IGEN NETWORKS CORP
Form 10-K
April 15, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013.

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ______ TO ______.

Commission File No. 333-141875

IGEN Networks Corp.
(Exact name of registrant as specified in its charter)

Nevada	20-5879021
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

119 North Henry Street, Alexandria, Virginia, 22314
(Address of principal executive offices) (Zip Code)

1-888-244-3650
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock
Title of Class

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer: o	Accelerated filer: o
Non-accelerated filer: o (Do not check if a smaller reporting company)	Smaller reporting company: x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The aggregate market value of the Common Stock of IGEN Networks Corp. held by non-affiliates as of April 10, 2014 was $3,726,930 based on the closing price of the common stock of $0.19.

The number of shares of the registrant's common stock outstanding as of December 31, 2013 was 18,771,669.

Table of Contents

TABLE OF CONTENTS

PART I		Page
ITEM 1.	BUSINESS	3
ITEM 1A.	RISK FACTORS	4
ITEM 1B.	UNRESOLVED STAFF COMMENTS	4
ITEM 2.	PROPERTIES	4
ITEM 3.	LEGAL PROCEEDINGS	4
ITEM 4.	MINE SAFETY DISCLOSURES	4
PART II		
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY, RE–LATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	5
ITEM 6.	SELECTED FINANCIAL DATA	7
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDI–TION AND RESULTS OF OPERATION	7
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	9
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	10
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	11
ITEM 9A.	CONTROLS AND PROCEDURES	11
ITEM 9B.	OTHER INFORMATION	11
PART III		
ITEM 10.	DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	12
ITEM 11.	EXECUTIVE COMPENSATION	14
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	15
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	17
ITEM 14.	PRINCIPAL ACCOUNTING FEES AND SERVICES	17
PART IV		
ITEM 15.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES	19
	SIGNATURES	20

Table of Contents

Part I

Item 1. Business

Description of Business

IGEN Networks Corp. (“IGEN”, the “Company”, “we”, “our”) was incorporated in the State of Nevada on November 14 2006 under the name of Nurse Solutions Inc. On September 19, 2008 the Company changed its name to Sync2 Entertainment Corporation and traded under the symbol SYTO. On May 26, 2009, the Company changed its name to IGEN Networks Corp., the Company’s common stock was assigned 45172B 10 2 as its new Cusip number, and the Company’s trading symbol was changed to IGEN effective June 30, 2009. On November 4, 2011, IGEN Business Solutions Inc., a wholly owned Canadian subsidiary of IGEN Networks Corp., was incorporated.

IGEN’s primary business is investing in and managing for growth private high-tech companies that offer products and services in the domains of wireless broadband, Software as a Service, and Machine to Machine solutions. A secondary part of IGEN’s business is negotiating distribution agreements with relevant organizations and selling their products and services through the distribution channels of our portfolio companies, or newly developed IGEN sales channels.

The Company has offices in the United States and Canada. The U.S. head office is located at 119 North Henry Street, Alexandria, Virginia 22314. The Canadian office is located at Suite 102, 3833 Henning Drive, Burnaby BC, Canada, V5C 6N5. The Company’s phone number is 1-888-244-3650.

The Company itself currently owns no patents. The Company is in the process of securing trademarks and distribution licenses through increased ownership of privately held technology companies.

During the fiscal year ending December 31, 2012, the company spent approximately $54,725 on research and development, 96% of which was borne by customers. During the fiscal year ending 2013 the company spent approximately $83,500 on research and development 90% of which was borne by customers.

The Company is not aware of any government approval or regulations, other than those governing the normal course of business, which will affect its own business. However, the Company is invested in and foresees future investment in, or possible joint ventures with, companies for which local, regional or national regulatory approvals, particularly those pertaining to wireless networks, may apply.

The Company is not aware of any significant costs or effects of compliance with environmental laws.

The Company currently has four full-time employees and one part-time employee. All management activities are currently undertaken by Directors of the Company and the Company also relies on subcontractors for a number of professional services.

Table of Contents

Item 1A. Risk Factors

For a discussion of risk factors affecting the Company please refer to the Cautionary Note Regarding Forward-looking Statements included in Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 1B. Unresolved Staff Comments

As a smaller reporting company, the Company is not required to provide the information required by this item.

Item 2. Properties

The Company owns no plants, mines and other materially important physical properties. The Company's office locations are specified in Item 1 of this document.

Item 3. Legal Proceedings

The Company is not party to any legal proceedings.

Item 4. Mine Safety Disclosures

The Company is not an operator, nor has a subsidiary that is an operator, of a coal or other mine.

Table of Contents

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Principal Market

The Company's common shares currently trade on the OTC market in the United States and are quoted on the OTCQB under the symbol IGEN.

High and Low Sales Prices

Quarter Ended	High	Low
2012		
March 31, 2012	$ 0.36	$ 0.20
June 31, 2012	$ 0.35	$ 0.24
September 31, 2012	$ 0.23	$ 0.23
December 31, 2012	$ 0.23	$ 0.16
2013		
March 31, 2013	$ 0.25	$ 0.07
June 31, 2013	$ 0.15	$ 0.05
September 31, 2013	$ 0.10	$ 0.06
December 31, 2013	$ 0.12	$ 0.03

Holders

As of December 31, 2013, there were 63 registered shareholders of common shares and an unknown number of holders whose stock is held in "street name".

Dividends

The Company has paid no cash dividends in the past and as of yet has had no retained earnings from which to do so.

Securities authorized for issuance under equity compensation plans

The following table summarizes information about stock options outstanding and exercisable under equity compensation plans at December 31, 2013:

	Number of Options	Weighted average exercise price $
Options outstanding – December 31, 2012	-	-
Granted (March 25, 2013)	1,660,000	0.09
Exercised (March 26, 2013)	(444,444)	0.09

Exercised (October and November, 2013)	(550,000)	0.09
Granted (April 17, 2013)	75,000	0.07
Granted (July 31, 2013)	350,000	0.09
Options outstanding – December 31, 2013	1,090,556 *	0.09

*Number of options exercisable as at December 31, 2013 – 1,090,556 with an expiry date of March 31, 2018

On March 25, 2013 via Board of Directors Consent Resolution, the Company ratified and adopted a Stock Option Plan, created an option pool of 4,000,000 options, of which 2,085,000 were granted, leaving 1,915,000 options remaining for future grants as of December 31, 2013.

Table of Contents

Performance Graph

As a smaller reporting company, the Company is not required to provide the information required by this item.

Recent sales of unregistered securities

2011

During the twelve months ended December 31, 2011, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On May 16, 2011 the company issued a total of 650,000 restricted common shares at a fair value of $0.60 per share to thirteen non-related parties for services specific to acting in the capacity of IGEN advisory board members.

On September 8, 2011, the company issued a total of 91,667 restricted common shares for which the company received a total of $55,000 in subscriptions for shares at a price of $0.60 per share

On September 12, 2011, the company issued a total of 1,499,999 restricted common shares for which the company received a total of $450,000 in subscriptions for shares at a price of $0.30 per share.

On December 5, 2011, the company issued a total of 1,271,052 restricted common shares at a fair value of $0.30 per share and a total recorded value of $381,315.60, to six related parties to retire shareholder loans.

On December 7, 2011, the company issued 100,000 restricted common shares at a fair value of $0.30 per share and a total recorded value of $30,000 to a related party for services rendered to the company.

On December 31, 2011 the Machlink Inc agreement was modified resulting in the issuance to Machlink of 1,000,000 shares of common stock of the Company and fairly valued at $250,000 in return for the 2,000,000 shares originally issued to Machlink being delivered to the Company for cancellation.

2012

During the twelve months ended December 31, 2012, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On June 28, 2012 the company issued 50,000 restricted common shares at a fair value of $0.32 per share and a total recorded value of $16,000 to a related party for services rendered to the company.

On June 29, 2012 the company issued a total of 550,000 restricted common shares for which the company received a total of $192,500 in subscriptions for shares at a price of $0.35 per share as part of the exercising of warrants.

On August 17, 2012 the company issued a total of 333,000 restricted common shares for which the company received a total of $116,667 in subscriptions for shares at a price of $0.35 per share as part of the exercising of warrants.

2013

During the twelve months ended December 31, 2013, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On March 25, 2013, the company issued a total of 444,444 restricted common shares for which the company received a total of $40,000 in subscriptions for shares at a price of $0.09 per share as part of the exercising of stock options.

On March 12, 2013, the company issued a total of 1,744,747 restricted common shares for the acquisition of 2,078,080 common shares of Gogiro Internet Group ("Gogiro"), a private Canadian company.

On June 4, 2013, the company issued a total of 650,000 restricted common shares (with fair value of $58,500 or $0.09/share) to various consultants for their services provided.

Table of Contents

On October 11 and November 4, 2013, two directors exercised 550,000 options of the Company into common shares at $0.09/share for $49,500.

On December 5 and 16, 2013, the Company issued 400,000 common shares at $0.10/share for $40,000 in a non-brokerage private placement.

Item 6. Selected Financial Data

As a smaller reporting company, the Company is not required to provide the information required by this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") provides information for the year ended December 31, 2013. This MD&A should be read together with our audited consolidated financial statements and the accompanying notes for the year ended December 31, 2013 (the "consolidated financial statements"). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Except where otherwise specifically indicated, all amounts in this MD&A are expressed in United States dollars.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should carefully read the cautionary note in this MD&A regarding forward-looking statements and should not place undue reliance on any such forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements".

Additional information about the Company, including our most recent consolidated financial statements and our Annual Information Form, is available on our website at www.igen-networks.com, or on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Cautionary Note Regarding Forward-looking Statements

Certain statements and information in this MD&A are not based on historical facts and constitute forward- looking statements or forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities laws ("forward-looking statements"), including our business outlook for the short and longer term and our strategy, plans and future operating performance. Forward-looking statements are provided to help you understand our views of our short and longer term prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We will not update or revise our forward-looking statements unless we are required to do so by securities laws. Forward-looking statements:

• Typically include words and phrases about the future such as "outlook", "may", "estimates", "intends", "believes", "plans", "anticipates" and "expects";

• Are not promises or guarantees of future performance. They represent our current views and may change significantly;

• Are based on a number of assumptions, including those listed below, which could prove to be significantly incorrect:

- Our ability to find viable companies in which to invest
- Our ability successfully manage companies in which we invest
- Our ability to successfully raise capital

- Our ability to successfully expand and leverage the distribution channels of our portfolio companies;
- Our ability to develop new distribution partnerships and channels
- Expected tax rates and foreign exchange rates.

Table of Contents

• Are subject to substantial known and unknown material risks and uncertainties. Many factors could cause our actual results, achievements and developments in our business to differ significantly from those expressed or implied by our forward-looking statements. Actual revenues and growth projections of the Company or companies in which we are invested may be lower than we expect for any reason, including, without limitation:

- the continuing uncertain economic conditions
- price and product competition
- changing product mixes,
- the loss of any significant customers,
- competition from new or established companies,
- higher than expected product, service, or operating costs,
- inability to leverage intellectual property rights,
- delayed product or service introductions

Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results.

Overview

In 2013 the Company continued to focus its efforts on:

- generating more revenues;
- increasing shareholder value through increased investment in portfolio companies;
- investing in and managing growth of our invested companies, and
- further enhancement and building of our infrastructure platforms to support future cloud-based services.

As a result, we exited 2013 with increased assets, a positive balance sheet, increased revenues, increased levels of investment in high-tech companies, several distribution agreements still in place, improved cloud-based server infrastructure operational, and though we continued to incur net losses, we believe we are in a solid position to raise capital for further investment and move the Company and its portfolio companies forward toward profitable growth.

The reader is cautioned that the latter comment is forward-looking information, and actual results may vary to the extent that the company may not achieve profitable growth.

Financial Condition and Results of Operations

Capital Resources and Liquidity

Current Assets and Liabilities, Working Capital

As of December 31, 2013, the Company had total current assets of $189,377, an increase of $36,827 or 24% from the end of the year previous. Current assets remain primarily accounts receivable, mainly owed by Gogiro Internet Group for sales commissions and a combination of development services, IT services and management services provided by IGen to Gogiro.

The Company's current liabilities as of December 31, 2013 were $163,762, up $77,401 from the $86,361 reported at the end of the year previous. Current liabilities were primarily payables for development, IT infrastructure and services, advertising, contractor fees, legal fees and accounting fees.

Increase of accounts receivable and payable was a result of increased revenue and operating expenses incurred in 2013.

IGEN ended 2013 with a working capital of $25,615, down from $66,189 at the end of 2012.

Table of Contents

Total Assets and Liabilities, Net Assets

As of December 31, 2013 the Company's total assets was $584,347, an increase $174,594 from the year prior. The increase is primarily due to further investment in Gogiro, an acquisition of a further 2,078.080 shares of Gogiro was effected via issuance of 1,744,747 shares of the Company (fair value of $174,475).

As of December 31, 2013 the Company's total liabilities were $345,110, up from $86,361 reported the year prior. The increase was due to the increase in current liabilities previously discussed, and the addition of non-current liabilities of $181,348 incurred through the issuance of convertible debentures.

Net assets as of December 31, 2013 year was therefore $239,237 (December 31, 2012 - $323,392), a decrease of $84,155 from the fiscal 2012; which was mainly a combined result of incurring losses of $593,902 that was partially offset by an increase of share capital and additional paid in capital totaling of $512,343.

As of December 31, 2013, the Company had an accumulated deficit of $5,314,199.

The Company believes it has adequate working capital and projected revenues to maintain existing operations for approximately one quarter without requiring additional funding. However the Company's business plan is predicated on raising further capital for the purpose of further investments and in expansion of distribution channels. It is anticipated the Company will raise capital through private placements.

The reader is cautioned that the Company's belief in the adequacy of its working capital, the continuation and growth of future revenue, the ability of the Company to operate any stated period without additional funding, and the ability to successfully raise capital are forward looking statements for which actual results may vary, to the extent that the company may need capital earlier than anticipated and/or may not be able to raise additional capital.

Results of Operations

Revenues and Net Income (Loss)

As of December 31, 2013, the Company had record revenues of $145,364 compared with $134,683 in 2012. Reported revenues are currently all attributable to Gogiro. As at December 31, 2013, IGEN owned 2,478,080 (31.12%) of Gogiro's common shares (December 31, 2012 – 400,000 common shares). The Company also signed a Market Development Agreement in November 2011 with Gogiro. Revenues include sales commissions, development and IT services, and management fees.

Expenses as of December 31, 2013 totaled $673,995, up from 2012 expenses of $490,133. The largest contributor to increased expenses was a recording of $149,868 in stock-based compensation in relation to the granting of options during 2013 (year 2012 - $nil). Not including this one item, expenses increased only by $33,944 over the year previous. This increase was mainly an $79,500 increase in cloud platform development and subcontract costs that was partially offset by a $33,000 decrease in legal and accounting fees. Most of the year-to-year reduction in management fees and a commensurate increase in consulting fees was due to reclassification of these fees.

As of December 31, 2013 the Company had a net loss of $593,902, or $0.03 per basic & diluted share, compared with a net loss of $444,826 or $0.03 per basic & diluted share the year prior.

Cash Flows

As of December 31, 2013 the Company saw a net decrease in cash of $24,194. The primary source of cash was net proceeds from financing activities of $270,500, (compared with $309,167 in 2012) including $141,000 raised via issuance of convertible debentures, $40,000 raised in private placements, and $89,500 raised via the CEO and COO of the company exercising options. The cash provided by financing activities was offset by cash used in operating activities of $291,751 (year 2012 - $412,007).

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, the Company is not required to provide the information required by this item.

Table of Contents

Item 8. Financial Statements and Supplementary Data.

The Company's audited consolidated financial statements for the year ended December 31, 2013 are included herewith.

IGEN NETWORKS CORP.

Consolidated Financial Statements
For the years ended December 31, 2013 and 2012

Table of Contents

SUITE 1850
1066 WEST HASTINGS STREET
VANCOUVER, BC, V6E 3X2

T: 604.683.3850
F: 604.688.8479

A CHAN AND COMPANY LLP
CHARTERED ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: the Board of Directors and Stockholders of
IGEN Networks Corp.

We have audited the accompanying consolidated balance sheets of IGEN Networks Corp. (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of IGEN Networks Corp. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years ended December 31, 2013 and 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred losses in developing its business, and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"A Chan & Company LLP"
Chartered Accountants

Vancouver, British Columbia

April 14, 2014

F-1

Table of Contents

IGEN NETWORKS CORP.
Consolidated Balance Sheets
(Expressed in U.S. dollars)

	December 31, 2013	December 31, 2012
Assets		
Current		
Cash	$ 11,684	$ 35,878
Accounts receivable	167,722	106,894
HST Receivable	5,271	4,778
Prepaid expenses	4,700	5,000
	189,377	152,550
Investment in an associate (Note 4)	241,338	-
Investment (Note 4)	150,000	250,340
Equipment (Note 5)	3,632	6,863
Total Assets	$ 584,347	$ 409,753
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable (Note 6)	$ 144,491	$ 59,790
Accrued liabilities	19,271	26,571
	163,762	86,361
Non-current Liabilities		
Derivative Liabilities (Note 8)	98,992	-
Convertible Debentures (Note 8)	82,356	-
Total Liabilities	345,110	86,361
Shareholders’ Equity		
Capital Stock (Note 7)		
Authorized - 375,000,000 common shares with $0.001 par value		
Issued and outstanding – 18,771,669 and 14,982,478 respectively	18,771	14,982
Additional paid-in capital	5,537,261	5,028,707
Accumulated other comprehensive loss	(2,596)	-
Deficit accumulated	(5,314,199)	(4,720,297)
Shareholder’s Equity	239,237	323,392
Total Liabilities and Shareholders' Equity	$ 584,347	$ 409,753

Approved on Behalf of the Board

"Neil Chan" Director

"Richard Freeman" Director

The accompanying notes are an integral part of these consolidated financial statements.

F-2

Table of Contents

IGEN NETWORKS CORP.
Consolidated Statements of Operations
(Expressed in U.S. dollars)

		Year ended December 31,	
	Note	2013	2012
Revenue			
Management services	6	$ 53,496	$ 50,666
Commission fees	6	91,868	84,017
		145,364	134,683
Expenses			
Advertising expense	6	22,467	29,241
Consulting and business development fees		125,510	32,649
Depreciation		3,578	2,380
General and administrative	6	194,079	153,639
Interest expense		13,096	-
Management fees		66,028	123,908
Professional fees		54,620	90,431
Stock-based compensation	7	149,868	-
Transfer agent & filing fees		13,431	8,315
Travel and accommodation		31,318	49,570
Total		673,995	490,133
Loss before the others:		(528,631)	(355,450)
Accretion		(39,405)	-
Change in derivative liabilities		2,831	-
Foreign exchange gain (losses)		4,780	(1,718)
Impairment on investment		-	(100,000)
Share of losses from investment in an associate	4	(33,477)	-
Write-off of prepaid expenses		-	(14,682)
Gain on debt settlement		-	27,024
Net loss		$ (593,902)	(444,826)
Other comprehensive Loss:			
Net loss for the year		$ (593,902)	$ (444,826)
Foreign currency translation adjustment		(2,596)	-
Total comprehensive loss		$ (596,498)	$ (444,826)
Net Loss per share, basic and diluted		$ (0.03)	$ (0.03)
Weighted Average Number of Common Shares Outstanding		17,225,613	14,476,422

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

IGEN NETWORKS CORP.
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)

	Note	Year ended December 31, 2013	2012
Cash Flows from Operating Activities			
Net loss		$ (593,902)	$ (444,826)
Items not affecting cash:			
Accretion		39,405	-
Change in derivative liabilities		(2,831)	-
Depreciation		3,578	2,380
Gain on debt settlement		-	(27,024)
Impairment on investment in Machlink		-	100,000
Share of losses from investment in an associate		33,477	-
Shares issued for services		58,500	-
Stock-based compensation		149,868	-
Write off of prepaid expense		-	14,682
Other, including net changes in other non-cash balances:			
Prepaid expenses		300	3,916
Accounts receivable		(60,828)	(103,944)
GST/HST receivable		(493)	(4,778)
Accounts payable and accrued liabilities		81,175	47,587
Net cash used in operating activities		(291,751)	(412,007)
Cash Flows from Investing Activities			
Acquisition of capital assets		(347)	(8,273)
Investment in Gogiro		-	(50,340)
Net cash used in investing activities		(347)	(58,613)
Cash Flows from Financing Activities			
Proceeds from issuance of convertible debentures	8	141,000	-
Proceeds from private placement	7	40,000	-
Proceeds received from exercised options/warrants	7	89,500	309,167
Net cash provided by financing activities		270,500	309,167
Effect of exchange rate on cash		(2,596)	-
Net Decrease in cash		(24,194)	(161,453)
Cash, Beginning of Year		35,878	197,331
Cash, End of Year		$ 11,684	$ 35,878

See Note 11 for supplemental information to these statements of cash flow

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

IGEN NETWORKS CORP.
Consolidated Statement of Stockholders' Equity (Deficit)
(Expressed in U.S. dollars)

	Note	Common Stock Shares	Amount $	Additional Paid-in-capital $	Accumulated Other Comprehensive Loss $	Deficit Accumulated $	Total Stockholders' Equity $
Balance December 31, 2011		14,049,145	14,049	4,704,473	-	(4,275,471)	443,051
Common shares issued for debt on June 28, 2012 at $0.32 per share		50,000	50	15,950	-	-	16,000
Exercised warrants on June 29, 2012 at $0.35 per share		333,333	333	116,334	-	-	116,667
Exercised warrants on June 29, 2012 at $0.35 per share		166,667	167	58,166	-	-	58,333
Exercised warrants on June 29, 2012 at $0.35 per share		50,000	50	17,450	-	-	17,500
Exercised warrants on August 17, 2012 at $0.35 per share		333,333	333	116,334	-	-	116,667
Net loss		-	-	-	-	(444,826)	(444,826)
Balance December 31, 2012		14,982,478	14,982	5,028,707	-	(4,720,297)	323,392
Exercised options on March 25, 2013 at $0.09 per share	7	444,444	444	39,556	-	-	40,000
Exercised options on October 11 and November 4, 2013 at $0.09 per share	7	550,000	550	48,950	-	-	49,500
Shares issuance - acquisition of Gogiro shares	4	1,744,747	1,745	172,730	-	-	174,475
Shares issuance for consulting services on June 4, 2013	7	650,000	650	57,850	-	-	58,500
Stock based compensation	7	-	-	149,868	-	-	149,868
Share issuance for cash on December 5 and 10, 2013 at $0.10	7	400,000	400	39,600	-	-	40,000

per share						
Foreign currency translation adjustment	-	-	-	(2,596)	-	(2,596)
Net loss	-	-	-	-	(593,902)	(593,902)
Balance December 31, 2013	18,771,669	18,771	5,537,261	(2,596)	(5,314,199)	239,237

The accompanying notes are an integral part of these consolidated financial statements.

F-5

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

1. Nature and continuance of operations

IGEN Networks Corp, together with its wholly owned subsidiary IGEN Business Solutions Inc., (collectively "IGEN", or the "Company") was incorporated in the State of Nevada on November 14, 2006. The Company has been primarily in a development state since inception pursuing a variety of different technologies and markets. Commencing January 1, 2012, the Company is no longer a Development Stage Company, as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, Development Stage Entities, after the Company took on new investment, new management, and a new business model in September of 2011. IGEN's primary business is investing in and managing for growth private high-tech companies that offer products and services in the domains of wireless broadband, Software as a Service, and Machine to Machine solutions. A secondary part of IGEN's business is negotiating distribution agreements with relevant organizations and selling their products and services through the distribution channels of our portfolio companies, or newly developed IGEN sales channels.

These consolidated financial statements have been prepared on a going concern basis, which imply the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company generated revenue for the first time in the fourth quarter of 2011 and continued to grow revenue through 2012 and into 2013. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, on the ability of the company to grow its revenue base, on its ability to successfully grow the companies in which it is invested, and on the ability of the Company to obtain necessary equity financing to both support the latter objectives and to invest in and grow new companies. The Company has recurring losses since inception and had accumulated losses of $5,314,199 as at December 31, 2013. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. Although there are no assurances that management's plans will be realized, management believes that the Company will be able to continue operations into the future. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basic of Presentation and Consolidation

These consolidated financial statements and related notes include the records of IGEN Networks Corp and its wholly owned subsidiary, IGEN Business Solutions Inc. All intercompany transactions and balances have been eliminated. These consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States, expressed in US dollars, and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in Note 3

3. Summary of Significant Accounting Policies

a) Use of estimates

The preparation of these financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to donated expenses, and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

3. Summary of Significant Accounting Policies (continued)

b) Loss per share

Basic earnings (loss) per share are computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted earnings per share give effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted earnings (loss) per share, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted earnings (loss) per share exclude all dilutive potential shares if their effect is anti-dilutive.

Because the effect of conversion of the Company's dilutive securities is anti-dilutive, diluted loss per share is the same as basic loss per share for the periods presented.

c) Financial instruments

The Company adopted FASB ASC 820-10-50, "Fair Value Measurements". This guidance defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Foreign currency transactions are primarily undertaken in Canadian dollars. The fair value of cash is determined based on "Level 1" inputs and the fair value of derivative liability with convertible debt is determined based on "Level 2" inputs. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility to these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. Financial instrument that potentially subject the Company to concentrations of credit risk consists of cash. The Company places its cash in what it believes to be credit-worthy financial institutions.

d) Equipment

Office equipment and computer are recorded at cost. Amortization is provided annually at rates and methods over their estimated useful lives as follows, except in the year of acquisition when one half of the rate is used. Management reviews the estimates of useful lives of the assets every year and adjust them on prospective basis, if needed.

Office equipment	20% declining balance
Computer	55% declining balance

Property, plant and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs. Subsequent expenditure relating to an item of office equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased.

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

3. Summary of Significant Accounting Principles (continued)

e) Revenue recognition

The Company recognizes revenue when earned, specifically when all the following conditions are met:

- Services are provided or products are delivered to customers.
- There is clear evidence that an arrangement exists.
- Amounts are fixed or can be determined.
- The ability to collect is reasonably assured.
- There is no significant obligation for future performance.
- The amount of future returns can be reasonably estimated.

h) Foreign currency transaction balances

The Company's reporting currency is the U.S. dollar. The consolidated financial statements of the Company are translated to U.S. dollars in accordance with ASC 830, Foreign Currency Translation Matters, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

Assets and liabilities of the Company's Canadian subsidiary are translated into U.S. dollars at the year-end exchange rates, and revenue and expenses are translated at the average exchange rates during the period. Exchange differences arising on translation are disclosed as a separate component of stockholders' equity.

i) Income taxes

The Financial Accounting Standards Board (FASB) has issued FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with prior literature FASB Statement No. 109, Accounting for Income Taxes. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more likely than not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. As a result of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by FASB ASC 740-10.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

j) Stock-based compensation

The Company records stock-based compensation in accordance with ASC 718, “Compensation – Stock Compensation”, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock-based awards. This model is affected by the Company’s stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company’s expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statement of operations over the requisite service period.

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

3. Summary of Significant Accounting Principles (continued)

k) Changes in accounting policies and recent accounting pronouncements

In January 2013, the FASB amended ASC Topic 210 Balance Sheet ("ASC 210") to clarify the scope of the required enhanced disclosures that will enable financial statement users to evaluate the effect or potential effect of netting arrangements on a company's financial position, including the effect or potential effect of rights of setoff associated within scope assets and liabilities. The amendment requires enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either (i) offset in accordance with ASC 210-20-45 or ASC 815-10-45 or (ii) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with ASC 210-20-45 or ASC 815-10-45. This guidance is effective for annual periods beginning on or after January 1, 2013. The Company adopted the amendment in the first quarter of fiscal 2013 with no material impact on the Company's consolidated financial statements.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

4. Investment in an associates and Investment

Investment in Machlink Inc ("Machlink").

Investment in Machlink consists of 43 common shares of Machlink which is a private company conducting information technology business. The Company is not considered having significant influence in Machlink's operations. The shares of Machlink do not have quoted market prices in an active market. On December 31, 2013 and 2012, the Company's investment in Machlink had a carrying value of $150,000 which is the Company's cost in this investment's less impairment.

Investment in Gogiro Internet Group
Pursuant to an option agreement, the Company incurred $50,000 and $50,000 (totaling $100,000) to acquire 200,000 and 200,000 (totaling 400,000) common shares of Gogiro Internet Group ("Gogiro"), a private Canadian Company, on November 23, 2011 and October 17, 2012 respectively.

On March 12, 2013, the Company signed an agreement to acquire 2,078,080 shares of Gogiro through the issuance of 1,744,747 restricted common shares of the Company (the "Gogiro Acquisition"). Neil Chan, CEO and Director of both companies, would exchange 2,000,000 Gogiro shares for 1,666,667 restricted common shares of the Company. The proceeds of Gogiro Acquisition was $174,475 which was the fair value of the 1,744,747 restricted shares of the Company.

Upon the completion of the Gogiro Acquisition, the Company's interest on Gogiro increased to 31.12% As a result, the Company has changed its method to account for its investment in Gogiro from "cost less impairment value" method to equity method as the Company's interest on Gogiro has surpassed 20% whereby the Company is considered having significant influence on Gogiro. Consequently the Company has included 31.12% of Gogiro's losses from March 12 to

December 31, 2013 in the Company's consolidated financial statements for the year ended December 31, 2013. In addition, gains and losses resulting from 'upstream' and 'downstream' transactions between IGEN and Gogiro are recognised in IGEN's consolidated financial statements only to the extent of unrelated investors' interests in Gogiro. Changes in carrying value of the Company's investment in Gogiro are as follows:

	Number of Gogiro shares owned	Amount ($)
Balance, December 31, 2012	400,000	100,340
The acquisition of 1,744,747 shares of Gogiro	2,078,080	174,475
Share of Gogiro's loss during March 12 to December 31, 2013 (31.12%)	-	(33,477)
Balance, December 31, 2013	2,478,080	241,338

F-9

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

The following table summarizes Gogiro's revenue, expenses and net loss on an aggregate basis without adjusting for IGEN's proportionate interest:

	For the period of March 12 to December 31, 2013 $
Revenue	111,906
Expense	(321,667)
Net loss	(209,761)

5. Equipment

	Cost	Accumulated Amortization	Net Book Value 2013/12/31	Net Book Value 2012/12/31
Office equipment	$ 1,603	$ 604	$ 999	$ 1,248
Computer	$ 7,871	$ 5,238	$ 2,633	$ 5,615
TOTAL	$ 9,474	$ 5,842	$ 3,632	$ 6,863

6. Related Party Transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

During the year ended December 31, 2013, the Company incurred $116,520 in management fees paid in cash to directors and officers of IGEN (Year ended December 31, 2012 - $123,908).

During the year ended December 31, 2013 IGEN recorded the following transactions with Gogiro, a company shares a common Officer and Director with IGEN, and a company of which IGEN holds 31.12 % interest (Note 4):

- Commission fees income from Gogiro of $91,868 (Year ended December 31, 2012 - $84,017)
- Management service income from Gogiro of $53,496 (Year ended December 31, 2012 - $50,666)
- Advertising expenses charged by Gogiro of $17,876 (Year ended December 31, 2012 - $26,860)
- Office rent expenses charged by Gogiro of $7,477 (Year ended December 31, 2012 - $7,490)

As at December 31, 2013 the Company had account receivables of $166,726 (December 31, 2012 - $106,894), and accounts payable of $9,667 (December 31, 2012 - $9,520) with Gogiro (Note 4). The Company also had account payable of $54,906 (December 31, 2012 - $nil) with directors and officers of IGEN and a company owned by a director of IGEN.

7. Stockholders' Equity

a) During the year ended December 31, 2012, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On June 28, 2012 the company issued 50,000 restricted common shares at a fair value of $0.32 per share and a total recorded value of $16,000 to a related party for services rendered to the company. The gain of $27,024 on this settlement was recognized in the consolidated statement of operations during the twelve months ended December 31, 2012.

On June 29, 2012 the company issued a total of 550,000 restricted common shares for which the company received a total of $192,500 in subscriptions for shares at a price of $0.35 per share as part of the exercising of warrants.

On August 17, 2012 the company issued a total of 333,000 restricted common shares for which the company received a total of $116,667 in subscriptions for shares at a price of $0.35 per share as part of the exercising of warrants.

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

7. Stockholders' Equity (Deficit) – continued

b) During the year ended December 31, 2013, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On March 25, 2013, the company issued a total of 444,444 restricted common shares for which the company received a total of $40,000 in subscriptions for shares at a price of $0.09 per share as part of the exercising of stock options.

On March 12, 2013, the company issued a total of 1,744,747 restricted common shares for the acquisition of 2,078,080 common shares of Gogiro (Note 3)

On June 4, 2013, the company issued a total of 650,000 restricted common shares (with fair value of $58,500 or $0.09/share) to various consultants for their services provided.

On October 11 and November 4, 2013, two directors exercised 550,000 options of the Company into common shares at $0.09/share for $49,500.

On December 5 and 16, 2013, the Company issued 400,000 common shares at $0.10/share for $40,000 in a non-brokerage private placement.

c) Common share purchase warrants:

During the year ended December 31, 2012, 883,333 share purchase warrants were exercised into restricted common shares at a price of $0.35 and 708,332 warrants were expired unexercised. As of December 31, 2012, the Company had no warrants outstanding.

During the year ended December 31, 2013 the Company did not issue any new share purchase warrants and as of December 31, 2013, the Company had no warrants outstanding.

d) Stock Options

On March 25, 2013 via Board of Directors Consent Resolution the Company ratified and adopted a Stock Option Plan, created an option pool of 4,000,000 options. The Company granted 1,475,000 options to three directors of the Company and granted a further 185,000 options to employees and consultants of the Company (totaling 1,660,000 options) during the year ended December 31, 2013. Each stock option entitles the option holder to purchase one common share of the Company on or before March 31, 2018 at an exercise price of $0.09. Among these 1,660,000 options, 1,085,000 were vested immediately on March 25, 2013. The remaining 325,000 options and 250,000 options were vested on September 1 and November 1, 2013 respectively.

On April 17, 2013, the Company granted 75,000 stock options to two consultants at an exercise price of $0.07/share. These 75,000 options were vested immediately on April 17, 2013 and will expire on March 31, 2018.

On July 31, 2013, the Company granted 350,000 stock options to three consultants at an exercise price of $0.09/share. These 350,000 options were vested immediately on July 31, 2013 and will expire on March 31, 2018.

Table of Contents

Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

7. Stockholders' Equity (Deficit) – continued

d) Stock Options (Continued)

The fair values of stock options granted are amortized over the vesting period where applicable. During the year ended December 31, 2013, the Company recorded $149,868 (Year ended December 31, 2012 - $nil) stock-based compensation in connection with the vesting of options granted. The Company uses the Black-Scholes option pricing model to establish the fair value of options granted and vested during the year ended December 31, 2013 with the use of the following assumptions:

- an expected dividend yield of nil %,
- volatility of 191% to 197%,
- risk free interest rate of 0.76% to 0.85%
- Expected option life of 5 years
- Forfeiture rate of 0%

On March 26, 2013, Neil Chan (CEO and Director) exercised 444,444 option into 444,444 common shares of the company at the strike price of $0.09 per share for $40,000.

In October and November 2013, Neil Chan and Richard Freeman (Director) exercised 325,000 and 225,000 options into common share respectively on one-to-one basis at the strike price of $0.09 per share for $49,500.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2013:

	Number of Options $	Weighted average exercise price $
Options outstanding – December 31, 2012	-	-
Granted (March 25, 2013)	1,660,000	0.09
Exercised (March 26, 2013)	(444,444)	0.09
Exercised (October and November, 2013)	(550,000)	0.09
Granted (April 17, 2013)	75,000	0.07
Granted (July 31, 2013)	350,000	0.09
Options outstanding – December 31, 2013	1,090,556 *	0.09

*Number of options exercisable as at December 31, 2013 – 1,090,556 with an expiry date of March 31, 2018

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

8. Convertible debt and derivative liabilities

On May 4, 2013 and May 31, 2013, the Company issued two convertible debentures ("CDs") in the principal of CAD$100,000 ($94,000) and CAD$50,000 ($ 47,000) respectively (totalling CAD$150,000 or $141,000). These two CDs are non-secured, carry interest of 14% per annum payable monthly or at term, and scheduled to mature on January 1, 2015. Subject to the approval of the holder of the CDs, IGEN may convert any of all of the principal and/or interest at any time following the 6 month anniversary of the issuance date of the CDs into common shares of IGEN at a price per share equal to a 20% discount to the fair market value of IGEN's common share.

As the CDs are denominated in Canadian dollars (a currency different from the functional currency of the Company) and the exercise prices are not fixed (a 20% discount to the fair market value of IGEN's common share), a derivative is recognized as a liability. The derivative liability is recorded at fair value and re-measured each period with the movement being recorded as a gain or loss in consolidated income (loss). The CDs are classified as a liability, less the portion relating to the derivative feature. As a result, the Company recorded derivative liabilities of $101,823 and convertible notes of $39,177 at dates of issuance of the CDs. The Company records accretion expense over the term of the convertible notes up to their face values of CAD$150,000 when these CDs come due on January 1, 2015. As at December 31, 2013, $39,405 has been accreted and $3,774 unpaid interest has been accrued; increasing the carrying value of the convertible notes to $82,356. During the year ended December 31, 2013, the Company recorded a gain on the change in fair value of the derivative liability of $2,831. As at December 31, 2013, the fair value of the derivative liability was $98,992. Interest expense on the CDs is composed of the interest calculated on the face value of the CDs at 14% per annum which amounted to $13,096 for the year ended December 31, 2013.

The Company uses the Binomial option pricing model to calculate the fair value of the derivative liability. The following table shows the assumptions used in the calculations:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
As at May 4 and May 31, 2013 (date of vesting)	203% to 209%	0.17%to 0.22%	0 %	1.59to 1.66
As at December 31, 2013	219 %	0.13 %	0 %	1.00

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

9. Financial instruments

Credit Risk
Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. As a result, credit risk is considered insignificant.

Currency Risk
The Company's major expenses and payables are in United States dollars and are expected to continue to incur in United States dollars. Fluctuations in the exchange rate between the United States dollar and other currency may have a material effect on the Company's business, financial condition and results of operations. The Company is subject to foreign exchange risk for transactions in its Canadian subsidiary and its investment in Gogiro, a Canadian company, as at December 31, 2013. The Company does not actively hedge against foreign currency fluctuations.

Interest Rate Risk
The Company has cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in high yield term deposits and bankers' acceptance. The Company regularly monitors its cash management policy. As a result, interest rate risk is considered not significant.

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at December 31, 2013, the Company had a working capital of $25,615 (December 31, 2012 – $66,189).

10. Subsequent event

The Company has evaluated subsequent events through the date of these financial statements were issued in accordance with FASB ASC 855 and reports the following subsequent events:

On January 28, 2014 the Company issued 843,750 units at $0.08/share for $67,500 pursuant to a non-brokerage private placement. Each unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one share at an exercise price of $0.20 per share for one year.

Pursuant to a non-brokerage private placement, the Company received $50,000 subscription for the issuance of 625,000 common shares at $0.08/share on March 6, 2014.

11. Supplemental information for statements of cash flow

Supplementary information in connection with the Company's cash flow is as follows:

	Year ended December 31, 2013	2012
Cash paid for interest	$ 9,322	$ -
Cash paid for income taxes	-	-
Non-cash operating, financing and investing activities:		
50,000 shares issued for debt settlement	-	16,000
650,000 shares issued for services	58,500	-
1,744,747 shares issued for acquisition of Gogiro (Note 4)	174,475	-

Table of Contents

IGEN Networks Corp
Notes to Financial Statements
For the Years ended December 31, 2013 and 2012
(expressed in U.S. dollars)

12. Income taxes

Reconciliation of the Company's income tax expenses are as follows:

	Dec 31, 2013	Dec 31, 2012
Loss for the year	$ (593,902)	$ (444,826)
Expected income tax recovery at statutory rates of 35%	(207,866)	(155,689)
Non-deductible item	78,492	26,227
Change in tax rate	19,873	-
Increase in valuation allowance	109,500	129,462
	$ -	$ -

The components of future income tax assets are as follows:

	Dec 31, 2013	Dec 31, 2012
Future income tax assets		
Non-capital losses carried forward and others	$ 1,419,863	$ 1,310,363
Less: Valuation allowance	(1,419,863)	(1,310,363)
Net future income tax assets	$ -	$ -

The Company has adopted FASB ASC 740-10 to account for income taxes. The Company currently has no issues creating timing differences that would mandate deferred tax expense. Net operating losses would create possible tax assets in future years. Due to the uncertainty of the utilization of net operating loss carry forwards, an evaluation allowance has been made to the extent of any tax benefit that net operating losses may generate. A provision for income taxes has not been made due to net operating loss carry-forwards of $4,111,000 and $3,741,000 as of December 31, 2013 and December 31, 2012, respectively, which may be offset against future taxable income through to 2033.

The Company did not have any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The tax years that remain subject to examination by major taxing jurisdictions are those for the years ended December 31, 2013, 2012, 2011, 2010, 2009, 2008, 2007 and 2006.

Table of Contents

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

The Company did effect a change of accountants in 2010: on March 5, 2010, the audit committee of the Company's board of directors approved the dismissal of Child Van Wagoner & Bradshaw, PLLC (CVWB) as the Company's independent registered public accounting firm, and on the same date the audit committee engaged ACAL Group, which has since combined with A Chan & Company LLP, the Company's current auditors, to serve as the Company's independent accounting firm.

However there was no disagreements or any reportable events of the types described in paragraphs (a)(1)(iv) and (a)(1)(v) of Item 304(a) of Regulation S-K in connection with this change, and there have been no disagreements with accountants over the past two years.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

The Company carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures with the participation of all the Company's executives, the effectiveness of the Company's disclosure controls and procedures as of December 31, 2013. The conclusions of the Company's principal executives was that the controls and procedures in place were effective such that the information required to be disclosed in our SEC reports was a) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and b) accumulated and communicated to our management, including our chief executive offer and chief operation officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

As of December 31, 2013, management assessed the effectiveness of our internal control over financial reporting. The Company's management is responsible for establishing and maintain adequate internal control over financial reporting for the Company. Internal control over financial reporting is a set of processes designed by or under the supervision of the Company's CEO, COO and CFO (or executives performing equivalent functions) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of our assets;
- provide reasonable assurance our transactions are recorded as necessary to permit preparation of our financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. In evaluating the effectiveness of our internal control over financial reporting, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework. Based on that evaluation, they concluded that during the period covered by this report, though there are weaknesses in the Company's internal controls, given the current size of the organization, such internal controls and procedures as were in place were adequately effective to detect the inappropriate application of US GAAP.

Item 9B. Other Information.

During the fourth quarter of the fiscal year ended December 31, 2013 there was no information required to be reported on Form 8K which was not previously reported.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following lists the directors and executive officers of the Company as of December 31, 2013:

Name	Age	Position	Term of Office
Robert Nealon	58	Director, Chairman of the Board	8 July 2010 to present
Neil G. Chan	52	Director, Chief Executive Officer	1 September 2011 to present
Richard Freeman	54	Director, Chief Operating Officer	1 November 2011 to present

Business Experience

The following are brief backgrounds on the Directors and Officers of the Company

Robert Nealon, Chairman of the Board & Director
Mr. Nealon is the Principal Attorney in Nealon & Associates, P.C., and a Washington, D.C. based law and government relations firm. He has been practicing law for twenty-seven years and has achieved an AV rating from Martindale-Hubbell, the leading rating bureau for the legal profession. Mr. Nealon has a B.A. from University of Rochester (1977) and M.B.A. from Rochester Institute of Technology (1978). He received his Juris Doctorate, magna cum laude, from the University of Bridgeport in 1982 and his Masters of Law in Taxation (L.L.M.) degree from Georgetown University in 1984. He is a member of the bar associations of New York State and Virginia, the American Bar Association and the Federal Bar Association. Mr. Nealon served as Adjunct Instructor of Corporate Law, George Washington University from 1985 until 2005. Mr. Nealon has been lead counsel on hundreds of commercial trials, including multi-million dollar derivative action lawsuits, security fraud and government contract fraud. He has been counsel to hundreds of corporations, including insurance affinity marketing, manufacturing and multiple financial institutions. Mr. Nealon has been active over the years in national politics and government relations.

Mr. Nealon was appointed to the Virginia Small Business Advisory Board by former Virginia Governor Warner and was reappointed to this state board by Governor Kaine through 2010 as its Chairman. Mr. Nealon is also a current appointee to the George Mason University Advisory Board for the Institute for Conflict Analysis and Resolution in Arlington, Virginia. He is a Director of the Alexandria Small Business Development Corporation. He is also an active member of the National Press Club and the Democratic National Club.

Neil G. Chan, Chief Executive Officer & Director
Mr. Chan is a career technologist who has pioneered the early adoption of disruptive technologies in more than 45 countries over the last 30 years. From start-up to $400M in annual revenues, Mr Chan has led and created the best-in-class sales, marketing, and service organizations during the development of wireless data infrastructure, mobile content, Software-as-a-Service for commercial fleets, and HFC broadband infrastructure. Mr Chan led the first technology transfer initiative between Canada and Mainland China on behalf of Spar Aerospace and Gandalf Technologies Inc., during the mid-1980s along with training, product marketing and sales responsibilities for growing Gandalf's export markets; shortly after Mr Chan was recruited to Motorola Inc., to lead the product marketing of the industry's first mobile data solutions for public safety, taxi, utility, and field service markets. Mr Chan led Motorola's initiative to expand into public data networks throughout the Asia Pacific region during the 1990s and subsequently was promoted to Managing Director to lead the expansion of HFC data and voice broadband networks throughout the region. In the spring of 2000, Mr Chan joined Airvana Inc., to lead business development for the early adoption of CDMA-based broadband wireless networks which today continue to serve millions of users throughout North

America and Latin America. Most recently, Mr Chan led worldwide sales and marketing of fleet management services for WebTech Wireless Inc., which contributed five years of record growth and industry leadership across government and transportation markets. Mr Chan has served on the Executive Review Board of Royal Roads University and continues to mentor and support early stage technology companies.

Table of Contents

Richard Freeman, Chief Operating Officer & Director
Mr. Freeman is a senior high-tech operations and product development executive with over 25 years experience managing leading-edge hardware and software communications solutions and services across a broad-range of technologies and international markets. Mr. Freeman's career began with Mobile Data International where he spearhead adoption of early private wireless data networks for Taxi, Public Safety and Utility markets, overseeing 800Mhz radio Manufacturing Engineering, data terminal manufacturing, RF system design, and International sales support and system deployment. In the early 90's, Mr. Freeman was responsible for technical sales support and system implementation for Motorola's Wireless Data Group located in London and Paris. Mr. Freeman was instrumental in Motorola's successful launch into European Taxi markets, along with the global launch of data infrastructure with the responsibility for product definition, marketing, and implementation of wireless data infrastructure based on Motorola DataTAC and ARDIS network solutions.

Mr. Freeman subsequently joined Sierra Wireless where he led definition, development, and successful deployment of many world-class leading edge CDPD, 1xRTT, GPRS, and EVDO wireless data modem hardware and enabling software solutions for international markets. In 2002 Mr. Freeman joined WebTech Wireless, where he defined target markets and requirements for mobile hardware and Fleet Management services. Promoted to VP Operations he oversaw the successful growth of the organization, supporting ongoing 60% annual growth in shipments and software-as-a-service revenues, a tripling of personnel, five-fold growth in corporate and manufacturing facilities and infrastructure, and the successful implementation of many multiple multi-million dollar projects.

In 2011 Mr. Freeman was Sr. VP Operations and Product Management for Saturna Green Systems, focusing on developing embedded telematics solutions for the electric vehicle industry. Mr. Freeman holds a BaSC in Electrical Engineering from the University of British Columbia.

Code of Ethics

The Company has not yet adopted a complete code of ethics policy as defined in Item 406 of Regulation S-K, however the company has adopted a disclosure policy that applies to all directors, officers and employees of the Company, as part of a program to establish a comprehensive code of ethics. The Company's disclosure policy is available on its website www.igen-networks.com .

Audit Committee and Financial Expert

The Company does not have an audit committee. The Company is still small and the functions of an audit committee are done by the board of directors as a whole, as specified in section 3(a)(58)(B) of the Exchange Act. As such the company has no audit committee financial expert serving on an audit committee. The board of directors however is confident in its ability as a whole to perform the functions required of an audit committee.

Table of Contents

Item 11. Executive Compensation.

Summary Compensation Table

Name and principal position	Year	Salary ($)	Stock awards ($)	Option awards ($)	Total ($)
Neil G. Chan Director, President &	2013	2013	58,2601	71,949	130,209
CEO	2012	2012	60,0701	-	60,070
Richard Freeman	2013	2013	58,2601	43,605	101,865
Director, COO	2012	2012	63,8271	-	63,827

1Salary for services as an executive officer. No compensation for services as a director received in 2012 or 2013.
2Valuation of Stock and Option awards are based on the issuance details listed in the Note 7(d) to the Company's consolidated financial statements for the year ended December 31, 2013.

Outstanding Equity Awards at Fiscal Year-end

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) un-exercisable	Option exercise price ($)	Option expiration date
Neil Chan, CEO	55,556	0	$0.09	31-Mar-18
Richard Freeman, COO	275,000	0	$0.09	31-Mar-18

The company currently has no unearned or unvested stock awards, or equity incentive plan awards of either options or stock.

Director Compensation1

Name and principal position	Year	Salary ($)	Stock awards ($)	Option awards ($)	Total ($)
Robert Nealon	2013	0	0	13,081	13,081
Director, COB	2012	0	0	0	0

1Provides information on Directors not serving as executive officers only. Compensation for directors also servicing as executive officers is listed in the summary compensation table at the beginning of this Item.

Table of Contents

Discussion of Executive and Director Compensation

Compensation of Directors

Directors are currently not paid any standard compensation for acting as directors. None of the directors of the company were compensated for acting in their capacity as a director in 2012. In 2013 Robert Nealon, Director and Chairman of the Board, was awarded 150,000 stock options, all of which vested in 2013 and none of which were exercised, leaving 150,000 options vested and unexercised as of December 31, 2013.

Compensation of Executives

The CEO and COO of the Company, who are also directors of the Company, are paid $58,260 and $58,260 per annum respectively as compensation for services in their respective capacities as executive officers in 2013. No options or stock compensation were granted to executive officers in 2012. In 2013 the CEO Neil Chan was granted 825,000 stock options, all of which vested in 2013, and 769,444 of which were exercised, leaving 55,556 vested and unexercised as of December 31, 2013. In 2013 COO Richard Freeman was granted 500,000 stock options, all of which vested in 2013, and of which 225,000 were exercised, leaving 275,000 vested and unexercised as of December 31, 2013.

There are currently no long term incentive plans or pension plans for directors or officers of the Company.

The company does not currently provide indemnity insurance coverage for directors and officers of the Company.

Compensation Committee Interlocks and Insider Participation

The Company is small and has no compensation committee. The board of directors as a whole acts in the capacity of a compensation committee. All executive officers of the Company are also directors of the Company and as such were and are able to vote on matters of compensation. Though the company is not legally obligated to establish a compensation committee, we may do so when the company reaches a critical mass and/or when deemed advisable by the board.

Compensation Committee Report

As a smaller reporting company, the Company is not required to report the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K, and as such there was no review or recommendation as to its inclusion in this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following tables list information that is accurate as of December 31, 2013.

Table of Contents

Securities authorized for issuance under equity compensation plans

As of December 31 2012 the Company had no options outstanding.

The following details securities authorized for issuance as of December 31 2013.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (a)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (a)
Equity compensation plans approved by security holders	1,090,556	0.09	1,915,000
Equity compensation plans not approved by security holders	0	N/A	0
Total	1,090,556	0.09	1,915,000

Security Ownership of certain beneficial owners

(1) Title of class	(2) Name and address of beneficial owner	(3) Amount and nature of beneficial ownership	(4) Percent of class
Common Shares	Machlink Inc 321 Port St. Charles, St. Peters, Barbados	1,000,000	5.33%

Security Ownership of management

1) Title of class	(2) Name and address of beneficial owner	(3) Amount and nature of beneficial ownership	4) Percent of class
Common Shares	Robert Nealon Director, COB	521,571	2.78%
Common Shares	Neil G. Chan Director, President & CEO	2,506,111	13.35%
Common Shares	Richard Freeman Director, COO	343,900	1.83%

16

Table of Contents

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Transactions with related persons, promoters and certain control persons

On March 12 2013 the Company acquired 2,078,080 shares of Gogiro Internet Group, Inc. through the issuance of 1,744,747 restricted common shares of the Company. Neil Chan, CEO and Director of both companies, exchanged 2,000,000 Gogiro shares for 1,666,667 shares of the Company. The purchase was approved through Board of Director's consent resolution in which Neil Chan abstained from voting and specified in a Stock Purchase Agreement signed between Neil Chan and the Company. As of the date of the filing of this 10K the share issuances were in process. Between February 20 2013 and March 15 2013 the Company's shares traded at or closed at $0.10 on the OTCQB so the fair value of the acquisition calculated on the basis of market value was $174,475.

Director Independence

The Company's common stock is listed on the OTCQB inter-dealer quotation system, which does not have director independence requirements.

Item 14. Principal Accounting Fees and Services.

Audit Fees

Aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the Company's annual financial statements, review of financial statements in quarterly filings, or services associated with statutory and regulatory filings for the last two fiscal years are as follows:

2012: $17,500
2013: $17,500

Audit Related Fees

Aggregate fees billed in the last two fiscal years for assurance and related services by the Company's principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements and are not reported above are as follows:

2012: $0
2013: $4,370

Table of Contents

Tax Fees

Aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's principal accountant for tax compliance, tax advice, and tax planning are as follows:

2012: $0
2013: $0

All Other Fees

Aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above, are as follows:

2012: $0
2013: $0

Audit Committee's Pre-Approval Policies and Procedures

The Company does not at this time have an audit committee and no formal pre-approval policies or procedures have yet been implemented. The board of directors acting in lieu of an audit committee is required to pre-approve the engagement of the Company's principle accountant for non-auditing services.

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1)Financial statements:
- Audited Financial Statements for the year ended December 31, 2013

(2) Financial statement schedules
- none

(3) Exhibits

Exhibit Index

3(i)	Articles of Incorporation and amendments
3(ii)	Bylaws
21	Subsidiary Information
31.1	Certification – Rule 13(a)-14(a)/15d-14(a) - CEO
31.2	Certification – Rule 13(a)-14(a)/15d-14(a) - COO
32.1	Certification – Section 1350 - CEO
32.2	Certification – Section 1350 – COO
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	IGEN Networks Corp	
April 14, 2014	By:	/s/ Neil Chan Neil Chan Director, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	IGEN Networks Corp	
April 14, 2014	By:	/s/ Richard Freeman Richard Freeman Director, Chief Operating Officer