



The Corporate Governance
Association of Ireland

ANNUAL REPORT 2014

(this page is intentionally blank)

Contents

Contents	3
Chairman’s Statement	4
Directors and Other Information	6
Operating Review	7
Director Appointments, Resignations and Attendance at Board Meetings	9
Directors’ Report	10
Independent Auditor’s Report	12
Income and Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17
Notice of Annual General Meeting	20

Chairman's Statement

I am pleased to introduce the annual report of the CGAI for the year ended 30 September, 2014.

2014 was another successful period for the Association, a year which has witnessed a positive uplift in the Association's membership, activities and profile. The Board continues to review its strategy on an ongoing basis and is focusing on our core strengths which will ensure a vibrant future for the organisation and its members as we progress into the future.

Events:

We have held a number of very successful events over the last year as outlined in more detail in the Operating Review. I would however like to note that the quality and value of each of these events has been outstanding particularly in the calibre of speakers we have been fortunate to attract. This has been reflected in the increasing numbers attending each event. When one considers that most of our events attract CPD points, it has been pointed out and noted by a few of our members that the Association continues to offer incredible value in terms of the opportunity to accrue such points. Perhaps yet another good reason to attend our seminars. I am also pleased to report that we have exciting plans for next year's CPD programme which we will update you on in due course.

NED Positions:

We continue to invite our members to send us their curriculum vitae to be considered for NED (non-executive director) positions as they arise and we are advised. We note the successful and ongoing Board appointments of a number of CGAI members and wish them every success in their respective Board tenures.

Market Intelligence:

Together with Deloitte and IBEC we teamed up to produce a survey on Non-Executive Director appointments and had a successful launch of this analysis in tandem with Deloitte's Global Director 360 survey at a well-attended breakfast seminar.

Membership:

We are actively committed to growing and sustaining our membership in line with our goals of promoting excellence in corporate governance.

Administration:

In order to maintain our professional profile and support the considerable body of work we have undertaken throughout the year, the Association retained the services of Mr Sven Spollen-Behrens as the Associations Executive Director. Sven has indicated his intention to take up another position and arrangements are in hand to find a replacement.

Our Sponsors:

In terms of sponsorship it was a positive year with particular focus being deployed in this area. We are particularly grateful for the unstinting support of our sponsors (William Fry, Grant Thornton, Deloitte & Trustee Decisions). Their commitment to the values and mission of the Corporate Governance Association of Ireland underpins and enables us to continue promoting high standards of corporate governance and facilitation of the professional development of our members and stakeholders across the corporate spectrum.

Accordingly I would like to express our heart-felt appreciation to all of our strategic partners for their continuing generous support.

A Word of Appreciation

I would like to thank my board colleagues for their commitment, dedication and support during the year. I would particularly like to acknowledge the effort and contribution made by my predecessor Michael Kelly who contributed so significantly to the progress of the Association over his tenure. I also note the very valuable contribution of Bob Semple who has also stepped down and welcome their successors, Emer Moriarty Crowley and Terry McWade, to the Board.

In conclusion, I also want to put on record my appreciation of the enthusiastic commitment of our Executive Director Sven Spollen-Behrens. I think all members of CGAI will at this stage be conscious of his positive impact on the Association's continuing development.

Is mise le meas,

Patrick Downes
Chairman

Directors and Other Information

Directors	Mr. Patrick Downes+ – Chairman (appointed 5 th March 2014) Mr. Pat McArdle* Mr. Alan Wallace* Mr. Sean Quigley+* Ms. Heather Nesbitt Ms. Alacoque McMenamin Ms. Emer Moriarty Crowley (co-opted 5 th March 2014) Dr. Terry McWade (co-opted 5 th March 2014)
Secretary	Sean Quigley
Executive Director	Sven Spollen Behrens
Company Number	441154
Registered Office	24/26 City Quay Dublin 2
Auditors	Crowe Horwath Bastow Charleton, Chartered Accountants and Registered Auditors Marine House, Clanwilliam Court, Dublin 2.
Bankers	Allied Irish Bank, Dun Laoghaire, Co. Dublin.
Solicitors	William Fry Fitzwilton House Wilton Place Dublin 2

+ The Nomination Committee of the Board met once during the year.

*An Audit Committee of the Board met once during the year.

Operating Review

Financial Review

Result for the period

The year under review was a successful year for the association with an increase in membership and a successful drive to raise sponsorship income. The Association had an excess of income over expenditure of €2,675 as opposed to an excess of expenditure over income of €15,925 for the previous year. This was driven by an increase of over 20% in subscriptions and €12,000 raised in sponsorship income (30 September 2013: Nil).

Expenditure for 2014 was €32,767 (2013: €41,338). Event income is now shown net under income, as breakfast briefings are no longer charged for and are covered under sponsorship arrangements. Expenditure for 2013 is €29,368 when adjusted in line with this change. Net event income reflects the surplus on our successful September conference, “Mind how you behave” which was held jointly with the Institute of Chartered Accountants. The main expense variances are outlined below.

	2014	2013
	€	€
Executive Director	25,000	12,500
Bad debt provision	-	5,478
Legal costs	-	3,459
	<u>25,000</u>	<u>21,437</u>

The increase in Executive Director fees results from the charging of a full year of Executive Director fees versus a half year in 2013.

The bad debt provision in 2013 was made in relation to Event Elephant, an event organisation company, which went into liquidation in 2013 owing us €5,478 in relation to participant receipts. No amounts are expected to be recovered.

Legal costs are reduced as our sponsor, William Fry, also provided company secretarial services free of charge as part of the sponsorship agreement.

Financial position at year end

At 30 September 2014 the CGAI was financially solvent with reserves of €20,765 (2013: €18,090), comprising mainly cash held in the bank.

Based on the new and existing sponsorship agreements and expected membership renewals, the Association expects to continue to be financially viable for the coming year.

Events

Five Members' events were held during the 2014 financial year:

1. 7th November 2013 – a CGAI-Deloitte evening event with keynote speaker Mr Justice Peter Kelly of the Commercial Court. Mr. Justice Peter Kelly has been in charge of the High Court Commercial List since it was established in 2004.
2. 13th February 2014 – a breakfast briefing together with our corporate partner William Fry on the 'Companies Bill – Preparing for a new departure'. This event was then followed by our AGM.
3. 30th May 2014 – a breakfast briefing sponsored by Grant Thornton with Ciara Lyons, Grant Thornton Financial Counselling speaking on the topic: "Pensions, Risk and Governance".
4. 2nd July 2014 - Together with our Corporate Partner Deloitte and the Irish Business and Employers' Confederation (IBEC), we organised a Breakfast Briefing on Deloitte's global Director 360 analysis and the results of the joint CGAI-Deloitte Non-Executive Director survey.
5. 30th September 2014: CGAI Corporate Governance Autumn Conference 2014 in cooperation with the Institute of Chartered Accountants. The conference addressed:

Values, Culture and Behaviour - what everyone needs to know about just how important behaviours are for effective governance;

Surviving a Crisis - how lapses in governance impact the largest and most respected organisations and what can be learned when things go badly wrong

New Insights from Old Philosophy - a perspective from the key schools of philosophy and their relevance to good management today

Changing perspectives - insights from the world of mediation, when a change in the agenda (from litigation) can yield surprising outcomes

Practical Approaches for Better Behaviours – practical approaches that can enhance behaviours – and governance- in the Boardroom and among senior management

These topics were covered by speakers of the highest calibre:

Professor Roger Steare, Cass Business School, London - Ethicist, Corporate Philosopher and Author; **Paul Lynam**, CEO, Siemens Ireland; **Barre Fitzpatrick**, CEO, Stride - Strategist and Business Coach; **Michael Quinn**, Partner, William Fry - Mediator and Litigator; **Karl Croke**, CEO, Board Works - Board Advisor

We thank all those sponsors and speakers who made all of our events so successful, we also thank all those members who attended and supported our events. We hope to see you soon at our upcoming program.

Director Appointments, Resignations and Attendance at Board Meetings

Directors Mr. Patrick Downes+ – Chairman (appointed 5th March 2014)
 Mr. Michael Kelly – Chairman (resigned 5th March 2014)
 Mr. Bob Semple* (resigned 5th March 2014)
 Mr. Pat McArdle*
 Mr. Alan Wallace*
 Mr. Sean Quigley+*
 Ms. Heather Nesbitt
 Ms. Alacoque McMenamin
 Ms. Emer Moriarty Crowley (co-opted 5th March 2014)
 Dr. Terry McWade (co-opted 5th March 2014)

Directors' Attendance at Board Meetings

Name	Number of meetings held during the year while a Board member	Number of meetings attended during the year while a Board member
Mr. Michael Kelly (Chairman)	3	3
Mr. Patrick Downes (Chairman)	6	6
Ms. Emer Moriarty Crowley	3	2
Mr. Pat McArdle	6	5
Ms. Alacoque McMenamin	6	4
Dr. Terry McWade	3	1
Ms. Heather Nesbitt	6	6
Mr. Sean Quigley	6	6
Mr. Bob Semple	2	1
Mr. Alan Wallace	6	6

+ The Nomination Committee of the Board met once during the year.

*An Audit Committee of the Board met once during the year.

Directors' Report

The directors present their report and the audited financial statements for the year ended 30 September 2014.

Directors' Responsibilities

The directors are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). The directors are required to prepare financial statements on a going concern basis which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year. In preparing the financial statements, the directors are required to select suitable accounting policies and then apply them consistently and to make judgements and estimates that are reasonable and prudent. The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Acts 1963 to 2013. To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the company has maintained appropriate accounting systems. The books of account are maintained at the company's registered office, situated at 24/26 City Quay, Dublin 2. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business Review and Future Activities

The principal activity of The Corporate Governance Association of Ireland is to promote best practice in governance across the commercial, public and voluntary sectors by developing Codes of Good Governance in partnership with likeminded organisations, providing candidates for board positions, and facilitating the ongoing professional development of members.

Results for the period

The results and appropriations are summarised as follows: -	€
Surplus for the year	2,675
Balance at the beginning of the year	<u>18,090</u>
Balance at end of year	<u>20,765</u>

Dividends

The company is a not for profit company and clause 6 of the Memorandum and Articles of Association expressly forbids any form of distribution to the members of the company.

State of Affairs and Events since the Balance Sheet date

There have been no important events since the year end, which would have an impact on the financial position at 30 September 2014.

Directors and their interests

The present membership of the board and of its Committees is set out on page 9.

On 5 March 2014 Mr. Michael Kelly resigned as Chairman and Mr. Patrick Downes was appointed in his place. On 5 March 2014 Mr. Bob Semple retired as Director. Also on 5 March 2014, Dr. Terry McWade and Ms. Emer Moriarty Crowley were co-opted to the Board.

In accordance with the Memorandum and Articles of Association, Sean Quigley and Pat McArdle retire from the Board by rotation, Emer Moriarty Crowley and Terence McWade, having been co-opted to the Board since the last AGM retire, and all being eligible offer themselves for election.

Principal Risks and Uncertainties

Under Irish company law, the company is required to give a description of the principal risks and uncertainties which it faces.

As the Corporate Governance Association of Ireland is a not-for-profit entity, most normal business risks do not apply. The board seeks to ensure that the costs of events and other expenditure incurred are fully covered in advance by way of member subscriptions and/or sponsorship. The board is satisfied that there are no material risks applying to the activities of the company at this time, but will continue to regularly review this situation.

Auditors

Crowe Horwath Bastow Charleton are eligible, and have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act 1963.

Patrick Downes

Director

Date: 12th February 2015

Heather Nesbitt

Director

Independent Auditor's Report

To the Members of the Corporate Governance Association of Ireland

We have audited the financial statements of The Corporate Governance Association of Ireland on pages 14 to 19, which have been prepared under the historical cost convention, and the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 30 September 2014 and of its result for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

Signed: Sharon Gallen

For and on behalf of
Crowe Horwath
Bastow Charleton
Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2

Date: 16 February 2015

Financial Statements

Income and Expenditure Account

for the year ended 30 September 2014

		2014	2013
	Notes	€	€
Income	4	35,442	25,413
Expenditure	8	(32,767)	(41,338)
Net Income/ (expenditure)	5	<u>2,675</u>	<u>(15,925)</u>
Taxation	7	-	-
Surplus/ (Deficit) for the year	11	<u>2,675</u>	<u>(15,925)</u>

There are no recognised gains or losses other than the income and expenditure for the above financial period. All amounts relate to continuing activities.

The notes on pages 17 – 19 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 12th February 2015 and signed on its behalf by

Patrick Downes
Director

Heather Nesbitt
Director

Balance Sheet

as at 30 September 2014

		2014	2013
	Notes	€	€
Current Assets			
Cash at bank and in hand		15,359	17,890
Debtors and prepayments	9	9,019	5,802
Creditors amounts falling due within one year	10	(3,613)	(5,602)
Net Current Assets		<u>20,765</u>	<u>18,090</u>
Total Assets Less Current Liabilities		<u>20,765</u>	<u>18,090</u>
Reserves			
Income and expenditure account		20,765	18,090
Reserves	11	<u>20,765</u>	<u>18,090</u>

The notes on pages 17 – 19 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 12th February 2015 and signed on its behalf by

Patrick Downes
Director

Heather Nesbitt
Director

Cash Flow Statement

for the year ended 30 September 2014

		2014	2013
	Notes	€	€
Net cash outflow from operating activities	12	(2,531)	(1,318)
Decrease in cash in the year		<u>(2,531)</u>	<u>(1,318)</u>
Reconciliation of net cash flow to movements in net funds			
Decrease in cash in the year		(2,531)	(1,318)
Net funds at beginning of year		17,890	19,208
Net funds at end of year	13	<u>15,359</u>	<u>17,890</u>

The notes on pages 17 – 19 form an integral part of these financial statements.

Notes to the Financial Statements

1. Legal Status of Company

The Corporate Governance Association of Ireland is a company incorporated under the Companies Act 1963, without share capital, the liability of which is limited by the guarantee of its members, such amount as may be required, but not exceeding €1.00. The company is a not-for-profit company and its Memorandum and Articles of Association expressly forbids any form of distribution to the members of the company.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

2.1. Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and the Companies Acts 1963 to 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

2.2. Income

Income is recognised on an accruals basis once it has been committed, either as subscriptions or as other income. Subscriptions in respect of future periods are recorded as 'prepaid subscriptions'.

3. Going concern

The directors have satisfied themselves that the company's financial statements should be prepared on a going concern basis as they are financially solvent at the year end and expect to continue to be financially viable for the coming year.

4. Income

	2014	2013
	€	€
Income is comprised of:		
Subscriptions	18,943	15,594
Event income	4,499	9,819
Other income (sponsorship)	12,000	-
	<u>35,442</u>	<u>25,413</u>

Notes to the Financial Statements (continued)

5. Surplus / (Deficit)	2014	2013
	€	€
Surplus / (Deficit) is stated after charging:		
Auditors' remuneration	<u>2,712</u>	<u>2,700</u>

6. Staff and staff costs

The company had no employees during the period. The directors receive no remuneration. The Executive Director serves as an independent contractor, fees amounting to €25,000 were paid to the Executive Director in 2014 (2013: €12,500).

7. Taxation

In accordance with the Taxes Consolidation Act, 1997, the company is exempt from corporation tax on its ordinary activities on the basis that any surplus arising is derived from business done with its members.

8. Expenditure

	2014	2013
	€	€
Administrative expenses are comprised of:		
Event costs	-	11,970
Executive Director	25,000	12,500
Website development	1,538	1,415
Publications	1,660	1,308
Legal costs	-	3,459
Audit fees	2,712	2,700
Directors & Officers Liability insurance	878	1,195
Other miscellaneous costs	579	1,033
Bad debt provision	-	5,478
Bank charges	400	280
	<u>32,767</u>	<u>41,338</u>

9. Debtors and prepayments

	2014	2013
	€	€
Sponsor income committed and due	4,000	-
Event Income due	4,499	5,119
Other prepayments	520	683
	<u>9,019</u>	<u>5,802</u>

Notes to the Financial Statements (continued)

10. Creditors (amounts falling due within one year)

	2014	2013
	€	€
Prepaid subscriptions	250	92
Accruals	3,363	5,510
	3,613	5,602

11. Reconciliation of movements in reserves

	2014	2013
	€	€
Surplus / (Deficit) for the year	2,675	(15,925)
Opening reserves	18,090	34,015
Closing reserves	20,765	18,090

12. Reconciliation of Surplus / (Deficit) to net cash outflow from operating activities

	2014	2013
	€	€
Surplus/(Deficit) for the year	2,675	(15,925)
(Decrease)/Increase in creditors	(1,989)	908
(Increase)/Decrease in prepayments/accrued income	(3,217)	13,699
Net cash outflow from operating activities	(2,531)	(1,318)

13. Analysis of changes in net funds

	Opening Balance	Cash Flows	Closing Balance
	€	€	€
Cash at bank and in hand	17,890	(2,531)	15,359

14. Approval of financial statements

The directors approved the financial statements and authorised them for issue on 12th February 2015.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Corporate Governance Association of Ireland will be held in the offices of The Stephen's Green Hibernian Club, 9 St Stephen's Green, Dublin 2 on the 12 March 2015 at 9.15 am for the following purposes:

As Ordinary Business:

1. To receive and consider the financial statements for the year ended 30 September 2014 and the report of the directors and the auditors.
2. In accordance with the Articles of Association Sean Quigley and Pat McArdle retire by rotation from the Board and, being eligible, offer themselves for re-election.
3. In accordance with the Articles of Association Emer Moriarty Crowley and Terence McWade, having been co-opted to the Board since the last AGM retire, and being eligible offer themselves for election.
3. To authorise the directors to fix the remuneration of the auditors for the year ending 30th September 2015.
4. To transact any other ordinary business of the Company.

Dated this 19 February 2015

By order of the board

Sean Quigley

Sean Quigley

Secretary