



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 2014

Registered number: 06467372 (England and Wales)

Company information

Directors	P Armstrong E Breen D Couldridge (appointed 16 June 2014) F E Curtiss J Feigelson C Hansell A-M Jourdan (appointed 16 June 2014) A Mastagni (appointed 16 June 2014) A Molyneux (appointed 16 June 2014) D J Pitt-Watson G Stapledon Y Takayama
Secretary	S Parvies
Company number	06467372 (England and Wales)
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

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Directors' report

for the year ended 31 December 2014

Principal activities and business review

The International Corporate Governance Network (ICGN) was created in 1995 in response to rapid growth in cross-border investment.

Led by investors responsible for assets under management in excess of US\$26 trillion, ICGN members are drawn from more than 45 countries. Membership is open to all professionals in the field of corporate governance including companies, advisors and others.

ICGN's mission is to inspire effective standards of corporate governance to advance efficient markets world-wide. We achieve this through the **ICGN Global Governance Principles** which are implemented by:

- **Influencing** public policy by providing a reliable source of practical knowledge and experience on high standards of corporate governance
- **Connecting** investors and companies for enhanced dialogue with peers at global events and virtual networking via www.icgn.org
- **Informing** knowledge through guidelines and education to stimulate awareness of responsible share ownership

Influencing public policy

Driven by ICGN Members themselves, ICGN Policy Committees are instrumental in ensuring that responsible share ownership contributes to ongoing reform of global capital markets for long term sustainable economic growth. We actively engage with policy makers on a range of governance reforms which this year included the European Commission and European Parliament, the International Accounting Standards Board, the Organisation of Economic Co-operation and Development, Basle Committee on Corporate Governance and national governments in France, Italy and Japan.

Two substantial revisions of existing ICGN Guidance have been undertaken this year following the update of the ICGN Global Governance Principles approved by ICGN Members in June 2014. The ICGN Corporate Risk Oversight Guidance and the Integrated Business Reporting Guidance are subject to ICGN Member approval at the AGM.

Connecting investors and companies

The ICGN held a successful Connection Day, which brings local companies together with global investors, at a meeting hosted by the Tokyo Stock Exchange in March 2014. Board directors and CEOs from Mitsubishi, SONY and HOYA joined an ICGN audience to discuss long-term strategy and governance arrangements for the year ahead. This followed a one-day conference hosted by the TSE and the Financial Services Authority where the Japan Stewardship Code was launched. The annual meeting, hosted by Eumedion, took place in the Netherlands and attracted an influential global crowd of investors and governance practitioners.

The Global Network of Investor Associations, established in 2013 as a collaboration of investor-led organisations with a common interest in promoting shareholder rights and responsibilities, held a number of meetings over the year. Members are drawn from Australia, Brazil, Canada, Hong Kong, Italy, Malaysia, Netherlands, UK and the USA.

Directors' report

for the year ended 31 December 2014

Informing knowledge

We delivered successful programmes in Amsterdam and Montreal to educate investors on how to better integrate environmental, social and governance (ESG) factors into investment decision-making. This followed our first Academic Meeting, hosted by the Nyendrode Business School. The meeting provided an opportunity for academia and capital market practitioners to share knowledge and experience on a range of corporate governance issues.

The ICGN Yearbook 2014 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 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.

We have also taken steps to enhance the ICGN website and have appointed a new designer to enhance navigation and accessibility of information. A number of member-only tools are available including ICGN Connect, which provides an on-line contacts database, Country Correspondents and an archive of ICGN Yearbooks. The new site will be launched in time for the forthcoming AGM taking place on 3 June in London.

Results for the year

The surplus for the year after taxation amounted to £144,893 which has been transferred to reserves.

The overall net effect on reserves is an increase from £302,396 by year-end 2013 to £447,289 in 2014. The positive result is primarily due to the following factors:

- Prudent cost controls due to lower than anticipated local sponsorship associated with the ICGN annual conference in Amsterdam.
- Generous host support from the TSE for the delivery of the regional ICGN conference in March.
- Lower staff costs due to the Secretariat being comprised of just four individuals for the most part of the year, including the Managing Director.
- Healthy membership recruitment achieved through targeted campaigns.

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' report

for the year ended 31 December 2014

Directors

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

Philip Armstrong	
Heloisa Bedicks	(resigned 16 June 2014)
Richard Bennett	(resigned 16 June 2014)
Erik Breen	
David Couldridge	(appointed 16 June 2014)
Francis Curtiss	
Michelle Edkins	(resigned 16 June 2014)
Jon Feigelson	
Carol Hansell	
Anne-Marie Jourdan	(appointed 16 June 2014)
Aeisha Mastagni	(appointed 16 June 2014)
Anne Molyneux	(appointed 16 June 2014)
David Pitt-Watson	
Geof Stapledon	
Yoshiko Takayama	
Philippe Zaouati	(resigned 16 June 2014)

The directors noted above as having resigned during the year actually retired. The current directors wish to record their appreciation for the service given by those retiring directors.

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.

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.

Directors' report

for the year ended 31 December 2014

Directors' responsibilities statement

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:


.....

Francis Curtiss

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

Date... 2 April 2015

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

for the year ended 31 December 2014

We have audited the financial statements of International Corporate Governance Network Limited for the year ended 31 December 2014 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/auditscopeukprivate.

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 2014 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.

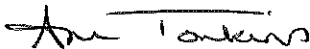
Independent auditor's report to the members of International Corporate Governance Network

for the year ended 31 December 2014

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

Date: 7 April 2015

Profit and loss account

for the year ended 31 December 2014

	2014	2013
Note	£	£
Turnover	986,417	1,174,573
Direct costs	<u>(307,103)</u>	<u>(679,634)</u>
Gross surplus	679,314	494,939
Administrative charges	(552,397)	(460,695)
Other income	17,336	—
Operating surplus on ordinary activities	3 144,253	34,244
Interest receivable	5 640	457
Surplus on ordinary activities before taxation	144,893	34,701
Tax on surplus on ordinary activities	6 —	2,000
Retained surplus for the financial year	11 144,893	<u>36,701</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.

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

Balance sheet

as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	7	8,820	2,308
Investments	8	100	100
		<u>8,920</u>	<u>2,408</u>
Current assets			
Debtors	9	72,500	116,047
Cash at bank and in hand		643,638	431,201
		<u>716,138</u>	<u>547,248</u>
Creditors: amounts falling due within one year	10	<u>(277,769)</u>	<u>(247,260)</u>
Net current assets		<u>438,369</u>	<u>299,988</u>
Net assets		<u>447,289</u>	<u>302,396</u>
Capital and reserves			
Profit and loss account	11	<u>447,289</u>	<u>302,396</u>

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 2.4.15 and are signed on their behalf by:



Francis Curtiss
(Member of the ICGN Board of Governors)

The accompanying notes on pages 10 to 15 form an integral part of the financial statements.

Cash flow statement

for the year ended 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Net cash inflow from operating activities	A		221,634		44,865
Returns on investments and servicing of finance					
Interest received		<u>640</u>		<u>457</u>	
Net cash on returns on investments and servicing of finance			640		457
Capital expenditure					
Payments to acquire - tangible assets		<u>(9,837)</u>		<u>(2,571)</u>	
Net cash outflow for capital expenditure			(9,837)		(2,571)
Increase in cash in the year	C		<u>212,437</u>		<u>42,751</u>

A Reconciliation of operating surplus to net cash inflow from operating activities

	2014 £	2013 £
Operating surplus	144,253	34,244
Depreciation of tangible and intangible assets	3,325	14,871
Disposal of tangible assets	—	807
Decrease in debtors	43,547	4,593
Increase/(decrease) in creditors within one year	30,509	(9,650)
Cash generated from operating activities	<u>221,634</u>	<u>44,865</u>

B Analysis of net funds

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	<u>431,201</u>	<u>212,437</u>	<u>643,638</u>

Cash flow statement

for the year ended 31 December 2014

C Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Increase in cash in the year	212,437	42,751
Opening net funds	<u>431,201</u>	<u>388,450</u>
Closing net funds	<u>643,638</u>	<u>431,201</u>

Notes to the financial statements

for the year ended 31 December 2014

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 for at least 12 months.

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. Scholarship income is recognised on a matching basis.

Direct costs

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

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 - 20% 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 2014

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 Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 66.5% (2013: 69.6%).

3 Operating surplus

Operating surplus is stated after:

	2014 £	2013 £
Depreciation of tangible and intangible assets	3,325	14,871
Auditors remuneration:		
– Audit services	11,886	8,917
Other income:		
– Grant Income received	<u>17,336</u>	<u>—</u>

4 Employment costs and directors' remuneration

	2014 £	2013 £
Staff employment costs:		
Wages and salaries	287,484	303,813
Social security costs	56,974	34,278
Other pension costs	<u>1,946</u>	<u>4,029</u>
	<u>346,404</u>	<u>342,120</u>

	2014 Number	2013 Number
The average number of employees (excluding directors) during the year was	<u>5</u>	<u>6</u>

5 Interest receivable

	2014 £	2013 £
Bank interest	<u>640</u>	<u>457</u>

Notes to the financial statements

for the year ended 31 December 2014

6 Tax

(a) Analysis of charge in the year

	2014 £	2013 £
The taxation credit on surplus on ordinary activities comprises:		
Corporation tax charge for the current year 20%	—	—
Adjustment for prior years	—	(2,000)
	<u>—</u>	<u>(2,000)</u>

(b) Factors affecting taxation credit for the year

The corporation taxation assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom 21.49% (2013: 23.25%). The differences are explained below. ICGN has to pay corporation tax on its non mutual element relating to conferences.

	2014 £	2013 £
Surplus on ordinary activities before taxation	<u>144,893</u>	<u>34,701</u>
Surplus on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	31,138	8,068
Effects of:		
Mutual element of surplus on ordinary activities	(22,922)	(12,283)
Unrelieved tax losses and other deductions arising in the year	(8,216)	4,215
Adjustment for prior year	—	(2,000)
Current taxation credit – note 6(a)	<u>—</u>	<u>(2,000)</u>

Unrelieved tax losses of approximately £9,000 (2013 : £47,000) remain available to offset against future taxable trading profits.

7 Tangible fixed assets

	Total £
Cost	
At 1 January 2014	42,803
Additions	9,837
At 31 December 2014	<u>52,640</u>
Depreciation	
At 1 January 2014	40,495
Charge for the year	3,325
At 31 December 2014	<u>43,820</u>
Net book value	
At 31 December 2014	<u>8,820</u>
At 31 December 2013	<u>2,308</u>

Notes to the financial statements

for the year ended 31 December 2014

8 Fixed assets investments

	ICGN Limited £
Cost and net book value at 31 December 2013 and 2014	<u><u>100</u></u>

The principal subsidiary undertaking was:

Name	Type of shares	Net assets at 31 December 2014 £
ICGN Limited	Ordinary of £1 each	<u><u>100</u></u>

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 2014 are £100.

9 Debtors

	2014 £	2013 £
Trade debtors	—	43,640
Other debtors	27,822	5,586
Prepayments and accrued income	44,678	66,821
	<u><u>72,500</u></u>	<u><u>116,047</u></u>

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	21,135	13,590
Social security and other taxes	27,469	16,229
Accruals and deferred income	225,543	216,886
Other creditors	3,622	555
	<u><u>277,769</u></u>	<u><u>247,260</u></u>

11 Profit and loss account

	2014 £	2013 £
Retained surplus brought forward at 1 January 2014	302,396	265,695
Surplus for the year	144,893	36,701
Retained surplus at 31 December 2014	<u><u>447,289</u></u>	<u><u>302,396</u></u>

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.

Notes to the financial statements
for the year ended 31 December 2014

13 Financial commitments

At 31 December 2014, the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	9,465	—