



ICGN

International Corporate Governance Network
Inspiring good governance & stewardship

ICGN Annual General Meeting
6th September 2021, 1400 – 1700 hrs (BST)

Held at

<https://eu.conveneagm.com/uk/ICGN>

From: Paul Schneider, Chair, ICGN Audit & Finance Committee

Re: Item 3: ICGN financial statements to 31 December 2021

Status: ORDINARY RESOLUTION for receipt by ICGN Members requiring 50% + 1 vote affirmation

Main Considerations

- The ICGN Financial Statements to 31st December 2021 confirm a year-end profit of £286,522 (2020: loss £248,207). The overall net effect on reserves is an increase from £357,214 at 31st December 2020 to £643,736 in 2021.
- Annual turnover in 2021 was £1,430,606 (2020: £808,612) with a gross surplus of £1,362,963 (2020: £767,193) after cost of sales. Due to the pandemic in 2020 and its continuance in 2021, no in person events took place in 2021, they were all held virtually, and contributed 10% of overall revenues, or 7% of revenues minus cost of sales (2020: 21%). ICGN membership subscriptions accounted for 83% (2020: 71%) of total revenue.
- Total administration costs, i.e., Secretariat running costs, amounted to £1,083,237 (2020: £1,035,235).
- The ICGN Risk Register is reviewed and approved by both the ICGN Audit & Finance Committee and ICGN Board of Governors on an annual basis. The purpose of the Risk Register is to identify material risks which may impact the solvency or significantly affect the activities of the ICGN and to clarify any mitigating actions which serve to reduce such risks. The material changes to the Risk Register from the previous year are: (1) failure of education strategy; and (2) Climate change.

ICGN Member Action

To receive the ICGN financial statements to 31 December 2021 attached as Annex 1, noting that a summary of the financial statements and risk register is also provided in the ICGN Annual Review.

**International Corporate
Governance Network**

**Directors' report and financial
statements**

For the year ended 31 December 2021

Registered number: 06467372

Company Information

Directors	M Ararat (retired 2 September 2021) D Blakey (appointed 2 September 2021) I Burger C Chow M Herskovich G Iguchi (retired 2 September 2021) H Jones (resigned 20 January 2022) S Kawazoe (appointed 2 September 2021) D Konigsburg C Kruse R Lewenson L Rodriguez (appointed 2 September 2021) P Schneider S Stormer R Walker (retired 2 September 2021)
Registered number	06467372
Registered office	RH.205. The Record Hall 16-16A Baldwins Gardens London EC1N 7RJ
Auditor	Haysmacintyre LLP Chartered Accountants & Statutory Auditor 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU

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Directors' report

For the year ended 31 December 2021

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the company and of the profit or loss of the company for the financial year.

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

- select suitable accounting policies for the company's financial statements 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 to 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 (continued)

For the year ended 31 December 2021

Principal activities and business review

Led by investors responsible for assets under management more than \$59 trillion, ICGN advances the highest standards of corporate governance and investor stewardship worldwide in pursuit of long-term value creation, contributing to healthy and sustainable economies, society, and environment. This is achieved through a comprehensive international work Programme based around three core activities:

- Influence: Promoting ICGN Principles as investor-led global standards for governance and stewardship and influencing public policy and professional practice.
- Connect: Delivering high-quality global events and webinars with unrivalled opportunities for networking, knowledge-sharing and collaboration.
- Inform: Enhancing professionalism in governance and stewardship practice through information and education.

Membership

Following the approval by Members to reform ICGN's funding model at the 2020 ICGN Annual General Meeting, membership revenue in 2021 increased by 108% over the previous year. This was due to a substantial increase in membership fees in recognition of the negative impact of the Covid pandemic on conference activity, the latter traditionally relied upon as a primary source of funding. The reform also led to a re-structure of ICGN membership categories which is now primarily accounted for by Organisation, while still allowing for an individual category. As such there were 346 members as of 31 December 2021 in accordance with the revised membership basis.

Influencing policy

ICGN is regarded as a primary source of global investor opinion on high standards of corporate governance and investor stewardship to support long-term corporate value creation thereby contributing to sustainable economies, social prosperity, and a healthy environment.

Our policy activities are defined by ICGN Principles and shaped by Annual Policy Priorities which are communicated in comment letters and face-to-face dialogue with regulators, the development of guidelines and viewpoints, public/ media engagement, and the delivery of webinars.

This year, we updated the ICGN Global Governance Principles (GGP) as part of a three-year review cycle. Published over 20 years ago, many ICGN Members default to the GGP as a bellwether for their own voting policies and company engagements; and many governments use them to help inspire the evolution of national codes.

There are dozens of changes based on ICGN Member feedback reflecting current market practice and regulatory developments. The Principles now focus, not only on the governance of a company's long-term financial value, but also on factors impacting the health of society and the environment too. This requires a greater appreciation of how to integrate human and natural capital management in alignment with a company's purpose and long-term strategy – a theme reflected in the new ICGN Policy Committee structure.

Another important ICGN initiative this year was our Statement of Shared Climate Change Responsibilities published ahead of the United Nations Conference of the Parties 26 (COP 26). Strong corporate governance and investor stewardship, supported by robust corporate sustainability standards, reporting and auditing, are critical to ensuring the world meets the challenges of achieving net-zero carbon emissions by 2050 and we articulated clear priorities for each.

We submitted 30 comment letters to national regulators including in Australia, Japan, South Africa, UK, USA and to multi-lateral bodies such as the European Commission, Organisation for Economic Co-operation and Development, United Nations Sustainable Stock Exchange Initiative, the International Financial Reporting Standards Board, the Financial Accounting Standards Board, and the International

Directors' report (continued)

For the year ended 31 December 2021

Accounting Standards Board.

ICGN also has representation on the International Auditing and Assurance Standards Board Consultative Advisory Group, International Ethics Standards Board for Accountants Consultative Advisory Group, International Integrated Reporting Council, the International Financial Reporting Standards Advisory Council and the Japan Financial Services Agency Council of Experts.

Connecting peers

Due to the ongoing pandemic, in-person events were cancelled in 2021. Despite this, we produced a suite of virtual activities, including webinars and ICGN's second Global Virtual Summit, held over a two-day period and timed to allow for maximum participation from our members across the world, along with a virtual exhibition area and online networking activities for participants.

We convened 13 webinars during the year on a range of subjects. These included two key webinars on The Governance of Big Tech and The Governance of Sustainability, along with the "ICGN Viewpoint" series – based on topics of ICGN policy committee work. The largest of our virtual events was the Global Virtual Summit held in November, featuring multiple speakers and sponsors from around the world. All webinar recordings are available to ICGN Members.

ICGN established, and provides secretariat support for, the Global Network of Investor Associations (GNIA) and the Global Stewardship Codes Network (GSCN). The GNIA is a group of investor-led organisations with a common interest in promoting shareholder rights and responsibilities. The group has members from Australia, Brazil, Canada, France, Germany, Hong Kong, Italy, Malaysia, Netherlands, UK and the USA. The GSCN is a forum for organisations responsible for developing and implementing stewardship codes to exchange information and ideas. The Network now has 18 members from spanning 16 countries and five continents.

Informing dialogue

We delivered the ICGN Governance, Stewardship & Sustainability (GSS) Course three times over the year which is tailored for investors focused on how to integrate environmental, social and governance factors, into the investment decision-making process.

Additionally, in 2021 we launched the ICGN Excellence in Corporate Governance Programme tailored for corporate directors and launched in Japan over a four-part series. This course builds an awareness of how institutional investors with globally diversified portfolios analyse corporate governance practices and a company's approach to generating long-term value. The curriculum focuses on recent changes to the Japan Corporate Governance Code and standards expected of JPX listed companies, particularly the new Prime Market segment.

Three in-house training programmes were also commissioned and delivered virtually.

The year concluded with the launch of the new ICGN website in January 2022 and the publication of the ICGN Yearbook, covering a range of issues including climate change, COVID-19, human capital management and much more.

Directors' report (continued)

For the year ended 31 December 2021

Going Concern

The Board have made their assessment of the ICGN's ability to continue as a going concern to assure themselves of the validity of these assumptions when preparing their accounts. In making this assessment, the Board have considered all available information about the future for at least, but not limited to, 12 months from the date the accounts are approved

Results for the year

The profit for the year, after taxation, amounted to £286,522 (2020 - loss £248,207).

The overall net effect on reserves is an increase from £357,214 at 31 December 2020 to £643,736 at 31 December 2021.

Auditor

At the virtual AGM, Haysmacintyre LLP were reappointed as ICGN auditors.

Small companies' exemption

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

.....
P Schneider

Director

Date: 28/04/2022

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

For the year ended 31 December 2021

Opinion

We have audited the financial statements of the International Corporate Governance Network (the 'company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

For the year ended 31 December 2021

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

For the year ended 31 December 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
Date:

10 Queen Street Place
London
EC4AR 1AG

Statement of income and retained earnings

For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover		1,430,606	808,612
Cost of sales		(67,643)	(41,419)
Gross profit		1,362,963	767,193
Administrative expenses		(1,083,237)	(1,035,235)
Operating (loss)	4	279,726	(268,042)
Other income		6,672	19,460
Interest receivable and similar income		124	375
Profit/(loss) before tax		286,522	(248,207)
Taxation		-	-
Profit/(loss) after tax		286,522	(248,207)
Retained earnings at the beginning of the year		357,214	605,421
		357,214	605,421
Profit/(loss) for the year		286,522	(248,207)
Retained earnings at the end of the year		643,736	357,214

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings

The notes on pages 11 to 22 form part of these financial statements.

Statement of financial position

As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	7	3,661	6,579
Investments	8	100	100
		<u>3,761</u>	<u>6,679</u>
Current assets			
Debtors: amounts falling due within one year	9	25,647	103,930
Cash at bank and in hand	10	1,969,332	1,470,492
		<u>1,994,979</u>	<u>1,574,422</u>
Creditors: amounts falling due within one year	11	(222,906)	(216,717)
Deferred revenue		(1,132,098)	(1,007,170)
		<u>639,975</u>	<u>350,535</u>
Net current assets		639,975	350,535
Total assets less current liabilities		643,736	357,214
		<u>643,736</u>	<u>357,214</u>
Net assets		643,736	357,214
		<u>643,736</u>	<u>357,214</u>
Capital and reserves			
Profit and loss account		643,736	357,214
		<u>643,736</u>	<u>357,214</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the 'small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf

.....
P Schneider
 Director

Date: 28/04/2022

The notes on pages 11 to 22 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(Loss) for the financial year	286,522	(248,207)
Adjustments for:		
Depreciation of tangible assets	4,397	6,067
Interest received	(124)	(375)
Decrease in debtors	78,284	145,666
Increase in creditors	131,116	586,212
Net cash generated from operating activities	500,195	489,363
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,479)	-
Interest received	124	375
Net cash from investing activities	(1,355)	375
	498,840	489,738
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	1,470,492	980,754
Cash and cash equivalents at the end of year	1,969,332	1,470,492
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,969,332	1,470,492
	1,969,332	1,470,492

The cash balance reflects the net debt of the company.

Notes to the financial statements

For the year ended 31 December 2021

1. General information

International Corporate Governance Network is a private company limited by guarantee and is registered in England and Wales. Its company registration number is 06467372. The registered office and principal place of business of the company is RH 205, The Record Hall, 16-16A Baldwin Gardens, London, EC1N 7RJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006 and on the basis that the company is a going concern.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The company has taken small company exemptions under FRS 102 Section 1A not to disclose turnover by segment and location as well as the need to disclose deferred taxation separately from the amount of provision for other taxation.

The company is part of a small group and is therefore not required to prepare consolidated accounts. The following principal accounting policies have been applied:

2.2 Going concern

Given uncertainties surrounding the longevity and severity of the impacts arising from the global pandemic, extensive financial planning and cashflow forecasting have been conducted based on a variety of scenarios. This has primarily focused on reduced in-person conference activity which will be limited to one event (Seoul) in 2022. Key hotels, suppliers, sponsors, and conference delegates have been consulted to ensure a robust approach to scenario plans which included cashflow forecasts and reliable data. While conference reduction scenarios will have a negative impact on the ICGN's cashflow, the ICGN does not anticipate significant concerns. The ICGN has substantially reduced reliance from conferences as a core source of finance by reforming the ICGN membership fee model which has been supported by the vast majority of ICGN Members. ICGN thus has sufficient reserves and therefore the director's assessment is that ICGN will continue to be a going concern from 12 months of signing.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.3 Revenue

Turnover for the year represents amounts receivable for membership subscriptions and conference income for conferences in the year, net of VAT.

Subscription income received in advance of the current year is carried forward as deferred income and included in creditors at the year end.

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably.
- it is probable that the company will receive the consideration due under the contract.
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Website development	-	33% straight line
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2.5 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of tangible asset the cost of replacing part of such an item when that cost exceeds £500 if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.5 Tangible assets (continued)

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the lease term.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 Foreign currency translation

Functional and presentation

currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'administrative expenses'. All other foreign exchange gains and losses are presented in the statement of income and retained earnings within 'other operating income'.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider that there were any significant areas of estimation uncertainty or application of judgement.

Notes to the financial statements

For the year ended 31 December 2021

4. Operating profit/(deficit)

The operating profit/deficit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	4,397	6,067
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,800	18,342
- Taxation services	1,450	4,030
- Other services	-	763
Other operating lease rentals	17,770	28,110
Defined contribution pension cost	40,443	29,007

During the year, none of the directors received any emoluments (2020: £nil).

5. Employees

The average monthly number of employees, including directors, during the year was 24 (2020 - 22).

	2021 £	2020 £
Wages and salaries	641,537	606,253
Social security costs	78,899	57,441
Cost of defined contribution scheme	40,443	29,007
	760,879	692,701

The average monthly number of employees, excluding the directors, during the year was 11 (2020 - 10).

Notes to the financial statements

For the year ended 31 December 2021

6. Intangible assets

	Website development £
Cost	
At 1 January 2021	34,465
At 31 December 2021	<u>34,465</u>
Amortisation	
At 1 January 2021	34,465
At 31 December 2021	<u>34,465</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2021

7. Tangible assets

	Computer equipment £	Office equipment £	Total £
Cost or valuation			
At 31 December 2020	25,095	10,584	35,679
Additions	1,479	-	1,479
	<u>26,574</u>	<u>10,584</u>	<u>37,158</u>
Depreciation			
At 1 January 2021	21,540	7,560	29,100
Charge for the year on owned assets	3,338	1,059	4,397
At 31 December 2021	<u>24,878</u>	<u>8,619</u>	<u>33,497</u>
Net book value			
At 31 December 2021	<u>1,696</u>	<u>1,965</u>	<u>3,661</u>
At 31 December 2020	<u>3,555</u>	<u>3,024</u>	<u>6,579</u>

Notes to the financial statements

For the year ended 31 December 2021

8. Fixed asset investments

Cost or valuation	Investments in subsidiary companies	£
At 1 January 2021		100
At 31 December 2021		100
Net book value		
At 31 December 2021		100
At 31 December 2021		100

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
ICGN Limited	England and Wales	Ordinary	100%	Dormant
International Corporate Governance Network Foundation	England and Wales	n/a	n/a%	Dormant
International Corporate Governance Network Foundation (USA)	United States	n/a	n/a%	Dormant

Name	Registered office
ICGN Limited	RH.205 The Record Hall 16-16A Baldwin Gardens, London, EC1N 7RJ
International Corporate Governance Network Foundation	RH. 205The Records Hall, 16-16A Baldwin Gardens, London, EC1N 7RJ
International Corporate Governance Network Foundation (USA)	c/o Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153

Notes to the financial statements

For the year ended 31 December 2021

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves
ICGN Limited	<p style="text-align: right;">£ <u>100</u></p> <p style="text-align: right;"><u>100</u></p>

Notes to the financial statements

For the year ended 31 December 2021

9. Debtors

	2021 £	2020 £
Trade debtors	-	42,860
Other debtors	7,916	-
Prepayments and accrued income	17,731	61,070
	25,647	103,930

10. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,969,332	1,470,492
	1,969,332	1,470,482

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	-
Other taxation and social security	99,711	47,971
Other creditors	40,134	45,116
Accruals	83,061	123,630
	222,906	216,717

12. Company status

The company is a private company limited by guarantee and consequently does not have share capital. The members of the company are liable to the extent of £1 each up to the anniversary of ceasing to be a member.

Notes to the financial statements

For the year ended 31 December 2021

13. Commitments under operating leases

At 31 December 2021 the company had no future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	28,962
Later than 1 year and not later than 5 years	-	112,670
Later than 5 years	-	82,156
	<hr/> -	<hr/> 223,788

When ICGN relinquished its previous rental offices the lease commitment ended, and its current rental is monthly.

14. Related party transactions

There were no transactions with related parties, including the subsidiary undertakings during the year ended 31 December 2021 (2020: £nil).

15. Controlling party

In the opinion of the directors, there was no ultimate controlling party during the two years ended 31 December 2021.