International Corporate Governance Network

A company limited by guarantee

Annual Report and Audited Financial Statements

For the year ended 31 December 2012

Company Registration Number
06467372 (England and Wales)

Directors	C Ailman P Armstrong H Bedicks Hon R A Bennett E Breen F E Curtiss M A Edkins J Feigelson C Hansell D J Pitt – Watson Y Takayama P Zaouati
Secretary	K Waring
Registered office	c/o Institute of Chartered Secretaries and Administrators 16 Park Crescent London W1B 1AH
Company registration number	06467372 (England and Wales)
Independent auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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The directors present their report and the financial statements of the company for the year ended 31 December 2012.

Principal activities and business review

The purpose of International Corporate Governance Network (ICGN) is to promote the exchange of ideas and experience in order to contribute to raising worldwide standards of corporate governance.

ICGN fulfils its purpose through

- convening meetings and conferences to promote dialogue and by providing a network for the exchange of views, experience and information about corporate governance issues internationally through its website and publications,
- developing and disseminating best practices, through the work of its policy committees,
- educating market practitioners for continuous professional development around environmental, social and governance factors, and
- advocating policy reforms through responding to consultations and having high level engagement with policy makers and standards setters.

During the year the ICGN held two conferences which provided opportunities for Members and others to better understand regional and global issues in corporate governance. The 2012 Annual Conference and AGM were held in Rio di Janeiro, Brazil, hosted by the IBGC, and attracted over 500 participants from 35 different countries. The Rio event included a Connection Day, an initiative designed to enhance dialogue between companies and investors and which will become a regular ICGN activity. In addition, a regional conference was held in London, UK, hosted by NEST, attracting over 250 participants. To complement our conference activity the ICGN also held a high-level debate in Rotterdam around the challenges and priorities for sustainability reporting and investment decision-making.

Principal activities and business review (continued)

Following an award from the European Commission, the ICGN developed a training programme to encourage the mainstream investment community to integrate environmental, social and governance (ESG) factors into investment decision-making. The course was delivered in London, Stockholm and Rotterdam and supported by numerous local partners. The overall project is being developed in conjunction with the Principles for Responsible Investment and the European Federation of Financial Analysts Societies, the former leading on the development of guidance and the latter assisting the ICGN in the accreditation of the course. The project was completed in March 2013 at a Discussion Forum in London, while the ICGN training programme is expected to continue into perpetuity.

ICGN Policy Committees were very active during the period, putting forward 27 comment letters to a wide range of agencies, including the European Commission, the International Accounting Standards Board, the International Auditing and Assurance Standards Board the U.S. Securities and Exchange Commission and a number of other bodies.

In addition, the ICGN Yearbook 2012 included a wide variety of perspectives on emerging corporate governance trends and priorities around the world and was distributed to Members. This is complemented by the Country Correspondents Initiative a growing resource for ICGN Members offering information on corporate governance developments at a national level.

The ICGN also continued with its scholarship programme and awarded seven bursaries to individuals working in low-income or difficult environments. The bursaries provide financial support for their participation in the ICGN Annual Conference and to become part of the ICGN network and this year included individuals from Asia, Africa and Eastern Europe.

Results for the year

The deficit for the year after taxation amounted to £6,457 which has been transferred to reserves.

Financial risk management

The ICGN Board identifies and assesses risk as part of monthly Board meetings. In addition, the risk register is reviewed and updated on an annual basis. The company is exposed to credit risk and cash flow risks in the ordinary course of business and manages these risks through its internal control procedures. The ICGN does not use financial instruments for risk management. The ICGN has a policy outlining its approach to reserves and capitalisation.

Directors

The directors who served the company during the year were as follows:

Chris Allman	
Philip Armstrong	(appointed June 2012)
Heloisa Bedicks	(appointed June 2012)
Richard Bennett	
Erik Breen	
Francis Curtis	
Arnaud De Bresson	(resigned June 2012)
Michelle Edkins	
Jon Feigelson	(appointed June 2012)
Sandra Guerra	(resigned June 2012)
Carol Hansell	
David Pitt-Watson	
Nasser Saidi	(resigned February 2012)
Yoshiko Takayama	
Christianna Wood	(resigned June 2012)
Philippe Zaouati	(appointed June 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply then consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' responsibilities statement (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Each of the directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware; and
- the director has taken all reasonable steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Small company exemption

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in part 15 of the Companies Act 2006.

Auditor

The auditor, Grant Thornton UK LLP has expressed its willingness to continue in office and is automatically reappointed under S. 487(2) of the Companies Act 2006.

On behalf of the board:

F. Curtiss
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Francis Curtiss
(Member of the ICGN Board of Governors & Chairman of the ICGN Finance Committee)

Date..22..April..2013........

Independent auditor's report to the members of International Corporate Governance Network

We have audited the financial statements of International Corporate Governance Network Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement, principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared 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 following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report.

Ann Tomkins

Ann Tomkins, Senior statutory auditor
for and on behalf of Grant Thornton UK LLP, Statutory Auditor
Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

Date 22 April 2013

Profit and loss account Year ended 31 December 2012

	Notes	*2012* £	2011 £
Turnover		***1,013,329***	1,047,312
Direct costs		***(464,253)***	(635,998)
Gross surplus		***549,076***	411,314
Administrative charges		***(556,284)***	(502,207)
Operating deficit on ordinary activities	1	***(7,208)***	(90,893)
Interest receivable	3	***374***	458
Deficit on ordinary activities before taxation		***(6,834)***	(90,435)
Tax reclaim on deficit on ordinary activities	4	***377***	26,541
Retained accumulated deficit for the financial year	10	***(6,457)***	(63,894)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

Balance sheet 31 December 2012

	Notes	*2012* £	2011 £
Fixed assets			
Intangible assets	5	*13,279*	26,558
Tangible assets	6	*2,136*	4,654
Investments	7	*100*	100
		15,515	31,312
Current assets			
Debtors	8	*120,640*	163,310
Cash at bank and in hand		*388,450*	364,293
		509,090	527,603
Creditors: amounts falling due within one year	9	*(258,910)*	(286,763)
Net current assets		*250,180*	240,840
Net assets		*265,695*	272,152
Capital and reserves			
Profit and loss account	10	*265,695*	272,152

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the Board of Governors and authorised for issue on 22 April 2013 and are signed on their behalf by:

F. Curtiss

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Francis Curtiss
(Member of the ICGN Board of Governors)

International Corporate Governance Network
Company registration number: 06467372 (England and Wales)

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

Cash flow statement Year ended 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Net cash inflow/(outflow) from operating activities	A		***23,441***		(28,382)
Returns on investments and servicing of finance					
Interest received		***374***		458	
Net cash on returns on investments and servicing of finance			***374***		458
Taxation paid			—		(25,102)
Taxation received			***1,520***		13,980
Capital expenditure					
Payments to acquire					
- intangible assets		—		(16,375)	
- tangible assets		***(1,178)***		(1,211)	
Net cash outflow for capital expenditure			***(1,178)***		(17,586)
Increase/(decrease) in cash in the year	C		***24,157***		(56,632)

A *Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities*

	2012 £	2011 £
Operating deficit	***(7,208)***	(90,893)
Depreciation of tangible and intangible assets	***16,975***	11,996
Decrease/(increase) in debtors	***42,670***	(101,715)
(Decrease)/increase in creditors within one year	***(28,996)***	152,230
Cash generated from operating activities	***23,441***	(28,382)

B *Analysis of net funds*

	1 January 2012 £	Cash flow £	31 December 2012 £
Cash at bank and in hand	364,293	24,157	***388,450***

C *Reconciliation of net cash flow to movement in net funds*

	2012 £	2011 £
Increase/(decrease) in cash in the year	***24,157***	(56,632)
Opening net funds	***364,293***	420,925
Closing net funds	***388,450***	364,293

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008). The financial statements have been prepared on a going concern basis. In considering going concern the directors have reviewed the company's future cash requirements and earning projections and have concluded that the company will be able to operate within its current funding arrangements.

The financial statements are prepared for the entity only as the subsidiary is dormant and consolidated financial statements have therefore not been prepared.

Turnover

Turnover for the year represents amounts receivable for membership subscriptions and conference income for conferences in the year, excluding VAT. Subscription income received in advance of the current year is carried forward as deferred income and included in creditors at the year end. Similarly, income received and costs incurred in advance for the future conferences is included in deferred income and prepayments, respectively, at the balance sheet date.

Direct costs

All items of expenditure directly attributable to the generation of income have been shown as direct costs.

Intangible assets

Development costs of creating the Master Class programme have been capitalised and are being amortised over two years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

- Website 33% straight line
- Office furniture 10% straight line
- Computer equipment 33% straight line

The website was an asset under development and amortisation began once it was fully operational in April 2009. During the year ended 31 December 2012 the website was fully amortised.

Stakeholder pension scheme

Employees of the company may participate in a stakeholder pension scheme undertaking. Contributions are charged to the profit and loss account as they are payable.

Foreign currency transactions

Transactions denominated in foreign currency are translated into sterling at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into sterling at rates of exchange ruling at the end of the financial year. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to them. Grants related to expenses are treated as turnover in the profit and loss account.

1 *Operating deficit*

Operating deficit is stated after charging:	***2012*** ***£***	2011 £
Depreciation of tangible and intangible assets	***16,975***	11,996
Auditor's remuneration:		
-Audit services	***9,418***	8,208

2 *Employment costs and directors' remuneration*

	2012 ***£***	2011 £
Staff employment costs:		
Wages and salaries	***413,131***	302,763
Social security costs	***36,394***	38,840
Other pension costs	***14,538***	23,813
	464,063	365,416

	2012 ***Number***	2011 Number
The average number of employees (excluding directors) during the year was	***6***	5

No directors received any remuneration from the company during the year (2011 - none).

3 *Interest receivable*

	2012 ***£***	2011 £
Bank interest	***365***	400
Other interest	***9***	58
	374	458

4 *Taxation on deficit on ordinary activities*

a) Analysis of charge in the year:

The taxation credit on deficit on ordinary activities comprises:	***2012*** ***£***	2011 £
Corporation tax charge for the current year 20%	***2,000***	1,000
Adjustment for prior years	***(2,377)***	(27,541)
	(377)	(26,541)

4 *Taxation on deficit on ordinary activities* (continued)

b) Factors affecting taxation credit for the year

The corporation taxation credit is assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom of 20% (2011 – 20.25%). The differences are explained below. ICGN has to pay corporation tax on its non mutual element relating to conferences.

	2012 £	2011 £
Deficit on ordinary activities before taxation	*(6,834)*	(90,435)
Deficit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 20% (2011: 20.25%)	*(1,367)*	(18,313)
Effects of:		
Income not assessable for taxation purposes	—	(90,512)
Expenditure not allowable for taxation purposes	*3,367*	109,825
Adjustment for prior year	*(2,377)*	(27,541)
Current taxation credit - note 4(a)	*(377)*	(26,541)

5 *Intangible fixed assets*

	Master Class
Cost	
At 1 January 2012 and 31 December 2012	*26,558*
Depreciation	
At 1 January 2012	—
Charge for the year	13,279
At 31 December 2012	13,279
Net book value	
At 31 December 2012	*13,279*
At 31 December 2011	*26,558*

6 Tangible fixed assets

	Total £
Cost	
At 1 January 2012	40,978
Additions	1,178
At 31 December 2012	42,156
Depreciation	
At 1 January 2012	36,324
Charge for the year	3,696
At 31 December 2012	40,020
Net book value	
At 31 December 2012	2,136
At 31 December 2011	4,654

7 Fixed assets investments

	ICGN Limited £
Cost and net book value at 31 December 2011 and 2012	100

The principal subsidiary undertaking was:

Name	Type of shares	Net assets at 31 December 2012 £
ICGN Limited	Ordinary of £1 each	100

The ICGN Limited shareholding was transferred from the former International Corporate Governance Network Association during 2009 for £nil consideration. The capital and reserves at 31 December 2012 are £100.

8 Debtors

	2012 £	2011 £
Trade debtors	76,002	48,840
Other debtors	3,220	2,256
Prepayments and accrued income	41,418	112,214
	120,640	163,310

9 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	11,807	25,041
Amounts due to group undertakings	100	100
Amounts due to non-subsidiary - ICGN Academy	—	11,340
Social security and other taxes	26,678	41,112
Corporation tax	2,000	857
Accruals and deferred income	205,686	104,681
Other creditors	12,639	103,632
	258,910	286,763

10 Profit and loss account

	2012 £	2011 £
Retained surplus brought forward at 1 January 2012	272,152	336,046
Deficit for the year	(6,457)	(63,894)
Retained surplus at 31 December 2012	265,695	272,152

11 Called up share capital

The International Corporate Governance Network Limited is a company limited by guarantee. The members of the company are liable to the extent of £1 each up to the first anniversary of ceasing to be a member.

12 Financial commitments

At 31 December 2012, the company was committed to making the following payments under non-cancellable operating operating leases in the year to 31 December 2013:

	Land and buildings	
	2012 £	2011 £
Operating leases which expire:		
Between two and five years	16,927	16,927

13 Grant income

During the year the company received £nil (2011 - £52,552) from the European Commission in relation to the ESG Integration Project.