



The Corporate Governance
Association of Ireland

**ANNUAL
REPORT**

2008

CGAI ANNUAL REPORT



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The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Chairman's Statement

It is my pleasure to introduce the Annual Report of the CGAI for the period ended 30 September 2008. It was a period in which the Association continued to develop. A milestone was passed early in the year when all members who were due to renew their membership in September 2007 did so. By September 2008 total membership had reached 64.

Once again events were a feature of the life of the Association during 2007-08. I wish to record our deep appreciation of our guest speakers, Mr. Dermot Mannion, Mr. Brian Walker BL, and Mr. Ian Drennan.

Since the Association was formed the Events Committee has comprised Liam Marnane, Emer Daly, Patricia Nolan and Phil Shovlin. Under Liam's leadership they have provided the members of CGAI with a superb series of events. For me personally it was a pleasure to work with Liam Marnane and his team and to know that all details, however small, relating to the execution of any event would always be most competently executed.

On behalf of the board, and indeed on behalf of all the members, I extend our sincere thanks to Liam Marnane and his Events Committee. They retired following the annual dinner in October 2008.

The report which follows details the various activities of the Association during the past year. However, I wish to highlight the publication of our first code of governance. The Voluntary Sector Special Interest Group (SIG) developed a code for voluntary aid agencies in partnership with Dóchas. This was the first of what we hope will be a number of such codes of governance.

Since the end of the financial year three members have left the board: Elizabeth Barry, Marie McLaughlin and Paul White. They have been excellent board colleagues who have given sterling service to the Association.

Their places on the board have been ably taken by Michael Kelly, Conall Lavery and Bob Semple.

I wish to record my ongoing appreciation of the work of our honorary secretary, Mary Flaherty, and our honorary treasurer, Donnchadh Ó Madagáin. They both contribute greatly to the smooth operation of the Association. I also wish to record our appreciation of the ongoing support we receive from Prof. Niamh Brennan and Ms. Bairbre Murphy at the UCD Michael Smurfit Graduate School of Business.

Finally, last September, the Board published a new business plan for the Association. This had been developed following a survey of the members in April 2008. I wish to thank all members who returned survey forms. I trust members will find that the new plan gives the Association a refreshed sense of focus for the years ahead.


Jerry Kelly

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

Directors and Other Information

Directors	Jerry Kelly – Chairman Mary Flaherty Michael Kelly Conall Lavery Alan McDonnell Donnchadh Ó Madagáin - Treasurer Bob Semple Fergus Sheridan
Secretary	Mary Flaherty
Company Number	441154
Registered Office	Arthur Cox Building, Earlsfort Terrace, Dublin 2.
Auditors	Horwath Bastow Charleton, Chartered Accountants and Registered Auditors Marine House, Clanwilliam Court, Dublin 2.
Bankers	Allied Irish Bank, Dun Laoghaire, Co. Dublin.
Solicitors	Arthur Cox Solicitors, Earlsfort Terrace, Dublin 2.
Events Committee	Liam Marnane (Chairman), Emer Daly, Patricia Nolan, Phil Shovlin
Voluntary Sector SIG	Jim Corbett (Chairman), Dermot Dwyer Liam Marnane, Alan McDonnell, Tom Quinn
Investment Funds SIG	Adrian Waters (Chairman), David Casey, Jerry Kelly, Werner Schwanberg, Fergus Sheridan, Paul Turpin

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

Operating Review

Financial Review

Basis of preparation

The financial statements presented in this annual report cover the period from 12 June 2007 (the date of incorporation) to 30 September 2008, and were prepared in compliance with company law on the basis that the CGAI is now a company limited by guarantee. The result was calculated on an accruals basis, taking into account all income receivable, and costs payable, relating to the period. The accounts have been independently audited by Horwath Bastow Charleton, Chartered Accountants and Registered Auditors.

Financial summary for the period ending 30 September 2008

	€	€
INCOME		
Membership Subscriptions		
Gross proceeds for three months to 30 September 2007	2,207	
Gross proceeds to 30 September 2008	13,550	
Less subscriptions prepaid in respect of next year	<u>(1,213)</u>	
		14,544
Event Income		
Receipts from members		3,510
Receipt from unincorporated association		5,341
Bank interest received		<u>10</u>
Total income		<u>23,405</u>
EXPENDITURE		
Cost of events for members	(4,148)	
Legal costs	(2,846)	
Accountancy fees	(953)	
Publication costs	(1,115)	
Web costs	(1,719)	
Public Relations	(2,718)	
Audit fees	(3,159)	
Bank charges	<u>(47)</u>	
Total expenditure		<u>(16,705)</u>
SURPLUS OF INCOME OVER EXPENDITURE		<u>6,700</u>
REPRESENTED BY;		
Bank Balance		15,375
Prepaid subscriptions		(1,213)
Accruals		<u>(7,462)</u>
CLOSING BALANCE – RESERVE		<u>6,700</u>

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Operating Review (continued)

Result for the period

A surplus of € 6,700 of income over expenditure was recorded for the financial period. Income for the period amounted to € 23,405. This includes reserves of € 5,341 transferred to the company from the un-incorporated association.

The cost of running the Association was € 16,705, which can be analysed under the following main headings:

- **Events for Members** – Four events were held during the period at a total cost of € 4,148, of which Members contributed € 3,510, resulting in a total net cost to CGAI of € 637.
- **Public relations and publication** – Costs of € 2,718 have been charged to the accounts in respect of public relations services and advice. CGAI incurred costs of € 1,115 in connection with the publication of the code of governance for voluntary aid agencies referred to in the Chairman's statement.
- **Web costs** – Costs of € 1,719 were charged for the period in connection with the ongoing development and maintenance of the CGAI website.
- **Administration costs** – Limited liability brings associated costs in the form of legal and auditing fees. Audit fees of €2,600 plus vat have been negotiated for the year under review, and the board hopes to maintain audit fees at a reasonable level in the future. The accounting fees relate to the previous financial reporting period when the CGAI, although an unincorporated association at that time, chose to have its accounts independently reviewed. Legal fees represent ongoing company secretarial services from Arthur Cox.

Financial position at period end

At 30 September 2008 the CGAI was financially solvent with a reserve of € 6,700, comprising:

• Cash at Bank	€ 15,375
• Less: - subscriptions prepaid for next year	(€ 1,213)
- accruals for costs due relating to the period	(€ 7,462)

Financial position at period end

Based on new and renewed subscription receipts since the period end, the CGAI expects to continue to be financially viable for the coming year. However, the CGAI is constrained by the size of its membership and the lack of corporate sponsorship for Member events. The board will continue to address this issue over the coming months, in order to achieve full potential for Members.

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Operating Review (continued)

Continuing Professional Development (CPD)

Members are reminded that they are required to complete 10 hours of relevant development each year, 6 hours of which should comprise actual attendance at events, and to maintain a record of their CPD. Most events organised by CGAI will qualify towards CPD – another good reason for Members to support such events.

CGAI Special Interest Groups (SIGs)

In November 2006, the CGAI SIG Policy Paper was circulated to members inviting them to join a SIG with a view to developing Codes of Governance for its sector of interest. Two SIGs were successfully formed, one in each of the Voluntary and Financial Services sectors.

Voluntary Sector SIG

This SIG partnered with Dóchas to produce the Code of Governance for the Irish Development NGO sector. It was presented to Dóchas members at their AGM in April 2007 and was unanimously ratified. Dóchas members will undertake to start the process of adopting the principles of the Code during 2008 so that they will be compliant with its principles in 2009.

The Code was officially launched in June 2008 by Mr. Peter Power T.D. Minister of State at the Department of Foreign Affairs with responsibility for Overseas Development.

The Wheel, which is the umbrella body for the wider voluntary and community sector, has decided to work with the SIG to adapt the Code for application to the sector. This project will start in the near future.

Investment Funds SIG

Following research into codes in other countries it was decided to draft a code of governance for directors of investment funds which would give priority to the protection of investors. By year end a working draft had been completed and a target of completion and launch in early 2009 had been set.

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Operating Review (continued)

CGAI Website

During 2008 the website was further developed. In particular the member's forum was enabled so that topics can be introduced and openly debated by members. Being a secure site, members can feel comfortable that, in line with CGAI overall policy, views can be expressed by individuals without fear of misrepresentation. The website now has links to related sites and information which can assist members. During the year a number of presentational enhancements were introduced as well as a move to a new web host.

Events

In the period ended 30th September 2008 the CGAI hosted four Members' events which were well supported and proved very successful due to the calibre of our guest speakers and members participation.

The year started with the CGAI Annual Dinner on the 11th October 2007. It was held at the Radisson SAS Hotel in Booterstown. Our guest speaker for the evening was Mr Dermot Mannion, CEO of Aer Lingus. It was an extremely open and engaging presentation which stimulated excellent member participation.

On January 22nd 2008, we held our second Breakfast Meeting at the Stillorgan Park Hotel. Mr. Brian Walker, B.L. was our guest speaker. He provided a Commercial and Company Law update and extolled the merits of commercial mediation. The breakfast was well supported by members.

We held our AGM in the Laurence Crowley Boardroom at UCD Carysfort on March 13th 2008. After the AGM we were pleased to welcome Mr Ian Drennan, Chief Executive of the Irish Auditing & Accounting Standards Authority (IAASA), who delivered an informative presentation. The evening concluded with a reception for members.

On the 22nd May we held a members social evening. This social event was a wine and canapés tasting evening. It was led by experts from "the tasting room.ie", and held at the Harbourmaster in the IFSC. This social event allowed members meet and interact in an informal setting.

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Report of the Directors

The directors present their report and the financial statements for the period from 12 June 2007 (date of incorporation) to the 30 September 2008.

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 Accounting Standards Board 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 period. 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 2006. 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 Arthur Cox Building, Earlsfort Terrace, 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 like minded organisations, providing candidates for board positions, and facilitating the ongoing professional development of members.

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Report of the Directors (continued)

Business Review and Future Activities continued

The Corporate Governance Association of Ireland was established on 21 June 2006 as an unincorporated association. On 12 June 2007 The Corporate Governance Association of Ireland was incorporated as a guarantee company without a share capital (public).

Results for the period and state of affairs as at 30 September 2008

The results and appropriations are summarised as follows: -

	30 September 2008
	€
Excess of income over expenditure for the period	6,700
Balance at the beginning of the period	<u>-</u>
Balance at end of period	<u>6,700</u>

State of Affairs and Events since the Balance Sheet date

There have been no important events since the period end, which would have an impact on the financial position at 30 September 2008.

Directors and their interests

The present membership of the board is set out on page 4.

On 12 June 2007, Marie McLaughlin was appointed director and company secretary. On the same date Alan McDonnell, Jerry Kelly, Paul White, Donnchadh Ó Madagáin, Elizabeth Barry and Fergus Sheridan were appointed as directors.

On 13 December 2007, Marie McLaughlin resigned as company secretary. On the same date Mary Flaherty was appointed director and secretary.

On 4 December 2008, Marie McLaughlin and Elizabeth Barry resigned as directors. On the same date Conall Lavery was appointed as director.

On 16 January 2009 Bob Semple was appointed as director.

On 2 February 2009 Paul White resigned as director. On the same date Michael Kelly was appointed as director.

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

Report of the Directors (continued)

Directors and their interests continued

In accordance with the Articles of Association, Conall Lavery, Bob Semple and Michael Kelly retire and being eligible offer themselves for re-election. In accordance with the Articles of Association Donnchadh Ó Madagáin and Jerry Kelly retire by rotation and being eligible offer themselves for re-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.

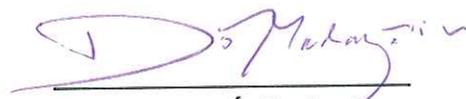
As the Corporate Governance Association of Ireland is a not-for-profit entity, most normal business risks do not apply. The board seek to ensure that the costs of events and other expenditure incurred are fully covered in advance by way of member subscriptions and/or sponsorship. The board are satisfied 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

Horwath Bastow Charleton were appointed first auditors by the directors and being eligible have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act 1963.



Jerry Kelly
Director



Donnchadh Ó Madagáin
Director

20 February 2009

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Auditor's Report to the directors on the audited financial statements of The Corporate Governance Association of Ireland

We have audited the financial statements of The Corporate Governance Association of Ireland on pages 15 to 21, which have been prepared under the historical cost convention, and the accounting policies set out therein.

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 described on page 10 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you whether in our opinion: proper books of account have been kept by the company; and whether the information given in the directors' report, is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

**Auditor's Report to the directors on the audited financial
statements of The Corporate Governance Association of Ireland**

Basis of opinion continued

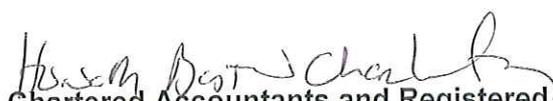
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2008 and of its result and cash flows for the period then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2006.

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The balance sheet is in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 10 to 12 is consistent with the financial statements.


Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2

Date: 27 February 2009

The maintenance and integrity of the Corporate Governance Association of Ireland website is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and accordingly the auditor accepts no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially posted on the website.

The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))

Income and Expenditure Account
for the period 12 June 2007 to 30 September 2008

		Continuing operations
		Period Ended
		30 September
		2008
	Notes	€
Income	3	23,405
Expenditure	7	(16,705)
Excess of income over expenditure	4	<u>6,700</u>
Taxation	6	<u>-</u>
Excess of income over expenditure		
for the period	9	<u>6,700</u>

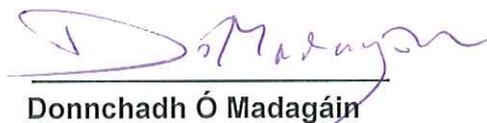
There are no recognised gains or losses other than the income and expenditure for the above financial period.

The notes on pages 18 - 21 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 20 February 2009 and signed on its behalf by:



Jerry Kelly
Director



Donnchadh Ó Madagáin
Director

The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))

Balance Sheet as at 30 September 2008

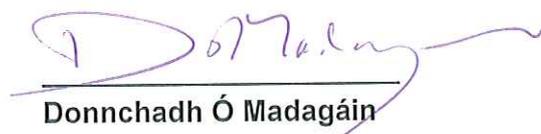
	Notes	30 September 2008 €
Current Assets		
Cash at bank and in hand		15,375
Creditors: amounts falling due within one year	8	<u>(8,675)</u>
Net Current Assets		<u>6,700</u>
Total Assets Less Current Liabilities		<u>6,700</u>
Reserves		
Income and expenditure account		6,700
Reserves	9	<u>6,700</u>

The notes on pages 18 - 21 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 20 February 2009 and signed on its behalf by:



Jerry Kelly
Director



Donnchadh Ó Madagáin
Director

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

Cash Flow Statement for the period ended 30 September 2008

		2008
	Notes	€
Net cash inflow from operating activities	10	<u>15,375</u>
Increase in cash for the year	10	<u>15,375</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

		2008
		€
Increase in cash for the year	11	15,375
Net funds at beginning of year	11	<u>—</u>
Net funds at end of year	11	<u>15,375</u>

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Notes to the Financial Statements

1. Accounting policies

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

1.1. Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and the Companies Acts 1963 to 2006. 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 Accounting Standards Board.

1.2 Income

Subscriptions

Subscriptions are recognised on an earnings basis.

Event income

Event income is recognised on a receipts basis.

2. 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 period end and expect to continue to be financially viable for the coming year.

3. Income

	2008
Income is comprised of:	€
Subscriptions	14,544
Receipts from unincorporated association	5,341
Interest received	10
Event income	3,510
	<hr/>
	23,405
	<hr/>

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Notes to the Financial Statements (continued)

4.	Excess of income over expenditure	2008
		€
	Excess of income over expenditure is stated after charging:	
	Auditors' remuneration	<u>3,159</u>
5.	Staff and staff costs	
	The company had no employees during the period. The directors receive no remuneration.	
6.	Taxation	
	No charge to taxation arises during the period.	
7.	Expenditure	2008
	Expenditure is comprised of:	€
	Event costs	4,148
	Website development	1,719
	Publication costs	1,115
	Legal costs	2,846
	Accountancy fees	953
	Public relations	2,718
	Audit fees	3,159
	Bank charges	47
		<u>16,705</u>
8.	Creditors: amounts falling due within one year	2008
		€
	Prepaid subscriptions	1,213
	Accruals	7,462
		<u>8,675</u>

The Corporate Governance Association of Ireland (Guarantee company without a share capital (public))

Notes to the Financial Statements (continued)

9. Reconciliation of movements in reserves			
			2008 €
	Excess on income over expenditure		6,700
	Opening reserves		-
	Closing reserves		6,700
10. Reconciliation of excess income to net cash inflow from operating activities			
			2008 €
	Excess Income		6,700
	Increase in creditors		8,675
	Net cash inflow from operating activities		15,375
11. Analysis of changes in net funds			
	Cash flows €	Non cash movement €	2008 €
	15,375	-	15,375
12. Company status			
The company is a guarantee company having no share capital. The liability of the members is limited to €1.			

**The Corporate Governance Association of Ireland
(Guarantee company without a share capital (public))**

Notes to the Financial Statements (continued)

13. Accounting period

The accounting period is from 12 June 2007 (Date of Incorporation) to 30 September 2008

14. Approval of financial statements

The directors approved the financial statements and authorised them for issue on 20 February 2009.