



The Corporate Governance
Association of Ireland

ANNUAL REPORT 2013

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Chairman's Statement

I am pleased to introduce the annual report of the CGAI for the year ended 30 September, 2013.

The year under review was another successful period for the Association, a period which has witnessed a significant gear change in the Association's activities and general approach.

At our last AGM we agreed on an ambitious work programme and I am pleased to report that we have made good progress on the various initiatives we adopted:

Events: We have held a number of successful events as outlined in more detail in the Operating Review. The quality and value of each of these events has been reflected in the very positive feedback from members and guests. We have great plans for our 2014 continued professional development (CPD) programme. 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. Members should maintain a record of their CPD, which may be subject to periodic review by the CGAI. Most events organised by CGAI will qualify towards CPD – another good reason for Members to support such events.

NED Positions: We invited our members to send us their curriculum vitae to be considered for non-executive director positions in the future and we have contacted specialised recruitment firms with the details we have received to date from interested parties.

Market Intelligence: We have teamed up with IBEC and Deloitte Ireland to produce a survey on NED appointments. We expect this to culminate in a joint publication in Spring 2014.

Membership: We are committed to growing our membership in line with our goals of promoting excellence in corporate governance. We have therefore extended the membership to those who can demonstrate an appropriate level of experience in the practice of corporate governance. It is envisaged that only candidates with significant senior and/or board level experience will qualify.

Newsletter: 2013 also saw the relaunch of our newsletter. Published bi-monthly, the CGAI newsletter informs about upcoming CGAI events, new CGAI projects, relevant surveys and studies as well as projects from our corporate partners.

To support this considerable body of work, we have taken on the services of a committed and energetic part-time Executive Director, Sven Spollen-Behrens.

Our Sponsors

In terms of sponsorship 2012/13 was a transition year as the initial commitment made by our original sponsors expired at the end of 2012. While the association continued to cooperate with the five existing strategic partners (A&L Goodbody; Arthur Cox; Deloitte; Grant Thornton; and PwC) new alliances were forged with William Fry and Trustee Decisions. Our corporate partners for 2013/14 are Deloitte, Grant Thornton, PwC, Trustee Decisions and William Fry.

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

A Word of Appreciation

Finally, I wish to put on record my appreciation for the effort and commitment made by so many people towards the continued development of the Association. In addition to those already named, I want to say a big thank you to my colleagues on the board, each of whom in their own way, has played a very active part in the Association's progress over the past year. I also want to put on record our appreciation of the enthusiastic commitment of our Executive Director. I think all members of CGAI will at this stage be conscious of his positive impact on the Association's continuing development.

Michael Kelly

Chairman

Directors and Other Information

Directors	Michael Kelly – Chairman Patrick Downes Pat McArdle Alacoque McMenamin Heather Nesbitt Bob Semple Alan Wallace
Secretary	Sean Quigley
Executive Director	Martin Cahill (from 5/9/12 to 1/11/12) Sven Spollen-Behrens (from 5/4/13 to present)
Company	The Corporate Governance Association of Ireland Limited hereafter referred to as “The Corporate Governance Association of Ireland”
Company Number	441154
Registered Office	Arthur Cox Building, Earlsfort Terrace, 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	Arthur Cox Solicitors, Earlsfort Terrace, Dublin 2.

Operating Review

Financial Review

Result for the period

The year under review was a transition year for the Association. The Association had an excess of expenditure over income of €15,925 as compared with a surplus of €7,916 for the previous year. This is the result of a number of factors. On the income side, due to the expiry of existing arrangements there was no sponsorship income recorded, in 2012 we received €22,000. Arrangements with sponsors for 2013/14 are already well underway and we predict a return to the sponsorship level seen in 2012.

Expenditure for 2013 was €41,338 (2012: €32,869). The main reason for this increase was the employment of an executive director on a part-time contract basis in order to assist with the development of the Association as agreed at our 2013 Annual General Meeting. Other significant costs variations were:

	2013	2012
	€	€
Website Development	1,415	9,768
Public Relations	-	5,955
Bad Debt Provision	<u>5,478</u>	<u>-</u>
	<u>6,893</u>	<u>15,723</u>

The bad debt provision 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. Despite our best efforts there is no prospect of recovery of this amount. We are listed as an unsecured creditor.

Financial position at year end

At 30 September 2013 the CGAI was financially solvent with reserves of €18,090 (2012: €34,015), comprising mainly cash held in the bank.

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

Events

Four Members' events were held during the 2013 financial year:

1. 22nd November 2012 – an evening event with keynote speaker Mr John Bruton, former Taoiseach, EU Ambassador to the US and currently Chair of IFSC, Ireland. Mr Bruton's considerable experience at national and international levels offered a unique perspective and made for an interesting and insightful evening.

2. 7th February 2013 - 2013 Annual Conference and Annual General Meeting: The event format included a number of key elements: Our AGM, two CPD Governance Sessions, a CGAI Strategy Session and Dinner. Speakers for the CPD sessions were Dr Tom Courtney (Partner and Head of Company Compliance and Governance Practice, Arthur Cox and Co) on the Companies Bill 2012; and Mr David Devlin (Leader-Europe Public Policy & Regulatory Affairs, PwC) on Developments at EU Level - Overview & Implications for Company Directors.
3. 2nd May 2013 – a breakfast briefing sponsored by Grant Thornton with Cian Blackwell (Partner Business Risk Services, Grant Thornton) speaking on the topic: “Understanding IT Risks – What the board needs to know”.
4. 24th September 2013: CGAI Corporate Governance Autumn Conference 2013 in cooperation with the Institute of Chartered Accountants. The conference addressed
 - corporate governance developments in 2013;
 - the new Compliance Statement – a key requirement of the Consolidated Companies Bill;
 - the Irish launch of a new boardroom training DVD and
 - questions that would-be directors need to ask before accepting a board appointment.

Our speakers were of the highest calibre and included Professor Blanaid Clarke (Trinity College), Emer Daly (non-executive Director), Paul Egan (Mason Hayes & Curran), Dr. Margaret Cullen (Smurfit Business School), Duncan Wiggets (Dechert LLP), and Myra Garrett (William Fry).

On 7th November 2013, together with our Sponsor Deloitte Ireland, we organised a memorable evening event with Mr Justice Peter Kelly as our keynote speaker.

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. Michael Kelly⁺ – Chairman
- Dr. Margaret Cullen (resigned 6/3/2013)
- Ms. Éilish Finan (resigned 23/4/2013)
- Mr. Donnchadh Ó Madagáin (resigned 12/6/2013)
- Mr. Bob Semple^{**}
- Mr. Pat McArdle^{*}
- Mr. Alan Wallace^{*}
- Mr. Sean Quigley⁺ (co-opted 5/9/2012, appointed AGM 2013)
- Mr. Patrick Downes (co-opted 15/5/2013)
- Ms. Heather Nesbitt (co-opted 15/5/2013)
- Ms. Alacoque McMEnamin (co-opted 4/9/2013)

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)	7	7
Dr. Margaret Cullen	3	2
Mr. Patrick Downes	3	3
Ms. Éilish Finan	3	1
Mr. Pat McArdle	7	7
Ms. Alacoque McMEnamin	1	1
Ms. Heather Nesbitt	3	3
Mr. Donnchadh Ó Madagáin	6	6
Mr. Sean Quigley	7	7
Mr. Bob Semple	7	7
Mr. Alan Wallace	7	7

⁺A Nomination Committee of the Board, established in June 2011, met once during the year (full attendance).

^{**}An Audit Committee of the Board, established in November 2012, met once during the year (full attendance).

Directors' Report

The directors present their report and the financial statements for the year ended 30 September 2013.

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 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 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.

Results for the period and state of affairs as at 30 September 2013

The results and appropriations are summarised as follows: -	€
Excess of expenditure over income for the period	(15,925)
Balance at the beginning of the period	<u>34,015</u>
Balance at end of period	<u>18,090</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 2013.

Directors and their interests

The present membership of the board and of its Committees is set out on page 6 and 9.

On 6 March 2013 Margaret Cullen retired as director of the company. On 24 April 2013 Eilish Finan retired as director of the company. On 15 May 2013 Heather Nesbitt and Patrick Downes were appointed as directors of the company. On 22 June 2013 Donnchadh Ó Madagáin retired as director of the company. On 4 September 2013 Alacoque McMenamin was appointed as director of the company.

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.

Michael Kelly

Director

Date: 15 January 2014

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.

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 2013. 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 financial statements are 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.

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 2013 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 2013.

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 financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 10 to 11 is consistent with the financial statements.

Signed: Sharon Gallen

For and on behalf of

**Crowe Horwath
Bastow Charleton
Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2**

Date: 20 January 2014

Financial Statements

Income and Expenditure Account for the year ended 30 September 2013

Continuing Operations			
	Notes	2013 €	2012 €
Income	4	25,413	40,785
Expenditure	8	<u>(41,338)</u>	<u>(32,869)</u>
Excess of income over expenditure	5	(15,925)	7,916
Taxation	7	-	-
Excess of income over expenditure for the year	11	<u>(15,925)</u>	<u>7,916</u>

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

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 15 January 2014 and signed on its behalf by

Michael Kelly
Director

Heather Nesbitt
Director

Balance Sheet as at 30 September 2013

		2013	2012
	Notes	€	€
Current Assets			
Cash at bank and in hand		17,890	19,208
Debtors and prepayments	9	5,802	19,501
		<hr/>	<hr/>
		23,692	38,709
Creditors: amounts falling due within one year			
	10	(5,602)	(4,694)
Net Current Assets		<u>18,090</u>	<u>34,015</u>
Total Assets Less Current Liabilities			
		<u>18,090</u>	<u>34,015</u>
Reserves			
Income and expenditure account		18,090	34,015
Reserves	11	<u>18,090</u>	<u>34,015</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 15 January 2014 and signed on its behalf by

Michael Kelly
Director

Heather Nesbitt
Director

Cash Flow Statement for the year ended 30 September 2013

		2013	2012
	Notes	€	€
Net cash (outflow)/inflow from operating activities	12	<u>(1,318)</u>	<u>11,036</u>
(Decrease)/increase in cash for the year	12	<u>(1,318)</u>	<u>11,036</u>

Reconciliation of Net Cash Flow to movements in Net Funds

		2013	2012
		€	€
(Decrease)/increase in cash for the year	13	<u>(1,318)</u>	<u>11,036</u>
Net funds at beginning of year	13	<u>19,208</u>	<u>30,244</u>
Net funds at end of year	13	<u>17,890</u>	<u>19,208</u>

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 Accounting Standards Board.

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

	2013	2012
Income is comprised of:	€	€
Subscriptions	15,594	15,936
Sponsorship	-	22,000
Event & other income	9,819	2,849
	<u>25,413</u>	<u>40,785</u>

Notes to the Financial Statements (continued)

5. Excess of income over expenditure	2013	2012
	€	€
Excess of income over expenditure is stated after charging:		
Auditors' remuneration	<u>2,700</u>	<u>2,706</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.		
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	2013	2012
	€	€
Expenditure is comprised of:		
Event costs	11,970	6,935
Consulting fees	12,500	-
Website development	1,415	9,768
Publication & other SIG related costs	1,308	1,678
Legal costs	3,459	3,631
Public relations	-	5,955
Directors & officers liability insurance	1,195	1,068
Audit fees	2,700	2,706
Other miscellaneous costs	1,033	835
Bad debt provision	5,478	-
Bank charges	280	293
	<u>41,338</u>	<u>32,869</u>
9. Debtors and prepayments	2013	2012
	€	€
Sponsor income committed and due	-	17,000
Event income due	5,119	1,989
Other prepayments	683	512
	<u>5,802</u>	<u>19,501</u>

Notes to the Financial Statements (continued)

10. Creditors: amounts falling due within one year	2013	2012
	€	€
Prepaid subscriptions	92	280
Accruals	5,510	4,414
	<u>5,602</u>	<u>4,694</u>

11. Reconciliation of movements in reserves	2013	2012
	€	€
Excess of expenditure over income	(15,925)	7,916
Opening reserves	34,015	26,099
	—	—
Closing reserves	<u>18,090</u>	<u>34,015</u>

12. Reconciliation of excess income to net cash inflow from operating activities	2013	2012
	€	€
Excess of income over expenditure	(15,925)	7,916
Increase/ (decrease) in creditors	908	(1,357)
Decrease/ (increase) in debtors & prepayments	13,699	(17,595)
	—	—
Net cash (outflow)/ inflow from operating activities	<u>(1,318)</u>	<u>(11,036)</u>

13. Analysis of changes in net funds	Opening Balance	Cash flows	Closing Balance
	€	€	€
Cash at bank and in hand	<u>19,208</u>	<u>(1,318)</u>	<u>17,890</u>

14. Approval of financial statements

The directors approved the financial statements and authorised them for issue on 15th January 2014.

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 William Fry Solicitors, Fitzwilton House, Wilton Terrace, Dublin 2 on the 13th February 2014 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 2013 and the report of the directors and the auditors.
2. In accordance with the Articles of Association Michael Kelly and Alan Wallace retire by rotation from the Board and, being eligible, offer themselves for re-election.
3. In accordance with the Articles of Association Heather Nesbitt, Patrick Downes and Alacoque McMenamin, 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 2014.
4. To transact any other ordinary business of the Company.

Dated this 21st day of January 2014

By order of the board

Sean Quigley
Secretary

Registered Office
The Corporate Governance Association of Ireland
Arthur Cox Building, Earlsfort Terrace, Dublin 2