

a Sir Adrian

CAD-02459

COMMITTEE
ON
THE FINANCIAL ASPECTS
OF CORPORATE GOVERNANCE

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4th August, 1992

Tony Hirst, Esq.,
Chairman,
Association of Independent Museums,
The Boat Museum,
Dockyard Road,
Ellesmere Port,
South Wirral, L65 4EF.

Dear Mr Hirst,

Thank you for your letter of 28th July.

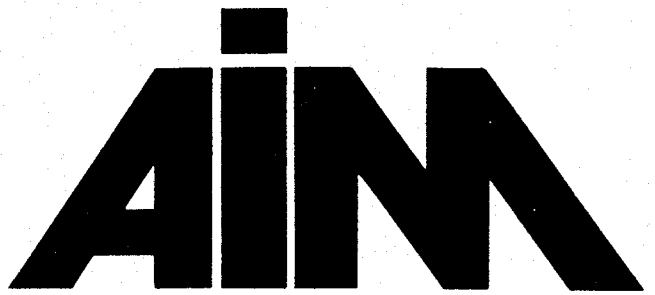
The press reports stating that Sir Adrian Cadbury took the view that non-executive directors should serve on one board only were incorrect. The point which Sir Adrian made (at a CBI conference on 10th June) was simply that the likely increase in the demands on time and commitment of non-executive directors in future would lower the number of posts to which they would feel able to do justice at any one time. Sir Adrian was originally misinterpreted in the Financial Times and the incorrect attribution of the suggestion to him spread from there.

Sir Adrian's views have been correctly reported in the Financial Times and Guardian more recently. I attach a copy of the cuttings for your information.

Yours sincerely
Nigel Peace

Nigel Peace
Secretary

Association of Independent Museums



Please reply to:

The Boat Museum,
Dockyard Road,
Ellesmere Port,
South Wirral,
L65 4EF.

Tel: 051-355 5017
Fax: 051-355 4079

AJH/SS

28th July, 1992.

Mr. Nigel Pearce,
Secretary,
Committee on Financial Aspects of Corporate Governors,
PO Box 433,
Moorgate Place,
London,
EC2P 2BJ.

Dear Mr. Pearce,


I have received from one of our Association Members a copy of a press report that Sir Adrian Cadbury, Chairman of the Committee on Financial Aspects of Corporate Governors, has suggested that non-executive directors should be directors of only one company. I do not know whether this is the policy of your committee, but my association is very concerned that such a view should be being promulgated.

The majority of independent museums, and there are well over a thousand of them, are operated on the basis of limited liability companies, usually with charitable status. The directors or trustees of these companies are voluntary, non-executive directors. They often serve on a number of similar organisations, be it a museum, a tourist board, an area museum council or other companies established in the arts field. It is typical for them to serve on two or three different boards. This enables the skills of these people to be brought to a number of organisations and ensure the maximum spread of "experience".

I, myself, serve as a director of the Association of Independent Museums, the North West Tourist Board and the North West Museums Service. This mix enables me to act as a communicator between each of the organisations. It would be severely restricting if I was only able to serve on one body.

I should be grateful if you could bring the views of our Association to your Committee, expressing our concern that suggestions of limiting directorships to one organisation are being made.

Regards,


Tony Hirst,
Chairman.