



Registered Charity No. 313983

ICAEW FOUNDATION

and its linked charities

TRUSTEE'S ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

ICAEW FOUNDATION

CONTENTS

	Page
Trustee's annual report:	
The charitable trusts and their sole corporate trustee	3
Public benefit aims	3
Structure, organisation and management	4
Strategy for achieving objectives	5
2021 activities and achievements	6
Plans for the future	19
Reserves levels and policy	19
Major risks	21
Investment policy and performance	21
Matters affecting the financial position of the charitable trusts	22
Statement of trustee's responsibilities	24
Independent Auditor's report to the trustee of ICAEW Foundation	25
Statement of financial activities	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31
Advisers, agents and administrators	41

THE LINKED CHARITABLE TRUSTS AND THEIR SOLE CORPORATE TRUSTEE

The names and registration numbers of the ICAEW's charitable trusts linked with the Foundation on the Charity Commission website, and which although separately administered are accounted for as if they and the Foundation were a single charity, under the authority of a uniting direction from the Charity Commission, are as set out below:-

313983-001	The Chartered Accountants' Charities Investment Pool (CACIP)
313983-002	P D Leake Trust (PDLT)
313983-003	Chartered Accountants' Trust for Education and Research (CATER)
313983-009	Chartered Accountants' Permanent Education Trust (CAPET)

The sole trustee of all these charities is Chartered Accountants' Trustees Limited (CAT). The directors of the Trustee company at present and those in office during the period covered by this report are:

William Arthur Bailey	Chairman
Shauna Bevan	
Susan Smith	
Andrew Wauchope	
Michael Hicks	
Andrew Ratcliffe	

Further administrative information will be found on page 41.

The registered office of the trustee and principal office of each of the charities is:

Chartered Accountants' Hall
1 Moorgate Place
London EC2R 6EA UK

PUBLIC BENEFIT AIMS

The trustee presents its annual report and financial statements for ICAEW Foundation (the Foundation) which include its linked charities for the year ended 31 December 2021.

The aim of the Foundation is to support and provide donations to bodies, charitable trusts or funds for the public benefit in areas which are of particular interest to the Institute of Chartered Accountants in England and Wales (ICAEW).

The aims of the linked charities (apart from CACIP which is CAT's collective investment vehicle) are as follows:

- CATER: the advancement of education, particularly in accounting and related subjects, by maintaining and operating the ICAEW library and by supporting qualifying education and research projects initiated by the ICAEW and others;
- CAPET: the advancement of education, particularly in accounting and related subjects, by funding the prizes awarded through ICAEW's examinations and funding bursaries in accordance with the secondary objectives of the trust;
- PDLT: the advancement of the sciences of accounting and political economy, including public finance and taxation, by funding academic research projects and events.

When pursuing these public benefit aims and when setting annual objectives and planning future activities, the trustee has given due consideration to the Charity Commission's general and sub-sector guidance on public benefit.

STRUCTURE, ORGANISATION AND MANAGEMENT

The Foundation is governed by a Deed of Trust last updated on 18 May 2007.

CATER is governed by an administrative scheme of December 1971 made by the Secretary of State for Education and Science. Chartered Accountants' Library Limited (CALL) is a wholly-owned subsidiary trading company of CATER.

CAPET is governed by a Charity Commission scheme of October 1975.

PDLT (the 1952 will trust of the late Percy Dewe Leake) is governed by an October 1975 Charity Commission scheme.

CACIP, the investment pooling charity, is established and governed by a Charity Commission scheme of December 1996.

ICAEW is the beneficial owner of the shares of CAT, which has no corporate assets and is active only as sole trustee of the charities and so is dormant for accounting under company law. In accordance with IFRS10, however, the financial statements of all the charities administered by CAT are consolidated in ICAEW's financial statements.

Details of the charities' transactions with related parties are shown in the notes to the financial statements.

Appointment of trustee's directors

The directors of CAT are proposed by ICAEW's nominating committee and are appointed to CAT by CAT's Board of Directors.

Term of appointment as a director of CAT

The Articles of Association of CAT do not limit the term of appointment. However, by agreement with ICAEW, the trustee directors normally hold office for eight years at a maximum, and the chairman for five years maximum, having served at least one year as a trustee director before becoming chairman.

Induction and training

As part of their induction, new directors of CAT are given a briefing pack which includes information relating to the powers and responsibilities of CAT as a corporate trustee, copies of papers and minutes of board meetings, copies of annual reports and financial statements of the trusts and information relating to the work of the charitable trusts it administers. An opportunity is offered to new trustee directors to meet with the chair and existing trustee directors and members involved in managing the trusts to obtain briefing on the grant making process.

The trustee directors consider periodically whether further training on their role and responsibilities as directors is needed as part of their terms of appointment. Where it is considered appropriate, regular updates and training are provided in conjunction with the charities' investment, other advisers and other external sources.

Directors' Meetings

The trustee directors meet at least three times a year, in order to manage the charities, to review investment and financial performance, to assess new grant applications and to consider feedback and reports on previous grant awards.

The trustee directors have appropriate policies and procedures in place for managing any conflicts of interest arising in the course of its trusteeship.

Key management personnel remuneration

The CAT Board considers the trustee's directors and the Head of the Library & Information Services (LIS) as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. The trustee's directors give their time freely. Details of expenses claimed and related party transactions are disclosed in notes 7 and 17 to the financial statements.

The pay of the head of LIS is borne by ICAEW and reviewed annually in accordance with the ICAEW remuneration policy.

STRATEGY FOR ACHIEVING OBJECTIVES

Foundation

The trustee's strategy is to make grants for selected initiatives where the contribution made by the trust can make a positive difference to the outcome.

The initiatives supported within the trustee's ongoing aims and objectives can be summarised as follows:

- **Bursaries**
Offering life-changing opportunities to talented individuals who may not otherwise have the opportunity to join the next generation of finance professionals.
- **Prizes**
Rewarding academic excellence and outstanding contributions to society as an inspiration to others.
- **Research and PhD fellowships**
Supporting high quality research that challenges perceptions of the future of accounting and finance.
- **Teaching fellowships**
Fostering change in education, bringing to academic tuition the practical insight for which the profession is renowned.
- **Library services and heritage**
Preserving and enhancing through CATER (see below) ICAEW's heritage that symbolises its position as a most highly respected professional body.

GRANTMAKING AND POLICY

Foundation

Any applications for grants and bursaries are put to the CAT Board for approval via the Foundation office. If a bursary to a university is approved then a Memorandum of Understanding is signed by both parties. As the volume of grants increases a panel of advisors may be established to assist the CAT Board in the process of making grants.

CATER & PDLT

The trustee has a process for the review of grant applications. The Research Advisory Board (RAB) considers all grant applications for research projects and events and makes its recommendations to the trustee. Each grant application includes details of the purpose and contribution of the research project or event and a summary of expected expenditure under such headings as:

- staff costs
- travel costs
- research instruments and access to data sources
- other relevant specified costs.

The RAB also commissions leading academics, from both the UK and around the world, to write papers and present on issues of key importance to the accountancy profession, particularly on aspects of financial reporting. An annual conference and lecture are both held at which these papers are presented before they appear in a special issue of the journal *Accounting and Business Research*. Requests for funding for the papers and events are put to the trustees in the usual way.

The RAB meets three times a year. It includes senior academics from various universities, including at least one overseas university, as well as other practitioner members. Where appropriate, members of the RAB personally interview the person or team making the grant application, and always obtain independent academic and practitioner reviews.

The trustee may at its own discretion accept or reject any grant application which has been considered by the RAB.

The charitable trusts are committed only to reimburse qualifying research expenditure incurred, together with buyout replacement teaching if appropriate.

The trustee encourages the publication and distribution of the grantees' research findings to the widest possible audience. This may be through ICAEW to its members and others or by other academic journals and external publishers.

ICAEW FOUNDATION

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustee gratefully acknowledges the assistance of ICAEW and its help in publicising the work of the charitable trusts.

CATER's budget for the ICAEW Library is formally reviewed with the Head of the LIS each year to review progress against budget, progress with ongoing development of the LIS and to agree priorities for the year ahead. The resources spent on this service in 2021 amounted to £690,000 (2020: £684,000).

CAPET

The trustee's policy is to:

- assist with the general professional education of suitable persons who are preparing for, entering or engaged in the profession of accountancy, such as by providing books or paying fees, subject to applicants meeting the trustee's criteria for grant eligibility.
- award prizes in connection with ICAEW's examinations.

CACIP

This charity exists only to manage the pooled investments of the above charities administered by CAT.

FUNDRAISING

Foundation

The Foundation launched in 2007. In 2009, professional fundraisers 'Compton's' were appointed by the ICAEW to help raise funds to build the endowment portfolio. All professional fees in relation to Compton's were borne by the ICAEW.

Actual donations totalling £49,752 (including gift aid and accrued income) were received during 2021. Total pledges since the start of the campaign, including legacies, donations and gift aid, stood at £2,864,706 at the end of the year.

Since the beginning of the Foundation campaign, actual donations (which mainly accrued to expendable endowment capital) received up to 31 December 2021, including gift aid, were £2,189,706 before investment returns, and can be categorised as follows:

	£
Funds to be used at the trustee's discretion	1,382,178
Bursaries	207,492
Prizes	110,378
Research	2,091
Library services and heritage	2,078
PhD fellowships	8,846
CABA awards	70,000
Combined Code Research Fund	104,783
PwC Flying Start Programme	100,000
Ernst & Young Smart Futures	36,000
Challenge 10 Initiative	38,140
Legacies	127,720
Total	2,189,706

The table below details the number of bursaries awarded by country to date:

COUNTRY	NUMBER OF BURSARIES AWARDED
UK	55
MALAWI	38
GHANA	18
CAMBODIA	10
SOUTH AFRICA	6
HONG KONG	6
CYPRUS	2
TOTAL	135

2021 ACTIVITIES AND ACHIEVEMENTS

FOUNDATION

Grant funded activities

Grants were made during the year to Humentum of £6,000 (2020: £6,000) The Foundation gives to Humentum to fund bursaries for its charitable training in accountancy to individuals working in non-governmental organisations.

Grants awarded

The main strategic focus of the Foundation is the creation and granting of bursaries. New bursaries will be funded from the income generated on the investment of current donations or the release of expendable endowment. Total bursaries awarded during the year were £140,000 (2020: £137,000). UK bursaries are usually awarded for a period of three or four years and are accrued in the accounts for the whole period in the first year when the bursary is approved. Therefore, the awards payable to UK universities shown in note 6 are for new bursaries, including amounts payable over future years.

The ICAEW Foundation Changing Futures Bursary Programme

To date, the ICAEW Foundation *Changing Futures* bursary programme has supported 63 undergraduate students of accountancy and finance in universities across the UK, and in Hong Kong and Cyprus.

- ICAEW members can see how their donations to the Foundation are making a real difference and having a positive impact. They may also be encouraged to engage with their local student.
- ICAEW Foundation is immensely proud of our work with students through the bursary programmes but we do need the support of our members to continue to grow our impact and reach.

Here are some of our student bursary recipient stories from this past year. You can read about the difference the bursary has made to these talented and ambitious individuals and how the educational experience has already nurtured and developed them.

Josephine Osei, Manchester Business School



I've always been grateful to receive the ICAEW bursary, and with the continuation of the pandemic this year, the funding has been even more beneficial. My final year has been very challenging and coupled with the Covid pandemic, there has been a lot of changes and adaptations but overall, it has been a very enlightening year. Throughout my third year I have learnt how to become more flexible and to remain resilient regardless of the changes that occur.

Studying from home was harder at first but got easier as the months progressed. One of the courses that I especially enjoyed was Business Law; I was able to learn through interactive teaching about current changes that are happening in the UK and other countries, broadening my

commercial awareness, as well as my knowledge in business and accountancy. Excitingly, I achieved an 85% result from my assignment.

One of the things that I am proud of completing this year, was becoming the student representative for third year accounting students on my course. This has been a great experience as I was able to liaise with the Head of the programme and the students. I was responsible for raising any issues, to create positive changes, that allowed my course mates to have a better learning experience. One of the changes I made was to restructure the layout of our student platform. I made it easier for students to identify which materials were relevant for specific lectures, and to clearly follow timetabling. As a result of the changes that I have been able to initiate and the fact that I was always willing to help, I was nominated for the most deserving of an award in the final year. These experiences have been very valuable for me and something that I will continue to cherish and be proud of.

In addition, I have been working towards the stellify award. This award is one of the most esteemed awards that is available for undergraduates at the University of Manchester. As part of this journey, I have completed over 100 hours of volunteering work as well as step into positions where I was leading extra-curricular activities. I believe through these and my other activities I am becoming a well-rounded individual who can adapt, take initiative, and lead in different situations that I'm presented with.

After I graduate, I aim to start completing my accounting professional exams. Through research, I found that I can get up to six exemptions from these exams thus I will be focusing on completing the remainder of the exams while working in an accountancy practice to build up my experience. I hope to become a qualified accountant at the end of my training.

The funding you've provided has been immensely helpful, particularly for travel as I had to go between Manchester and Milton Keynes (where my family are) throughout the pandemic. Therefore, the funding not only enabled me to buy study materials and concentrate on my final year, but it has also enabled me to be closer to my family during a really difficult year.

I would like to thank the ICAEW foundation for sponsoring me, and others like myself, to be able to continue our education, regardless of any challenges and difficulties that we face. I hope that I will be a successful accountant who is able to add value to the professional body, and additionally extend a helping hand to others in the future. Thank you once again for all for the support you've given me. I wish you the very best in all your endeavours.

Owen Bailie, Queens University, Belfast



As I come to the end of my undergraduate course, I was able to reflect upon my student experience that was made possible by the generous funding from the ICAEW Foundation. This scholarship allowed me to gain a lot more experiences during my time at university. The scholarship allowed me to reduce the amount of part time work that I was undertaking; this meant that I was able to focus more on my studies, which allowed me to attain my 2:1 degree classification. Thanks to the ICAEW Foundation I was able to gain a lot more understanding out of my degree and I am happy to say that I will be able to continue my studies as I have been accepted on to the MSc Advanced Accounting course at Ulster University which is being kindly sponsored by Deloitte.

The bursary also allowed me to travel home more often. This was very important as it meant that I was able to support my parents by looking after my younger siblings when it was needed. This allowed me to take the pressure of my parents especially during this difficult time. I was also able to develop more free time that allowed me to play rugby for my local team more often than I was able to previously. This allowed me to develop new skills, such as teamwork, and build new relationships with new people. This is something that I would not have been able to do without the support from the bursary, as this time would have been spent working in my part time job, to enable me to afford my university expenses.

In conclusion, I would like to thank the ICAEW Foundation for this amazing opportunity, which allowed me to make the most of my university experience without having to worry about the financial impact it would have on me. I find it difficult to put into words how thankful I am for this wonderful bursary. Without this support, I am certain that I would not have been able to gain so much out of my time at university.

I have just finished my second year of university. I am currently studying accounting at Queen's University Belfast.

I have also had the opportunity to apply for summer internships while at university. I was lucky enough to be selected for two programmes with two different companies. However, due to the unforeseen circumstances of the pandemic, one company has cancelled the programme for this year. I am looking forward to taking part in the other programme and I am hoping that this will give me a greater insight in what it would be like to work for a big 4 accounting firm.

In terms of future aspirations, my plan is to find work in an accounting firm as soon as I graduate. I also have the intentions of applying for a training contract with the view of qualifying as a Chartered Accountant.

Abdiraman Mohammed, recipient of The Beckingham Bursary, Manchester Business



This past year has been challenging. I was not able to acquire a placement at a firm as the lockdown continued into what would have been my year in industry. Although not ideal, I still had the motivation and drive to achieve my goal of securing a graduate role at an accounting firm.

The final year modules have been challenging because the topics were complex and required a higher level of critical analysis. However, I was passionate to learn more about specific areas in accounting and finance. For example, the Corporate Communication and Valuation module covered a more practical element of finance. I was required to produce a 30-page stock recommendation report, a personal essay regarding retail investors and institutional investors and an individual 32-page report on a company case study. With some hard work, I managed to receive a First grade.

Another module that I found interesting was Business Law 2. The module had a final exam and a group assignment in which 3 students are required to produce a video to explain a legal issue. I decided to produce a video on deferred prosecution agreements and whether it is practical for UK companies, because it is relatively a new concept in the UK. Again, I received a First and the video was named by the assessors as having the best reconstructions, notably the reconstruction regarding the Airbus case.

I've always enjoyed learning about new technologies, so I decided to participate in a program to improve my skills. I applied for a 12-week fast futures program organised by Avado in Sep 2020 and was pleased to be accepted. I learned about different IT programs over 12 weeks with other students in the program. It was great to collaborate and network with students from other universities. In addition, I had the amazing opportunity to collaborate with other firms such as BT and AstraZeneca. My mentor from the program was a manager at AstraZeneca and he has massively supported me in preparing for life after university.

I also worked with The North West Tax Clinic which is a charity that provides free personal tax advice to individuals with a low income, who have problems with their tax payments. The University of Manchester has started to collaborate with the charity, so I volunteered at the charity once a week.

Despite having some challenges this year, I am pleased to say that I managed to acquire an audit and assurance graduate role at Deloitte. I'm looking forward to working at the largest accounting and consulting firm in the world, later in the summer. Furthermore, when I start, I have an aim to inspire other individuals from disadvantaged backgrounds to achieve their career goals. Income inequality has been increasing and the effects can be seen from the reduction in living standards. My goal is to use my resources to contribute to local communities. I look forward to a future that is prosperous for the young generation.

Finally, I would like to thank you for your support - It's difficult to express your impact with words but I'm very grateful. The bursary enabled me to purchase a laptop and other IT demands, that were essential during the pandemic when everything went digital. I also have a part time job to support my family's essential needs such as food, Wi-Fi and utility bills. Therefore, the financial support from yourselves allowed me to solely purchase the necessary resources for my academic studies. It would be amazing if we had the opportunity to meet in the future and I thank you again for your drive to help change the lives of students. Thank you, I will forever be grateful.

Rebecca Callaghan, Queen's University, Belfast

In the face of much uncertainty and many challenges, 2020 was an unforgettable year. Adapting to a different way of life proved to be quite difficult, especially due to the move of university life online. However, I believe that this scholarship has provided me with a sense of security and has enabled me to adapt more easily to this new reality.

This scholarship has enabled me to dedicate more time to my studies and work less in my part-time job, which has consequently had a significant impact on my grades in my first year of university, as I have achieved all Firsts in my six modules throughout the year. In addition, due to the numerous lockdowns, as I work part-time in the hospitality industry it has been more difficult to have a steady monthly income. Therefore, this scholarship has helped me greatly financially and has helped me to afford everything necessary for a successful year at university including an iPad, printer, and textbooks.

I recently completed a summer internship with KPMG, and I have completed a short course with PwC's Talent Academy. These opportunities have allowed me to gain more knowledge and experience in the world of accounting and have enabled me to network and gain contacts for future job opportunities. It also motivated me to work my hardest at university to achieve my dream of becoming a Chartered Accountant. I strongly believe that this scholarship has given me the confidence to apply for these programmes and has helped me reach my full potential at university.

Despite learning online for the academic year, I was determined not to let this impact my wider student experience and I achieved my goal of learning Italian by attending Queens' online night classes. These classes have helped me further develop my communication and teamwork skills and have ensured that I am more culturally aware. This would not have been possible without the scholarship, as it required a lot of time and dedication, which I did not previously have as I worked more hours in my part-time job and as a result had less time to dedicate to extracurricular activities. Therefore, this scholarship has given me access to the range of opportunities that my university has to offer.

As I share a room with my sister, learning from home has proved to be quite challenging. However, this scholarship has enabled me financially to apply for accommodation for the next academic year. Consequently, this will minimise my distractions at home and prove to be very beneficial to my learning, while motivating me further as I will be surrounded by more young students.

In addition, this scholarship has allowed me to learn to drive which I think is one of the best investments that can be made. As it is quite costly, it has been something that I have been putting off for a few years, therefore I am extremely grateful to have been able to learn throughout my first year of university and hence this scholarship has helped me to invest in my future. Moreover, I have also been able to save a bit of money for my placement year in Spain. I have also been able to travel a bit over the summer to England, which would not have been possible without the scholarship. Hence, this scholarship has not only benefitted my education, but it has also enabled me to broaden my horizons and adopt a global mind-set. I would like to conclude by thanking you for all the opportunities I have been able to avail of due to this scholarship. I am extremely grateful for your generosity and the financial support you have provided me. I believe that this scholarship has aided me in affording the education that will help me achieve my long-term goal of becoming a Chartered Accountant – to which I am forever indebted.

Charlotte Douglas, University of Sussex



My time at the University of Sussex has now come to an end. I have made some brilliant memories and lifelong friends during my time at university and will sorely miss this chapter of my life.

I am thrilled to have achieved a First, scoring 80% in my degree overall. Whilst the last year and half has been very difficult due to the pandemic, the support and positivity from my fellow classmates and family helped me enormously through these hard times. I also recently got the news that I was in the top 5% in my year on the BSc Accounting and Finance course, which I couldn't believe! Unfortunately, there will be no graduation ceremonies for Sussex students this year, but I am looking forward to celebrating in 2022 at the graduation festival.

Whilst I am very happy with the results of my degree, I am even more proud and excited about my new job, which I secured during my exams. However, I did not give myself much time to celebrate – I started my job just three days after my last exam. I now work full-time as a trainee finance associate at RiverStone, which is part of the Lloyds of London Market. I am extremely happy working here. Everyone I have met so far has been very friendly and welcoming. I haven't had the chance to meet everyone in person yet because a lot of staff are still working from home, but more are slowly returning to the office as we are regaining a sense of normality again! I work in the Treasury Department and some of my responsibilities include making payments, GL analysis and bank reconciliations.

It is also amazing that the office is just a 10-minute walk through the beautiful Preston Park near my home in Brighton, where I am planning on living for the foreseeable future. I am really enjoying working full-time – I love having a routine and a goal to work towards. Additionally, once my 6 month probation has come to an end, I am going to start working towards completing my ACA exams with the ICAEW to become a qualified accountant.

The opportunities at RiverStone are very exciting – the company is growing and has been successful during the pandemic so I am really looking forward to where my career here will take me! I have loved my time studying at Sussex and am really happy to have secured the perfect job, especially under such difficult circumstances.

I would like to take this opportunity to say a final thank you for your continued support throughout my time at university. I have no doubt that the effects of your support will continue to help me succeed well into the future.

The ICAEW Foundation Building Futures Bursary Programme

Our Building Futures bursary programme, for students of new professional accountancy qualifications in Malawi, Ghana and Cambodia has allocated funds for 120 bursaries since its launch in 2015.

MALAWI (ICAM)

Ten bursaries to the value of £8,250 approved in 2020 but postponed due to the Covid 19 pandemic, were paid during the year. Funding of £3,000 was also approved and paid in the year to ICA Malawi to purchase 4 laptops for students studying its Level 2 ACA qualification.

GHANA (ICAG)

Six bursaries to the value of £8,250 approved in 2020 but postponed due to the Covid 19 pandemic were paid during the year.

During the year an additional £3,000 was awarded to Khadijah Iddris to assist in her PhD studies, helping her to realise her ambition of becoming a lecturer in finance. Khadijah previously featured in our foundation video in 2018.

CAMBODIA (KICPAA)

The first ever Cambodian professional accountancy qualification was delayed in its launch predominantly due to the impact of Covid 19. Nearly all students have been heavily impacted over the past two years as not only were they unable to get the usual part-time jobs to fund their studies but in addition, all universities/colleges remained closed throughout 2020 and most of 2021.

ICAEW International Capacity Building alongside the Foundation, continued to engage throughout the year with the national accountancy body KICPAA (Cambodia) (Kampuchea Institute of CPAs and Auditors) and ascertained that schools and universities re-opened during the final quarter of the year. £25,500 was approved in 2020 to support forty students over 2 years studying the new ATQ (Accounting Technician Qualification). The first instalment of £12,750 will be paid in January 2022.

UN Sustainable Development Goals

As the world increasingly focuses on the importance of the UN Sustainable Development Goals (SDG's), we too continue to collaborate and work together with our partners to help contribute to their own achievement aims.

We are conscious of how the objectives and work of the ICAEW Foundation contributes to achieving Goals 3, 4 and 10. During 2021, the ICAEW Foundation became a member of the Association of Corporate Foundations and became the 60th signatory to their Funders Commitment on Climate Change, pledging to play our part towards Goal 13 too.



Our refreshed website now highlights the SDGs we work to support. We were delighted that the University of Manchester was ranked first in the world in the Times Higher Education Impact Rankings and our long-standing bursary relationship was acknowledged as playing a part in this achievement.

Our bursary programmes reach a diverse group of students but to ensure we measure this, during 2021 we devised and released a Diversity & Inclusion questionnaire which asked all bursary recipients to anonymously complete. This will be common practice going forward.

CATER LIBRARY AND INFORMATION SERVICE

The Library & Information Service (LIS or 'Library') supports the current and future research needs of the accountancy profession by collating and preserving information and by providing an enquiry and research service. LIS also supports ICAEW by delivering a quality benefit to ICAEW Members.

The ICAEW Library reached its 150th anniversary in 2021. The original library was set up by the Institute of Accountants in 1871 and sold to ICAEW for £400 at the first meeting. The Library moved into purpose-built space in Chartered Accountants' Hall in 1893 and subsequently to a new space in the extension, now part of the Business Centre.

For 150 years the ICAEW Library has been the only Library to have comprehensively collected material in this sector, effectively creating a national Library of accountancy. The accountancy profession in the UK has come to depend upon the comprehensiveness of the ICAEW Library collection. Much of the material in the collection is not held by The British Library.

The collection currently holds around 48,000 books and runs of around 1,000 journal titles. It stands as one of the world's largest and most important collections of material for the accountancy profession (as well as the largest in Europe, with the other two largest collections based at the University of Illinois and University of Mississippi).

The Library holds the world's best collection of ICAEW publications. At least a quarter of the titles and journals in the collection were published by ICAEW, many with extensive runs/multiple parts.

Today, the collection is used for a wide variety of purposes that includes research on past developments in recurring topics; to provide evidence in legal cases and tax disputes; to research old topics that gain new significance in the digital age; to research the rules and guidance in place at a particular time; as a source for technical writers from the major publishing houses and to research interpretations of accounting standards. Although the collection is a remarkable source for research, the ICAEW Library continues to function as a practical working collection serving the everyday needs of the Chartered Accountants of today.

LIS management and structure

The Library collection (including third party digital information resources), and supporting software system and catalogue, are maintained and operated by CATER on behalf of ICAEW and the wider public. There are currently 5.5 full time equivalent staff posts funded by CATER for this purpose.

Library staff operating the Enquiry Service are currently funded by ICAEW rather than CATER. ICAEW funded staff report to Directors in Belonging & Supporting. CATER staff continue to contribute to the answering of enquiries, gaining valuable knowledge that feeds into stock selection and cataloguing.

The Rare Books collection, an asset owned by ICAEW and managed by ICAEW staff, falls outside the remit of CATER.

Enquiry, Document Delivery and Loan Services

The LIS information professionals provide a valuable business information research service to members and the profession.

The Library Enquiry Service has been providing its service remotely during lockdown primarily responding to member requests via email and webchat. This included a limited postal loan service. In August 2021, using the capabilities of a new telephone system, we reintroduced the telephone helpline which was able to be delivered remotely for the first time.

From September 2021 the Library Enquiry team has resumed in-person service delivery from Chartered Accountants' Hall. This is the first time that members have been able to access the physical collection and online databases from the Business Centre since March 2020.

During September and October 2021 there has been a successful drive to reclaim books borrowed by members before the pandemic.

There were 273 book loans in 2021. The re-opening of the Business Centre in September helped drive book loans to their highest monthly totals since the pandemic began, with almost twice as many books borrowed in September than in the next busiest month for loan activity. However, loan activity dropped back as new government guidance advising working from home was announced in December. Difficulties accessing stock from our warehouse in Wolverton were also a factor in the reduced level of book loans. The monthly average for book loans in 2021 was around 24% of pre-pandemic levels.

The enquiry service remains a popular point-of-contact for members. The team handled 9,912 enquiries during 2021, drawing on their expertise across a broad range of subjects. This was an increase of 2.5% on the previous year. Enquiry topics have been in line with those seen pre-pandemic, with members asking wide-ranging queries on taxation, model documents, company information and industry data. With the extensive self-service resources available online on the Covid-hub we have received fewer covid related enquiries.

A total of 2,780 document items were supplied to enquirers, enhancing the information available on the ICAEW website. Document delivery (excluding client screenings) in 2021 was comparable to the previous year's figure, with a decrease of 2.2% in the number of items supplied. Again, access to warehouse stock may have contributed to this slight drop.

Client screening requests continue to increase; reporting a 12% growth for 2021 compared to 2020. The service attracted 266 new users in 2021, bringing the total of unique users to 1,563.

Customer satisfaction surveys showed that 93% of Library & Information Service users found the service was easy or fairly easy to use. The appreciation for the service provided by the enquiry team is reflected in 59 exceptional compliments received by the team across 2021, such as:

"It is so good to know that the ICAEW has expertise available for prompt and in-depth expertise when all other options have drawn a blank"

"I didn't know about the library service as had previously used the Technical line only, but this is absolutely incredible."

"I'm so grateful for your support. If there is a nomination for The Best Library Service Award, I'll certainly nominate you guys!"

"I would like to commend the Library team at ICAEW for the remarkable level of service they are offering the members."

The theme running through all the exceptional compliments is an appreciation for the valuable collection of material offered by the Library and for the in-depth help and assistance of the enquiry team over the past year.

CATER collection and digital resources

The ICAEW Library is a modern, hybrid service comprising of a physical collection of loan and reference material, and a suite of online, third-party resources to support user needs. Most of the physical collection is held at an offsite warehouse in Milton Keynes.

The Resources team manage the life cycle of resources in the Library collection from acquisition to disposal, covering both print to digital. The majority of ICAEW publications are now captured in digital format rather than added physically to the collection, reducing the resources needed to process and shelve them.

Print material selection is largely demand-driven and expenditure continues to fall as resources are focused on online products. In addition, less print material was purchased due to the closure of Chartered Accountants' Hall and economic uncertainty during 2021. The team successfully tackled the backlogs of print material that needed to be processed upon the re-opening of the Business Centre.

Popular titles continue to be purchased in print format, although some publishers, such as Croucher and Bloomsbury, have reduced or removed their print offering. Journal publishers are continuing to move from print subscription models, resulting in falling print journal holdings. Some, but not all, are accessible to members digitally. For example, the key title International Accounting Bulletin will no longer be available in print, and nor can we offer digital access.

Members room

During 2021 the Members Room was refurbished and Library stock that had resided there was transferred to the Warehouse store and replaced with old legal volumes.

Warehouse store

The future of the ICAEW warehouse, where the majority of the library collection is stored, is currently under review as part of a wider ICAEW Property Review.

Usage and development of online resources

Third party online resources are a key component of our hybrid collection and account for three-quarters of our annual budget. They have played a vital role during the lockdowns, allowing staff working remotely to answer Library requests for data. All remaining licences were renewed in 2021, and we plan to renew them again for 2022. In addition, we now have over 570 licenced ebooks, allowing members to access information remotely.

Cataloguing

The library catalogue provides a record of electronic and print resources held by the library - books, rare books, articles, serials held by the library, as well as all ICAEW-produced documents. The catalogue supports the Library enquiry service and the website.

Two new staff members have joined the Cataloguing team this year and have contributed to the work of the team, cataloguing and indexing every acquisition. This vital work ensures that relevant, reliable and accurate information can be found quickly and easily.

Since full staff access to Chartered Accountants Hall was resumed and the vacant post within the team was filled, we have had a successful year for cataloguing and have catalogued a total of 1,513 volumes in 2021, including new purchases, ICAEW digital items and stock from the backlog that had built up during lockdown.

We have started new processes for acquiring and cataloguing ICAEW publications in digital format only – now that we have the digital archive platform, Preservica to safely store the documents for the long term. The new processes are working well, the cataloguing workflow is more efficient, and we catalogued 482 digital ICAEW items in 2021.

Since the return to the office, we have resumed adding abstracts of selected journal articles to the catalogue.

CATER stock valuation

It was agreed that the CATER collection will be insured for £1,000,000. In practice, the unique nature of the collection means that many of the books would not be replaceable.

Digital Preservation

The Digital Archive Project is a project to build a digital archive that will hold any born digital material that is released by ICAEW into the public domain (e.g., helpsheets, technical releases, press releases and AGM papers), regular snapshots of the ICAEW website and digitised material from the library's print collection.

Project progress

There are currently two main strands to the project – preservation of publications and document on the Preservica platform and website captures using the Archive-IT platform.

Digital publications preservation and storage – Preservica

Digital content is extremely vulnerable due to software/hardware changes and data that can easily be corrupted. Preservica ensures that content is checked for file corruption and migrated from older versions to ensure continuity of access.

The Digital Archive project is progressing well. In 2021 we have continued to focus on ICAEW's preservation priorities when adding publications to Preservica, as well as identifying and preserving any digital content likely to be lost through platform changes.

One of the largest projects this year saw the team work on the preservation of an extensive back catalogue of ICAEW webinars prior to a move away from the ON24 platform in December. The project involved numerous members of staff working across various departments – including the creation of a short-term role to download the webinars from the ON24 platform. Extensive work was carried out to quality check the webinars, remove duplicates, ingest the content into Preservica (along with metadata creation), and to amend the ON24 webinar links across ICAEW.com to Preservica links. The work also involved consultation with various faculties to ascertain a priority list of webinars that needed to be ingested.

Preservica now holds approximately 12,500 items. The following collections have been added in 2021:

- Business Confidence Monitor (2007-) (512 items)
- ICAEW Faculty serials (1998-) (1,362 items)
- ICAEW Tax Representations (1999-2017) (1,443 items)
- ICAEW Technical Releases (1996-) (529 items)
- ICAEW YouTube videos (502 items)
- ICAEW podcasts (56 items)
- ICAEW webinars and supporting material (2,327 items)
- Preservation copies of WARC files created from the website capture process (3,124 items)

Where there are gaps in the digital collection, we are taking steps to fill them by working with the relevant ICAEW departments to identify copies in their own collections or by digitising items from ICAEW Library's physical collection (which will include OCRing to enhance discovery and usability).

Website captures – Archive-IT

Progress on website capture has continued throughout the year, running in tandem with ICAEW website development. The process of selection and capture is technical and complex. A large website capture can take several weeks. The 2021 captures included:

- Captures every six months of the complete ICAEW website
- Monthly captures of ICAEW Coronavirus hub
- Weekly captures of Insights – Daily Summary
- Capture of the ICAEW Business Finance Guide

Captures are now routinely made before sections of the website are redeveloped to ensure that this content will be available to future researchers.

In 2021, approximately 120 GB of data was captured. This data includes a complete snapshot of all the HTML content and media library content (such as PDFs, Word document, Excel files, MP3 files etc.) at the time of the various captures.

Library website

The Library microsite is an important channel for providing information about our services, promoting the Library, and as an entry point for digital resources acquired and managed by LIS. The Content Curation team is responsible for creating, updating, and maintaining these web pages, as well highlighting relevant eBook titles, chapters, and online articles on technical topic pages across icaew.com.

Promotion

We continue to promote the Library and the enquiry service through ICAEW's website, social media channels and email newsletters. There were no tours or presentations due to the difficulties posed by the pandemic, but we expect these will resume in 2022.

A short video was filmed to help celebrate the library's 150th anniversary and promoted through multiple channels with a good level of engagement. The video can be accessed at icaew.com/library150 along with articles about the history of the Library.

Key performance indicators

All KPIs in 2021 were affected by changes to services and operations brought about by the coronavirus pandemic.

2021 key performance indicators

	2021	2020	2019	2018
Enquiries ¹	9,912	9,670	10,597	10,981
WebChat enquiries ²	1,087	1,218	1,001	1,290
Book loans, excluding renewals	273	341	1,155	1,328
Document Delivery (excl. client screenings) ³	2,780	2,842	3,424	4,748
Client screenings (total reports requested)	5,455	4,850	3,424	2,336
Items (vols and ebooks) acquired and catalogued	1,513	303	1,064	1,149
Journal articles abstracted and indexed on LibCat ⁴	334	55	282	396
Total number of journal articles on LibCat	69,291	68,964	68,904	68,599
Ebook views and downloads	14,500	15,062	14,458	14,699
Files added to the Digital Archive	10,610	2,050	N/A	N/A
Total files in the Digital Archive	12,660	2,050	N/A	N/A

¹ Enquiry statistics exclude quick Business Centre enquiries

² Large scale changes to the ICAEW website in 2019 resulted in a substantial reduction of webchat enquiries from old or out of date content

³ The number of electronic documents supplied saw a significant drop in 2019 following restrictions imposed by one of our suppliers on some of the most popular content.

⁴ The reduction in articles abstracted in 2019 is mostly due to Accountancy becoming an online only publication.

CAPET

CAPET's primary objective is the advancement of education, particularly in accounting and related subjects, by funding various district society prizes, holding the ICAEW International ACA annual prize giving ceremony and to award prizes to those students who have achieved.

The annual prizegiving ceremony was held on the 26th of May as a virtual event that remained high quality and celebratory and included all 2019 and 2020 prize winners. The ceremony held the main parts of the face-to-face ceremony, opening and welcome address by the president and a keynote address from a member. The president announced the winners and closed the event. Brochures, recording of the event and press release can be found at www.icaew.com/prizegiving. At the November 2020 meeting, the Board agreed to support the request for additional support of £4,000. This supported the production of certificates, prize fulfilment and promotional assets that will enable each prize winner to display their award online.

Education and Training worked with publishers, Sunday, during the year to create content that will showcase prizewinners as part of the Student Insights hub. This went live in June 2021.

In partnership with London South Bank University, trustees approved a one-off prize of £6,000 from CAPET funds to celebrate a high achieving student who had completed their degree in accounting.

Total prizes awarded during 2021 amounted to £67,000 (2020: £35,000).

PDLT

The following new academic research projects and event funding requests were approved in 2021:

	Institution/Host	Funding Approved £
Events		
Management and Accounting Research Group (MARG) Event (Nov 2021)	Aston	5,400
Tax Research Network Conference (Sept 2021)	Aston	2,500
Information for Better Markets 2021: Accounting Standards	ICAEW	41,455
Edward I in Wales: wardrobe and household records 1282-1284	Aberystwyth	5,182
The use, functions and characteristics of financial statement information	Bocconi/WHU	25,000
BAFA Doctoral Masterclass	BAFA	4,000
Audit and Assurance SIG Conference (May 2021)	Cardiff	450
EMAN & CSEAR Conference (May 2021)	Audencia	2,463
ICAEW Symposium at EAA Annual Congress (May 2021)	EAA	4,355
Academic support for China Fellowship Programme	Independent	10,000
Pacioli, ethics and the preventative briefing	ICAEW	2,500
Total 2021:		103,305
Total 2020 for comparison:		96,297

Achievements

In 2021 the on-going impact of the global Covid-19 pandemic continued to affect research activities and events alike. Some ongoing research projects were delayed as researchers spent more time managing a mixed in-person and online teaching workload. However, more events went ahead and event organisers dealt well with both online and hybrid events. Such events continued to benefit from wider global participation and some reduction in costs, although they require significant effort and involve other new costs to set up and manage. A few events have continued to be postponed with funds now being carried forward to 2022.

In 2021 PDLT grants continued to support two key ICAEW academic events, the annual Information for Better Markets conference and the PD Leake Lecture which were both held exclusively online again, following the success of the online approach in 2020. The Information for Better Markets conference in December 2021 looked at *Accounting Standards: the 'too difficult' box*. We had two of the world's leading accounting academics, Professor Katherine Schipper and Professor Mary Barth, speaking at the event. Viewers joined us from 23 different countries around the world, including from Africa, SE Asia and North America in addition to Europe. The papers from both the Information for Better Markets conference and the PD Leake Lecture are published in an annual special issue of Accounting and Business Research. The trust now covers the cost of Open Access to these papers, and they are some of the most viewed and downloaded of any papers in Accounting and Business Research. Other associated costs in running both events are significantly less than when they were held in-person.

Both the annual Tax Research Network (TRN) and Management Accounting Research Group (MARG) conferences were held successfully as hybrid events, with the advantage that those who attended on campus were able to enjoy the benefits of meeting others again face to face, while those attending online were pleased to be able to contribute without the need to incur the time and expense of travel, so both groups were catered for.

Completed projects produced outputs including conference papers and presentations, articles on the ICAEW website, academic papers in leading journals and ICAEW research briefings. An ICAEW briefing *EU audit reforms: analysing different impacts in the UK and Italy* was published in June. In October a report looking at *Small company reporting: a focus on China with UK comparisons* published as a result of a new research fellowship funded by the Chinese Ministry of Finance. The PD Leake trust funded an academic adviser from a UK university to support and guide this important project which has allowed us exceptional insight.

A series of papers from the Information for Better Markets conference 2020 looking at the financial reporting system were published in a special issue of Accounting and Business Research in June 2021, and videos of the presentations are available on the ICAEW website.

Some research projects and other events will continue or take place beyond 2021. At 31 December 2021 a total of three research projects were in progress and eleven events funded by PDLT were still to take place in the coming months and their achievements will be reported on subsequently. All these activities and events, whether held in-person or online, allow both members of the public and ICAEW members to engage with world-class research and hear from academics from the UK and beyond. The PD Leake lecture and Information for Better Markets conference in particular continue to attract high-quality international audiences and produce research aimed at practitioners and the wider business community. Regular engagement with academics encourages policy-relevant academic research and findings from projects funded by PDLT are made available free of charge.

Gillian Knight, PDLT Research Manager, was awarded the British Accounting and Finance Association's (BAFA) Distinguished Contribution Award for 2020. The award recognises individuals who have made a significant contribution to the profession and to BAFA (in this case through our support of academic research). The award was formally presented at the virtual BAFA annual conference which took place in April 2021.

There is more information about BAFA and the awards at <https://www.bafa.ac.uk/about/bafa-awards/distinguished-contribution-award.html>

PLANS FOR THE FUTURE

Foundation

The trustee intends to continue to identify and support relevant initiatives where the grant given by the Foundation has a definable outcome and where the contribution made can make an appreciable difference to the recipient.

PDLT

The trustee intends to continue to support funding academic research and events as proposed by the RAB, with further grants of up to £150,000 per year in total approved within PDLT using the same processes which currently apply.

CATER

The trustee intends to provide support to a programme of accountancy research, promote and support the on-going development of a world-class library and information service for the accountancy profession as well as the advancement of an education and training programme. This will include further development of the library collection, digitising the resources, developing the library management system and promoting LIS services.

CAPET

The Trustee intends to continue to award prizes in connection with ICAEW's examinations. At the November 2021 CAT meeting, the trustees unanimously supported the proposal to allocate £150k per annum from 2022 onwards for the duration of two to three years from CAPET reserves to fund new UK bursaries. This is in line with the secondary objects of CAPET.

RESERVES LEVELS AND POLICY

All the charities administered by the trustee depend on investment income for the funding of their annual charitable expenditure. Only the Foundation's unrestricted income reserves (augmented from time to time by drawing down from its discretionary expendable endowment to cover exceptional spending) are expendable entirely at the trustee's own discretion. Therefore, the unrestricted income of the educational trusts is all accounted for in these combined accounts as restricted income. However, the trustee's reserves policy for each of the charities is separately determined and reported as below.

Foundation

The trustee believes that the trust should aim to have free reserves of at least the existing commitments and one year's prospective commitments plus one year's administrative expenses. At 2021 levels this would imply carrying free reserves of £297,000. However, the current level of unrestricted funds is felt to be sufficient as the trust also holds the discretionary expendable endowment resulting from the ongoing Foundation campaign. The trustee monitors and reviews the level of income reserves taking into account this endowment at each Board meeting.

As at 31 December 2021 unrestricted reserves stood at £152,000 (2020: £134,000) and an expendable endowment of over £2.0m.

The Foundation depends on investment income from the discretionary endowment resulting from its ongoing Foundation Campaign appeal, whose terms of trust have created an expendable endowment for the funding of the Foundation's charitable activities contemplated by the donor. Any unused donations and their investment returns are expendable at the trustee's own discretion.

CATER

CATER mainly depends on voluntary income for the funding of its charitable expenditure on educational purposes. With this in mind, the trustee's reserves policy requires a minimum of six months and a maximum of 12 months' of CATER expenditure as freely available income reserves. As at 31 December 2021 CATER's undesignated free reserves were £819,000 equating to 14 months' expenditure, as per the maximum level under this policy (2020: 13 months). The slight increase in reserves in the year is attributable to decreased expenditure as a continued direct consequence of the Covid 19 pandemic.

PDLT

The trustee believes it is prudent to keep a balance of at least the existing and one year's prospective commitments and one year's administrative expenses in unrestricted PDLT reserves against the risk of a sustained decline in investment income. This is based on an average of the last three years results and would require maximum income reserves of £184,000. Reserves of unspent income as at 31 December 2021 amounted to £798,000, which equated to 52 months total expenditure (2020: £750,000). The cumulative increase in reserves over the past few years is as a result of the following factors:-

- we have had some significant write-backs from some projects and events.
- the quality or relevance of the research proposals received has been disappointing. We are committed to ensuring that only the highest quality and most relevant projects are approved for funding and we have turned down a number of projects.
- In 2021 the continued changes brought about the global Covid-19 pandemic affected research activities and events alike. Many events moved to a hybrid arrangement resulting in increased participation and a reduction in costs.

We shall be considering a different approach going forward, with some possible calls for particular research, in the hope of attracting more directly relevant projects. Adjusting the level of reserves in line with current policy is likely to take a number of years.

CAPET

The trustee believes it is prudent to keep a minimum of two years' forecast examination prize expenditure and a maximum of three times forecast total expenditure in unrestricted income reserves against the risk of a sustained decline in investment income. That would indicate income reserves of between £134,000 and £263,000. The reserves of £889,000 as at 31 December 2021 are in excess of the reserves policy (2020: £932,000: in excess of policy). In line with Capet's secondary objectives, the trustees approved additional annual expenditure of £75,000 for 2020-2021 to fund student bursaries. This was reviewed again at the November 2021 board meeting and approval given to increase this to £150,000 for 2022-2024, this will bring reserves below the maximum level over the medium term.

The trustee monitors and reviews the level of reserves for all of the charities above at each meeting of its directors.

MAJOR RISKS

The principal risks faced by the charitable trusts as identified by the trustee lie in the performance of investments and operational risks from ineffective grant making and, more fundamentally, major incidents such as cyber-attacks, global pandemics, political unrest and the effects of terrorist activity.

The trustee considers the volatility of investment returns and long-term losses on the permanent endowment fund to be the charity's major financial risk. It accepts some short-term variability as part of its long-term investment strategy. This is mitigated by retaining the appropriate expertise from the investment managers and by having a diversified investment portfolio.

The reputational risk from making inappropriate grants is managed by a reporting and review process. This assists us in keeping track of developments and to focus on the public benefit derived from our funding of their work.

Major incidents could disrupt Library operations and result in loss of property, data and staff. The Library participates in ICAEW's business continuity plans which are subject to regular review.

During 2021, the coronavirus (or COVID-19) pandemic continued to present some challenges for the Trusts. Investment markets stabilised resulting in more usual levels of investment income and gains. Government guidance on homeworking has now relaxed but the impact on the wellbeing of staff working from home continues to be monitored and support offered. New variants of COVID-19 continue to emerge, although the vaccination programme has increased resilience. The trustee continues to monitor the situation closely to make sure it can respond with agility in securing continuing operations and minimise the negative consequences to the objects of the trusts.

The trustee has an established risk analysis process which identifies the major risks to which the charitable trusts are exposed and the ways in which those risks can be mitigated. The risk analysis is reviewed on a regular basis.

During the year, the Directors conducted a further review of current practice against the charity governance code. The key principles of the code are largely met with a few areas requiring further consideration and these will be addressed throughout 2022.

INVESTMENT POLICY AND PERFORMANCE

All the charitable trusts' investments are pooled in CACIP.

The trustee regularly reviews its Investment Policy to ensure the suitability of investments for the participating charitable trusts, in line with the Trustee Act 2000, adequate diversification and adherence to the internationally recognised Principles of Responsible Investment (PRI).

Towards the end of 2020, the Trustees decided to undertake a review of investment managers. Waverton Investment Management Limited were appointed to manage the endowment and cash fund previously managed by Cazenove Capital Management. All assets were moved across to Waverton Investment Management Limited by the end of September 2021.

Royal London Asset Management also manage part of the trusts cash fund.

The trustee's aim for the endowment funds is to generate resources on a recurring basis for spending on the objectives of the Foundation and other charities at a sustainable rate, while seeking sufficient capital growth over the long term to ensure that the endowment's real spending power is maintained.

Endowment funds are invested to provide an optimal mix of income returns and long-term capital growth. Distributable funds are invested to provide a secure income and to reduce the risk of substantial fluctuations in capital values.

The endowment investments are managed via a discretionary fund manager for long term capital growth and the short-term investments are also managed on a discretionary basis for the best income return at minimal risk to capital, in both cases within policy guidelines set by the trustee.

ICAEW FOUNDATION

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustee receives regular investment performance reports and reviews them against industry benchmarks as detailed in the table below.

TOTAL RETURN NET OF FEES				INCEPTION	INCEPTION
	1 MONTH	3 MONTH	6 MONTH	02/03/2021	30/04/2021
ICAEW Foundation	1.46	4.84	7.33	14.43	-
Balanced Index	0.49	4.11	4.60	10.77	-
CPI + 3%	0.75	3.08	4.84	7.97	-
ARC Steady Growth Charity Index	1.57	2.75	3.98	9.83	-
ICAEW Foundation Cautious Portfolio	0.93	3.13	5.22	-	6.62
Cautious Index	0.07	3.32	3.45	-	5.35
CPI + 2.5%	0.71	2.97	4.60	-	6.16
ARC Cautious Charity Index	2.13	3.72	5.16	-	6.91

During the year, markets stabilised resulting in an increase in combined investment value to £16.8m (2020: £15.3m), comprising of £14.4m in the endowment fund and £2.4m of liquid assets as detailed in the table below. This was mainly attributable to unrealised market gains of £1.6m (2020: £0.2m loss). Income generated was £0.27m (2020: £0.35m).

£'000	YTD movement					
	in funds	Dec 21	Sept 21	Jun 21	Mar 21	Dec 20
Equity Funds (Cazenove)		-	-	2	677	12,918
Equity Funds (Waverton)		14,470	13,851	13,609	12,394	-
Total Equity Funds	1,552	14,470	13,851	13,611	13,071	12,918
Liquid Funds (Cazenove/Royal London)		910	1,191	1,004	1,335	2,368
Liquid Funds (Waverton)		1,452	1,417	1,395	1,075	-
Total Liquid Funds	(6)	2,362	2,608	2,399	2,410	2,368
Total Funds	1,546	16,832	16,459	16,010	15,481	15,286

Waverton Investment Management Limited's view is that to achieve a real return, real assets need to dominate the allocation in the portfolio. To this end, equities should form the core of both portfolios. While this introduces volatility risk, so long as the Institute maintains a long-term approach volatility should not be of concern relative to the risk of inflation, which equities will help to mitigate.

The exposure to alternatives should also be focused on real assets (property, infrastructure and gold). Within the bond element, they would hope that through active management to produce a positive return from these assets, but the current situation of rising interest rates and inflation makes the outlook for this asset class challenged. Nevertheless, an exposure to this asset class, primarily in the form of corporate bonds, is desirable for both their income generating properties and for the low or negative correlation to equities.

Markets have grown a little more cautious in recent months, which predated the crisis in Ukraine. This has been prompted by the increase in inflation and interest rates, which will continue well into 2022. This has serious consequences for bonds, but also for equities, especially high growth companies. These are likely to struggle in share price terms as investors tussle with the problem of valuing earnings today which are only to be received in many years' time. Given that many of these companies are highly valued currently, there may be some dramatic share price falls if inflation surges higher than expected, or if growth in these companies falters.

Having said that, the Portfolios have a low exposure to such companies. It is true that if inflation settles at a materially higher rate than expected then many companies will struggle, but this is not expected to be the new reality. Rather, it is expected that an orderly outcome will emerge as the world economy adjusts to the new way of working forced upon us by the health crisis. Waverton Investment Management have been very selective in the equities which they own, which as a rule have modest borrowings and are well positioned to flourish providing confidence that the current make-up of the portfolios supports their inflation-plus objectives. They have also confirmed that the companies we are invested in will see little if any direct impact from the events unfolding in Ukraine to their earnings and have not had to make any changes to the portfolio since the commencement of hostilities.

CUSTODY OF INVESTMENTS

All cash and investments managed by the investment managers are held on CACIP's behalf at independent custodians, in the name of the custodian's nominee company. Cash awaiting investment is held by the investment manager as clients' money according to the rules of the Financial Conduct Authority and is deposited to earn interest with the custodian or a wholly owned subsidiary of the custodian.

As at 31 December 2021, the trustee has received and relied upon confirmations from the investment managers as to proper custodianship of investments. It has also received and relied upon confirmation from their respective auditors that, in their opinion, the internal controls and systems of each organisation are sufficient to prevent or detect material errors or irregularities.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustee to prepare financial statements for each financial year. The trustee prepares the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charities and of the incoming resources and application of resources, including the income and expenditure, of the charities for that period. In preparing these financial statements, the trustee is required to:

- select the most suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation or a linked charity will continue in business.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charities' transactions and disclose with reasonable accuracy at any time the financial position of the charities and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deeds or other governing documents. The trustee is also responsible for safeguarding the assets of the Foundation and its linked charities and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor to the ICAEW Foundation, Haysmacintyre LLP is proposed for reappointment.

Approved by the trustee's board of directors on 21 June 2022 and signed on their behalf by



William Arthur Bailey
Chairman

Opinion

We have audited the financial statements of ICAEW Foundation for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 24, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

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

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of the meeting minutes of the trustee's directors;
- Identifying and testing journals, in particular journal entries posted with unusual descriptions or in seldom used accounts and those that significantly impact on the result or financial position of the charity; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

ICAEW FOUNDATION

Use of our report

This report is made solely to the charity's trustee in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 22 June 2022

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ICAEW FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted income funds 2021 £'000	Restricted income funds 2021 £'000	Endowment funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and legacies	3	47	703	4	754	748
Income from investments	4	41	228	-	269	354
Total income		88	931	4	1,023	1,102
Expenditure on:						
Charitable Activities						
Grant funded and direct	6	(159)	(194)	-	(353)	(308)
Library	7	-	(690)	-	(690)	(684)
Raising funds						
Investment management fees	5	-	(2)	(64)	(66)	(81)
Total expenditure		(159)	(886)	(64)	(1,109)	(1,073)
Net gains/(losses) on investments	8	11	77	1,620	1,708	(235)
Transfer between funds	14	78	(78)	-	-	-
Net income and movement of endowed funds for the year		18	44	1,560	1,622	(206)
Reconciliation of funds:						
Fund balance brought forward at 1 January	14	134	2,462	12,580	15,176	15,382
Fund balance carried forward at 31 December	14	152	2,506	14,140	16,798	15,176

The accompanying notes form part of these financial statements.

ICAEW FOUNDATION

BALANCE SHEET AT 31 DECEMBER 2021

		2021	2020
	Note	£'000	£'000
Fixed assets	8/9	16,832	15,286
Current assets			
Debtors	11	280	174
Cash and cash equivalents		90	66
		370	240
Creditors: amounts falling due within one year	12	(337)	(287)
Net current liabilities		33	(47)
Total assets less current liabilities		16,865	15,239
Creditors: amounts falling due after more than one year	12	(67)	(63)
Total net assets		16,798	15,176
The funds of the charitable trusts:			
Endowment capital (permanent & expendable)	14	14,140	12,580
Restricted income	14	2,506	2,462
Unrestricted income	14	152	134
Total funds	13	16,798	15,176

Approved and authorised for issue by the trustee's board of directors on 21 June 2022 and signed on their behalf by:



William Arthur Bailey
Chairman

The accompanying notes form part of these financial statements.

ICAEW FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £'000	2020 £'000
Net movement in funds	1,622	(206)
Cash flows from operating activities		
Deduct gains/add back losses on investments	(1,708)	235
(Increase) in debtors	(106)	(115)
Increase in creditors	54	61
Net cash used in operating activities	(138)	(25)
Cash flows from investing activities		
Purchase of investments	(16,464)	(6,152)
Proceeds of sales of investments	16,590	6,328
Net movement in cash held not yet invested	36	(239)
Net cash provided by/ (used in) investing activities	162	(63)
Change in cash and cash equivalents in the year	24	(88)
Cash and cash equivalents brought forward	66	154
Cash and cash equivalents carried forward	90	66

No separate analysis of changes in net funds has been presented as the charity has no borrowings.

The accompanying notes form part of these financial statements

1 Accounting policies

Accounting convention and basis of preparation

- a. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) second edition effective 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities (SORP FRS 102) rather than SORP effective from 1 April 2005 which has since been withdrawn.

- b. The trust constitutes a public benefit entity as defined by FRS 102.
- c. The financial statements of the Foundation aggregate a number of charitable trusts under the authority of a uniting direction from The Charity Commission as set out in the Trustees' Annual Report. These separate trusts are presented as restricted funds within these financial statements.
- d. The investments of The Foundation and its linked charitable trusts are subject to a pooling arrangement under CACIP. The underlying investment additions, purchases and movements in cash held not yet reinvested are all reported in the Statement of Cash Flows under cash flows from investing activities.

Going concern

- e. After reviewing the forecasts, projections and giving consideration of the continued impact of the Coronavirus (COVID-19) and market fluctuations as a result of the unfolding crisis in Ukraine, the trustee has a reasonable expectation that the Foundation and each linked charity has adequate resources to continue in operational existence for the foreseeable future. Careful management of grant liabilities and the availability of cash presented within fixed asset investments are considered when reviewing our year end results which present net current liabilities. The trustee therefore continues to adopt the going concern basis in preparing its financial statements for the charities.

Income recognition

- f. All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.
- g. Gift aid is allocated between the restricted and unrestricted funds of each charitable trust in line with the qualifying donations accruing thereto.
- h. Investment income is taken into account on entitlement.
- i. Voluntary income is recognised when receivable. Donations in kind reflect governance costs directly funded by ICAEW.
- j. The surplus or deficit on a partial investment sale is calculated pro rata to the cost of the investment.

Expenditure recognition

- k. Grant making includes grants payable and the associated support costs. Grants are accounted for in the year they are approved, irrespective of the period they cover except for performance-related grants, which are accounted for only when the beneficiary has met the performance conditions. Grants awarded but not yet paid are recorded as grant commitments in the balance sheet.
- l. Governance costs. ICAEW holds a blanket indemnity insurance policy for all employees and directors. The amount allocated to the charitable trusts is estimated based on the number of people covered by the scheme. Governance costs also include annual external audit fees and any costs reimbursed in respect of out-of-pocket expenses of the trustee's directors. The trustee does not receive any remuneration or other benefits for its services.

- m. Costs of raising funds. The costs of generating funds consist of investment management costs and applicable legal fees.
- n. Expenditure on charitable activities. Costs of charitable activities include grants made, governance costs and support costs as applicable.

Other

Taxation

- o. The Foundation and constituent charities are exempt from corporation tax on income and gains applied in furtherance of their charitable objects so there is no liability in respect of its activities.

Tangible fixed assets

- p. Tangible fixed assets are stated at cost. The Foundation only capitalises items costing more than £1,000 or where groups of assets are collectively worth more than this threshold at the time of purchase. Depreciation is charged on a straight line basis over the estimated useful economic lives of the assets, set at three years.

Fixed asset investments

- q. Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The Statement of Financial Activities includes the net unrealised gains and losses arising on revaluation and realised gains and losses arising from disposals during the year.

Cash and cash equivalents

- r. Cash and cash equivalents includes cash in hand, deposits held in banks and other short-term highly liquid investments with original maturity of three months or less.

Fund accounting

- s. Endowment funds consist of both permanent endowment funds and expendable endowment funds. Permanent endowment funds represent amounts for which the capital must be retained. Expendable endowment funds are considered to be those unused donations which have been invested alongside the charity's permanent endowment funds in order to generate investment returns. They remain expendable for the furtherance of the charity's objectives. Restricted funds are funds which are subject to restrictions imposed by donors or have been raised by the charity for particular purposes.
- t. The trustee identifies those funds which are expendable in full alongside those generated through investment returns as set out in the Investment Policy and Performance section of the annual report.

2 Statement of financial activities 2020 comparison by fund

	Note	Unrestricted income funds 2020 £'000	Restricted income funds 2020 £'000	Endowment funds 2020 £'000	Total 2020 £'000
Income and endowments from:					
Donations and legacies	3	38	705	5	748
Income from investments	4	53	301	-	354
Total income		91	1,006	5	1,102
Expenditure on:					
Charitable Activities					
Grant funded and direct	6	(133)	(175)	-	(308)
Library	7	-	(684)	-	(684)
Raising funds					
Investment management fees	5	(1)	(8)	(72)	(81)
Total expenditure		(134)	(867)	(72)	(1,073)
Net gains/(losses) on investments	8	6	29	(270)	(235)
Transfer between funds	14	72	(72)	-	-
Net income and movement of endowed funds for the year		35	96	(337)	(206)
Reconciliation of funds:					
Fund balance brought forward at 1 January	14	99	2,366	12,917	15,382
Fund balance carried forward at 31 December	14	134	2,462	12,580	15,176

3 Donations and legacies

Unrestricted fund

Foundation donations	44	36
Gift aid tax relief on foundation donations	2	1
Donations in kind	1	1
	47	38

Restricted Fund

Gift aid donations from ICAEW	700	700
Voluntary Foundation Income	-	2
Donations in kind	3	3
	703	705

Endowment Fund

Foundation donations	4	5
	754	748

	2021 £'000	2020 £'000
	44	36
	2	1
	1	1
	47	38
	700	700
	-	2
	3	3
	703	705
	4	5
	754	748

4 Income from investments	2021 £'000	2020 £'000
Unrestricted Funds		
interest securities	-	3
Index trusts	41	50
	41	53
Restricted Funds		
Fixed interest securities	16	24
Index trusts	212	277
	228	301
	269	354

5 Cost of raising funds	2021 £'000	2020 £'000
Investment managers fees	66	81
	66	81

6 Expenditure on charitable activities	Unrestricted £'000	Restricted £'000	Endowment	2021 £'000
Grant making activities				
Humentum	6	-	-	6
The Church of St Margaret Lothbury	-	-	-	-
Sub-total grants	6	-	-	6
Challenge 10 Initiative	-	-	-	-
Foundation grants approved	133	1	-	134
PDLT grants approved	-	103	-	103
Grants written back (no longer required)	-	(23)	-	(23)
Total grants	139	81	-	220
Activities undertaken directly				
Exam prizes	-	67	-	67
Support and governance costs				
Management and support costs	20	34	-	54
Audit fee	-	10	-	10
Indemnity insurance and other trustee director's expenses	-	2	-	2
Total expenditure on charitable activities	159	194	-	353

ICAEW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6 Expenditure on charitable activities - 2020 comparison	Unrestricted £'000	Restricted £'000	Endowment	2020 £'000
Grant making activities				
Humentum	6	-	-	6
The Church of St Margaret Lothbury	1	-	-	1
Sub-total grants	7	-	-	7
Challenge 10 Initiative	-	28	-	28
Foundation grants approved	101	1	-	102
PDLT grants approved	-	96	-	96
Grants written back (no longer required)	-	(31)	-	(31)
Total grants	108	94	-	202
Activities undertaken directly				
Exam prizes	-	35	-	35
Support and governance costs				
Management and support costs	25	36	-	61
Audit fee	-	8	-	8
Indemnity insurance and other trustee director's expenses	-	2	-	2
Total expenditure on charitable activities	133	175	-	308

No trustee expenses were reimbursed during 2021 (2020: one, £913, for personal travel expenses). The trustee directors did not receive any remuneration or other benefits for their services (2020: £nil).

7 Library expenditure	2021 £'000	2020 £'000
Cost of ICAEW seconded staff	232	199
Books and journals	214	235
Accommodation and facility costs	222	211
Office services and computer costs	22	39
	458	485
Total	690	684

The ICAEW Foundation has no employees. All library staff are employees of ICAEW who are seconded to the library and the related employment costs are met by the charity. An average of 5.0 employees were seconded from ICAEW for the year (2020: 4.5 employees).

8 Movements in participating charities' interests in pooled investments

	Balance at 1 January 2021 £'000	New money invested £'000	Amounts withdrawn £'000	Investment income £'000	(Losses)/ Gains on investments £'000	Balance at 31 December 2021 £'000	Note: Fees not yet debited £'000
CAPET	5,226	-	(208)	93	593	5,704	(6)
PDLT	6,970	-	(145)	129	825	7,779	(8)
Foundation	2,462	78	(142)	41	259	2,698	(2)
CATER	628	700	(714)	6	31	651	-
Total	15,286	778	(1,209)	269	1,708	16,832	(16)

9 Investments

	2021 £'000
Market value at 1 January	15,286
Additions	16,464
Net cash movement in year not yet invested	(36)
Disposal proceeds	(16,590)
Gains on investment	1,708
Market value at 31 December	16,832

Investments at market value comprised:

Equity funds – UK	1,449
Equity Funds – outside the UK	8,384
Bonds	2,039
Alternatives	2,363
Waverton Cautious Portfolio	1,440
Royal London Cash Plus Fund	910
Cash	247
	16,832

Historical cost:

Restricted fund	2,274
Endowment fund	12,812
	15,086

10 Computer equipment

	2021 £'000	2020 £'000
Cost at 1 January	-	27
Additions	-	-
Disposals	-	(27)
Cost at 31 December	-	-
Accumulated depreciation at 1 January	-	(27)
Depreciation for the year	-	-
Disposal	-	27
Accumulated depreciation at 31 December	-	-
Net book value at 31 December	-	-

11 Debtors

Amounts owed by group and related undertakings
Prepayments and accrued income

	2021 £'000	2020 £'000
	15	12
	265	162
	280	174

12 Creditors

Due within one year:

Grants payable
Accruals
Tax and social security
Amounts owed to group and related undertakings

Due after one year:

Grants

	2021 £'000	2020 £'000
	257	196
	53	65
	5	4
	22	22
	337	287
	67	63
	404	350

13 Analysis of net assets between funds

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total £'000
Investments at market rate	481	1,882	14,469	16,832	15,286
Other net (liabilities)/assets	(329)	624	(329)	(34)	(110)
Total value of the fund	152	2,506	14,140	16,798	15,176

Analysis by trust is shown below:

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total £'000
CAPET	-	889	4,815	5,704	5,205
PDLT	-	798	6,895	7,693	6,869
Foundation	152	-	2,430	2,582	2,322
CATER	-	819	-	819	780
	152	2,506	14,140	16,798	15,176

Analysis of net assets between funds - 2020 comparison

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2020 Total £'000
Investments at market rate	483	1,886	12,917	15,286
Other net (liabilities)/assets	(349)	576	(337)	(110)
Total value of the fund	134	2,462	12,580	15,176

Analysis by trust is shown below:

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2020 Total £'000
CAPET	-	932	4,273	5,205
PDLT	-	750	6,119	6,869
Foundation	134	-	2,188	2,322
CATER	-	780	-	780
	134	2,462	12,580	15,176

14 Summary of 2021 fund movements by trust and prior year comparison:

Unrestricted funds

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2020 £'000
Foundation	99	91	(134)	72	6	134
Total	99	91	(134)	72	6	134

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2021 £'000
Foundation	134	88	(159)	78	11	152
Total	134	88	(159)	78	11	152

Restricted funds

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2020 £'000
CAPET	925	124	(56)	(72)	11	932
PDLT	661	169	(87)	-	7	750
Foundation	26	2	(28)	-	-	-
CATER	754	711	(696)	-	11	780
Total	2,366	1,006	(867)	(72)	29	2,462

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2021 £'000
CAPET	932	94	(88)	(78)	29	889
PDLT	750	130	(99)	-	17	798
Foundation	-	-	-	-	-	-
CATER	780	707	(699)	-	31	819
Total	2,462	931	(886)	(78)	77	2,506

The above restricted funds are trust income that must be spent on that specific charity's general purposes at the discretion of the trustee as detailed on page 5. During the year, the trustees approved a transfer from CAPET of £78,000 to the Foundation to fund bursaries. This is in line with the secondary objectives of CAPET.

Endowment funds

	Balance at 1 January 2020	Income	Expenditure	Transfers	Gains and losses	Balance at 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000
CAPET	4,392	-	(25)	-	(94)	4,273
PDLT	6,289	-	(36)	-	(134)	6,119
Foundation	2,236	5	(11)	-	(42)	2,188
Total	12,917	5	(72)	-	(270)	12,580

	Balance at 1 January 2021	Income	Expenditure	Transfers	Gains £'000	Balance at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000
CAPET	4,273	-	(22)	-	564	4,815
PDLT	6,119	-	(32)	-	808	6,895
Foundation	2,188	4	(10)	-	248	2,430
Total	12,580	4	(64)	-	1,620	14,140

CAPET and PDLT's endowment funds are permanent but the Foundation endowment is expendable for general purposes at the discretion of the trustee in furtherance of the objects of that charity as set out in the trustee's report on page 5. During the year no transfers were made from the expendable endowment (2020:nil).

15 Library book stock

The working stock of the library was originally donated by ICAEW to CATER and is currently valued for insurance purposes at £1,000,000 (2020: £1,000,000). The stock is not included on the balance sheet but library expenditure includes the cost of maintaining and adding to it. The aggregate cost and depreciation of the library stock is not known and cannot be estimated with any reasonable degree of accuracy. Additions during the year are expensed as incurred and included within library expenditure as they are below the capitalisation threshold.

16 Related party transactions

There is an agreement between CAT and ICAEW to provide administrative services to the Foundation and linked charities. The total of the transactions amounted to £221,000 (2020: £213,000), in addition to the costs of the library. At the year end £7,000 (2020: £10,000) was owed to ICAEW. Management and miscellaneous support costs include direct costs and related charges on a time spent basis and an allocation of overheads split between CATER, PDLT, CAPET and the Foundation.

In addition, the trust awards grant funding to the ICAEW to support the Information for Better Markets programme. ICAEW members provide financial knowledge and guidance based on the highest professional, technical and ethical standards. They develop and support individuals, organisations and communities to help them achieve long-term, sustainable economic value. The total awarded in 2021 was £41,000 (2020: £54,000).

ICAEW provide gift aid to support the running of the Library. This amounted to £0.7m for 2021 (2020: £0.7m). CATER make an annual charge to the ICAEW for staff use of Library services; this amounted to £17,000 (2020: £18,000).

All library staff are employees of ICAEW who are seconded to the library and the related employment costs are charged to the charity. This amounted to £232,000 for 2021 (2020: £199,000).

There were no transactions with CAT or its directors in the year other than the reimbursement of expenses as set out in Note 6 to the accounts.

17 Group financial statements

ICAEW is the beneficial owner of the shares in CAT, the sole trustee of the Foundation. ICAEW is a body incorporated by Royal Charter in the United Kingdom (Company registration no. RC000246).

Under International Financial Reporting Standards ICAEW has prepared group financial statements which include the results and net assets of the Foundation and linked charities as well as any non-UK charities CAT administers. You can read the group financial statements online at www.icaew.com/review, or you can request a copy from The Finance Director, The Institute of Chartered Accountants in England and Wales, Metropolitan House, 321 Avebury Boulevard, Milton Keynes, MK9 2FZ.

ADVISERS, AGENTS AND ADMINISTRATOR

Investment managers:	Royal London Cash Management Limited 55 Gracechurch Street London EC3V ORL
	Royal London Asset Management 55 Gracechurch Street London EC3V ORL
	Cazenove Capital Management Schroder & Co. Limited 12 Moorgate London EC2R 6DA
	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Independent auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitors:	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Bankers:	National Westminster plc 501 Silbury Boulevard Saxon Gate East Milton Keynes MK9 3ER
Administrator	Jennifer Smith Governance Manager ICAEW Chartered Accountants' Hall 1 Moorgate Place London EC2R 6EA

A change in investment managers from Cazenove Capital Management to Waverton Investment Management Limited Investment Management was approved in November 2020. All funds had transitioned by the end September 2021.