

Financial Statements  
International Corporate  
Governance Network  
A company limited by guarantee

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**For the year ended 31 December 2010**

Company No. 6467372

## Officers and professional advisers

<b>Company registration number</b>	6467372
<b>Registered office</b>	C/O Institute of Chartered Secretaries and Administrators 16 Park Crescent LONDON W1B 1AH
<b>Directors</b>	R Abma C Ailman Hon R A Bennett D Beatty F E Curtiss A De Bresson M A Edkins S Guerra D J Pitt-Watson M E Preisinger Y Takayama C Wood
<b>Secretary</b>	K Waring
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2010.

### Principal activities and business review

The International Corporate Governance Network (ICGN) was incorporated on 8 January 2008 as a company limited by guarantee established under the law of England & Wales. Its Secretariat is housed by the Institute of Chartered Secretaries and Administrators (ICSA) in London.

The purpose of 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, 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 three conferences which provided opportunities for Members and others to better understand regional and global issues in corporate governance. The 2010 Annual Conference and AGM were held in Toronto, Canada drawing around 450 participants from 35 countries around the world. It focused on changing global balances with discussions on BRIC economies, corporate social responsibility, publicly traded but controlled companies, the evolving role of hedge funds in corporate stewardship and sovereign wealth funds as the world's largest shareholders. In addition, two mid-year conferences were held in London, UK on the subject of active shareholders rising to the ownership challenge and dealing with regulatory and structural reforms; and in San Francisco where debate focused on unraveling the complexities facing the US financial system and sought to identify solutions to help ensure long-term sustainability and growth.

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

Two Committees developed best practice guidance which have been widely circulated to Members and the broader community of interested parties. These are the ICGN Non-executive Director Remuneration Guidelines and Policies and the ICGN Corporate Risk Oversight Guidelines. Consultation drafts on political lobbying and donations, model mandate and review of executive remuneration guidance are also in progress and the outcome of which is expected to be developed into guidance in 2011-12. In addition, the ICGN Yearbook 2011 will be produced and made available in the latter part of 2011.

The ICGN also continued work programme of the ICGN Foundation by providing scholarships, mentoring and thought leadership to those working in low-income or difficult environments. Seven awards were made to individuals from Asia, Latin America, Africa and Eastern Europe. The Foundation work programme compliments the ICGN objective to promote good corporate governance internationally by encouraging its members and others to network at ICGN conferences, to engage with policy makers on emerging issues, and to share knowledge and best practice developments through the publication of guidelines and the ICGN Yearbook.

## Report of the directors

### Results and dividends

The profit for the year after taxation amounted to £ 84,708 (2009: Loss (£13,124)) which has been transferred to reserves.

### Financial risk management

The ICGN Board identifies and assesses risk as part of monthly Board meetings. In addition, a specific 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.

### Directors

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

Rients Abma	(appointed June 2008)
Chris Ailman	(appointed June 2008)
Richard Bennett	(appointed July 2009)
David Beatty	(appointed June 2008 and resigned January 2011)
Charnchai Charuvastr	(appointed July 2009 and resigned June 2010)
Francis Curtiss	(appointed July 2009)
Arnaud De Bresson	(appointed June 2010)
Michelle Edkins	(appointed July 2009)
Sandra Guerra	(appointed June 2010)
Jean-Pierre Hellebuyck	(appointed June 2008 and resigned June 2010)
David Pitt-Watson	(appointed June 2010)
Mark Preisinger	(appointed June 2008)
Anita Skipper	(appointed June 2008 and resigned June 2010)
Yoshiko Takayama	(appointed June 2010)
Christianna Wood	(appointed June 2008 and Chairperson from July 2009)

### 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 them consistently;
- make judgments 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.

## Report of the directors

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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Small company exemption**

This report has been prepared in accordance with the special provisions for small companies under 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



**Francis Curtiss**  
(Member of the ICGN Board of Governors)

10 June 2011



## Report of the independent auditor 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 2010 which comprise the principal accounting policies, 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 the directors and the auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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](http://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 2010 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**

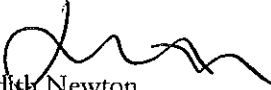
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the independent auditor to the members of International Corporate Governance Network (continued)

### **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.

  
Judith Newton  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

Date 15 June 2011



## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 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 accounts are prepared for the entity only as the subsidiary is dormant and consolidated accounts have therefore not been prepared.

### **Income recognition**

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.

### **Fixed assets**

Fixed assets are depreciated over their estimated useful lives of between three and ten years, by applying the straight line method, to give a nil residual value. The website was an asset under development and was amortised once it was fully operational in April 2009.

### **Intangible assets**

Development costs of creating the Master class programme have been capitalised and will be amortised over three years from the date the programme starts.

### **Stakeholder pension scheme**

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

### **Related party transactions**

Where appropriate, the company has taken advantage of the exemption available in paragraph 3 (c) of the Financial Reporting Standard 8, not to disclose inter group transactions.

## Accounting policies (continued)

### **Foreign currency transactions**

Transactions denominated in foreign currency are translated into sterling at the exchange rates prevailing at the date of the 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.

## Profit and loss account

	Note	2010 £	2009 £
<b>Turnover</b>		1,122,709	767,153
Direct costs		(508,036)	(416,898)
<b>Gross profit</b>		<u>614,673</u>	<u>350,255</u>
Other income		21,439	-
Administration charges		(513,887)	(423,173)
<b>Operating surplus/(loss) on ordinary activities</b>	1	122,225	(72,918)
Interest receivable	3	1,012	94,918
<b>Surplus on ordinary activities before taxation</b>		<u>123,237</u>	<u>22,000</u>
Tax on surplus on ordinary activities	4	(38,529)	(35,124)
<b>Retained surplus/(loss) for the financial year</b>	10	<u><u>84,708</u></u>	<u><u>(13,124)</u></u>

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.

## Balance sheet

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	5	15,439	28,399
Intangible assets	6	10,183	-
Investments	7	100	100
		<u>25,722</u>	<u>28,499</u>
<b>Current assets</b>			
Debtors	8	61,595	185,363
Cash at bank and in hand		420,925	264,035
		<u>482,520</u>	<u>449,398</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(172,196)</u>	<u>(226,559)</u>
<b>Net current assets</b>		<u>310,324</u>	<u>222,839</u>
<b>Net assets</b>		<u>336,046</u>	<u>251,338</u>
<b>Capital and reserves</b>			
Profit and loss account	10	<u>336,046</u>	<u>251,338</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within 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 directors and authorised for issue on 10 June 2011, and are signed on their behalf by:



**Francis Curtiss**  
 (Member of the ICGN Board of Governors)

Company number: 6467372

## Cash flow statement

	Note	2010 £	2009 £
<b>Net cash inflow from operating activities</b>		<b>201,185</b>	<b>5,762</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		1,012	842
Taxation		(35,124)	(13,385)
<b>Capital expenditure and financial investment</b>		<b>167,073</b>	<b>(6,781)</b>
Purchase of tangible fixed assets		(10,183)	(11,095)
<b>Cash inflow/(outflow) before management of liquid resources</b>		<b>156,890</b>	<b>(17,876)</b>
<b>Management of liquid resources:</b>			
Cash withdrawn from short term deposit		-	87,980
<b>Increase in cash</b>		<b>156,890</b>	<b>70,104</b>
<b>Reconciliation of operating surplus to net cash flow:</b>			
<b>Surplus on ordinary activities before taxation</b>		<b>123,237</b>	<b>22,000</b>
Interest receivable		(1,012)	(842)
Depreciation charge		12,960	10,087
Increase in debtors		123,768	(126,837)
Increase in creditors		(57,768)	101,354
<b>Net cash inflow from operating activities</b>		<b>201,185</b>	<b>5,762</b>
	<b>31 December</b>	<b>Cash flow</b>	<b>31 December</b>
	<b>2009</b>	<b>2010</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	264,035	156,890	420,925
Less cash treated as liquid resources	(2,563)	-	(2,563)
	261,472	156,890	418,362
<b>Liquid resources</b>			
Deposits included in cash	2,563	-	2,563
<b>Net funds</b>	264,035	156,890	420,925
<b>Analysed in balance sheet</b>			
Cash at bank and in hand	264,035	156,890	420,925

The accompanying accounting policies and notes form part of these financial statements.

## Notes to the financial statements

### 1 Operating Surplus/ (loss)

Operating surplus/ (loss) is stated after charging:

	2010	2009
	£	£
Depreciation of tangible assets	12,960	10,087
Auditors' remuneration:		
Audit services – current auditor	7,500	-
Audit services – previous auditor	3,218	12,010
Non audit remuneration – tax advice	3,000	3,750
	<u>          </u>	<u>          </u>

### 2 Employment costs and directors' remuneration

	2010	2009
	£	£
Staff employment costs		
Wages and salaries	333,935	234,869
Social security costs	26,254	23,254
Other pension costs	20,258	20,238
	<u>          </u>	<u>          </u>
	380,447	278,361

	2010	2009
	Number	Number
The average number of employees (excluding directors during the year was).	<u>          </u>	<u>          </u>
	5	4

No directors received any remuneration from the company (2009 Nil).

### 3 Interest receivable

	2010	2009
	£	£
Bank interest	<u>          </u>	<u>          </u>
	1,012	94,918

Monies have been held in Brazil on deposit from the Brazilian Conference in 2004. This sum has been earning interest and because of the uncertainty of the repatriation of these funds, it has not been deemed prudent to recognise these monies in previous years. As this money was returned to the UK in 2010 the interest was recognised in 2009.

## Notes to the financial statements (continued)

### 4 Taxation on surplus/ (loss) on ordinary activities

#### a) Analysis of charge in the year

The taxation charge on surplus/ (loss) on ordinary activities comprises

	2010 £	2009 £
Corporation tax charge for the current year	37,000	35,124
Adjustment for prior years	1,529	-
	<u>38,529</u>	<u>35,124</u>

#### b) factors affecting taxation charge for the year

The corporation tax charge as assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom of 21% (2009: 21%). The differences are explained below. ICGN has to pay corporation tax on its non mutual element relating to conferences. In 2010 corporation tax was also applied to Brazilian bank interest.

	2010 £	2009 £
Surplus on ordinary activities before taxation	123,237	22,000
Surplus on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 21%	25,880	4,620
Effects of		
Income not assessable for taxation purposes	(128,323)	(395,981)
Expenditure not allowable for taxation purposes	139,443	356,237
Effects of use of small companies and marginal rates of taxation	-	-
Adjustment for prior year	1,529	-
Current taxation charge - note 4(a)	<u>38,529</u>	<u>35,124</u>

### 5 Tangible fixed assets

	Website £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2010 and 31 December 2010	34,465	5,302	39,767
<b>Depreciation</b>			
At 1 January 2010	8,616	2,752	11,368
Charge for the year	11,489	1,471	12,960
At 31 December 2010	20,105	4,223	24,328
<b>Net book value</b>			
At 31 December 2010	<u>14,360</u>	<u>1,079</u>	<u>15,439</u>
At 31 December 2009	<u>25,849</u>	<u>2,550</u>	<u>28,399</u>

## Notes to the financial statements (continued)

### 6 Intangible fixed assets

	Master class £
<b>Cost</b>	
At 1 January 2010	-
Additions	<u>10,183</u>
At 31 December 2010	<u>10,183</u>
<b>Net book value</b>	
At 31 December 2010	<u>10,183</u>
At 31 December 2009	<u>-</u>

The development costs of the master class have been capitalised during the year, and once the master class begins in 2011 these costs will be amortised over three years from that date. Being the deemed life of the project.

### 7 Fixed asset investments

	ICGN Limited £
Cost and net book value at 31 December 2009 and 2010	<u>100</u>

The principal subsidiary undertaking was:

Name	Type of shares	Net assets at 31 December 2010
ICGN Limited	Ordinary of £1	100

The ICGN Limited shareholding was transferred from the former International Corporate Governance Network association during the previous period for nil consideration. The capital and reserves at 31 December 2010 are £100.



## Notes to the financial statements (continued)

### 8 Debtors

	2010	2009
	£	£
Amounts due from group undertaking	-	1,891
Trade debtors	14,850	39,566
Other debtors	712	123,357
Prepayments and accrued income	46,033	20,549
	<u>61,595</u>	<u>185,363</u>

### 9 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	15,231	19,061
Amounts due to group undertaking	100	-
Other creditors	14,213	27,249
ICGN Academy	11,340	11,045
Taxes and social security costs	26,529	11,645
Corporation tax	38,520	35,115
Accruals and deferred income	66,263	122,444
	<u>172,196</u>	<u>226,559</u>

### 10 Profit and loss account

	2010	2009
	£	£
Retained profit brought forward		
At 1 January	251,338	264,462
Surplus/(loss) for the year	84,708	(13,124)
Retained profit at 31 December	<u>336,046</u>	<u>251,338</u>

## Notes to the financial statements (continued)

### **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 Capital commitments and contingent liabilities**

Capital commitments existing at the balance sheet date amounted to 2010 £nil (2009: £nil).

### **13 Contingent liability**

There were no contingent liabilities at the balance sheet date. (2009: £ Nil).