

May Luncheon Friday 8th May 2009



Commissioner Charlie McCreevy.

Charlie McCreevy, born in 1949, qualified as a chartered accountant. In 1977 he was first elected to Dáil Éireann (Irish Parliament) for the constituency where he was born – County Kildare, Ireland. He resigned his seat to become a Member of the European Commission. Since 1992 he has held various cabinet posts in Fianna Fáil-led governments including: Minister for Social welfare, Minister for Tourism and Trade and latterly (1997) Minister for Finance.

Charlie McCreevy will address the members of the Leinster Society in the Shelbourne Hotel on Friday 8th May at 12.45pm for 1.00pm.

Managers took Unnecessary Risks with Pension Funds

On Thursday 12th March, Mr Brendan Kennedy, Chief Executive of the Pensions Board, the statutory body with responsibility for regulating Irish pensions and for advising the government on pension policy, was the guest speaker at the March business lunch in the Davenport Hotel.

He said that pension funds suffered huge losses in recent months because extremely high risks had been taken by the pension managers. Irish pensions have had the worst results in the OECD because up to 80% of many pension funds were invested almost entirely in property and equity. He expressed surprise that people were not more annoyed with this outcome, particularly as many of these funds had been marketed as “medium” rather than “high” risk.

Brendan explained that in his experience, people’s expectations about their pensions are often completely unrealistic. People appear to find it difficult to connect their pension contributions, essentially their savings, with their eventual pension income. Many people seem to assume that by merely



Brendan Kennedy, Chief Executive of the Pensions Board with Julie Herlihy, Chairman of the Leinster Society.

contributing enough to meet the maximum limits for tax relief purposes, they will have sufficient money saved to generate a reasonable income in later life and maybe even enough to retire early. However, as people can now reasonably expect to live to their late 80s, annual contributions of 25% from the time they are in their mid-twenties are needed, typically, to produce a pension of two thirds of final salary. Brendan said that few people seem to make this connection and are often incredibly disappointed. (The ability to make such significant contributions, particularly in these troubled times, is of course, another thorny issue.)

Defined benefit schemes were also discussed and Brendan showed how employers and trustees need to be extremely careful not to give employees unreasonable expectations. He also discussed how he and his colleagues have come across certain employers who have not passed their employees pension contributions to the funds and these people are being pursued currently.

Finally, many members of the audience took up Brendan’s offer to take questions from the audience and a lively discussion ensued. Brendan’s talk was covered in a number of papers the following day.

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Evening Meeting Corporate Recovery and Insolvency

Burlington House,
Burlington Road,
Dublin 4.

www.isca.ie

Evening Meeting: Investment Outlook 2009

A very well attended meeting on 10th March heard Marie Hunt – Head of Research at CBRE – and Kevin McConnell – Head of Research at Bloxham give us some very salient insights on the current issues facing the property and equity markets.

Marie pulled no punches in her assessment of the property market, highlighting the massive fall in values since 2008. The balancing of supply/demand which had maintained some equilibrium in property markets is now long gone and the lack of available funding, aligned with a complete loss of confidence, means very low transaction volumes and falling prices.

While we may be through the worst, investment in Irish property will remain subdued and there is no silver lining in international markets with rents under European-wide pressure.

Marie gave some more specific data on the various sectors of the property market with Industrial being the best of some very poor performers as rents have been holding up better than most. Both the Office and Retail markets continue to be under pressure with rents under serious pressure due to high vacancy rates and corporate earnings pressures. However, Development Land is hardest hit with low transaction levels – even factoring in distressed sales – meaning that values are down over 40% in Dublin and even more in provincial areas.

Overall, Marie forecasts another very challenging year in 2009 with depressed transaction volumes and continuing pressure on values and tenancy but that may, in turn, lead to buying opportunities – particularly with declining interest rates.

Kevin was not, unfortunately, able to offer much in the way of a more positive story. Stock Markets have been at their worst since the 1930s and there have been a series of negative factors affecting valuations which will not reverse quickly. Falling commodity prices and reducing interest rates can be positives for the general economy but cash/cashflow/asset values will be a bigger driver of equity values than earnings for the foreseeable future.

Historically, there will be a rebound in values when the bottom of the current recession is reached but the difficulty is calling when this will happen, with a recession in excess of 18 months anticipated in major economies. The signals which will highlight a turn in the economic cycle are never set in stone but Kevin highlighted a stabilisation of the banking sector, a thawing of credit markets and an increase in commodity prices as being some of the principal indicators to watch for.

When identifying how best to invest in the current markets, Kevin pointed out that ETFs offer a decent option because of the fact that they are typically international and diversified across sectors/industries. He was clear though that this is a time for active management of an investment portfolio and that a phased investment over a prolonged period would pay dividends.

SAMARITANS

Samaritans are available 24 hours a day to provide confidential, emotional support for people who are experiencing feelings of distress or despair, including feelings which may lead to suicide. They are neither religious nor political. They don't make judgments and don't offer advice. Instead, they believe in the value of having time and space to explore difficult feelings. They also believe that being listened to in confidence, and accepted without prejudice, can alleviate despair and suicidal feelings. Contact them on **1850 60 90 90**.

Dublin Samaritans was the first branch to be set up in the Republic of Ireland, and has been open since 1970. It has 86,000 contacts from people seeking assistance annually and has 260 active volunteers, several of whom are chartered accountants, who ensure the branch is manned 24 hours a day, 365 days a year. The other Leinster branches are in Drogheda, Athlone, Kilkenny and Newbridge.

Would you like to become a volunteer?

Being a volunteer is both challenging and rewarding, knowing that you might make a difference. The work is suited to people who can empathise with the callers and be caring and understanding of their situation. Neither formal qualifications nor previous experience are needed. A natural ability to listen and remain open minded is an essential skill.

Samaritans continuously need volunteers, due to natural attrition of existing volunteers and in particular to deal with the growing number of email contacts. Interested people initially attend an information meeting (contact **1890 200091**). Full training is provided over a number of weeks to prepare the volunteers for contact with callers. Experienced volunteers will always be close at hand when the initial training period has been completed. Typically, volunteers are expected to do a three hour shift each week with an overnight shift once every two months.

Would you like to make a contribution to the Samaritans?

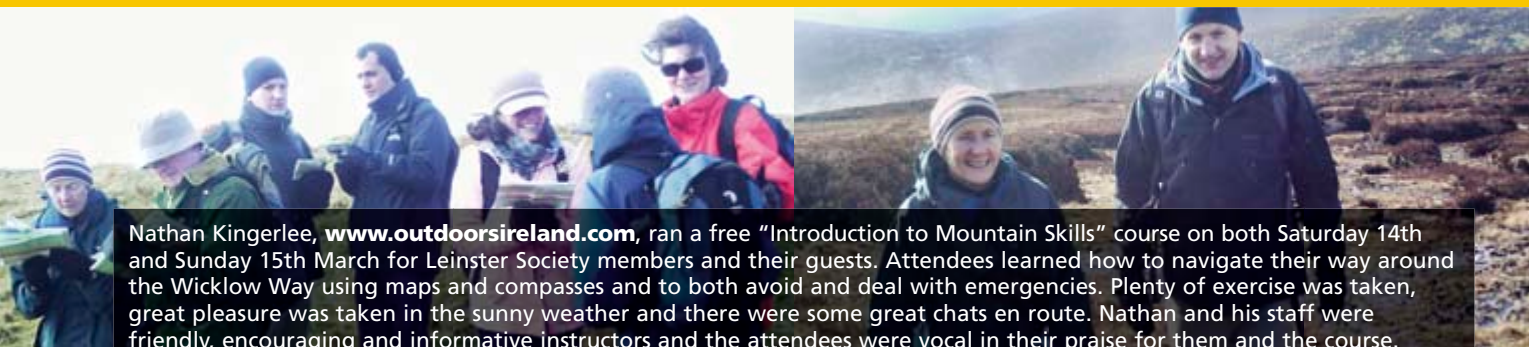
It costs approximately €1,000 to run the Dublin branch alone for a day and public help is essential in providing financial support. 90% of this funding comes from donations, fundraising events and legacies. All fundraising is done by volunteers, unlike other charities who have paid fundraisers. The Samaritans was the chosen charity for the Leinster Society charity ball and charity golf event in 2009.

It is with extreme regret that the Society has cancelled the charity ball and charity golf events for Spring/Summer 2009, both of which would have been held for the Samaritans. Due to the recent redundancies announced by various member firms and businesses, the committee members recognise that many members and their contacts would not be in a position to attend and invite guests to these events this year. For that reason, the committee aims to provide lower profile, lower cost, more varied activities for our members such as hill-walking, a book club, free wine-tasting etc.

We are aware that many members would like to make a contribution to the Samaritans, particularly with the knowledge that the numbers of callers are increasing dramatically as the recession takes hold. Indeed, members who would normally have attended either the ball or the golf event may particularly want to make a donation. For example, for each table booked at the charity ball, the Society had committed to giving that €600 directly to the charity and some regular attendees at the ball will make this donation. If you or your business would like to make a donation to the Samaritans in Ireland, please contact Gillian Duffy at the office of the Leinster Society on Tel: **01 6377218** or email gillian.duffy@icai.ie

Trailblazers!

Eager to forget the R word and to get some fresh air and exercise, enjoy some great scenery and have some fun, many Leinster Society members took the opportunity to attend one of the four free mountain skills and hillwalking days on offer during March. All four days were oversubscribed and the feedback from the attendees was glowing.



Nathan Kingerlee, www.outdoorsireland.com, ran a free "Introduction to Mountain Skills" course on both Saturday 14th and Sunday 15th March for Leinster Society members and their guests. Attendees learned how to navigate their way around the Wicklow Way using maps and compasses and to both avoid and deal with emergencies. Plenty of exercise was taken, great pleasure was taken in the sunny weather and there were some great chats en route. Nathan and his staff were friendly, encouraging and informative instructors and the attendees were vocal in their praise for them and the course.



Terry Lambert, www.hilltoptreks.ie, ran a free "Introduction to Hillwalking" course on both Saturday 28th and Sunday 29th March for the Society in the beautiful surrounds of Glendalough. Terry found that the attendees at his courses wanted to focus more on hill-walking than other mountain skills and was happy to accommodate their wishes. The members and guests who attended were delighted that the weather shone, the conversation sparkled, the bodies were challenged, the instructors impressed and a great time was had.



The committee of the Leinster Society would like to thank both Nathan and Terry for organising these highly successful activities. Discounts are available to members for future courses – see ads below. The enthusiasm with which these courses were taken up was exceptional and the Society will endeavour to continue to organise such events for our members. Please contact gillian.duffy@lsc.ie with any feedback, suggestions or ideas.

Outdoors Ireland

Reach the highest peaks in Ireland this year with Scotts Hotel Walking Weekend

Hike the Kerry Way, through Killarney National Park and along the Old Kenmare Road on Saturday and on Sunday climb Carrauntoohil, Ireland's highest mountain, to savour breathtaking views from the summit.

Sat 18th and Sun 19th April; Two days from €289 per person

Price includes: Two days hiking; two nights B&B; one evening meal; and transport.

Climb Carrauntoohil, Kayak the glaciated Lakes of Killarney and Rock Climb in the ice-carved Gap of Dunloe.

Fri 12th - Sun 14th June; Three days from €375 per person

Price includes: Three days activities; all equipment; three nights B&B; one evening meal; and transport.

Climb Carrauntoohil on the Summer Solstice!

Stand on Ireland's highest peak, early in the morning of the Summer Solstice (21st June), the longest day of the year. Watch the sun's rays brighten the eastern sky, on this ancient pagan festival. After descending Carrauntoohil enjoy a huge freshly cooked breakfast in Killarney.

For more details contact **Outdoors Ireland** on info@outdoorsireland.com or **+353 (0) 86 860 45 63**.

Hilltoptreks



Two-day Wicklow Way Trek: 25th/26th April

Day 1: Walk from the Wicklow Way, via Glenmalure Valley to Glendalough for dinner and B&B.

Day 2: Return to the Wicklow Way trail and head to Lough Tay, via Lough Dan.

2 days €149 per person – 10% reduction for ICAI members
Price includes: Guided walks; one dinner; B&B; and transport.

Three-day Mayo Walk and Ceoil Special: 8th-10th May

The Mayo Fleadh Ceoil takes place in North Mayo, Ballycastle, an ideal location for walking enthusiasts.

Day 1: Travel to Ballycastle followed by an afternoon walk.

Day 2: North Mayo cliff walk.

Day 3: Short walk close to Ballycastle before returning to Dublin.

3 days €349 per person – 10% Reduction for ICAI members
Price includes: Guided walks; one dinner; two nights B&B; and transport.

For further information on the above walks, please visit www.hilltoptreks.ie

Diary Dates

Tuesday 21st April 2009

Corporate Recovery & Insolvency

Venue: Ballsbridge Court
(previously Berkeley Court Hotel)

Time: 6.00pm for 6.30pm

Cost: €40

Speakers: Barry Lyons of Lyons Kenny Solicitors
and Neil Hughes of Hughes Blake Accountants

Thursday 30th April 2009

April Luncheon

Venue: The Westbury Hotel

Time: 12.45pm for 1.00pm

Cost: €60

Speaker: Paul Appleby, Head of the Office
of the Director of Corporate Enforcement

Thursday 7th May 2009

Ladies Health and Well Being Evening – Kilkenny

Venue: The River Court Hotel, Kilkenny

Time: 7.00pm for 7.30pm

Cost: €40

Friday 8th May 2009

May Luncheon

Venue: The Shelbourne Hotel

Time: 12.45pm for 1.00pm

Cost: €60

Speaker: Charlie McCreavy,
European Commissioner Internal Market Services

Tuesday 12th May 2009

LSCA Book Club

Venue: ICAI, Burlington House,
Burlington Road, Dublin 4

Time: 6.30pm

Cost: Free

Toastmasters – 2nd and 4th Thursday

23rd April

14th and 28th May

Please note that all the above events
can be booked online at www.lasca.ie

March Quiz Results

1. Barney Dribble was going on a one-way bus trip. He intended to ride for a certain distance, get off the bus, and walk back to town. If the bus travels at a rate of nine kilometres per hour and he was to walk back to town at a rate of three kilometres per hour, how far would he ride so that he'd be back in eight hours?
- A. *Eighteen kilometres. Since he is riding three times as fast as he can walk, three-quarters of his time must be spent walking. Since he rode for two hours, travelling eighteen kilometres, and walked for six hours, travelling at three kph, he made the round trip in eight hours.*
2. I am a man. If Jason's son is my son's father, what relationship am I to Jason?
- A. *You would be Jason's son. The easiest way to solve this problem is to substitute me for the phrase my son's father. The statement would then read: If Jason's son is me, what relationship am I to Jason?*
3. Harry Plum, a fruit farmer from Georgia, was waging war against the blackbirds that were constantly sampling his cherry crop. One day Harry noticed 16 blackbirds dining on his favourite cherry tree. Determined to teach the birds a lesson they wouldn't soon forget, he got out his shotgun and blasted away at them. Although Harry only managed to hit one of the birds, he did succeed in blowing it clean out of the tree. How many birds are now left in the tree?
- A. *After a shot gun blast the number would be zero!*

March Quiz winner is: Denis Cremin, Dublin 18

A bottle of Champagne awaits your collection at the Leinster Society Office.

April Quiz

1. "It was a rather different trip," recounted Professor Quantum. "For a month our tour group travelled around Europe viewing the sights. The strange thing is that we had a man travelling with us who never saw a thing the whole trip. Even the children in our group would never call this man daddy." Who is he?
2. How many grooves are there on each side of a standard 33¹/₃ record album that has six songs on each side?
3. Gary Gladhand, the politician, was very tired after a long day of campaigning. He went to bed at 10.00pm, wound his alarm clock and set it for noon the next day. Since Gary fell asleep almost immediately, how many hours of sleep did he get before the alarm woke him?

Please email your answers to: leinstersociety@icai.ie or by post to:
LSCA Quiz, Burlington House, Burlington Road, Dublin 4.

Ladies "Health and Wellbeing" Evening

**Thursday
7th May 2009**

Venue:

The River
Court Hotel,
Kilkenny

Time:

7.00pm
for
7.30pm

Cost:

€40



Evening Meeting Corporate Recovery and Insolvency Tuesday 21st April at 6.30pm in the Ballsbridge Court

It's an unfortunate fact that the current economic environment is causing problems for all businesses – including many who would have previously been considered financially sound.

There is no panacea but businesses can find some resolution to their issues if the causes are identified early and the right solution is identified and implemented at the right time.

That is far easier said than done and the challenge for us all is to be able to recognise the early warning signals of impending difficulties and to correctly identify the right response from the range of available solutions – not to mention the subsequent implementation which may be a very complex and anguished process.

To try and make sense of this potential minefield, the Leinster Society are delighted to welcome **Barry Lyons** and **Neil Hughes** to give us the benefit of their deep understanding of the practical requirements of Corporate Recovery and – in particular – the operation of the Examinership process.

Neil and Barry will take us through some practical examples from their experience of business difficulties and will help us to understand some of the key 'Do's and Don'ts'.

Barry Lyons – Barry Lyons is a partner in Lyons Kenny & Co., having established the practice in 1998. He has worked in insolvency, corporate recovery and examinership since 1991. He has acted in a significant number of the most high profile examinerships in the country, is a founder member of the Irish Association of Insolvency Practitioners and is a member of Insol Europe and the DSBA.

Neil Hughes – Neil is managing partner of Hughes Blake and specialises in insolvency and corporate recovery work. In particular he has extensive experience of examinership matters and has acted as examiner to companies in difficulty on numerous occasions. He is the co-author of "Examinership in Practice". He has lectured on the subject of examinership and is a regular commentator on both radio and in the print media on corporate recovery matters.