



Registered Charity No. 313983

ICAEW FOUNDATION

and its linked charities

TRUSTEE'S ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

ICAEW FOUNDATION

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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 44.

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 2022.

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 which became dormant at the end of 2018.

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 6 and 15 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.

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.

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

ICAEW FOUNDATION

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 amounted to £729,000 (2021: £690,000).

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.

Actual donations totalling £36,142 (including gift aid and accrued income) were received during 2022. Total pledges since the launch of the Foundation, including legacies, donations and gift aid, stood at £2,875,848 at the end of the year.

Since the launch of the Foundation, actual donations (which mainly accrued to expendable endowment capital) received up to 31 December 2022, including gift aid, were £2,225,848 before investment returns, and can be categorised as follows:

	£
Funds to be used at the trustee's discretion	1,416,770
Bursaries	208,992
Prizes	110,378
Research	2,141
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	2,225,848

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

COUNTRY	NUMBER OF BURSARIES AWARDED
UK	64
MALAWI	49
SRI LANKA	20
GHANA	19
CAMBODIA	10
LESOTHO	6
HONG KONG	6
ZIMBABWE	5
CYPRUS	2
TOTAL	181

2022 ACTIVITIES AND ACHIEVEMENTS

FOUNDATION

Grant funded activities

Grants were made during the year to Humentum of £6,000 (2021: £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 (net of write backs) were £164,000 (2021: £140,000). 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 seventy-two 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.

Taylor Loveridge - University of Gloucestershire

Words cannot express my gratitude to the ICAEW and its members for providing me with the foundation bursary. It has allowed me to excel in my academic studies without financial barriers. This can be seen in my grades, with being on track to finish with over 80% in the second year of my degree. However, this year has had its challenges with trying to secure a 12-month industry placement and the step-up from level 4 to level 5 in my degree. Modules this year that have been stretching but exciting are Forensic Accounting and Audit. This is because they require an extensive application of a plethora of knowledge and skills, from finance to tax.

Audit is a topic I am very too keen to learn as it is what I wish to pursue. In the audit module, I wrote an essay called the 'purpose of a financial statement audit and the challenges auditors face'. Forensic accounting is a topic many undergraduates do not have the option to study in their degrees. This is a shame as I thought this topic really stretches the students' ability to apply appropriate financial and non-financial techniques to real-life cases. In this module, I produced an expert witness report for the shareholders of Patisserie Valerie regarding the financial misstatement caused by management and the professional negligence of Grant Thornton auditors. These modules complement themselves very well, and I am proud to say I received a 95 and 91 in these essays/reports, respectively.

Wanting to develop my soft skills further and apply what I have learnt in my degree, I joined Threesixty consultancy as a consultant specialising in financial reporting, management accounts, and taxation. I was able to help SMEs to grow and improve. To mention one of my clients, I gave bespoke advice on financial reporting, measuring costs, setting prices, and taxation planning. This allowed them to measure their

financials accurately and efficiently utilise their tax allowances. I also undertook a short internship at Blackfriars Wealth management. This taught me skills in financial portfolio risk, managing client relationships, and the office dynamic of a financial service firm. Although this is not an industry I plan to pursue, I can see why an individual would, as the work they do truly impacts the lives of their clients. These experiences have better prepared me for the future of work in a way I could not achieve without doing them.

To conclude, this bursary has put me in a better position than I would be without it. As the academic year is coming to an end, I have connected with some outstanding industry and practice professionals and developed skills that will stick with me forever. I am also hoping to secure an industry placement soon with Mazars LLP in Audit and Assurance.

Holly Swift – University of Manchester

Over the past academic year, I feel like I have grown in confidence and immensely extended my knowledge in my subject area. Before university I was slightly lost in terms of where I wanted to go and who I was, but over my first year I have become more ambitious in what I can achieve. This allowed me to conduct further research and confirm the pathway I want to take within my second and third year, which is finance-based course units.

My favourite course units this year have been the finance ones, which was Financial and Digital Innovations in International Business in semester 1, and Financial Decision-Making in semester 2. Both of these modules piqued my interests and led to me doing further research to advance my understanding. Overall, the highlight of my year is achieving an average of over 60% for my course units, despite finding this semester difficult, as it took some time for me to adapt to university life, living away from home and living in a new city. I'm proud that I was still able to work hard to get good grades even though I was dealing with lots of change, causing me to feel a little anxious at times. By achieving a strong overall average, it boosted my morale and I now feel reassured I am capable of doing well and deserve to be here.

Outside of my studies, I joined the ski society to see what it was like and the cocktail society as I love to drink cocktails and socialise. I also plan to join the women in business society in second year as I follow their pages on social media and I feel it would be great for me to connect with likeminded people. This is something I am excited for next year, alongside joining the football team, as I used to play before university and now feel ready to return to playing.

I am also excited to pick my optional modules over the summer; I am planning to take Investment Analysis, Macroeconomics 2, Financial Markets, a Fintech based module and Business Law 1. Hopefully, they won't clash with each other in terms of timetables. These course units are something I'm looking forward to as it will further my knowledge in the subject areas I am interested in – such as investment analysis as I am interested in investment banking as a potential career path.

Through receiving my ICAEW bursary this year, it has enabled me to purchase a new laptop alongside study materials (books, stationary etc) which I would not have been able to afford if it wasn't for the funding, you provided me. My new laptop has enabled me to complete virtually all my work this year, and without it, I would have struggled to learn as efficiently as I would have had to travel to use computers provided by the university. It has also hugely helped me with my living costs, as I was able to contribute some of the funding to pay for my rent, allowing me to concentrate time on my studies rather than doing additional part-time work. I am extremely appreciative of this as I know it helped improve my grades.

I cannot express how grateful I am to receive this prestigious ICAEW Foundation bursary, it has helped me in so many ways and reduced the financial stress of living and studying at university. Without this, I am unsure how I would have coped during my first year - it has not only helped me to buy study materials and contribute to my accommodation costs, but it has also allowed me to enjoy my first-year extracurricular experiences, even more! So, thank you again for your support and generosity, I really hope you are all well and look forward to writing to you again in my second year.

Ben Cawley - Lancaster University Management School

As a third year student at Lancaster University, I have come to appreciate the freedom that the ICAEW scholarship has given me allowing me to focus on the aspects of university that not only benefit my academic career. The ICAEW scholarship has really enhanced my university experience, as despite still working throughout the academic year, I am able to effectively divide up my time to work perfectly between my academic studies, employment, social activities and sports. During my second year at Lancaster University, with the relaxation of Covid laws coming at the end of the prior academic year, I was really able to experience university in a way I was not able to in my first year as a result of Covid and the ICAEW bursary meant that I was fully able to utilize everything that was available to me. For my Final year at Lancaster University the bursary really incentivises doing the work and making sure that my studies are at the level that they should be and leads to a greater feeling of accomplishment at what I have been able to do at university as a result of the bursary provided by ICAEW. As a result of the bursary I will have more time this year to prepare for and apply for post graduate employment and to really plan and look forward to my future career. To conclude the ICAEW bursary has made my studies a much more enjoyable, less stressful and overall a more beneficial experience in relation to growing as a person and an academic, for which I could not be more grateful.

Muhammed Ali - Aston Business School

I have just completed my placement year, which was a success, and I am now studying for my final year. I took on the placement at Aston University, and it was a flexible placement, not only in the work I did, but also because I was able to work remotely.

I learnt a lot in this placement about working in a team, as well as how to lead a team when working through difficult situations where there is a lack of experience throughout the whole group. Additionally, I also learnt how to use key software like Excel and Microsoft teams, which could be very important since more and more business are adapting to allow more remote work to be completed. This placement was extremely valuable to me, and I was able to land it thanks to the support that I received from my mentor that the ICAEW provided for me. This is because he helped me realise that if I get valuable experience the placement does not have to be accounting related for me to get an accounting graduate job, which allowed me to broaden my horizons and apply for all jobs that interested me rather than just accounting and finance related jobs. Additionally, I was helped by the mentor because after applying to some jobs I realised I would be successful in the application and strength assessment processes for most jobs however I would not be able to progress after the interview stage. After speaking with my mentor, he helped me realise how to prepare for an interview, what questions to expect and what answers the employer will be happy with and I was then able to progress after the interview and land a placement, which would have been much more difficult without the help of my mentor.

Moreover, the placement I completed was an unpaid placement where I was only reimbursed for the expenses I incurred. Although this was not ideal, since everyone would prefer to get paid, however I was comfortable with taking this placement on since I know I would be receiving my £4,000 bursary for the duration of the final year. This meant I did not have to worry about how I will be paying for any food when going to university for the final year or how I would meet my travel expenses since I know the money, I will receive through my bursary will be able to cover any costs I incur. This also meant that when finding my placement, the salary was a secondary thought and I was more able to focus on things like flexibility in working hours and the work I will complete, as well as looking at the duration of my placement. This gave me increased job satisfaction. My placement was only 20 weeks, which was perfect for me because it meant I had some free time to research potential business ventures for the future as well as having ample time to prepare myself for my final year, which has given me a bit of a head start in my studies for the year. This meant that the placement I completed was the perfect style of placement for me.

Without having the ICAEW bursary and mentoring scheme it is unlikely I would have been able to find a placement that suited me so well.

Danish Ahmed - Birmingham City University

Being in receipt of this generous bursary has had an impact of great enormity on my personal and professional development. I will always be grateful for how these funds have given me the real opportunity to differentiate myself in an increasingly competitive graduate job market.

Recognising the potential of what I could achieve with the bursary, I was keen on acquiring well-known accountancy qualifications that would complement my university degree. My search led me to take on a traineeship with the ACCA-approved KBM Training and Recruitment. Being a branch of the main KBM Chartered Certified Accountants and Registered Auditors, they were in the unique position to offer practical accounting software training using real-life client files.

I am currently undertaking their IFA accredited Accounts Assistant traineeship that involves practical experience with bookkeeping and payroll software, as well as accounts preparation. I will be issued with the appropriate certification for Sage, QuickBooks, and Xero upon completion and none of this would be possible if I didn't have access to this bursary from the ICAEW Foundation. Because of it, I was able to afford the fees to enrol onto the traineeship, and am starting to develop respectable technical skills as a result.

I have also been able to use the funds to invest in quality online courses related to IT and computing. They say that we are going through the fourth industrial revolution. Therefore, to keep up with technological advances and boost employability, I have specifically invested in courses that allow you to build up a portfolio of projects as you learn. Python and web development are the main ones I have invested in for now.

The bursary has also had a considerable impact on my personal life, too. For instance, it has made travelling a lot easier, as I can now afford to pay for a monthly bus pass and appropriate taxi rides. At a time where we are currently going through a cost-of-living crisis, I really appreciate how helpful the bursary can be when it comes to paying for day-to-day expenses. It also means that I do not have to work as many hours, allowing me to focus more on my studies - I was the best performing student in the first-year Introduction to Management Accounting module.

Approaching the time in my university career where I am applying for a placement year, I find that the improvements I have been able to make to my CV because of this bursary have been totally transformative. It has helped me greatly in tackling challenging application processes with confidence and resilience.

My main goal is to qualify as a chartered accountant, thus equipping myself with the relevant technical expertise, and all the opportunities that brings with it. I sincerely believe that the ICAEW Foundation's bursary will go a very long way into turning this goal of mine into a reality. I would like to take this opportunity to thank the ICAEW Foundation, and its patrons, for this hugely impactful bursary.

Thomas Hill – Cardiff University

I am pursuing a career in the Financial Sector, a line of work which I took an interest in from an early age, all the way to secondary school where I began to study Economics at both GCSE and A Level. My studies helped shape my current view of the economy and gave me valuable insight into what a Finance degree may look like. I was captivated, and hungry to broaden my knowledge on the matter.

At University, I have been exposed to new concepts, such as Double Entry Bookkeeping in Accounting. I have grown to appreciate the profession, and I am enjoying my time, as I currently study for my January exams. Despite all of this, I have found some difficulty, particularly with my shared caring duties of my father, who is a Paraplegic. Currently my mother and I need to help him with a range of activities, and this responsibility has made it so I have to spend more time away from University than I would ideally like.

In light of this, I truly appreciate the help I am receiving from you. You've made it easier to travel back and forth between home and School, and given me the financial support I need to support my family. It is particularly valuable to me because I also come from a low socioeconomic household, so my support isn't up to the standards of some, although my family have always given me everything they can. Your donation has motivated me to work even harder and I greatly appreciate everything you have done for me.

Philip Gerakyyan – City University London

Thanks to the bursary, the first year was a lot easier for me to complete.

Starting first year was a bit daunting, as I'm introduced to many new environments; different people, new locations, and a new style of learning. On top of this, there were certain requirements for me to complete to stay on top of it all, such as a laptop, textbooks, study guides, etc. The bursary allowed me to comfortably make these necessary purchases, allowing me to improve my studying ability and my learning, and overall, improving my learning experience at university. The bursary also helped me with my leisure time, as I had more options with what I can do during my off time to wind down and take time away from my studies. For example, I was able to obtain a gym membership, and I could buy myself new basketball shoes, so certainly my overall mental and physical health and fitness improved as a result from the bursary. It also helped alleviate some financial stress when travelling to and from campus during first year, as paying for fares from TfL became much easier.

As I am living at home during term time, the bursary has also helped me and my mother at home with living costs. When paying for gas, water and electric bills, the bursary allowed me to help my mother a tremendous amount, and we were able to stay comfortable all year round. It also helped when paying for food, and general necessities around the house when needed.

I would like to thank the ICAEW Foundation for helping me in the way that they have. They have helped both me and my mother with everything, and their assistance has not gone unnoticed!

Ben Avila Ulloa – City University London

My first year of university was extremely enjoyable for me for several reasons, had I not received the funds from the Foundation I am afraid I would not be able to say the same. I was able to purchase the textbooks and study material required for my modules without worrying about the cost; this allowed me to focus on my studies and led to me achieving a first-year percentage of 68%. I do not want to think of what I would have achieved without the bursary, and I am entirely grateful for this.

Not only was I able to afford the study material, but I was also able to cover my train and bus fares to get to university. This let me interact with lecturers and other students for a better quality of learning, this was not a condition as I was allowed to attend the lectures online, however this is an option I would have likely opted for fear of financial worry. It allowed me to form friendships and participate in leisurely activities with these people to unwind from any academic stress, this really allowed me to be persistent in my studies. I have indulged in a subscription to Spotify premium which I never thought I would have done as the expense was seen as unnecessary, but now I can appreciate how it facilitates my lifestyle outside of education. I also signed up to my local gym as I believe a healthy body is a healthy mind, the benefits this has had on me are endless.

Furthermore, this allowed me to take financial burdens away from my parents. This has allowed me to gain much more independence and freedom in my life and I am extremely appreciative of this luxury that has been made accessible to me by the Foundation. I am unsure if I can convey my gratitude in words, but I just would like the Foundation to understand that this money has made opportunities available to me that I never would have expected. I hope that all students that are in the position I was in, get the opportunity to enjoy the generosity I have been lucky enough to receive. My quality of living has been enhanced substantially and I would like to thank the Foundation once again.

Ronan Cupeva – Bristol University

I am honoured and grateful to have been a recipient of this award which has had a hugely positive impact on me and my studies.

My first year was successful in receiving an average of a high 2.1 across my modules. After adapting to the language which is accounting during 'Fundamentals of Accounting & Finance 1'; I managed to consolidate this further in my second term achieving 80% in my 'Fundamentals of Accounting & Finance 2' module.

A module which stood out to me in particular was 'Accounting & Finance in Context' which connected students with a mentor in the world of accounting and finance. It was an extremely valuable opportunity to

speak to a professional in so much detail and has inspired me significantly on my search for a summer internship. This sparked a curiosity to explore every opportunity available to me – during the summer after my first year at university, I became a candidate of SEO London (Sponsor for Educational Opportunity), an organisation dedicated to providing opportunity to underrepresented backgrounds. I relished the chance to participate in their Step into Consulting, Step into Insurance (at Lloyds of London) and Step into Corporates programmes, the latter two being selective.

The bursary has allowed me to fund equipment towards my studies such as desks, chairs, monitors etc. which have all hugely contributed to a more efficient workflow and greater productivity. It's a huge privilege to be able to undergo my studies with substantially less financial stress. It also allows me to continue dedicating time to my active lifestyle such as playing futsal and going to the gym regularly. I hope many other students too will be able to have access to this generous scheme which has been hugely influential to my university experience and allowed me to be even more ambitious in search of a future career.

Rebecca Callaghan – Queen's University, Belfast

Having concluded my second year at Queen's University Belfast, on reflection I can easily say that it was one of the best years of my life so far. Not only was I provided with life changing opportunities with regards to my future career and study, but I also got to enjoy the social aspect that university life has to offer and make lifelong friendships. Many of these opportunities have been made possible thanks to this generous scholarship and I cannot put into words how grateful I am.

This scholarship has enabled me to work less in my part-time job, allowing me to devote more time to my studies, which was particularly important this year, as due to timetabling issues associated with studying accounting and a language, I had to complete two thirds of my modules in the first semester alone. It also provided me with extra motivation when undertaking my five January final exams, despite having Covid and lacking energy a mere two weeks prior.

In addition, this scholarship has also instilled in me a great deal of confidence, which proved to help in interviews for summer internships, which is highlighted by the fact that I was offered three internships with Deloitte, KPMG, and PwC. This sense of confidence has also enabled me to participate in events such as the Insight into Management programme, which provided me with an array of skills that will be extremely beneficial throughout my life and career, such as time management and teamwork, while also providing me with networking opportunities.

As I study accounting with Spanish it is a compulsory element of my degree to spend the third year abroad. I really wanted to be placed in the region of Valencia under the British Council scheme as an English Language Assistant, however it was stated that the payments in Valencia are unreliable and often don't come when expected. Consequently, it was advised to only submit Valencia as your region of preference when applying for the scheme if you had sufficient savings to help with living costs. Therefore, this scholarship has enabled me to live in my dream area of Spain as I was allocated to the city of Alicante. Furthermore, this scholarship has helped me with the setup costs of moving abroad, as well as other essential costs, such as my child protection certificate.

I have also been extremely fortunate to participate in many of the social events that university life has to offer, which has provided me with an all-round enriching student experience and has greatly contributed to my personal development and social skills, which I believe are extremely important to have as an accountant. This year I have attended both the Queen's Management formal, as well as the Modern Languages formal, which has allowed me to make connections, network with my classmates and fully participate in all aspects of university life. Additionally, after completing my exams in May, myself and three of my friends from my course travelled to Budapest. This experience has provided me with a global mindset and has strengthened my relationships with my peers.

Most notably, in June I completed a summer internship with KPMG in their audit department. As aforementioned this scholarship has allowed me to have the choice between three different highly regarded accounting firms to gain experience with, due to my interview skills which stem from the confidence I now have because of this scholarship. I also did an internship over the summer with KPMG last year in their deal advisory department, which helped me decide which firm I wanted to go to, as I thoroughly enjoyed my time here and was eager to return. At the start of July when finishing my internship I completed an interview for a graduate role in the company's audit department. I was successful and hence

I was offered a graduate job with them to train to become a chartered accountant and they also are sponsoring my master's degree in accounting to gain extra exemptions from the exams. I have now accepted this offer and I strongly believe that this scholarship has paved the way for this opportunity.

Therefore, I would like to conclude by thanking you for your generosity as it has facilitated my dream of becoming a chartered accountant and has ensured that I have had the best university experience possible.

Huang Xuanrong - The Chinese University Of Hong Kong

Programme: Professional Accountancy

Year of Study: Year 1

University life is very different from secondary school life. I was overwhelmed and distressed. When I adapted to the university life gradually, I felt that things were getting better. When it comes to academic achievement, my GPA for the first semester was 3.165, this equates to Grade B. I reflect on myself that I still have a lot of deficiencies compared to others. The academic pressure of undergraduate study is no less than that of secondary school, and the people who enter the University are excellent with a variety of skills, which means that there are more pressure and competitions from peers. Furthermore, after entering university, time turns to be more flexible, which also tests my time management ability. I find that I still cannot balance work and life well. In the future, I will spend more time studying and strive to further improve my GPA, which is also a small goal I set for myself. I also participated in the university-level business case competition for the first time. Although I didn't win the award in the end, I learned a lot, such as how to put the financial theory learned in the book into practice when making the proposal. I also got a chance to see

some good examples of proposals, which helped me better understand my shortcomings and strive to perform better in the next business competition. These competition experiences and reflections are invaluable to me.

In terms of community activities, I was the treasurer of a student society. In the process of participating, communicating and running-in with others, I understand the importance of team spirit. A society with strong cohesion and good team communication will have higher work efficiency. In my position, I learned to apply some basic accounting knowledge, such as understanding how to keep accounts effectively and correctly, how to avoid financial chaos and to make good use of the financial resources in Ice-breaking day with MSing members. The 2022 Residents Association of Theological Building was established. Consultation Day of resident association society. I believe these gains will be beneficial for my studies and internships. All in all, although I am not an outstanding student with lots of achievements now, I will work hard to improve and make myself better. Thank you for offering me the ICAEW Foundation Bursary.

The ICAEW Foundation Building Futures Bursary Programme

Our Building Futures bursary programme, for students of new professional accountancy qualifications across Africa and Asia has allocated funds for 109 bursaries since its launch in 2015.

MALAWI (ICAM)

Ten bursaries to the value of £16,250 to cover two years were approved in 2020 but postponed due to the Covid 19 pandemic. The final payment of £8,250 was made during the year and this bursary is now fully paid up.

During the year the new Professional Qualification (PQ) administered by ICAM was launched. The overall vision of the PQ is for an increase in qualified accountants and for it to be a locally focused qualification but one that maintains internationally accepted standards as this is an essential part of improving investor confidence and the climate for investment. During the year, Trustees approved £5,178 to support 6 students with the cost of registration, tuition and exam fees and study manuals for the Level 1 exam.

GHANA (ICAG)

Six bursaries to the value of £16,250 to cover two years were approved in 2020 but postponed due to the Covid 19 pandemic. The final payment of £8,250 was made during the year and this bursary is now fully paid up.

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During the year additional support of £2,000 was awarded to Khadijah Iddris. An element of her PhD is physical attendance and presentation at a conference. Khadijah was scheduled to present her research paper at the World Finance Conference in Turin but, due to unforeseen circumstances, was unable to attend. She did however present her paper virtually at a Chicago Conference held during October.

Khadijah was previously featured in our foundation video in 2018 and has received support from the ICAEW Foundation throughout her PhD studies in finance, her ultimate ambition being that of becoming a lecturer in the subject.

CAMBODIA (KICPAA)

The first ever Cambodian professional accountancy qualification (ATQ), due to launch in 2020, was delayed 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 until the final quarter of 2021.

£25,500 was approved in 2020 to support forty students over 2 years studying the new ATQ. This finally launched and the first instalment of £12,750 was paid in January 2022.

ZIMBABWE (ICAZ)

In 2010 ICAEW signed a reciprocal membership agreement (RMA) with ICAZ which was renewed in 2012 and again in 2022.

Education is free in Zimbabwe and the Government invests heavily in it to help increase participation and retention of students. People from rural areas while having a good base education do not have the opportunities to pursue higher or professional qualifications. This is due in most part to a barrier of cost of study and relocation to study.

In July 2015 the Vimbiso Scholarship Trust was set up in partnership between ICAZ and the Chartered Accountants Student Body, in response to many CA students not progressing due to lack of resources. The aim of the Scholarship is to support students through the required degree program then place students within training offices which will cover the cost of the CA qualification. The trust currently supports 32 students and looks to bring on an additional 8 students a year. Due to increasing costs of university fees ICAZ is unable to continue to solely fund the trust.

During the year, trustees approved provision to support five bursaries for Vimbiso Scholarship Students. This will support them through the entry Accounting Degree at a cost of £830.62 per student per year for 2 years at total cost of £8,306.20. The first year instalment of £4,153 was paid during the year.

SRI LANKA (CASL)

ICAEW has worked with CA Sri Lanka (CASL) for more than 20 years and signed the first recognition agreement with them in 2010 which set out an expedited route to membership for appropriately qualified members of both bodies. This was renewed in 2014, 2018 and again in 2022.

In 2020 a new route was launched for students to obtain dual membership of both ICAEW and CASL simultaneously (Joint Student Scheme). Interest directly from students remains high, however the country's economy has been hit hard by the pandemic and rising energy prices.

To ensure the ICAEW route is affordable in Sri Lanka, it was agreed to waive all registration fees for students joining this scheme however, considering the recent economic difficulties, and with the local currency decreasing rapidly, ICAEW fees are still very high.

Trustees approved £34,360 during the year to support 20 students for two years on the Joint Student Scheme. Providing good graduates in economic hardship an opportunity to become ICAEW Members thus providing them with international employment opportunities, provide an important milestone in the ICAEW-CASL partnership and raise ICAEW's and the ICAEW Foundation's profile in Sri Lanka. The start of this scheme will commence later than anticipated and will now start early in 2023.

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, 5, 8, 10 and 13.

As a member of the Association of Corporate Foundations and 60th signatory to their Funders' Commitment on Climate Change, we continue to play our part for climate action by launching our essay competition to motivate students and recently qualified members to consider how the profession can act on the climate crisis. The winner of the 2022/23 competition will be presented with their prize at ICAEW's Annual Dinner on 28 March 2023.

Our Building Futures bursary programme, for students of new professional accountancy qualifications across Africa and Asia helps to promote and assist in social mobility and gender balance.

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.

For 150 years the ICAEW Library has been the only library in the United Kingdom to have comprehensively collected material in this sector, effectively creating a national library of accountancy, including plenty of material not held by The British Library. The library remains one of the world's largest and most important collections of material for the accountancy profession.

In 2022 the ICAEW Library has continued its recovery from the effects of the pandemic and the lockdowns that followed. The year has produced its own challenges, notably the impact of staff sickness (Covid and long Covid) on the teams; a switch in CRM systems; and the departure of four long serving members of staff with all the experience they carried.

Despite these challenges the library teams have worked together to ensure that enquiry channels remained open, access points to the service have been staffed and critical back-room operations continued. The result has been growth in book loans and footfall.

Publishers are continuing to switch from print to digital, but some key resources are still published in print. The ICAEW Library continues to balance the growth of its digital offering with the need to maintain its important print collection. At present 88% of the resources budget is spent on digital resources and 12% on print.

Alongside the day-to-day enquiry service and collection management operations, good progress has been made with the development of ICAEW's digital archive of publications, which now holds over 18,000 ICAEW publications and content.

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 5.3 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, falls outside the remit of CATER. However, the Library team help to manage and support this collection.

Enquiry, Document Delivery and Loan Services

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

The enquiry service remains a popular point-of-contact for members. The team handled 9,611 enquiries during 2022. Commonly occurring enquiry topics remain in line with those of previous years with wide-ranging queries on taxation, model documents, company information and industry data. We've also seen an increase in firm history research as more firms approach their centenary celebrations.

The Business Centre at Chartered Accountants Hall has remained open to members continuously this year as Covid restrictions were removed. The active on-site presence of the enquiry service team has helped

contribute to a 186% increase in book loans on last year and member activity in the Business Centre continues to increase although still below pre-pandemic levels.

There were 507 book loans in 2022. The monthly average for book loans in 2022 was around 40% of pre-pandemic levels. This is primarily due to decreased expenditure on print material as discussed in the CATER collection section below, combined with less physical visits to library to browse the collection due to changing working patterns.

A total of 1,762 document items were supplied to enquirers, enhancing the information available on the ICAEW website. Document delivery (excluding client screenings) in 2022 was down 36% on the previous year's figure. This is mainly attributable to the withdrawal of several key titles from one of the databases which our Technical Team used to direct members to. Based on past usage patterns it is likely that the total volume of enquiries would have roughly equalled last year had it not been for this loss. Contracts are currently being negotiated to reinstate library supply access to this resource.

Client screening requests continue to increase; we have seen a 19% growth for 2022 compared to 2021. The service attracted 341 new users in 2022, bringing the total of unique users to 1,890.

ICAEW implemented Dynamics 365 as its replacement contact management system and membership database system at the end of April 2022. This has helped improve efficiency when dealing with enquiries and provides improved management information.

2022 also saw the departure of two long standing members of Enquiry team staff. The interim period saw delays to enquiry response times but no notable complaints were received from members. Fiona Axe was promoted to Enquiry Service Manager and the Supervisor position backfilled. Two new enquiry team members have also been recruited.

Customer satisfaction surveys for 2022 showed that 93% of Library & Information Service users found the service was easy or fairly easy to use which echoed the results from 2021. The appreciation for the service provided by the enquiry team is reflected in 80 exceptional compliments received by the team across 2022.

The theme running through all the exceptional compliments is an appreciation for the valuable content provided and the excellent service and effort put in by the enquiry team to go 'above and beyond'.

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 books are purchased to support the demand from the Library loan service, and we continue to subscribe to print journal titles. However, expenditure on print resources is continuing to fall as publishers cease to produce print material. The current split in the resources budget is 88% digital and 12% print (compared to 72% digital and 28% print pre-pandemic).

Members room

The Member's Room is no longer used as a repository for Library materials but a full audit was undertaken this year of the old legal volumes that were used to fill the shelves following its refurbishment.

Warehouse store

The future of the ICAEW warehouse, where the majority of the library collection is stored, was reviewed by ICAEW this year. The lease has been renewed for five years.

There are no plans for Library staff to be based at Milton Keynes, in order to be able to access the Warehouse collection. Monthly visits to the warehouse are being arranged to retrieve items for enquiry requests and undertake shelving, but there is currently no staffing resource to undertake collection management tasks there. Visits have to be co-ordinated, in advance, with the Facilities team.

Usage and development of online resources

Third party online resources are a key component of our hybrid collection and account for 88% of our annual budget. All licences were renewed in 2022, and we plan to renew them again for 2023. In addition, we now have over 610 licenced eBooks, allowing members to access information remotely. These has generated over 14,700 views via the ICAEW website. Usage remains buoyant.

Work to increase the visibility of third-party resources licensed by the Library on the ICAEW website has been ongoing throughout 2022. A key project, started in November 2021 and completed in July 2022, saw approximately 130 hub pages on business and management topics redesigned to integrate and highlight links to online resources.

Linked to this, there is an ongoing project to use third party resources licensed by the Library to update articles from the Business and Management Faculty magazine with the latest developments. By the end of the year 128 articles (out of 715) had been updated. This project will continue in 2023.

Stock cataloguing

The library catalogue provides detailed records of the electronic and print resources held by the library, including all ICAEW-produced documents, and abstracts of relevant journal articles.

The catalogue can be accessed remotely by users at <https://libcat.icaew.com> and is linked up from the website, allowing users easy access to the detail of material held in the collection. This searchable, comprehensive database of holdings supports the Library enquiry service by allowing users to find and request publications and is used by the library staff to manage the collection.

The team welcomed Niki Wilson back after maternity leave and she has since taken up the position of Cataloguing and Taxonomy Manager following the departure of Alice Laird.

We have successfully catalogued a total of 1,096 volumes in 2022, including ICAEW digital items. The team also added 479 abstracts of selected journal articles to the catalogue.

In addition to cataloguing items added to the library, the team have expanded the catalogue records for the accounting firm histories; improved the descriptions for books on inflation accounting which are now of interest again; started work on individually cataloguing each ICAEW press release; and continued working on a project to review the catalogue records for tax books held in the business centre. The team have also been actively involved in working with our digital archive platform, Preservica, to ensure consistency between the cataloguing and digital archive systems.

CATER stock valuation

It was agreed that the CATER collection will be insured for £900,000. 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., help sheets, 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 and hardware changes and data that can easily be corrupted. Preservica ensures that content is migrated to new accessible platforms with checks for corruption and migration paths from older versions to ensure continuity of access.

In 2022 we have continued to focus on ICAEW's preservation priorities when adding publications to Preservica. This work has included:

- Linked archived webinars in Preservica to ICAEW's website to facilitate easy access.
- Started work to add the vast collection of archived ICAEW help sheets to the digital archive, carefully capturing full version histories for each title. A set of help sheets withdrawn by TAS in 2022 are now archived in Preservica alongside all previous versions.
- Filled gaps in our collection of ICAEW Representations and Technical Releases on Preservica. This means that the full sets published from 1997 onwards are now available digitally (3,464 representations and 856 Technical Releases).
- Added several Faculty collections to Preservica
- Added ICAEW Annual Reviews and Financial statements to Preservica for 2002 onwards (37 files)
- Added ICAEW Press releases to Preservica for 2006 onwards (2,072 files).

The Digital Archive project continues to progress well but there are many more publications to be added. While Preservica now holds over 18,000 assets, a recent estimation is that another 10,000 assets still need to be ingested from the G drive/digital repository alone. Its value as a massive digital resource for future researchers only continues to grow as more material is added for long-term preservation.

Usage of the digital archive through the Preservica platform has seen 9,927 views of archived content from outside ICAEW in 2022, with a further 15,866 views from staff using the platform to answer member enquiries or as part of work to help grow the digital archive.

Website captures – Archive-IT

As more content is being offered by ICAEW through the website, rather than in portable document formats (e.g., word and pdf), the website captures are essential to our ability to offer future researchers access to the full array of ICAEW output.

Captures of the complete ICAEW website are being carried out every six months. The process of selection and capture is technical and complex. A large website capture can take several weeks.

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

In 2022, two full crawls of the ICAEW.com site were completed with the crawler capturing approximately 17,000 pages of HTML content per crawl. In addition, the crawls feature a complete backup of the site's media library - consisting of PDFs, Word documents, Excel files, MP3 files etc. A crawl of ICAEW's primary Twitter account was also performed, which captured over 23,000 Tweets from the account since 2009.

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 as highlighting relevant eBook titles, chapters, and online articles on technical topic pages across icaew.com.

A project to redesign the Library web pages at icaew.com/library has been taking place in 2022 and will continue in 2023. All pages will eventually move to new templates which have been designed with improved user experience in mind. As well as offering a refreshed look and feel, this project is an opportunity to update and reorganise Library web pages to best promote our resources and services.

Promotion

We continue to promote the Library and the enquiry service through ICAEW's website, social media channels and email newsletters.

Ukraine

The ICAEW Content Curation team (formerly the Library web team) helped to develop a hub for the Ukraine crisis and promoted the Library's client screening service through the website, email communications and social media.

The promotion of ICAEW services through the hub and in the boards at the end of each article on the Ukraine crisis has been highly effective in reaching members and getting them to engage. The Client Screening service offered by the Library is a good example of this.

This promotion of the client screening service as a tool to help members assess connections to Russia among their clients generated a 49% increase in client screenings in March.

First time users identified the Insights content on the crisis as the way they found out about the service.

	January	February	March	April	May
2021	389	416	520	417	457
2022	469	500	744	525	551

This increase in service awareness saw a record 744 screenings carried out for members across March, including many Russian individuals/entities. Usage levels dropped back in April and May but are still in line with expected growth.

Melekh Manuscript

The library team look after the ICAEW collection of rare books on behalf of the organisation.

May 2022 marked fifty years since the full reveal of one of the most unusual items in the collection – a Jewish manuscript with a devotional poem from the 15th century that had been used as a binding for one of the ICAEW copies of Pacioli's Summa de Arithmetica.

To help commemorate the anniversary an article was published in Insights. Alice Laird commented "Library staff at ICAEW have always taken great pride in the Melekh manuscript – it holds a special place as one of the unexpected highlights of our collection." New photographs of the manuscript were taken and shared on the website at <https://www.icaew.com/melekh>

Key performance indicators

KPIs in 2022 show continued recovery, but still reflect the impact of changes to services and operations brought about by the coronavirus pandemic.

2022 key performance indicators

	2022	2021	2020	2019
Enquiries ¹	9,611	9,912	9,670	10,597
WebChat enquiries ²	327	1,087	1,218	1,001
Book loans, excluding renewals	507	273	341	1,155
Document Delivery (excl. client screenings) ^{3,4}	1,762	2,780	2,842	3,424
Client screenings (total reports requested)	6,498	5,455	4,850	3,424
Items (vols and eBooks) acquired and catalogued	1,096	1,513	303	1,064
Journal articles abstracted and indexed on LibCat	479	334	55	282
Total number of journal articles on LibCat	69,741	69,291	68,964	68,904
eBook views and downloads	14,718	14,500	15,062	14,458
Files added to the Digital Archive ⁵	5,768	10,610	2,050	N/A
Total files in the Digital Archive	18,428	12,660	2,050	N/A

¹ Enquiry statistics exclude quick Business Centre enquiries

² The launch of the new CRM platform in April 2022 introduced a new WebChat system which has been offered through fewer library pages and functions in a different way, allowing users to choose which team to contact. This has seen more enquiries routed to the service centre in Milton Keynes.

³ The number of electronic documents supplied saw a significant drop in 2022 following the withdrawal of some key titles from one of the online databases we subscribe to.

⁴ The way in which these statistics are collected was reviewed and streamlined in 2022 which may account for a small degree of variation in the numbers reported.

⁵ The slower pace of additions to the Digital Archive in 2022 is due to a combination of the team moving onto more complex series of documents that need more work and staff departures at the end of the year.

Review of KPIs

A review of the KPIs shows good recovery across the service, but has highlighted three key areas that merited action.

Webchat. The launch of the new CRM platform in April 2022 introduced a new WebChat system which has been offered on fewer library pages and functions in a different way. The old system automatically started a webchat with the most appropriate team for a page, whereas the new system asks users to choose which team to contact. The top option offered is 'General enquiries' with the Library given as the last option. This has seen more enquiries routed to the service centre in Milton Keynes and a 70% drop in webchats for the library.

It seems likely that many visitors to the website are unaware of the breadth of enquiries that the Library can answer and do not realise the Library can assist with their questions. To help address this, the labels in webchat have been revised and the team are revising the page about the type of enquiries the team can answer and will promote this. Further analysis will be carried out to better understand what has happened to the type of enquiries previously answered by the Library.

Enquiries and document delivery. The KPIs for enquiries and document delivery have been impacted by the withdrawal of some key titles from one of the databases (such as the Deloitte manuals of accounting and preparing company accounts series) which accounted for 1,454 document delivery requests in 2021. Based on past usage patterns it is likely that the volume of enquiries would have roughly equalled last year's totals had it not been for this loss.

Negotiations are taking place with a new supplier to try and remedy one of the most significant losses from our digital portfolio.

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Digital archive. The staff departures at the end of the year have highlighted the need for more resource for digital archiving. A digital archive assistant will be recruited in 2023.

CAPEP

CAPEP'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 top performing ICAEW students from around the world celebrated their exam success at a virtual prizegiving ceremony, held on Thursday 12 May 2022. The ceremony recognised the achievements of students who studied for the ICAEW CFAB and ACA Certificate Level, Level 4 Accounting Technician Apprenticeship and the ACA Advanced and Professional Level exams in 2021. In total, 109 students received awards, representing the UK, Cyprus, Malaysia and Vietnam.

The ceremony was hosted by ICAEW President, William Brooks and included a keynote speech from ICAEW member Jackie Crane. Hilary Lindsay, Almoner and Chair of the Charity of the Worshipful Company of Chartered Accountants in England and Wales, presented the Level 4 Apprenticeship prizes.

In addition to the virtual ceremony an article on ['What it's like to be an ICAEW prize winner'](#) was released in April as part of the Student Insights hub, and a [video](#) was released to meet some of the 2021 prize winners in May (this video was also played during the virtual ceremony). We also started to follow new member, Chris Chung, in a new Student Insight series, ['My membership journey'](#), Chris achieved first place and the Peat prize at the Advanced Level Annual Order of Merit 2021, and we will continue to follow Chris's journey in 2023.

Total prizes awarded during 2022 amounted to £34,000 (2021: £67,000).

In association with ICAEW, during November, the trustees launched an essay competition to motivate students and recently qualified members to consider how the profession can act on the climate crisis. Entrants were asked to submit a 5,000-word essay, video, podcast or other media format in answer to the question 'The Great Transition: what we need to do and what role does the accountancy profession have?'. Human induced climate change is affecting the world now and the focus of the essay should be on action needed to adapt to the impacts already being felt, and to mitigate further damage. The winner will receive a prize of £5,000 at the ICAEW Annual Dinner on 28 March 2023 and have their essay published on the ICAEW website.

PDLT

The following new academic research projects and event funding requests were approved in 2022:

	Institution/Host	Funding Approved £
Events		
Management and Accounting Research Group (MARG) Conference (Nov 2022)	Aston	5,400
Tax Research Network Conference (Sept 2022)	Edinburgh	2,500
Information for Better Markets 2022: The Covid 19 Pandemic (Dec 22)	ICAEW	39,255
European Financial Reporting (EUFIN) Workshop (Sept 2022)	Lisbon Business School	2,000
Management Control Association (MCA) Doctoral Colloquium (June 2023)	MCA	4,300
BAFA Doctoral Colloquium (April 2023)	BAFA	4,400
BAFA Audit and Assurance SIG Conference (May 2022)	BAFA	1,750
Behavioural Finance Working Group Conference (9-10 June 2022)	Queen Mary's	3,000
Total 2022:		62,605
Total 2021 for comparison:		103,305

The reduction in grant expenditure compared to the prior year is predominantly due to the disappointing quality or relevance of the research proposals received. We are committed to ensuring that only the highest quality and most relevant projects are approved for funding and have turned down several projects. We are considering a different approach going forward, including possible calls for particular research, in the hope of attracting projects which more directly reflect ICAEW's current strategic themes and member interests.

Achievements

In 2022 universities began to emerge from the worst effects of the pandemic and more events were held in person again, or as a hybrid mix of in-person with the option to join online. Some events which had been postponed since 2019 finally took place. And researchers had more time to give to delayed projects and to finally complete them.

Events which included an online option for joining continued to benefit from wider global participation as people have become increasingly used to attending online events.

In 2022 PDLT grants continued to support one of the key ICAEW academic events, the annual Information for Better Markets conference, which was held exclusively online again, following the success of the online approach in 2020. The conference, held in December 2022, looked at The Covid-19 pandemic: lessons for the theory and practice of accounting. We had academic speakers from the UK and Germany speaking at the event and practitioners from the big firms, including KPMG and PwC. Despite the success of previous years, numbers were much lower than expected and might indicate an overload of online events at the end of the calendar year. The lectures were recorded and are available to view on the ICAEW website. The papers from both the Information for Better Markets conference 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 continue to be some of the most viewed and downloaded of any papers in Accounting and Business Research. Other associated costs in running the event are significantly less than when it was held in-person. There was no PD Leake Lecture in 2022 but plans for a lecture in 2023 are underway.

Both the annual Tax Research Network (TRN) and Management Accounting Research Group (MARG) conferences were again held successfully as hybrid events, with the advantage that those who attended on campus were able to enjoy the benefits of meeting others face to face, while those attending online were 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 entitled Accounting Practices in the Extractive Industry: an international investigation (distinguishing between mining and oil & gas companies) was published in August.

A series of papers from the Information for Better Markets conference 2021 looking at the financial reporting system were published in a special issue of Accounting and Business Research in June 2022, and videos of the presentations are available on the ICAEW website by following this link <https://www.icaew.com/technical/financial-reporting/information-for-better-markets/information-for-better-markets-webcasts>

Some research projects and other events will continue or take place beyond 2022. At 31 December 2022 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.

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.

Following a review of PD Leake's Will and the Charity Commission Register, in which the objects of the PDLT were defined as, 'The advancement of the Science of Accounting and knowledge of Political Economy, including the subject of Public Finance and Taxation', it was assessed that in addition to current applications, PDLT funds can be used to provide educational bursaries to postgraduate students. The Board therefore agreed that bids for post graduate educational bursaries be considered in future funding rounds from 2023. The Board also discussed the amount of funding to award to postgraduate students and from which universities those students should be selected and agreed that funding should be at the same level as for undergraduate bursary students and that bursaries should be awarded, initially, to postgraduate students at the universities at which undergraduate students are currently being supported.

CATER

The trustee intends to 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 £308,000. However, the current level of unrestricted funds is felt to be sufficient as the trust also holds the discretionary expendable endowment. The trustee monitors and reviews the level of income reserves taking into account this endowment at each Board meeting.

As at 31 December 2022 unrestricted reserves stood at £183,000 (2021: £152,000) and an expendable endowment of over £2.2m.

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 2022 CATER's undesignated free reserves were £735,000 equating to 12 months' expenditure, as per the maximum level under this policy (2021: 14 months).

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 £195,000. Unrestricted reserves as at 31 December 2022 amounted to £841,000, which equated to 52 months total expenditure (2021: £798,000). 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 over the past few years 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 2022 the continued changes brought about the global Covid-19 pandemic continued to affect research activities and events alike. Many events moved to a hybrid arrangement resulting in increased participation and a reduction in costs.

Following a review of PD Leake's Will and the Charity Commission Register it was assessed that in addition to current applications, from 2023, PDLT funds can be used to provide educational bursaries to postgraduate students. This decision will reduce reserves over the long term.

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 £64,000 and £168,000. The reserves of £740,000 as at 31 December 2022 are in excess of the reserves policy (2021: £889,000: 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 fluctuations in interest rates, inflation, 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.

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.

The Directors regularly review current practice against the charity governance code.

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).

Waverton Investment Management Limited manage the endowment and part of the cash fund. These were previously managed by Cazenove Capital Management until 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.

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

Endowment Funds

Total Return Net of Fees	1 Month	3 Month	6 Month	Inception 02/03/2021
Portfolio Percentage Return	-3.97%	1.42%	0.46%	6.55%
Balanced Index	-3.73%	2.88%	0.17%	-0.79%
ARC Steady Growth Index	-1.58%	2.62%	0.95%	-1.41%
CPI + 3.0%	0.61%	3.39%	5.79%	22.56%

ICAEW FOUNDATION

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Liquid Funds

Total Return Net of Fees	1 Month	3 Month	6 Month	Inception 30/04/2021
Portfolio Percentage Return	-1.75%	1.31%	-1.27%	-3.39%
Balanced Index	-3.32%	3.26%	-1.09%	-6.83%
ARC Steady Growth Index	-1.15%	2.24%	0.24%	-4.97%
CPI + 3.0%	0.58%	3.28%	5.57%	19.98%

Combined investments at the end of 2022 stood at £15.4m (2021: £16.8m), comprising of £13.2m in the endowment fund and £2.2m of liquid assets as detailed in the table below. This decrease in value of the portfolio is mainly attributable to unrealised market losses of £1.3m (2020: £1.6m gain). The overall decline in global stock markets can be attributed to the fallout from the conflict between Russia and Ukraine, recovery from the Covid 19 pandemic and increased inflation due to increased energy costs and shortages of some goods.

Income generated was £0.32m (2021: £0.27m).

£'000	YTD movement in					
	funds	Dec 22	Sept 22	June 22	Mar 22	Dec 21
Equity Funds (Waverton)	(1,245)	13,224	13,115	13,269	14,079	14,469
Total Equity Funds	(1,245)	13,224	13,115	13,269	14,079	14,469
Liquid Funds (Royal London)	6	916	1,225	1,002	966	910
Liquid Funds (Waverton)	(172)	1,280	1,273	1,316	1,416	1,452
Total Liquid Funds	(166)	2,196	2,498	2,318	2,382	2,362
Total Funds	(1,411)	15,420	15,613	15,587	16,461	16,831

The rise and fall of inflation was the main economic story of 2022. The financial boom of 2021, caused by the reopening of the global economy following the pandemic, gave way to something of a bust last year as a mismatch between supply and demand led to a rise in inflation to multi-decade highs. This inflation has brought about a rapid central bank tightening cycle and has had a significant impact on both the economy and financial markets. The perceived wisdom is that bonds and equities are negatively correlated: fixed income has traditionally offered a degree of portfolio protection during periods of equity market stress, hence the popularity of the traditional 60:40 portfolio.

Last year saw both bonds and equities fall, leaving few places to hide. The fourth quarter of the year did, however, present a chink of light as a series of months saw progressively lower headline inflation, leading the markets to believe that an end to monetary tightening will be upon us after just a few more rate rises. This greater confidence that the worst is behind us on the inflation front contributed to a fall in bond yields in November.

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 2022, 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 27 July 2023 and signed on their behalf by



William Arthur Bailey
Chairman

ICAEW FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF ICAEW FOUNDATION

Opinion

We have audited the financial statements of ICAEW Foundation for the year ended 31 December 2022 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 2022 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF ICAEW FOUNDATION

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 28, 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather

ICAEW FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF ICAEW FOUNDATION

than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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: **18th August 2023**

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 20

ICAEW FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted income funds 2022 £'000	Restricted income funds 2022 £'000	Endowment funds 2022 £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and legacies	3	33	703	4	740	754
Income from investments	4	48	275	-	323	269
Total income		81	978	4	1,063	1,023
Expenditure on:						
Charitable Activities						
Grant funded and direct	6	(183)	(145)	-	(328)	(353)
Library	7	-	(729)	-	(729)	(690)
Raising funds						
Investment management fees	5	-	-	(67)	(67)	(66)
Total expenditure		(183)	(874)	(67)	(1,124)	(1,109)
Net (losses)/gains on investments	8	(17)	(144)	(1,180)	(1,341)	1,708
Transfer between funds	13	150	(150)	-	-	-
Net income and movement of endowed funds for the year		31	(190)	(1,243)	(1,402)	1,622
Reconciliation of funds:						
Fund balance brought forward at 1 January	13	152	2,506	14,140	16,798	15,176
Fund balance carried forward at 31 December	1	183	2,316	12,897	15,396	16,798

The accompanying notes form part of these financial statements.

ICAEW FOUNDATION

BALANCE SHEET AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Fixed assets	8/9	15,420	16,832
Current assets			
Debtors	10	278	280
Cash and cash equivalents		142	90
		420	370
Creditors: amounts falling due within one year	11	(381)	(337)
Net current assets		39	33
Total assets less current liabilities		15,459	16,865
Creditors: amounts falling due after more than one year	11	(63)	(67)
Total net assets		15,396	16,798
The funds of the charitable trusts:			
Endowment capital (permanent & expendable)	13	12,897	14,140
Restricted income	13	2,316	2,506
Unrestricted income	13	183	152
Total funds	12	15,396	16,798

Approved and authorised for issue by the trustee's board of directors on 27 July 2023 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 2022

	2022 £'000	2021 £'000
Net movement in funds	(1,402)	1,622
Cash flows from operating activities		
Deduct gains/add back losses on investments	1,341	(1,708)
Decrease/(increase) in debtors	2	(106)
Increase in creditors	40	54
Net cash used in operating activities	(19)	(138)
Cash flows from investing activities		
Purchase of investments	(3,612)	(16,464)
Proceeds of sales of investments	3,735	16,590
Net movement in cash held not yet invested	(52)	36
Net cash provided by investing activities	71	162
Change in cash and cash equivalents in the year	52	24
Cash and cash equivalents brought forward	90	66
Cash and cash equivalents carried forward	142	90

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

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 to the current position of the world economy with regard to inflation, interest rates 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 assets. 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 2021 comparison by fund

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

3 Donations and legacies

Unrestricted fund

Foundation donations	32	44
Gift aid tax relief on foundation donations	-	2
Donations in kind	1	1
	33	47

Restricted Fund

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

Endowment Fund

Foundation donations	4	4
	4	4

	2022 £'000	2021 £'000
	32	44
	-	2
	1	1
	33	47
	700	700
	-	-
	3	3
	703	703
	4	4
	740	754

4 Income from investments	2022 £'000	2021 £'000
Unrestricted Funds		
Index trusts	48	41
	48	41
Restricted Funds		
Fixed interest securities	32	16
Index trusts	243	212
	275	228
	323	269

5 Cost of raising funds	2022 £'000	2021 £'000
Investment managers fees	67	66
	67	66

6 Expenditure on grant funded and charitable activities undertaken directly	Unrestricted £'000	Restricted £'000	Endowment	2022 £'000
Grant making activities				
Humentum	6	-	-	6
Sub-total grants	6	-	-	6
Foundation grants approved	170	-	-	170
PDLT grants approved	-	63	-	63
Grants written back (no longer required)	(12)	(7)	-	(19)
Total grants	164	56	-	220
Activities undertaken directly				
Exam prizes	-	34	-	34
Support and governance costs				
Management and support costs	19	42	-	61
Audit fee	-	11	-	11
Indemnity insurance and other trustee director's expenses	-	2	-	2
Total Expenditure on grant funded and charitable activities undertaken directly	183	145	-	328

6 Expenditure on grant funded and charitable activities undertaken directly - 2021 comparison	Unrestricted £'000	Restricted £'000	Endowment	2021 £'000
Grant making activities				
Humentum	6	-	-	6
	6	-	-	6
Sub-total grants				
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 grant funded and charitable activities undertaken directly	159	194	-	353

Trustee expenses reimbursed during 2022 in relation to travel costs were £1k (2021: £nil). The trustee directors did not receive any remuneration or other benefits for their services during the year (2021: £nil).

7 Library expenditure

	2022 £'000	2021 £'000
Cost of ICAEW seconded staff	241	232
Books and journals	255	214
Accommodation and facility costs	221	222
Office services and computer costs	12	22
	488	458
Total	729	690

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 5.7 employees were seconded from ICAEW for the year (2021: 5.0 employees).

8 Movements in participating charities' interests in pooled investments

	Balance at 1 January 2022 £'000	New money invested £'000	Amounts withdrawn £'000	Investment income £'000	(Losses)/ Gains on investments £'000	Balance at 31 December 2022 £'000	Note: Fees not yet debited £'000
CAPET	5,704	-	(219)	112	(467)	5,130	(6)
PDLT	7,779	-	(124)	150	(617)	7,188	(8)
Foundation	2,698	150	(160)	48	(198)	2,538	(3)
CATER	651	700	(741)	13	(59)	564	-
Total	16,832	850	(1,244)	323	(1,341)	15,420	(17)

9 Investments

	2022 £'000
Market value at 1 January	16,832
Additions	3,612
Net cash movement in year not yet invested	52
Disposal proceeds	(3,735)
Losses on investment	(1,341)
Market value at 31 December	15,420

Investments at market value comprised:

Equity funds – UK	1,370
Equity Funds – outside the UK	7,340
Bonds	2,235
Alternatives	1,992
Waverton Cautious Portfolio	1,268
Royal London Cash Plus Fund	916
Cash	299
	15,420

Historical cost:

Restricted fund	2,250
Endowment fund	12,900
	15,150

10 Debtors

	2022 £'000	2021 £'000
Amounts owed by group and related undertakings	12	15
Prepayments and accrued income	266	265
	278	280

13 Summary of 2022 fund movements by trust and prior year comparison:

Unrestricted funds

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

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Losses £'000	Balance at 31 December 2022 £'000
Foundation	152	81	(183)	150	(17)	183
Total	152	81	(183)	150	(17)	183

Restricted funds

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

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Losses £'000	Balance at 31 December 2022 £'000
CAPET	889	113	(56)	(150)	(56)	740
PDLT	798	151	(79)	-	(29)	841
CATER	819	714	(739)	-	(59)	735
Total	2,506	978	(874)	(150)	(144)	2,316

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 £150,000 to the Foundation to fund bursaries. This is in line with the secondary objectives of CAPET.

Endowment funds

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains £'000	Balance at 31 December 2021 £'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

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Losses £'000	Balance at 31 December 2022 £'000
CAPET	4,815	-	(24)	-	(411)	4,380
PDLT	6,895	-	(34)	-	(588)	6,273
Foundation	2,430	4	(9)	-	(181)	2,244
Total	14,140	4	(67)	-	(1,180)	12,897

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 (2021:nil).

14 Library book stock

The working stock of the library was originally donated by ICAEW to CATER and is currently valued for insurance purposes at £900,000 (2021: £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.

15 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 (2021: £221,000), in addition to the costs of the library. At the year end £42,000 (2021: £7,000) 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 2022 was £39,000 (2021: £41,000).

ICAEW provide gift aid to support the running of the Library. This amounted to £0.7m for 2022 (2021: £0.7m). CATER make an annual charge to the ICAEW for staff use of Library services; this amounted to £25,000 (2021: £17,000).

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 £241,000 for 2022 (2021: £232,000).

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

16 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 Chief Financial Officer, The Institute of Chartered Accountants in England and Wales, Metropolitan House, 321 Avebury Boulevard, Milton Keynes, MK9 2FZ.

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