Issues for Directors list. In 2023, those issues were identified as climate change transformation, shared value, financial resilience, digital reality and board agility.

We also share local knowledge internationally and are a respected member of the international governance community.

As governance continues to evolve and become more complex, we develop toolkits, guides and advice for members to govern their organisations.



Top 5 issues for directors in 2023 was the most read article on our site this year.



Board and Council

OUR BOARD 46

BOARD COMMITTEES 50

OUR COUNCIL 52

COUNCIL COMMITTEES 58



Our Board

The Board sets strategy, governs and oversees the performance of the IoD, holding management to account for delivering on strategy. It holds legal responsibility for the IoD and is comprised of appointed directors.



ROSS BUCKLEY

CMInstD (Chair - from 21 June 2023)

Ross is an independent director with a background in New-Zealand based and international roles for KPMG. He is a Fellow of Chartered Accountants ANZ and a Chartered Member of the IoD.

Also involved with:

- ASB, Director
- Financial Markets Authority, Auditor Oversight Committee Chair
- Investore Property, Director
- Massey University Council, Councillor
- Service Foods, Chair
- Stride Property Group, Director



CHRIS DAY

CMInstD (Deputy Chair)

Chris has a broad mix of governance and executive leadership experience with a strong background in digital transformation. He is a chartered accountant and a Chartered Member of the IoD.

Also involved with:

- Datacom Group Limited, Director
- Christchurch City Holdings Ltd, Director
- NZ Green Investment Finance Ltd, Interim CEO



DAVID GLOVER

CFInstD

David has broad industry knowledge and has been involved with commercial, not-for-profit and membership organisations. He is a Chartered Fellow of the IoD.

Also involved with:

- Bay of Plenty Education Trust, Trustee
- Creative Strategies, Owner/Director
- Dev Academy Aotearoa, Co-Chair
- Development Enterprises, Chair
- Eastbay REAP, Director
- Synapsys, Chair
- Toi EDA, Chair
- Trust Horizon, Chair
- Ngāti Awa Assets Holdings, Director
- Ngāti Awa Group Holdings, Director



LANA NGAWHIKA

MInstD (From 21 June)

Lana has extensive experience in the governance of Māori entities and executive management roles. She is a Member of the IoD.

Also involved with:

- Te Arawa Management, Director
- Te Arawa Lakes Trust, Deputy Chair
- Lakes District Health Board, Director

Our Board



TRISH OAKLEY
CFInstD

Trish is an executive at Forsyth Barr Ltd and has extensive experience in the financial services industry. She is a member of Global Women and a Chartered Fellow of the IoD.

Also involved with:

- Forsyth Barr Limited, Shareholder Employee
- New Zealand Lotteries Commission, Member
- University of Otago Council, Pro Chancellor
- University of Otago Holdings Limited, Director



KAREN PRICE
CFInstD

Karen is an experienced director and environmental lawyer. She brings legal, commercial and risk management expertise and is a Chartered Fellow of the IoD.

Also involved with:

- Aqualinc Research Limited, Director
- BGT Structures Limited, Chair
- Bream Tail Residents Association, Chair
- Jasmax Group, Chair
- NZ Energy Certificate System, Advisory Board Member
- The Learning Wave, Chair



ALIESHA STAPLES
MInstD

Aliesha is a director and entrepreneur (StaplesVR), with a wealth of experience in digital and emerging technology. She is a Member of the IoD.

Also involved with:

- Click Foundation, Chair
- Creative Coworking Limited, Director
- New Zealand Football Foundation, Chair
- Netball NZ, Director
- Antarctic Heritage Trust, Director
- Television New Zealand, Director
- StaplesVR NZ, UK, AUS, Director

Board members who stood down during 2023:

Ian Fitzgerald CFInstD (Until 21 June)

Julia Hoare CFInstD (Chair)
(Until 21 June 2023)

Ross Buckley is a director of the ASB. He has not had any involvement in negotiations or decisions relating to the IoD and ASB relationship. Ross is also a director of Stride Property Group, He has not had any involvement in negotiations or decisions relating to the relocation of the IoD's Wellington office to 215 Lambton Quay, a building owned by Stride.

Aliesha Staples is the CEO of Staples VR, which undertook work for the IoD's virtual boardroom simulation project. This conflict is now closed.

Board committees

AUDIT AND RISK

Chris Day CMIInstD (Chair)

Julia Hoare CFInstD
(Until 21 June)

Trish Oakley CFInstD

Karen Price CFInstD

Aliesha Staples MInstD

Ross Buckley CMIInstD
(From 21 June)

POLICY AND PRACTICES

Karen Price CMIInstD (Chair)

Ian Fitzgerald CFInstD
(Until 21 June)

David Glover CFInstD

Trish Oakley CFInstD

Aliesha Staples MInstD

Ross Buckley CMIInstD
(From 21 June)

HUMAN RESOURCES, HEALTH AND SAFETY

Ian Fitzgerald CFInstD
(Until 21 June) (Chair)

David Glover CFInstD
(From 21 June) (Chair)

Julia Hoare CFInstD
(Until 21 June)

Trish Oakley CFInstD

Lana Ngawhika MInstD
(From 21 June)

NUMBER OF MEETINGS

Board: Eight

Audit and Risk Committee: Four

Human Resources, Health & Safety: Five

Policy and Practices:

Nil (This committee conducts its business by circulating material rather than in meetings)



Our Council

The Council is at the heart of the IoD, acting as the guardian of the organisation. It has a focus on members and ensuring they are well supported now, and into the future. The Council is comprised of branch representatives, a President and a Vice President.



JACKIE LLOYD

CFInstD (Vice President until 21 June)
(President from 21 June)

Jackie is an experienced director and Chair with an executive background in human resources. She maintains a varied governance portfolio and is a Chartered Fellow of the IoD.

Also involved with:

- CentrePort, Director
- The Lion Foundation, Deputy Chair
- Museum of New Zealand Te Papa Tongarewa, Board Member
- Naylor Love Enterprises, Chair



TRISH OAKLEY

CFInstD (Vice President from 21 June) (Otago/Southland)

Trish is an executive at Forsyth Barr Ltd and has extensive experience in the financial services industry. She is a member of Global Women and a Chartered Fellow of the IoD.

Also involved with:

- Forsyth Barr Limited, Shareholder Employee
- New Zealand Lotteries Commission, Member
- University of Otago Council, Pro Chancellor
- University of Otago Holdings Limited, Director



SAM FELLOWS

CMInstD (Bay of Plenty)

Sam is a lawyer and sports management professional by training and has held executive and governance roles in the public and private sector. He is a Chartered Member of the IoD.

Also involved with:

- Bay of Plenty Rugby Football Union, Director/Deputy Chair
- Bethlehem School Board, Presiding Member
- Camp Quality New Zealand, Director
- Fellows Group Limited, Director
- Momenta Charitable Trust, Chair/Trustee
- One Fine Day Landscaping, Director



CRAIG HATTLE

CMInstD (Waikato)

Craig is a director with a background in the primary sector with a BSc in Agriculture and an MBA. He is Chartered Member of the IoD.

Also involved with:

- Bishops Action Foundation, Trustee
- Carefirst Trust, Chair
- Edison Consulting Engineers, Chair
- Egmont Seafoods, Director
- FBT/Oslo Group, Director
- Parininihi ki Waitotara Farms, Chair
- OurCloud, Director
- Taranaki Dairy Trust, Chair Nominations Committee

Our Council



SIMON LOCKWOOD

CFInstD (Waikato)

Simon has a background in risk and insurance, and lectures on the MBA course at the University of Waikato, where he is an Executive Fellow. He is a Chartered Fellow of the IoD.

Also involved with:

- Enrich+ Property Trust, Chair
- Habitat for Humanity, Director
- Enrich+, Deputy Chair
- Enrich+ Services, Chair
- Gallagher Insurance, Regional Branch Director
- Student Residents Trust Aotearoa, Trustee
- Lottery Regional Grants Committee, Presiding Member
- Student Rentals Ltd t/a Hatch Property Management, Director



LLOYD MANDER

CFInstD (Canterbury)

Lloyd is a business consultant and researcher with expertise in improving decision making. He is an experienced director and a Chartered Fellow of the IoD.

Also involved with:

- Apex Holdings, Executive Director
- St George's Hospital Incorporated Society, Advisory Committee Member
- Bellbird Hearing, Director



JONATHAN MASON

CFInstD (Auckland)

Jonathan has a background in financial management and extensive governance experience in New Zealand and the United States. He is an Honorary Adjunct Professor of Management at the University of Auckland and a Chartered Fellow of the IoD.

Also involved with:

- Dilworth School for Boys, Director
- The University of Auckland Foundation, Trustee
- Vector, Director
- Westpac NZ, Director
- WWF – NZ, Trustee
- Zespri International, Director



SCOTT MASON

CFInstD (From 27 August) (Otago Southland)

Scott is a professional director and business advisor with an interest in both tax policy and start-up culture. He is a qualified mediator, a Fellow of Chartered Accountants (CA ANZ) and a Chartered Fellow of the IoD.

Also involved with:

- City Forests Limited, Independent Chair
- Bison Group Limited, Investor Director
- Smith Brothers Holdings Limited (and ancillary entities), Independent Director
- Wofo Limited, Independent Director
- NomosOne (and subsidiaries), Chair
- Get Home Safe Limited, Chair
- Banqer Limited, Independent Chair
- Southern Motor Group Limited (and associated entities), Independent Chair
- CA ANZ Tax Advisory Group, Chair
- StartUp Dunedin Trust, Trustee
- Amelda Holdings, Independent Director
- Andy Bay Investments, Independent Director
- Park Lane Trustees, Independent Director

Our Council



DR JIM MATHER
CFInstD (Auckland)

Jim is a chartered accountant and founder of a specialist Māori development consultancy. He has wide executive and governance experience and is a Chartered Fellow of the IoD.

Also involved with:

- Ngāti Awa Group Holdings, Chair
- Radio New Zealand, Chair
- Southbase Construction, Director
- Tonkin Taylor, Director



SUSE REYNOLDS
MInstD (Wellington)

Suse is a qualified lawyer with an executive background in both the public and private sectors. She has experience of the start-up sector and angel investment and is a Member of the IoD.

Also involved with:

- Angel HQ, Director
- Narrative Muse, Chair



ANNE URLWIN
CFInstD (Wellington)

Anne has governance experience in a diverse range of sectors including energy, construction, health, telecommunications, infrastructure, regulation and financial services, and in private, publicly-listed, Crown and local authority companies and statutory entities. She is a Chartered Fellow of the IoD.

Also involved with:

- City Rail Link, Director
- Infratil, Director
- Precinct Properties, Chair
- Ventia Services, Director
- Vector Limited, Director



SARAH-JANE WEIR
CFInstD (Nelson Marlborough)

Sarah-Jane has a legal background and extensive experience in commercial law. She is active as a director in both the for-profit and for-purpose sectors and is a Chartered Fellow of the IoD.

Also involved with:

- Marrott Orthodontics, Director
- Cawthron Trust Board, Trustee
- Care Foundation, Trustee/Co-Chair
- Nelson Regional Development Agency Ltd, Chair
- Financial Advisers Disciplinary Committee, Member
- Nelson Bays Primary Health, Chair

Councillors who stood down during 2023:

Julia Hoare CFInstD (Until 21 June) (President)

Ross Buckley CMInstD (Until 1 November)
(Auckland)

Council committees

MEMBERSHIP

Trish Oakley CFInstD (Chair)
Dr Jim Mather CFInstD
Sam Fellows MInstD

Simon Lockwood CFInstD
Lloyd Mander CFInstD

NOMINATIONS

Michael Ahie CMIInstD
(From 20 November)
(Independent)

Whaimutu Dewes CFInstD
(Chair, retired 20 November)
(Independent)

Alison Barrass CFInstD
(Chair from 20 November)
(Independent)

Julia Hoare CFInstD
Alan Isaac CNZM, DistFInstD
(Past President until 21 June)
Jackie Lloyd CFInstD
(Observer until 21 June)
(Past President from 21 June)

STANDARDS

Anne Urlwin CFInstD (Chair)
Gillian Coumbe KC
(Independent)

Lloyd Mander CFInstD
Suse Reynolds MInstD
Sarah-Jane Weir CFInstD

NUMBER OF MEETINGS

Council: Five
Membership: Six

Nominations: Three
Standards: Three

Financial Statements

**INDEPENDENT
AUDITOR'S REPORT** 60

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31
DECEMBER 2023** 62





Independent Auditor's Report

To the Members of The Institute of Directors in New Zealand Incorporated

Opinion We have audited the general purpose financial report ('financial report') of The Institute of Directors in New Zealand Incorporated (the 'IoD') and its subsidiary (the 'Group'), which comprise the consolidated financial statements on pages 62 to 76, and the statement of service performance on pages 19 to 24. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and cash flows for the year then ended; and
- the statement of service performance for the year ended 31 December 2023 in accordance with the Group's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm provides branch sponsorship this has not impaired our independence as auditor of the Group. In addition to this, partners and employees deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in, the Group.

Other information The Board of Directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the financial report and the audit report.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial report

The Board of Directors are responsible on behalf of the Group for:

- the preparation and fair presentation of the consolidated financial statements and statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare statement of service performance in accordance with PBE Standards RDR; and
- such internal control as the Board of Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Wellington, New Zealand
5 April 2024

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

		2023	2022
	Note	\$000	\$000
Revenue from services	A1	18,102	16,496
Cost of services	A2	(14,833)	(12,875)
Gross profit		3,269	3,621
Interest income		412	189
Operating expenses	A3	(3,674)	(3,432)
Surplus before income tax		7	378
Income tax expense	A4	(81)	(257)
(Deficit)/surplus for the year		(74)	121
Other comprehensive revenue and expense for the year		-	-
Total comprehensive revenue and expense for the year attributable to members		(74)	121

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

		Total equity
	Note	\$000
Balance as at 1 January 2022		3,679
Total comprehensive revenue and expense for the year		121
Balance as at 31 December 2022	B1	3,800
Total comprehensive revenue and expense for the year		(74)
Balance as at 31 December 2023	B1	3,726

The Institute of Directors in New Zealand (Incorporated)

Consolidated Statement of Financial Position

As at 31 December 2023

		2023	2022
	Note	\$000	\$000
Current assets			
Cash and cash equivalents	B2	1,319	1,928
Term deposits	B3	6,413	7,220
Trade and other receivables	B4	1,026	1,493
Prepayments		269	371
Income tax receivable		109	-
Interest receivable		150	73
Total current assets		9,286	11,085
Non-current assets			
Property, plant, and equipment	C4	201	240
Intangible assets	C5	453	583
Deferred tax asset	A4	75	86
Total non-current assets		729	909
Total assets		10,015	11,994
Current liabilities			
Trade and other payables	B5	1,577	1,377
Income received in advance	B6	4,712	6,815
Income tax payable		-	2
Total current liabilities		6,289	8,194
Total liabilities		6,289	8,194
Net assets		3,726	3,800
Equity			
Retained earnings	B1	3,726	3,800
Total equity		3,726	3,800

For and on behalf of the Board who authorised these financial statements on 5 April 2024:



Ross Buckley, Chair



Chris Day, Chair - Audit and Risk Committee

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)
Consolidated Statement of Cash Flows
 For the year ended 31 December 2023

	2023	2022
Note	\$000	\$000
Operating activities		
Membership subscriptions and join fees	4,701	4,743
Governance development and services, branch activities and other	11,672	10,918
Interest received	328	136
Payments to suppliers	(10,380)	(9,701)
Payments to employees	(7,464)	(6,518)
Income tax paid	(182)	(400)
Net GST	20	(19)
Operating cash outflows	(1,305)	(841)
Investing activities		
Maturity of term deposits	2,049	2,714
Purchase of term deposits	(1,242)	(3,538)
Purchase of property, plant and equipment	C4 (90)	(161)
Purchase of intangible assets	C5 (21)	(7)
Investing cash inflows/(outflows)	696	(992)
Net (decrease) in cash held	(609)	(1,833)
Cash and cash equivalents at start of the year	1,928	3,761
Cash and cash equivalents at end of the year	1,319	1,928
Current and money market accounts		
	1,319	577
Short-term bank deposits		
	-	1,351
Cash and cash equivalents at end of the year	1,319	1,928

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

ABOUT THIS REPORT

The notes to the financial statements include information that is considered relevant and material to assist the reader in understanding changes in the Institute of Directors' financial position or performance. Information is considered relevant and material if:

- The amount is significant because of its size and nature;
- It is important for understanding the results of the Institute of Directors;
- It helps explain changes in the Institute of Directors business; or
- It relates to an aspect of the Institute of Directors operations that is important to future performance.

The Institute of Directors in New Zealand Incorporated (Institute of Directors) is the professional body for directors and is at the heart of New Zealand's governance community. The Institute of Directors supports and enables directors to add value to their organisations and wider communities and prepares directors to positively transform the future.

The Institute of Directors is a New Zealand incorporated society registered under the Incorporated Societies Act 1908. The registered office is 50 Customhouse Quay, Wellington.

The consolidated financial statements of the Institute of Directors incorporate the Institute of Directors in New Zealand Incorporated (the Parent) and its non-trading subsidiary, The Institute of Directors in New Zealand Limited which was incorporated on 11 November 2013.

Basis of preparation and statement of compliance

These consolidated financial statements have been prepared:

- in accordance with General Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit entities, for which all reduced disclosure regime exemptions have been adopted. The Institute of Directors qualifies as a Tier 2 entity as its annual operating expenses are less than \$30M;
- on the basis of historical cost, except for financial assets and liabilities which are measured at fair value;
- in New Zealand dollars, with all values rounded to thousands (\$000) unless otherwise stated; and
- on a Goods and Services Tax (GST) exclusive basis, except for accounts receivable and accounts payable which include GST as invoiced.

Other accounting policies that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Changes in significant accounting policies and disclosures

There have been no changes in significant accounting policies in the year ended 31 December 2023.

Accounting policies set out in these financial statements have been consistently applied to all periods.

Reclassification of prior year balances

Certain reclassifications have been made to the prior year's financial statements to enhance the presentation of the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

A. FINANCIAL PERFORMANCE

This section explains the financial performance of the Institute of Directors, providing additional information about individual items in the Statement of Comprehensive Revenue and Expense, including:

- accounting policies that are relevant for understanding items recognised in the Statement of Comprehensive Revenue and Expense; and
- analysis of the Institute of Directors performance for the year by key areas including: revenue from services, cost of services, operating expenditure, and taxation.

A1 REVENUE FROM SERVICES

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Institute of Directors, and is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria in relation to the Institute of Directors revenue streams must also be met before revenue is recognised:

- *Membership subscriptions* – recognised as income in advance when invoiced, and recognised as revenue on a straight-line basis over the period of membership.
- *Governance development* – accrued as income in advance and recognised as revenue in the month the course is delivered.
- *Governance services* – recognised as revenue in the month of the service being provided.
- *Branch activities, Leadership conference, and National events* – recognised as income in the month the activity occurs.
- *Insurance proceeds* – recognised when there is an unconditional right to receive the compensation.
- *Other income* – other income includes chartered member pathway fees, sponsorship, advertising, and publication sales. Chartered member pathway fees and publication sales revenue is recognised in the month the activity occurs. Advertising revenue is recognised in the month of the publication the advertising is placed in. Sponsorship revenue is recognised over the term of the sponsorship agreement.

	2023	2022
	\$000	\$000
Revenue from exchange transactions:		
Membership subscriptions	4,668	4,566
Governance development	10,678	9,913
Governance services	576	708
Branch activities	436	405
Leadership conference	718	246
National events	285	137
Insurance proceeds	17	114
Other	724	407
Total revenue from exchange transactions	18,102	16,496

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

A2 COST OF SERVICES

Costs of services are incurred in the year of expenditure. The Institute of Directors does not capitalise development costs that relate to course enhancements or improvements to retain relevance to members.

	2023	2022
	\$000	\$000
Employee remuneration	7,512	6,617
Governance development and services	4,800	4,449
Course review and development	678	559
Branches, Membership, Governance leadership centre, Leadership conference, National events	1,843	1,250
Total cost of services	14,833	12,875

Course review and development (excluding salaries)

Course review and development (excluding salaries) expenses includes spend required to ensure course offerings remain fit-for purpose. In 2023 this included the launch of the new Board Evaluation tool of \$245,000 (2022: Nil) and the new Learning Management System of \$321,000 (2022: \$95,000). The 2022 comparative also included the launch of the Advanced Directors' Course of \$377,000.

Employee remuneration

Employee remuneration entitlements to salary, annual leave, and other benefits are recognised when they accrue to employees. The liability for salary, sick leave and annual leave is carried at the amount earned for service in the current and past periods.

A number of employees belong to the KiwiSaver scheme. The Institute of Directors obligations as an employer are limited to any agreed contribution levels and these obligations and contributions will cease if the employee leaves the organisation. These contributions are expensed as incurred.

	2023	2022
	\$000	\$000
Salaries and wages, including discretionary payments	7,310	6,439
KiwiSaver employer contributions	202	178
Total employee remuneration	7,512	6,617

A3 OPERATING EXPENSES

		2023	2022
	Note	\$000	\$000
Expenditure from operations comprises the following items:			
Expenditure from operating activities		3,123	2,848
Net movement in doubtful debts	B4	(75)	75
Write-off to bad debts		-	1
Depreciation of property, plant and equipment	C4	124	101
Loss on disposal of property, plant and equipment		17	1
Amortisation of intangible assets	C5	151	135
Operating lease rental expenses		334	271
Total operating expenses		3,674	3,432

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

A4 TAXATION

Tax expense

The Institute of Directors delivers both membership and commercial activities. Membership activities are not subject to income tax under the Income Tax Act 2007. Commercial activities are taxed at the prevailing income tax rate.

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus as reported in the Statement of Comprehensive Revenue and Expense because it excludes items of revenue or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

	2023	2022
	\$000	\$000
Surplus before income tax	7	378
Tax at 28%	2	106
Tax effect of adjustments:		
Non-assessable revenue	(1,313)	(1,309)
Non-deductible expenses	1,381	1,461
Income tax expense in respect of current period	70	258
Deferred tax expense/(benefit) in respect to current period	11	(1)
Total income tax expense	81	257

Deferred tax asset

	2023	2022
	\$000	\$000
Balance at beginning of year	86	85
Temporary differences in Statement of Comprehensive Revenue and Expense:		
Intangibles and provisions	(11)	1
Balance at end of year	75	86

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

B. MANAGING FUNDING

This section explains the Institute of Directors equity and working capital. In this section there is information about:

- Retained earnings;
- Cash and cash equivalents, and term deposits;
- Receivables and payables;
- Income received in advance; and
- Financial instruments.

B1 RETAINED EARNINGS

	2023	2022
	\$000	\$000
Balance at the start of the year	3,800	3,679
(Deficit)/surplus for the year attributable to members	(74)	121
Total retained earnings	3,726	3,800

B2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, and short-term deposits held at call with financial institutions with original maturities of less than three months.

	2023	2022
	\$000	\$000
Current and money market accounts	1,319	577
Short-term bank deposits	-	1,351
Total cash and cash equivalents	1,319	1,928

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

B2 CASH AND CASH EQUIVALENTS (continued)

Reconciliation of (deficit)/surplus for the year after tax with cash flows from operating activities

	2023	2022
	\$000	\$000
(Deficit)/surplus for the year after tax	(74)	121
<i>Adjustments for operating activities non-cash items:</i>		
Depreciation and amortisation	275	236
Loss on disposal of property, plant and equipment and intangible assets	17	1
<i>Movements in working capital items:</i>		
Increase in trade and other payables	200	11
(Decrease) in income in advance	(2,103)	(322)
Decrease/(increase) in trade and other receivables	467	(591)
(Increase) in interest receivable	(77)	(54)
(Increase) in income tax receivable	(112)	(142)
Decrease/(increase) in prepayments	102	(101)
Cash flow (used in) operating activities	(1,305)	(841)

B3 TERM DEPOSITS

Term deposits with financial institutions with maturities greater than three months are classified as term deposits within the Statement of Financial Position.

	2023	2022
	\$000	\$000
Short-term bank term deposits	6,413	7,220
Long-term bank term deposits	-	-
Total term deposits	6,413	7,220

B4 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recorded at the amount due, less an allowance for credit losses. The Institute of Directors applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

A provision for expected credit losses of \$92,000 (2022: \$167,000) has been recorded.

	2023	2022
	\$000	\$000
Trade receivables	1,103	1,584
Less: Allowance for credit losses	(92)	(167)
Total trade receivables	1,011	1,417
Other receivables	15	76
Total trade and other receivables	1,026	1,493

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

B5 TRADE AND OTHER PAYABLES

Trade and other payables are recognised when the Institute of Directors becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are generally paid within 30 days.

	2023	2022
	\$000	\$000
Trade payables	405	600
Employee entitlements	538	491
Goods and services tax (GST) payable	122	141
Other payables and accruals	512	145
Total trade and other payables	1,577	1,377

B6 INCOME RECEIVED IN ADVANCE

Income received in advance includes membership subscriptions, governance development, branch activities, and sponsorship received in advance of the provision of the service. This revenue is recognised as the Institute of Directors provides the related services.

	2023	2022
	\$000	\$000
From exchange transactions	4,712	6,815
Total income received in advance	4,712	6,815

B7 FINANCIAL INSTRUMENTS

Financial instruments are recognised initially when the Institute of Directors becomes a party to the contractual provisions of the instruments. Financial instruments are initially measured at fair value including transaction costs.

After initial recognition, financial assets are measured at amortised cost. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred, and the transfer qualifies for derecognition. Allowance for expected credit loss in financial assets carried at amortised cost were recognised in surplus or deficit.

Financial liabilities include payables under exchange transactions and taxes. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within surplus or deficit.

Liquidity risk management

Liquidity risk is the risk that the Institute of Directors may not be able to meet its financial obligations as they fall due. The Institute of Directors manages this risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows matching the maturity profiles of financial assets and liabilities.

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

B7 FINANCIAL INSTRUMENTS (continued)

	Note	2023 \$000	2022 \$000
Financial assets			
Cash and cash equivalents	B2	1,319	1,928
Term deposits	B3	6,413	7,220
Trade and other receivables	B4	1,026	1,493
Interest receivable		150	73
Total financial assets measured at amortised cost		8,908	10,714
Financial liabilities			
Trade and other payables	B5	1,455	1,236
Total financial liabilities measured at amortised cost		1,455	1,236

The Institute of Directors in New Zealand (Incorporated)
Notes to the Financial Statements
 For the year ended 31 December 2023

C. OTHER

This section includes remaining information relating to the Institute of Directors financial statements that is required to comply with financial reporting standards.

C1 SUBSIDIARIES

The consolidated financial statements include the financial statements of The Institute of Directors in New Zealand Incorporated and the subsidiaries listed below. Subsidiaries are entities controlled, directly or indirectly, by the Institute of Directors.

Name of entity	Country of incorporation	Interest held	
		2023	2022
The Institute of Directors in New Zealand Incorporated			
The Institute of Directors in New Zealand Limited (non-trading)	New Zealand	100%	100%

C2 RELATED PARTIES

All members, Board members, senior management and Branch Committee members are considered to be related parties.

All Board, Council, and Branch Committee members are members of the Institute of Directors and pay full subscriptions as members and do not receive any payments for their roles. Board, Council, and Branch Committee members are eligible to receive non-cash benefits in the course of their volunteering, such as complimentary attendance at branch events and discounts on selected courses.

During the year, various members received remuneration in their capacity as professional development presenters, and for their involvement in chartered member assessment and board advisory services, on an arm's-length basis.

	2023 \$000	2022 \$000
Governance development and services	1,804	1,786
Chartered member assessments	124	90
Course review and development	117	136

The total amount paid to Branch Committee members in their capacity as facilitators/trainers included in the totals above, was \$252,000 (2022: \$113,111). No amounts remain outstanding as at the end of the reporting period.

Compensation of key management personnel

Key management personnel compensation consists of fixed remuneration, discretionary payments and KiwiSaver employer contributions. Key management personnel compensation is reviewed annually by the Human Resources Committee and the Board.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2022: Nil).

Key management personnel	2023 \$000	2022 \$000
Board member fees	-	-
Chief Executive and Leadership team	1,659	1,586
Total key management personnel compensation	1,659	1,586

The Chief Executive and Leadership Team consists of six full-time equivalent employees (2022: six).

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated) Notes to the Financial Statements For the year ended 31 December 2023

C2 RELATED PARTIES (continued)

Compensation of key management personnel (continued)

The number of key management personnel whose remuneration falls within the following bands are:

	2023	2022
	\$000	\$000
Key management personnel		
\$100,000 - \$199,999	2	2
\$200,000 - \$299,999	3	3
\$300,000 - \$399,999	-	-
\$400,000 - \$499,999	1	1

C3 COMMITMENTS

Operating leases

The Institute of Directors leases premises and office equipment. Operating leases are where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items. Operating lease payments are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the terms of the lease.

The operating leases for the Wellington and Auckland premises give the right to renew the lease subject to redetermination of the lease rental by the lessor. The Institute of Directors has not exercised the right of renewal for the Wellington premise which expires on 31 August 2024.

	2023	2022
	\$000	\$000
Less than 1 year	259	334
Later than 1 year and not later than 5 years	64	320
More than 5 years	-	-
Total operating lease commitments	323	654

C4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognised at cost. Cost includes the original purchase consideration and those costs directly attributable to bring the item to the location and condition for its intended use. After recognition as an asset, property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment is calculated on a straight-line or diminishing value basis to allocate the cost less estimated residual value, over their estimated useful lives as follows:

Computers and cabling: 40% straight-line

Furniture and fixtures: 20% to 7% straight-line; 48% and 20% diminishing value

Office equipment: 30% and 17% straight-line

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The Institute of Directors in New Zealand (Incorporated) Notes to the Financial Statements For the year ended 31 December 2023

C4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Computers and cabling \$000	Furniture and fixtures \$000	Office equipment \$000	Total \$000
Cost or fair value	542	409	96	1,047
Less accumulated depreciation	(457)	(321)	(88)	(866)
Net book value at 31 December 2021	85	88	8	181
Additions	129	30	2	161
Disposals	-	-	(26)	(26)
Depreciation expense	(74)	(21)	(6)	(101)
Accumulated depreciation on disposals	-	-	25	25
Net book value at 31 December 2022	140	97	3	240
Additions	53	33	4	90
Disposals	(372)	(33)	(48)	(453)
Depreciation expense	(101)	(22)	(1)	(124)
Accumulated depreciation on disposals	367	33	48	448
Net book value at 31 December 2023	87	108	6	201
Cost or fair value	352	439	28	819
Less accumulated depreciation	(265)	(331)	(22)	(618)
Net book value at 31 December 2023	87	108	6	201

C5 INTANGIBLE ASSETS

Intangible assets consist of computer software. An intangible asset arising from development is only recognised if future economic benefits are certain and the Institute of Directors intends to complete and use the intangible asset. Research costs are expensed in the period in which they are incurred.

Amortisation is recognised in the Statement of comprehensive revenue and expense over the estimated useful lives which are as follows:

Computer software: 40% and 12.5% straight-line

FINANCIAL STATEMENTS

The Institute of Directors in New Zealand (Incorporated) Notes to the Financial Statements For the year ended 31 December 2023

C5 INTANGIBLE ASSETS (continued)

	Computer software \$000
Cost or fair value	1,005
Less accumulated amortisation	(295)
Net book value at 31 December 2021	710
Additions	8
Disposals	(1)
Amortisation expense	(135)
Accumulated amortisation on disposals	1
Net book value at 31 December 2022	583
Additions	21
Disposals	(26)
Amortisation expense	(151)
Accumulated amortisation on disposals	26
Net book value at 31 December 2023	453
Cost or fair value	1,007
Less accumulated amortisation	(554)
Net book value at 31 December 2023	453

C6 AUDITOR'S FEES

	2023	2022
	\$000	\$000
Audit of the financial report	50	43
Total auditor's fees	50	43

The Otago Southland Branch of the Institute of Directors received \$10,000 from Deloitte Limited for sponsorship of the branch (2022: \$10,000).

C7 SUBSEQUENT EVENTS

On 28 February 2024 the Institute of Directors signed an operating lease for a new Wellington premise. The lease is for a period of nine years from August 2024, with the option of two further renewals of six years each (i.e. up to 21 years in total).

No other subsequent event has occurred since the balance date that would materially impact the financial statements as at 31 December 2023 (2022: Nil)

C8 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2023 (2022: Nil).

C9 CAPITAL COMMITMENTS

There are no capital commitments as at 31 December 2023 (2022: Nil).



Thank you

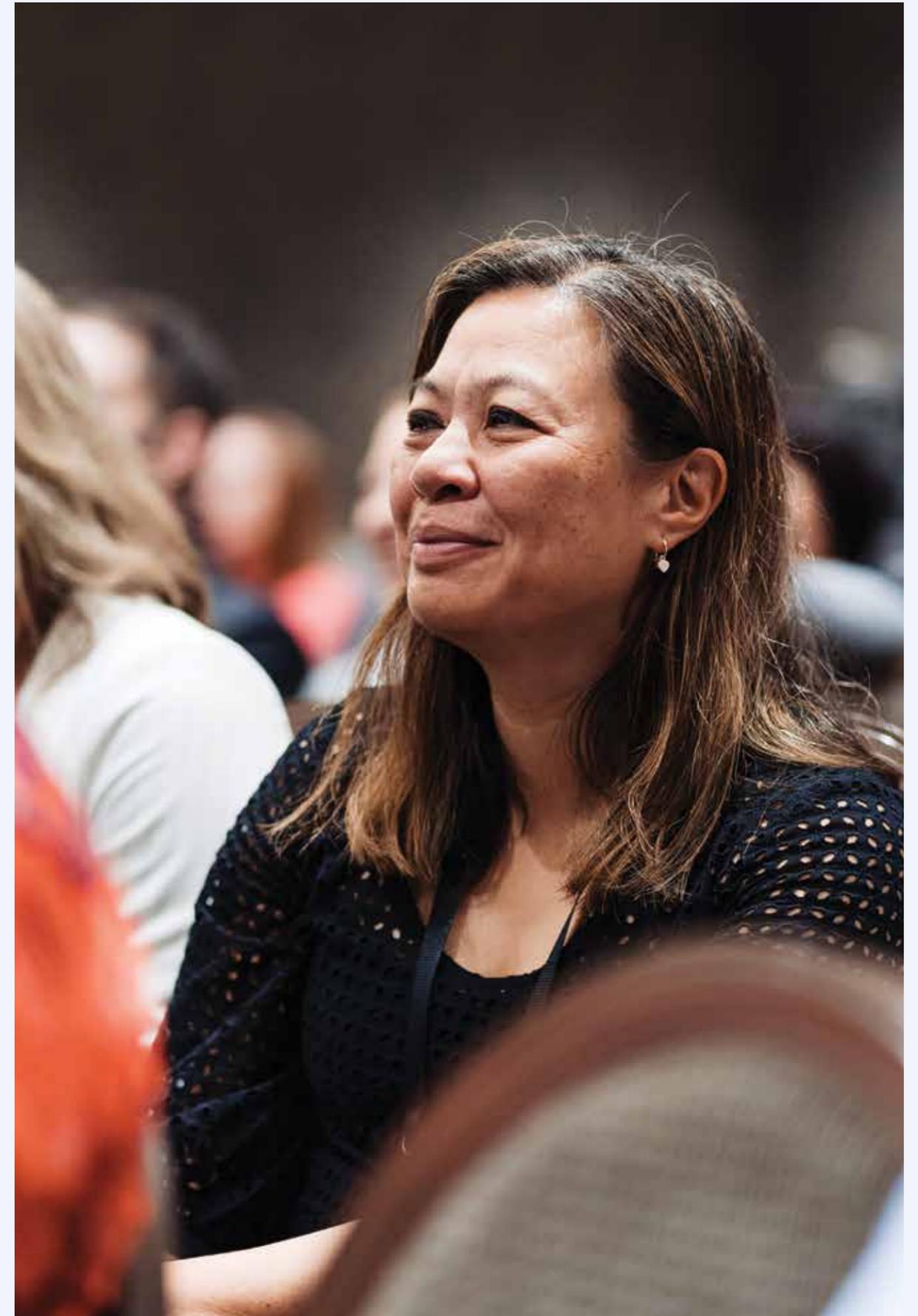
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