



The International Centre for Financial Regulation
(a company limited by guarantee)

Directors' Report and Financial Statements

For the period from incorporation on
20 June 2008 to 31 March 2009

Registered number: 6625422

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Chairman's Review

In 2007 I chaired a Working Group to develop the concept of a new, world class centre for financial regulatory expertise to shape the strategic direction of the provision of research, training and events on offer to market participants internationally. The work of this Group was further developed by an Interim Executive Committee chaired by Lord Davies of Abersoch, then Chairman of Standard Chartered Bank, resulting in the incorporation of the International Centre for Financial Regulation ("the ICFR") on 20 June 2008.

The ICFR gained the financial support of a significant number of public and private stakeholders including the UK Treasury, the City of London Corporation, several of the world's major global financial institutions and a number of global professional services companies. The stakeholders all saw the need for more effective regulation both across borders and of more innovative forms of finance as essential to protect investors and to ensure orderly markets whilst facilitating business and the success of financial centres globally.

The timing of the development of the ICFR coincided with the global financial crisis. The associated call for more effective international regulation has anchored the ICFR firmly at the centre of the global financial agenda.

In June 2008 Barbara Ridpath was appointed as CEO to lead the development of the ICFR. Formerly Executive Managing Director and Head of Ratings Services, Europe, for Standard & Poor's, responsible for their rating activities in Europe, the Middle East and Africa, Barbara brings a wealth of international experience to the ICFR and a deep understanding of the subject matter at the heart of the company's agenda. Under Barbara's leadership the ICFR has spent its first period of operation refining its global strategy, recruiting a strong international team and creating the infrastructure from which it will lead the debate on international financial regulation.

Following the ICFR's official launch in January 2009 at Mansion House, with Michel Prada former Chairman of L'Autorité des marchés financiers, the management team has worked very closely with its existing stakeholders and potential future members to ensure that its training, research and events agendas continue to focus precisely on the areas that will provide the maximum practical benefit to the global markets in which they operate.

Determined to follow the highest standards in our own reporting and governance, Stuart Overend and Michel Prada joined the Board as non-executive directors on 16 March 2009. Subsequent to the period end the board was further strengthened by the appointment of Charles Taylor who also joined as a non-executive director. Board Committees for Appointments, Remuneration and Audit have been appointed subsequent to the period end and it is the Board's intention to comply with the Combined Code in all respects except where inappropriate for a company of our size and constitution.

After an initial period of operation defined by the establishment of the ICFR, the period to 31 March 2010 will be one of focused delivery. The company is refining its list of research topics and will be publishing a number of research pieces during the year. Contractual relationships are now in place with a number of training providers who will participate in the ICFR training catalogue, enabling the company to offer a broad curriculum of regulatory training to a global constituency. Having to date run a small number of successful events, the ICFR has an events calendar for the year to 31 March 2010 which will deliver events covering a range of regulatory topics on an international basis. A key objective of the ICFR in the year to come will be

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to enlarge its international footprint by international membership, holding regulatory and training related events outside the UK and expanding its cooperation with other international research institutions.

The year to 31 March 2010 will also see the appointment of an international and multi-discipline International Advisory Committee that will help shape the agenda of the ICFR.

I have been impressed by the commitment and vision of those involved in the development of the ICFR since its conception in 2007 and I would particularly like to thank both those in the private and public sectors who are financially supporting the development of the ICFR and those who have given their valuable time to help shape the Centre into the successful, relevant organisation that I am certain it will become.

Lord Currie of Marylebone
Chairman

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Directors' Report

The directors present their annual report together with the financial statements and auditors' report for the period from incorporation on 20 June 2008 to 31 March 2009.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 418 of the Companies Act 2006.

Principal activities

The principal activity of the Company is to address the critical issue of financial regulation that faces the world's economies by creating new thought leadership, scholarship and training for the financial industry. The Company's activities fall into three main categories: Research into global best practice in financial regulation, Training of market participants in multiple jurisdictions and Events to promote better understanding of the issues associated with international financial regulation.

Business review

The profit and loss account for the period from incorporation on 20 June 2008 to 31 March 2009 is set out on page 10. The Company is exempt from the requirement to prepare a business review in the directors' report as it qualifies as a small Company.

The future development of the Company is referred to in the Chairman's review.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Guarantors

The liability of each of the guarantors in the event of a winding up is limited to £1.

At 31 March 2009, there were 2 guarantors.

Directors

The Directors who held office during the period were as follows:

Lord Currie of Marylebone	-	Chairman	-	appointed 15 March 2009
Mrs Barbara A Ridpath	-	Chief Executive	-	appointed 20 June 2008
Mr Stuart J Overend	-	Non-executive	-	appointed 16 March 2009
M. Michel Prada	-	Non-executive	-	appointed 16 March 2009

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Directors' indemnities

During the period from incorporation on 20 June 2008 to 31 March 2009 the Company had no third party indemnity provisions in place for the benefit of its directors.

Directors' interests

During the period from incorporation on 20 June 2008 to 31 March 2009 none of the directors had any interest in any transaction with the Company.

Auditors

A resolution to re-appoint Deloitte LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Statement as to disclosure of information to the auditors

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (being information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that he / she ought to have taken as a Director to make himself / herself 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 section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

Lord Currie of Marylebone
Chairman

Mrs Barbara A Ridpath
Chief Executive

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Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. 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 law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 proper accounting records that 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

By Order of the Board

Clifford Chance Secretaries Limited

Company Secretary
10 Upper Bank Street
London E14 5JJ
Company Secretary

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INTERNATIONAL CENTRE FOR FINANCIAL REGULATION

We have audited the financial statements of The International Centre for Financial Regulation for the period from incorporation on 20 June 2008 to 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2009 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

Caroline Britton

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK
9 September 2009

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Profit and Loss Account

for the period from incorporation on 20 June 2008 to 31 March 2009

	Note	2009
		£
Turnover		
Grants from public bodies		1,833,334
Donations from Founding Stakeholders		1,475,000
Investment income		12,155
		<hr/>
	4	3,320,489
		<hr/>
Operating costs		
Staff costs	5	(287,513)
General and administration expenses		(656,569)
		<hr/>
		(944,082)
		<hr/>
Profit before taxation		2,376,407
Taxation	6	(2,553)
		<hr/>
Profit after taxation and retained for the period		2,373,854
		<hr/>

The Company has no recognised gains or losses other than those reflected in the Profit and Loss Account. Accordingly no separate statement of total recognised gains and losses is presented. All results have been derived from continuing activities.

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Balance Sheet
at 31 March 2009

	Note	2009		
		£		£
Fixed assets				
Tangible assets	7			19,732
				<hr/>
				19,732
Current assets				
Cash at bank and in hand		2,253,259		
Debtors and prepayments due within 1 year	8	517,231		
				<hr/>
		2,770,490		
Creditors: amounts falling due within one year	9	(416,368)		
				<hr/>
Net current assets				2,354,122
				<hr/>
Total assets less current liabilities				2,373,854
				<hr/>
Reserves				
Profit & loss account	11			2,373,854
				<hr/>

These financial statements were approved by the Board of Directors and authorised for issue on **9 September 2009** and were signed on its behalf by:

Lord Currie of Marylebone
Chairman

Mrs Barbara A Ridpath
Chief Executive

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Statement of Accounting Policies

For the period from incorporation on 20 June 2008 to 31 March 2009

Company status

The International Centre for Financial Regulation is a private company limited by guarantee. The liability of each guarantor is limited to £1.

The Company is a not for profit organisation.

Accounting policies

The following accounting policies have been applied consistently in the current period in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost accounting rules.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on pages 3 to 4. The balance sheet on page 11 states the financial position of the Company. The Company's objectives are described in the directors' report on pages 5 to 6.

The Company's forecasts and projections show that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and provision for any impairment. The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided by the Company to write-off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Short leasehold property	- period of the lease on a straight-line basis
Fixtures and fittings	- 5 years on a straight-line basis
Computer equipment	- 3 years on a straight-line basis
Other office equipment	- 5 years on a straight-line basis

In each accounting period depreciation is charged from the date of acquisition of the asset.

Costs relating to the acquisition of Short Leasehold Property are written off over the period of the lease.

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Statement of Accounting Policies (continued)

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Turnover

Turnover is stated net of VAT.

Grants from public bodies are accounted for in the period in which they are received. Grants that may be received in future periods or which are payable in future periods conditional upon certain performance criteria are not accrued.

Donations from Founding Stakeholders are accounted for in the period to which they are committed. Donations from Founding Stakeholders that may be received in future periods or which are payable in future periods conditional upon certain performance criteria are not accrued.

Membership Fees are accounted for in the period to which they relate. Membership Fees that may be received in future periods are not accrued.

Investment income is accounted for in the period to which it relates.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Cash flow

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement as it qualifies as a small Company.

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Notes to the financial statements

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1 Profit before taxation

The profit before taxation is stated after charging / (crediting):

	2009
	£
Rent on short leasehold property	8,001
Government grants	(1,833,334)

2 Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2009
	£
Fees payable to the Company's auditors for the audit of the Company's annual accounts	12,000
	<hr/>
Total audit fees	12,000
	<hr/>

3 Directors' emoluments

	2009
	£
Directors' remuneration as executives	225,206

The emoluments of the highest paid Director were £225,206. The Company does not operate a pension scheme and therefore no pension provision has been made.

There are no other transactions with directors.

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4 Turnover

	2009 £
Grants received from public bodies	
Department for Innovation, Universities and Skills (on behalf of HM Treasury)	1,500,000
City of London Corporation	333,334
	<hr/> 1,833,334 <hr/>
Non-refundable Donations from Founding Stakeholders	
Financial services market participants	1,400,000
Professional services companies	75,000
	<hr/> 1,475,000 <hr/>
Bank deposit interest	12,155 <hr/>

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5 Staff numbers and cost

The average number of persons (including directors) employed by the Company during the period was as follows:

	Number of Persons
	2009
Administration:	
Full time	1.0
	<hr/> 1.0 <hr/>
Training:	
Full time	0.2
	<hr/> 0.2 <hr/>
Total	<hr/> 1.2 <hr/>
	2009
	£
Wages and salaries	256,758
Social security costs	30,755
	<hr/> 287,513 <hr/>

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Notes to the financial statements (continued)

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6 Taxation

The International Centre for Financial Regulation is a not-for profit organisation and its Corporation tax charge is based on trading income, bank interest receivable and similar income received during the period and is provided at the rate of 21%.

	2009
	£
Current tax:	
UK Corporation tax	2,553
	<hr/>
Total current tax charge:	2,553
	<hr/>
 Reconciliation to current period tax charge	
	£
Profit on ordinary activities before tax	2,376,407
Tax at 21% thereon	(499,045)
Expenses not deductible for tax purposes	(198,258)
Non-taxable income	694,750
	<hr/>
Current tax charge for the period	(2,553)
	<hr/>

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Notes to the financial statements (continued)

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7 Tangible fixed assets

	Computer Equipment	Total
	£	£
Cost		
At 20 June 2008	-	-
Additions	19,732	19,732
As at 31 March 2009	19,732	19,732
Depreciation		
At 20 June 2008	-	-
Charge for the period	-	-
As at 31 March 2009	-	-
Net book value		
As at 31 March 2009	19,732	19,732
As at 20 June 2008	-	-

8 Debtors: amounts receivable within one year

	2009
	£
Debtors (donations from Founding Stakeholders)	100,000
Other debtors	189,140
Prepayments	41,033
Rent deposit	187,058
	517,231

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Notes to the financial statements (continued)

For the period from incorporation on 20 June 2008 to 31 March 2009

9	Creditors: amounts falling due within one year	2009 £
	Corporation tax	2,553
	Other taxation and social security	19,057
	Other creditors	124,037
	Accruals	270,721
		416,368
		416,368
10	Commitments	
	The Company has annual commitments under non-cancellable operating leases as follows:	
		2009 £
	Operating leases which expire:	
	Within two to five years	151,939
		151,939
11	Statement of movement on reserves	
		2009 £
	Profit retained for the period	2,373,854
		2,373,854

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