ICGN

International Corporate Governance Network

International Corporate Governance Network

A company limited by guarantee

Annual Report and Audited Financial Statements

For the year ended 31 December 2013

Registered number: 06467372

Company information

Directors	P Armstrong H Bedicks Hon R A Bennett E Breen F E Curtiss M A Edkins J Feigelson C Hansell D J Pitt-Watson G Stapledon Y Takayama P Zaouati
Secretary	S Parviez
Company number	06467372
Registered office	Saffron House 6-10 Kirby Street London EC1N 8TS
Independent auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

Contents

Directors' report

for the year ended 31 December 2013

The directors present their report and financial statements for the year ended 31 December 2013.

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 2013 Annual Conference and AGM were held in New York, USA, hosted by TIAA-CREF, and attracted over 500 participants from around the world. In addition, a regional conference was held in Milan, Italy hosted by Borsa Italiana, attracting over 250 participants. This was complemented with a Connection Day at which some of Italy's most influential companies met with global investors to discuss their corporate governance practices.

We concluded an 18 month long project, co-financed by the European Commission, to develop a training programme to encourage investors to better integrate environmental, social and governance (ESG) factors into investment decision-making. The overall project was developed in conjunction with the Principles for Responsible Investment and the European Federation of Financial Analysts Societies and the course has been delivered in seven jurisdictions.

ICGN Policy Committees were very active during the period, putting forward 19 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 Organisation of Economic Co-operation and Development, and multiple national corporate governance regulatory bodies. This policy engagement was complemented by the publication of two ICGN guidelines: the 'ICGN Statement of Principles for Institutional Investor Responsibilities' (revised) and the 'ICGN Statement and Guidance on Gender Diversity on Boards'.

In addition, the ICGN Yearbook 2013 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 which provides individuals with 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.

Directors' report

for the year ended 31 December 2013

Results for the year

The surplus for the year after taxation amounted to £36,701 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 Ailman	(resigned June 2013)
Philip Armstrong	
Heloisa Bedicks	
Richard Bennett	
Erik Breen	
Francis Curtiss	
Michelle Edkins	
Jon Feigelson	
Carol Hansell	
David Pitt-Watson	
Geof Stapledon	(appointed June 2013)
Yoshiko Takayama	
Philippe Zaouati	

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and 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 them 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' report
for the year ended 31 December 2013

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.

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
....

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

Date.....17 April 2014....

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

for the year ended 31 December 2013

We have audited the financial statements of International Corporate Governance Network Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 auditors

As explained more fully in the directors' responsibilities statement set out in the directors' report on pages 2 and 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 Financial Reporting Council'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 2013 and of its profit 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.

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

for the year ended 31 December 2013

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 from the requirement to prepare a strategic report or in preparing the directors' report.

Ann Tomkins

Ann Tomkins, Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

Date: 17 April 2014

Profit and loss account
for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover		**1,174,573**	1,013,329
Direct costs		**(679,634)**	(464,253)
Gross surplus		**494,939**	549,076
Administrative charges		**(460,695)**	(556,284)
Operating surplus/(deficit) on ordinary activities	2	**34,244**	(7,208)
Interest receivable	4	**457**	374
Surplus/(deficit) on ordinary activities before taxation		**34,701**	(6,834)
Tax on surplus/(deficit) on ordinary activities	5	**2,000**	377
Retained surplus/(accumulated deficit) for the financial year	11	**36,701**	(6,457)

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 10 to 14 form an integral part of the financial statements.

Balance sheet
as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible assets	6	—	13,279
Tangible assets	7	**2,308**	2,136
Investments	8	**100**	100
		2,408	15,515
Current assets			
Debtors	9	**116,047**	120,640
Cash at bank and in hand		**431,201**	388,450
		547,248	509,090
Creditors: amounts falling due within one year	10	**(247,260)**	(258,910)
Net current assets		**299,988**	250,180
Net assets		**302,396**	265,695
Capital and reserves			
Profit and loss account	11	**302,396**	265,695

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 17 April 2014 and are signed on their behalf by:

F. Curtiss

Francis Curtiss
(Member of the ICGN Board of Governors)

The accompanying notes on pages 10 to 14 form an integral part of the financial statements.

Cash flow statement

for the year ended 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	A		**44,865**		23,441
Returns on investments and servicing of finance					
Interest received		**457**		374	
Net cash on returns on investments and servicing of finance			**457**		374
Taxation received			—		1,520
Capital expenditure					
Payments to acquire					
- tangible assets		**(2,571)**		(1,178)	
Net cash outflow for capital expenditure			**(2,571)**		(1,178)
Increase in cash in the year	C		**42,751**		24,157

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

	2013 £	2012 £
Operating surplus/(deficit)	**34,244**	(7,208)
Depreciation of tangible and intangible assets	**14,871**	16,975
Disposal of tangible assets	**807**	—
Decrease in debtors	**4,593**	42,670
Decrease in creditors within one year	**(9,650)**	(28,996)
Cash generated from operating activities	**44,865**	23,441

B Analysis of net funds

	1 January 2013 £	Cash flow £	31 December 2013 £
Cash at bank and in hand	388,450	42,751	**431,201**

Cash flow statement

for the year ended 31 December 2013

C Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase in cash in the year	**42,751**	24,157
Opening net funds	**388,450**	364,293
Closing net funds	**431,201**	388,450

Notes to the financial statements

for the year ended 31 December 2013

1 Accounting policies

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:

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

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.

Notes to the financial statements
for the year ended 31 December 2013

1 **Accounting policies** (continued)

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.

2 **Operating surplus**
Operating surplus is stated after charging:

	2013	2012
	£	£
Depreciation of tangible and intangible assets	**14,871**	16,975
Auditors remuneration:		
- Audit services	**8,917**	9,418

3 **Employment costs and directors' remuneration**

	2013	2012
	£	£
Staff employment costs:		
Wages and salaries	**303,813**	413,131
Social security costs	**34,278**	36,394
Other pension costs	**4,029**	14,538
	342,120	464,063

	2013	2012
	Number	Number
The average number of employees (excluding directors) during the year was	**6**	6

4 **Interest receivable**

	2013	2012
	£	£
Bank interest	**457**	365
Other interest	—	9
	457	374

5 **Tax**
(a) Analysis of charge in the year

	2013	2012
The taxation credit on surplus on ordinary activities comprises:	**£**	£
Corporation tax charge for the current year 20%	—	2,000
Adjustment for prior years	**(2,000)**	(2,377)
	(2,000)	(377)

Notes to the financial statements
for the year ended 31 December 2013

5 **Tax** (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 23.25% (2012: – 24.50%). The differences are explained below. ICGN has to pay corporation tax on its non mutual element relating to conferences.

	2013	2012
	£	£
Surplus/(deficit) on ordinary activities before taxation	**34,701**	(6,834)
Surplus/(deficit) on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.50%)	**8,068**	(1,367)
Effects of:		
Unrelieved tax losses and other deductions arising in the year	**(8,068)**	—
Expenditure not allowable for taxation purposes	—	3,367
Adjustment for prior year	**(2,000)**	(2,377)
Current taxation credit – note 5(a)	**(2,000)**	(377)

6 **Intangible fixed assets**

	£
Cost	
At 1 January 2013 and 31 December 2013	**26,558**
Depreciation	
At 1 January 2013	**13,279**
Charge for the year	**13,279**
At 31 December 2013	**26,558**
Net book value	
At 31 December 2013	—
At 31 December 2012	**13,279**

Notes to the financial statements
for the year ended 31 December 2013

7 Tangible fixed assets

	Total
	£
Cost	
At 1 January 2013	42,156
Additions	2,571
Disposals	(1,924)
At 31 December 2013	42,803
Depreciation	
At 1 January 2013	40,020
Charge for the year	1,592
Depreciation on disposals	(1,117)
At 31 December 2013	40,495
Net book value	
At 31 December 2013	2,308
At 31 December 2012	2,136

8 Fixed assets investments

	ICGN Limited
	£
Cost and net book value at 31 December 2012 and 2013	100

The principal subsidiary undertaking was:

Name	Type of shares	Net assets at 31 December 2013 £
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 2013 are £100.

9 Debtors

	2013	2012
	£	£
Trade debtors	43,640	76,002
Other debtors	5,586	3,220
Prepayments and accrued income	66,821	41,418
	116,047	120,640

Notes to the financial statements

for the year ended 31 December 2013

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	**13,590**	11,807
Amounts due to group undertakings	—	100
Social security and other taxes	**16,229**	26,678
Corporation tax	—	2,000
Accruals and deferred income	**216,886**	205,686
Other creditors	**555**	12,639
	247,260	258,910

11 Profit and loss account

	2013 £	2012 £
Retained surplus brought forward at 1 January 2013	**265,695**	272,152
Surplus/(deficit) for the year	**36,701**	(6,457)
Retained surplus at 31 December 2013	**302,396**	265,695

12 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.

13 Financial commitments

At 31 December 2013, the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Between two and five years	—	16,927