



The Corporate Governance  
Association of Ireland

**ANNUAL REPORT 2015**

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## Chairman's Statement

I am pleased to introduce to you the Annual Report of the CGAI for the year ended 30 September, 2015. The past year was one during which we saw much change in the broader governance landscape and indeed within the footprint of our own association. 2015 witnessed a lot of activity in the corporate governance space and initial indications are that the year ahead looks to be no different. The welcome introduction of the new Companies Act was perhaps one of the primary areas of attention during the year which kept us all quite busy but I would also note, that it is certainly very encouraging to see the number of students participating in the UCD course at the moment, which I think may be the largest intake since its inception and a reflection equally on both the continued core importance of the subject and a barometer of the improving economy. "A rising tide....."

### Events:

We have held a number of very successful events over the last year as outlined in more detail in the Operating Review. The quality of these events, which generate much valued CPD points for our members, is certainly going from strength to strength. The calibre of speakers and their presentations are remaining at a very high and professional level.

I was particularly taken with the "Lessons from Sport" conference we held in partnership with our valued colleagues in the Institute of Chartered Accountants Ireland which was an event of exceptional quality and engagement.

One would also reflect on the currency of the advice accrued from the pensions briefing received from Trustee Decisions which was another seminar that comes to mind.

### State Boards:

During the year a number of our members have applied and successfully been appointed to various state boards and we wish them every success in their respective deployments. To that end the CGAI has been engaged directly with the Public Appointments Service on this matter as it would appear that this pattern looks set to continue especially as one of the core requirements to these appointments is verifiable experience with a particular focus on corporate governance.

Indeed it may interest you to know that some of the requirements in the governance spectrum would be in subjects one would assume our members would have a solid understanding and experience in. Ethics and integrity, conflicts of interest, audit committee experience, stakeholder management etc. are all areas of particular relevance. It is our intention to maintain our relationship with the Public Appointments Service over the coming years via a number of joint initiatives which should bear fruit in the time to come.

### Membership:

As you can appreciate we are actively committed to growing and sustaining our membership in line with our goals of promoting excellence in corporate governance. However, times are changing and as competition from other actors in the corporate governance space is increasing, we need a degree of flexibility to address these emerging challenges. We undertook a



## Chairman's Statement (continued)

rigorous examination of our application process and entry criteria. Arising from that we determined that it was appropriate to broaden the membership criteria to allow us to accept those who are qualified through experience at an appropriate level. To that end an EGM took place on 13 January 2016 and this motion was unanimously approved.

### Administration:

As I indicated in the opening paragraph, the CGAI has also seen some change in relation to the provision of executive support services. Sven Spollen--Behrens concluded providing executive support services during the year. In line with our agreed strategy to maintain a professional service to our members and to support the body of work we provide throughout the year, a thorough procurement process was undertaken by the Association. This resulted in the CGAI retaining the services of Ms Paula McDermott to provide executive support services.

### Our Corporate Partners:

It is fair to say that without the goodwill of our corporate partners our work in terms of improving and embedding corporate governance would indeed be a much more difficult one. We are in that regard particularly fortunate for the unstinting support of our partners William Fry, Grant Thornton, Deloitte, and Trustee Decisions. We were also delighted to welcome the ESB as a new corporate partner in 2015. We look forward to a fruitful partnership with them, as with all our partners, over the time ahead.

Their collective commitment to the values and mission of the CGAI underpins our mission and enables us to continue promoting high standards of corporate governance and facilitating the professional development of our members and stakeholders across the corporate spectrum. On both your and the Board's behalf I would like to express our heartfelt appreciation to all of our corporate partners for their continuing generous and unwavering support.

### A Word of Appreciation:

I would like to especially thank my Board colleagues for their commitment, dedication and support during the year. As with all boards there is an ebb and flow to its membership and I would particularly like to acknowledge the effort and contribution made by our esteemed colleague Alan Wallace who contributed so significantly to the progress of the Association during his tenure on the Board. I would also like to extend a warm welcome to James Kavanagh who came onto the Board during the year and hope his tenure is a fruitful one.

In conclusion, I also want to put on record my appreciation to the members of the Association who have served on the various sub-committees and whose contribution has contributed so significantly to the progress of the CGAI over the last year.

Is mise le meas,

A handwritten signature in black ink that reads 'PATRICK DOWNES' in all caps.

.....  
**Patrick Downes**  
Chairman

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## Directors and Other Information

<b>Directors</b>	Mr. Patrick Downes+ – Chairman Mr. Sean Quigley+* Ms. Heather Nesbitt Mr. Pat McArdle+* Ms. Alacoque McMenamin Ms. Emer Moriarty Crowley Dr. Terry McWade Mr. Alan Wallace (Resigned 27 February 2015) Mr. James Kavanagh* (Appointed 20 April 2015)
<b>Secretary</b>	Sean Quigley
<b>Company Number</b>	441154
<b>Registered Office</b>	Grant Thornton, 24-26 City Quay, Dublin 2
<b>Executive Support</b>	Paula McDermott
<b>Auditors</b>	Crowe Horwath Bastow Charleton, Chartered Accountants and Statutory Audit Firm Marine House, Clanwilliam Court, Dublin 2.
<b>Bankers</b>	Allied Irish Bank, Dun Laoghaire, Co. Dublin.
<b>Solicitors</b>	William Fry 2 Grand Canal Square Dublin 4

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

\*The Audit Committee of the Board met once during the year.

## Operating Review

### Financial Review

#### Result for the period

The year ended 30 September 2015 saw a fall off of nearly 26% in overall income. There was an increase in income from corporate partners of 25%. Attendance at some events was disappointing.

Falling membership is of particular concern to the association and this is addressed in more detail in the Chairman's Report. Expenditure for 2015 remained in line with 2014 at €32,856 (2014:€32,767).

#### Financial position at year end

At 30 September 2015 the CGAI was financially solvent with reserves of €14,294 (2014:€20,765), comprising mainly cash held at the bank. However, this is being kept under close review by the Board as failure to improve income levels will continue to erode our financial position. While existing corporate partner and membership levels mean that the Board expects that the Association will continue to be financially viable for the coming year, it is important to return the Association to at least a break even standing in relation to income versus expenditure. The Association is a not for profit organisation but a financial cushion is important to ensure it continues as a going concern.

### Events

Three events were held during the financial year. We thank our corporate partners and guest speakers who contributed to making these events successful. The events were very well received by members and colleagues. CGAI continues to provide relevant events to members, facilitating knowledge sharing, education and networking opportunities.

#### **Pensions, Trustees and Risk Management: The Role of a Trustee in an Evolving and Litigious Environment, 12 March 2015.**

The morning seminar welcomed Guest Speaker, Mr James Kavanagh, Managing Director of Trustee Decisions, who examined the requirements to be a trustee with particular emphasis on the recent cases which have impacted the pension's landscape in Ireland.

#### **CGAI & Sunday Business Post Online Governance Forum, 12 February 2015**

Topics covered at the conference included online security governance, the governance of multinational tech companies in Ireland, the determining factors for companies in the digital space that drives them to Ireland, what part our Government has to play and the future for the digital sector.

A strong speaker guest list was complimented by a large attendance and a robust panel discussion was held.



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## Operating Review (continued)

### **CGAI in partnership with the Institute of Chartered Accountants in Ireland: Lessons from the World of Sport, 30 September 2015**

The Annual Autumn Conference covered many of the relevant questions affecting the governance of sporting bodies and examined the transferable lessons for practice and business. Speakers from different sporting bodies and commentators provided practical examples of the approaches they have taken to create and maintain their reputation for good governance. The Conference underpinned the commitment of both Chartered Accountants Ireland and the Corporate Governance Association of Ireland to best practice in corporate governance.

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



## Director Appointments, Resignations and Attendance at Board Meetings

**Directors**

Mr. Patrick Downes (Chairman) +  
 Mr. Sean Quigley+\*  
 Ms. Heather Nesbitt  
 Mr. Pat McArdle+\*  
 Ms. Alacoque McMenamin  
 Ms. Emer Moriarty Crowley  
 Dr. Terry McWade  
 Mr. Alan Wallace (Resigned 27 February 2015)  
 Mr. James Kavanagh\* (Appointed 20 April 2015)

### Directors' Attendance at Board Meetings

<b>Name</b>	<b>Number of meetings held during the year while a Board member</b>	<b>Number of meetings attended during the year while a Board member</b>
Mr. Patrick Downes (Chairman)	6	6
Mr James Kavanagh	2	2
Ms. Emer Moriarty Crowley	6	3
Mr. Pat McArdle	6	6
Ms. Alacoque McMenamin	6	5
Dr. Terry McWade	6	6
Ms. Heather Nesbitt	6	3
Mr. Sean Quigley	6	6
Mr. Alan Wallace	3	3

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

\*The Audit Committee of the Board met once during the year.

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## Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 September 2015.

### Directors' Responsibilities

Irish company law requires the Directors to prepare the financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice ("Irish GAAP"). Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and the financial position of the company at the financial year end date and of the income and expenditure of the company for the financial year and otherwise comply with the Companies Acts 2014. The Directors are also required to prepare financial statements on a going concern basis. 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 ensuring that the company keeps or causes to be kept, adequate accounting records that correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and net income or expenditure of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.

The measures taken by the Directors to ensure compliance with the requirements of Section 281 - 285 of the Companies Act 2014, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at the company's registered office, situated at Grant Thornton, 24-26 City Quay, Dublin 2.

## Directors' Report (continued)

### 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:

	2015 €	2014 €
(Deficit)/excess of income over expenditure	(6,471)	2,675
Opening reserves	20,765	18,090
Closing reserves	<u>14,294</u>	<u>20,765</u>

### Dividends

The company is a not for profit organisation 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

An Extraordinary General Meeting was held on 13 January 2016 which approved changes in membership criteria. This change allows the Board, at their discretion, to admit candidates who are suitably qualified by virtue of experience rather than education alone. Other than this, there have been no important events since the year end, which would have an impact on the financial position at 30 September 2015.

### Directors and their Interests

The present membership of the Board and of its Committees is set out on page 6.

On 27 February 2015 Mr. Alan Wallace resigned as Director and Member of the Audit Committee. On 20 April 2015 Mr. James Kavanagh was co-opted to the Board and appointed as Member of the Audit Committee on 1 March 2016.

In accordance with the Memorandum and Articles of Association, Heather Nesbitt and Pat Downes retire from the Board and, being eligible, offer themselves for re-election.

James Kavanagh, having being co-opted to the Board since the last AGM retires from the Board and, being eligible, offers himself for re-election.



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## Directors' Report (continued)

### 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 organisation, 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 383 of the Companies Act 2014.

**This Report was approved and signed by:**

A handwritten signature in black ink that reads 'Patrick Downes'.

**Patrick Downes**  
Chairman

A handwritten signature in blue ink that reads 'Heather Nesbitt'.

**Heather Nesbitt**  
Director

Date: 9 MARCH 2016



## **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 for the year ended 30 September 2015, set out on pages 15 to 22. 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 391 of the Companies Act 2014. 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 Auditors' 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' Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. 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 and Financial Statements for the year ended 30 September 2015 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.

# Independent Auditor's Report (continued)

## Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the company as at 30 September 2015 and of its deficit for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in particular with the requirements of the Companies Act 2014

## Matters on which we are required to report by the Companies Act 2014


- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- 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 Act 2014 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 Charlton  
Chartered Accountants and Statutory Audit Firm  
Marine House  
Clanwilliam Court  
Dublin 2

Date: 9 March 2016

## Financial Statements

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### Income and Expenditure Account

*for the year ended 30 September 2015*

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	Notes	2015 €	2014 €
Income	4	26,385	35,442
Expenditure	8	(32,856)	(32,767)
<b>Net(Expenditure)/income</b>	5	<b>(6,471)</b>	<b>2,675</b>
Taxation	7	-	-
<b>(Deficit)/surplus for the year</b>	12	<b>(6,471)</b>	<b>2,675</b>

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 18 – 22 form an integral part of the financial statements.

## Financial Statements

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### Balance Sheet

as at 30 September 2015

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#### Current assets

Cash at bank and in hand		18,278	15,359
Debtors & prepayments	9	<u>520</u>	<u>9,019</u>
<b>Total assets</b>		<b>18,798</b>	<b>24,378</b>
Creditors: amounts falling due within one year	10	<u>(4,504)</u>	<u>(3,613)</u>
<b>Net current assets</b>		<b>14,294</b>	<b>20,765</b>
<b>Total assets less current liabilities</b>		<b>14,294</b>	<b>20,765</b>


#### Reserves

Income & expenditure account		<u>14,294</u>	<u>20,765</u>
<b>Reserves</b>	11	<b>14,294</b>	<b>20,765</b>

The notes on pages 18 – 22 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 9 March 2016 and signed on its behalf by:

  
 .....  
 Patrick Downes  
 Chairman

  
 .....  
 Heather Nesbitt  
 Director



## Financial Statements

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### Cash Flow Statement

*For the year ended 30 September 2015*

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	Notes	2015 €	2014 €
Net cash inflow/(outflow) from operating activities	13	2,919	(2,532)
Increase/(decrease) in cash in the year		<u>2,919</u>	<u>(2,532)</u>
<b>Reconciliation of net cash flow to movements in net funds</b>			
Increase/(decrease) in cash in the year		2,919	(2,531)
Net funds at beginning of year		15,359	17,890
Net funds at end of year	13	<u>18,278</u>	<u>15,359</u>

The notes on pages 18 – 22 form an integral part of the financial statements.

## Financial Statements

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### Notes to the Financial Statements

#### 1. Legal Status of Company

The Corporate Governance Association of Ireland is a company incorporated under the Companies Act 2014, 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 organisation 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 2014. 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.

## Financial Statements

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### Notes to the Financial Statements (continued)

#### 4. Income

	2015	2014
	€	€
Income comprises of:		
Members subscriptions	11,520	18,943
Event income	(135)	4,499
Income from corporate partners	15,000	12,000
	<u>26,385</u>	<u>35,442</u>

#### (Deficit)/ Surplus

	2015	2014
	€	€
(Deficit)/ surplus		
Is stated after charging:		
Auditor's remuneration	<u>2,706</u>	<u>2,712</u>

#### 5. Staff and staff costs

The company had no employees during the year. The Directors receive no remuneration.

#### 6. Executive Support Services

Executive support services are provided by Paula McDermott. Fees amounting to €24,327 were paid in 2015 (2014: €25,000).

#### 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.

## Financial Statements

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### Notes to the Financial Statements (continued)

#### 8. Expenditure

	2015	2014
	€	€
AGM costs	485	-
Executive Support Services	24,327	25,000
Website development	1,070	1,538
Publications and public relations	923	1,660
Legal costs (Company secretarial)	1,511	-
Audit fees	2,706	2,712
Directors & Officers Liability insurance	1,040	878
Other miscellaneous costs	449	579
Bank charges	345	400
	<u>32,856</u>	<u>32,767</u>

#### 9. Debtors and prepayments

	2015	2014
	€	€
Sponsor income committed and due	-	4,000
Event Income due	-	4,499
Other prepayments	520	520
	<u>520</u>	<u>9,019</u>

#### 10. Creditors (amounts falling due within one year)

	2015	2014
	€	€
Prepaid subscriptions	1,250	250
Accruals	3,254	3,363
	<u>4,504</u>	<u>3,613</u>



## Financial Statements

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### Notes to the Financial Statements (continued)

#### 11. Reconciliation of movements in reserves

	2015 €	2014 €
(Deficit)/ surplus of income over expenditure	(6,471)	2,675
Opening reserves	20,765	18,090
Closing reserves	<u>14,294</u>	<u>20,765</u>

	2015 €	2014 €
Excess/(deficit) of income over expenditure	(6,471)	2,675
Opening reserves	<u>20,765</u>	<u>18,090</u>
Closing reserves	<u>14,294</u>	<u>20,765</u>

#### 12. Reconciliation of (deficit)/ surplus to net cashflow from operating activities

	2015 €	2014 €
(Deficit)/ surplus of income over expenditure	(6,471)	2,675
Increase/(decrease) in creditors	891	(1,990)
Decrease/(increase) in prepayments/accrued income	<u>8,499</u>	<u>(3,217)</u>
Net cash inflow/(outflow) from operating activities	<u>2,919</u>	<u>(2,532)</u>

## Financial Statements

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### Notes to the Financial Statements (continued)

#### 13. Analysis of changes in net funds

	Opening Balance €	Cash Flows €	Closing Balance €
Cash at bank and in hand	15,359	2,919	18,278

#### 14. Approval of financial statements

The Directors approved the financial statements and authorised them for issue on 9 March 2016.



The Corporate Governance  
Association of Ireland

## Notice of Annual General Meeting

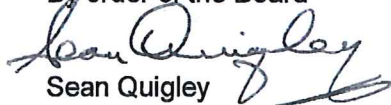
NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Corporate Governance Association of Ireland will be held in the Stephen's Green Hibernian Club, 9 St Stephen's Green, Dublin 2 on the 25<sup>th</sup> May 2016 at 9.30 am for the following purposes:

### As Ordinary Business:

1. To receive and consider the financial statements for the year ended 30 September 2015 and the report of the directors and the auditors.
2. In accordance with the Articles of Association Heather Nesbitt and Pat Downes retire by rotation from the Board and, being eligible, offer themselves for re-election.
3. In accordance with the Articles of Association James Kavanagh, having been co-opted to the Board since the last AGM retire, and being eligible offers himself for election.
3. To authorise the directors to fix the remuneration of the auditors for the year ending 30<sup>th</sup> September 2016.
4. To transact any other ordinary business of the Company.

Dated this 28<sup>th</sup> April 2016

By order of the Board

  
Sean Quigley

Secretary

Registered Office

The Corporate Governance Association of Ireland

Grant Thornton, 24-26 City Quay, Dublin 2.