



Registered Charity No. 313983

ICAEW FOUNDATION

and its linked charities

TRUSTEE'S ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

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 40.

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 2020.

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

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

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

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

STRUCTURE, ORGANISATION AND MANAGEMENT

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

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

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

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

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

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

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

Appointment of trustee's directors

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

Term of appointment as a director of CAT

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

Induction and training

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

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

Directors' Meetings

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

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

Key management personnel remuneration

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

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

STRATEGY FOR ACHIEVING OBJECTIVES

Foundation

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

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

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

GRANTMAKING AND POLICY

Foundation

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

CATER & PDLT

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

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

The RAB also commissions leading academics 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.

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 2020 amounted to £684,000 (2019: £713,000).

CAPET

The trustee's policy is to:

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

CACIP

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

FUNDRAISING**Foundation**

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

Actual donations totalling £44,287 (including gift aid and accrued income) were received during 2020. Total pledges since the start of the campaign, including legacies, donations and gift aid, stood at £2,814,954 at the end of the year.

Since the beginning of the Foundation campaign, actual donations (which mainly accrued to expendable endowment capital) received up to 31 December 2020, including gift aid, were £2,139,954 before investment returns, and can be categorised as follows:

	£
Funds to be used at the trustee's discretion	1,333,976
Bursaries	205,992
Prizes	110,378
Research	2,041
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	2,139,954

2020 ACTIVITIES AND ACHIEVEMENTS**FOUNDATION****Grant funded activities**

Grants were made during the year to Humentum of £6,000 (2019: £6,000) and St Margaret Lothbury £600 (2019: £600). The Foundation gives to Humentum to fund bursaries for its charitable training in accountancy to individuals working in non-governmental organisations and to St Margaret Lothbury to assist in the maintenance of the grade 1 listed building, to ensure parish affairs are efficiently run and the

worship services continue to the highest standards. From 2021 the donation to St Margaret Lothbury will be paid by ICAEW to enable the church to claim gift aid on the donation.

Grants awarded

The main strategic focus of the Foundation is the creation and granting of bursaries. New bursaries will be funded from the income generated on the investment of current donations or the release of expendable endowment. Total bursaries awarded during the year were £137,000 (2019: £41,000). 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 52 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 and mentoring programmes but we do need the support of our members to continue to grow our impact and reach.

Mentoring Matters

Was designed and launched in the 2019 academic year for our UK bursary students and was rolled out in conjunction with Deloitte. The programme aims to support each individual student's wellbeing and assist them on their study journey, as well as offering them future career advice and guidance. Students have let us know how valuable and important mentoring has become to them and we are most grateful to the mentors who give generously of their time. This year an additional 14 mentors have volunteered, and we have extended the programme to students who applied for but were unsuccessful in obtaining one of our bursaries.

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

Josephine Osei, Manchester Business School



After a successful first year, I wanted to challenge myself further in my ability to cope with a higher workload, so I decided to split my modules for the second year into seventy units in the first semester and fifty units in the second. Normally the split is required to be sixty-sixty, but with the peace of mind I had from the funding I receive through this scholarship, I knew I could stretch myself further. Although it was a challenging semester, I was pleasantly surprised and proud of the outcome I received when our exam results came out. In one of the modules I had been struggling with the most ('Financial Reporting and Accountability'), I got a 90% on the exam, and with my other six modules I got First in four and a high Second in the other two. I believe I was able to concentrate and focus on my studies to this degree as a result of having the ICAEW Foundation Bursary, and for that I am very grateful.

Furthermore, thanks to the Foundation providing a mentor for their students, I was able to learn many things that have been pivotal in my career development and direction. From communication and discussions with my mentor I was able to learn about some of the different routes and positions in the field of accounting, and although I was aware of these roles before it was very beneficial to get a higher level of depth and understanding.

Additionally, with the advice I received from my mentor I have also been able to get more work experience with GCC Accountants, where I am learning about other roles in accounting including how to prepare financial reports for businesses, administering payroll and providing tax services to clients. This work

experience is also helping me to understand the material I am learning at university much better, as I am being exposed to how materials learnt are put into practice in the workplace.

Isaac Farrell, University of Lancaster

The past year has been a very successful one, all things considered. Despite everything going on in the world, I finished my degree at Lancaster University and graduated with first class honours. I also managed to pass my driving test and secure a graduate role at Mazars. All of these achievements were made possible with the help of ICAEW foundation.

With student life becoming more and more expensive, I would have needed a part time job if it wasn't for the support I received from the ICAEW. With money issues no longer at the forefront of my mind, I was able to dedicate a lot more time to my studies. This was particularly valuable when I needed to spend so much time writing my dissertation!

The bursary also allowed me to set money aside for driving lessons. This is something I am really appreciative of, especially with the amount of travel involved in audit work. Alongside the bursary, ICAEW also provided me with a career mentor. The support I received from my mentor helped me through the graduate role application processes and I ended up at one of the firms that he recommended.

I am now at Mazars as an audit trainee, beginning my life in the world of accounting. I am currently working my way through the certificate level exams and cannot wait to become a fully qualified ICAEW chartered accountant in the future. I would like to thank the ICAEW Foundation for everything that they have done for me over the past 3 years.

Owen Bailie, Queens University, Belfast



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

I am very lucky to have received the ICAEW bursary. This bursary has had an amazing impact on my time at Queen's. By having this bursary, I have had the opportunity to reduce the number of hours working at my part time job. This meant that I was able to dedicate more time to my studies. It also allowed me to travel back home more frequently to help my parents around the house. This has made life less stressful and has allowed me to enjoy my time at university.

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

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

Scott Mclean, Cardiff University

My academic year for 2019/20 has gone as expected; I did well on all my exams and I will finish the year with a 2.1 grade to progress into my final year.

I have just started my final year of studying Accounting and Finance, at Cardiff University which I started in 2018 I have had the most exciting time, from the overall university experience to learning everything there is to know about accounting, I have met so many people who I'm sure will become life-long friends and I hopefully have a bright future ahead of me.

The financial security provided to me by the ICAEW Foundation Bursary has been an excellent support during my degree. I am very grateful for this financial support and I would like to thank the ICAEW for providing this to me.

Coming from a less financially stable background this bursary has allowed me to worry less about my finances and allow myself to fully absorb university life. By securing the Bursary, I have been able to take the time to look into a variety of opportunities within Cardiff University to broaden my future horizons.

Unfortunately, due to Covid-19 I was unable to secure a placement in time for this academic year. However, I now plan to stay on at Cardiff University to study a masters in Accounting and Finance, which I believe will allow me to further my skillset that will help me fulfil my future career ambition to become a Chartered Accountant and with the continued support from ICAEW, I will hopefully achieve my ambition in the near future.

Aminah Ali, City University of London, BSc Accounting & Finance – 3rd year

I would like to first start by saying thank you for the ICAEW bursary. It helped me hugely this year as unfortunately due to the consequences of the pandemic, I was released from my job.

The pandemic has affected all of us, either at work or university. Most of our lecturers gave us access to recorded lectures for each of the modules which made the transition to online teaching slightly less stressful. However, that was only the case for lectures and not tutorials which could not take place as the University was closed. I feel that I benefit more from tutorials as the group is smaller and it allows you to ask more questions and link more of your knowledge to practical questions.

I have had four modules this term: corporate finance, corporate strategy, business strategy & management and business strategy. I have also picked up another module to learn – Arabic - to develop my skills and to assist in future jobs, I feel like having more than one language is very useful.

I have applied for several graduate jobs in the field of taxation and consulting for firms such as EY, Goldman Sachs, KPMG & Barclays. However, when applying for these jobs they had stated they would train you up for ACCA, I would like to explore the option of doing the ICAEW training too.

Abdiraman Mohammed, recipient of The Beckingham Bursary, Manchester Business



A new year will always lead to new challenges, and I can conclude that this year has been more challenging compared to last year. Current global events have led to even more uncertainty and challenges. However, these challenging moments have persuaded me to be more innovative – whether it is in my academic projects or in my part time work.

Upon reflecting on my academic studies, I am satisfied with the grades I have achieved. I found the 'Principles of Taxation' module interesting, and I particularly enjoyed the opportunity to participate in the UK tax system analysis group project. The project enabled me to advance my research on the UK tax system since discussing this topic at the PwC citizenship workshop last year, when I visited their Manchester office with the whole class and our lecturers.

In the group project, the debate on ethics in the tax system was interesting and especially notable with regard to how tax rates affect the living standards of the country. I was satisfied with the grade I achieved for that project: 88%, which is a high First. The 'Foundation of Finance B' module was also notable as it has enabled me to learn how to effectively analyse investments. The assignment required me to approximate the risks and returns of portfolios through the use of databases such as Capital IQ and Fama French, and the skills and knowledge acquired from this project will enable me to understand how to effectively invest in. Additionally, this volunteer opportunity enables me to apply for the HEA Associate Fellowship, which involves sending a detailed self-reflection on my experience coaching first year students. This qualification will be useful for me if I ever consider having a career in the education sector.

Fortunately, I managed to join the Deloitte mentoring scheme through the ICAEW Foundation and have been paired with a mentor who is an assistant manager at the Deloitte London Office. Being in contact with an ACA accountant has been really helpful, and I have managed to discuss many practical elements of accounting with my mentor. I am grateful to be able to participate in this scheme.

In terms of my long-term career objectives, I am currently aiming to acquire a position on a placement programme. Unfortunately, one of the work placements I was in process of acquiring got cancelled due to the current global event. However, there are still opportunities available that may enable me to acquire a role, so I am hopeful. Ultimately, I am still aiming to become an ACA accountant.

I would like to end by thanking the ICAEW Foundation for the support and financial aid it has provided. It is difficult to express your impact in words. The scholarship funds have enabled me to acquire resources that I need for my studies, such as books and a laptop. Furthermore, the funds have been essential for me to support my family during these difficult times.

Outside my studies, I have decided to support first year students and guide them with any issues they are facing. That's why I have decided to participate in the new BSc Accounting volunteer programme which enables second year students to coach first year students. My objective is to help them make the most out of their academic year, and especially to ensure they feel comfortable and motivated by understanding their perspective and being sympathetic. Currently, this communication is being done remotely due to the lockdown, but this has not been an issue since we are all comfortable communicating online.

Emma Massingham, University of Liverpool



I have just completed my first year at University of Liverpool studying Accounting and Finance with a year in industry. I started University in 2019 and have really enjoyed my course, although it has been challenging at times, it has also been very rewarding through learning new concepts and meeting lots of new people. I think I settled into University very well and adapted to the new way of learning very quickly.

I feel one reason why my first year at university has gone well is due to not having any financial pressures. This is due to the financial security I have received from the ICAEW Foundation Accounting and Finance bursary. This has been an excellent support to me during my first year of studies as I have been able to focus and concentrate on my studies without having the pressure to find part time employment. This bursary enabled me to purchase a laptop which has supported me with my studies and proven to be very useful and beneficial especially since university has moved to being online due to COVID-19 restrictions. Having the laptop has meant I have been able to carry on with my studies without any added pressure of trying to borrow a laptop from the library or having to use a relative's. I also feel by securing this bursary, it has allowed me to maintain my visual learner approach to my studies by being able to afford to print off work when I need to without having the financial stress.

As well as the bursary relieving financial pressures, it has also allowed me to gain support and advice from a manager at Deloitte. I have monthly calls with my mentor from Deloitte who is called Rebecca, this has helped me to gain support and advice on various situations such as industrial placements, CV, and cover letter preparation as well as general university advice. It is useful to gain support from someone that has been in my position in a similar course at university. This mentoring scheme gives me much more confidence through company application processes.

My future career ambition and aspirations are to become a successful Chartered Accountant with the continued support from the ICAEW Foundation. I hope to complete the ACA qualification after university to become an auditor in the future. I hope to achieve my aspirations and ambitions in the near future, I am very determined to ensure I do so.

Charlotte Douglas, University of Sussex



I am pleased to inform you that I am now well into the first semester of my final year at the University of Sussex. This term I am studying Advanced Taxation, Advanced Management Accounting, Financial Accounting & Analysis and Valuation of Companies. So far, I have particularly enjoyed building my knowledge in Advanced Taxation. I am optimistic about this final year.

I was very pleased with my achievements in my second year, with an average of 84%, which will considerably boost my chances of getting a First in my final year. In addition, I was awarded CIMA Student of the Year 2020 for outstanding performance in Management Accounting. This is an award I am very proud of because I have found management accounting one of the most challenging modules.

Over the summer, before university began again, I continued to work part-time in my local ASDA store during the pandemic. In addition, I set up a small business, selling handmade crochet clothing and accessories. I started by setting up an Instagram page and I have received amazing support, with now over 2,700 followers. I sell a range of items, including jumpers, cardigans, bandanas, hats, earrings, bags and much more! My most popular pieces are my cosy winter jumpers. This is something I have continued to run while I'm at university – it has helped me gain valuable time-management and organisational skills to ensure I find a good balance between crocheting and university work. I have expanded my selling platforms to include Etsy and Depop as well. The entire experience of running a small business has taught me many valuable lessons and it is something I very much enjoy and hope to continue.

Despite the difficult situation that COVID-19 has put all of us in, I hope to do well this year and am determined to work very hard to achieve a First. It has been a very strange learning experience, switching to online lectures/seminars, which I have found difficult to adapt to. However, the support I have received from the ICAEW Foundation Bursary has helped substantially, so I would like to take this opportunity to thank you again for your continued support.

Will Horsnell, University of Bristol



ICAEW Foundation bursary recipient and university graduate, Will Horsnell, has secured a role at the Department of Business of Business, Energy and Industrial Strategy (BEIS).

Will was the recipient of an ICAEW Foundation bursary in 2016, supporting him to undertake a BSc in Economics and Accounting degree at Bristol University.

We're very pleased to report that he graduated last year with a 2:1 and has joined BEIS as an economist.

Professor Clatworthy, Will's Accountancy professor, got in touch to let us know how much Will had benefited from the bursary and how excited he is about commencing employment as an Economist with BEIS at the Government Economics Society (GES):

'Like Will, we at the University of Bristol would like to say an enormous thank you to ICAEW Foundation for supporting our students in this way'. 'Will tells us that the bursary was especially beneficial to his studies because it allowed him to focus on his course work during term time rather than having to find a part-time job.'

'I am especially grateful to the University of Bristol and ICAEW Foundation for providing me with the skills and the support that have enabled me to undertake postgraduate studies and to successfully complete the almost year-long selection process required to gain entry to the Civil Service Fast Stream'.

Caroline Kearns, Head of ICAEW Foundation said: 'We are absolutely delighted to hear about Will's exciting new career with BEIS, an important stakeholder for ICAEW and at a really interesting time for our economy.'

The ICAEW Foundation Building Futures Bursary Programme

In recent years, ICAEW Foundation has grown its geographical reach via the *Building Futures* programme with bursaries for students of new professional accountancy qualifications in Malawi, Ghana and Lesotho and Cambodia.

MALAWI (ICAM)

Due to the Covid 19 pandemic and closure of Universities, bursaries earmarked to support 10 students during 2020 were postponed and will now be carried forward into 2021/2022.

GHANA (ICAG)

Six bursaries to the value of £1,375 for the duration of 2 years were approved during 2020 and will commence early in 2021.

CAMBODIA (KICPAA)

The first ever Cambodian professional accountancy qualification has been delayed in its launch predominantly due to the impact of Covid 19. Nearly all students were heavily impacted throughout the year 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.

£25,500 over two years has been earmarked for student support, now due to commence during 2021.

UN Sustainable Development Goals

We are conscious and very proud of the role of the work of ICAEW Foundation in contributing to achieving Goal 3 and 4 of the UN sustainable development goals as detailed below.



CATER LIBRARY AND INFORMATION SERVICE

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

The ICAEW Library has continued to follow the roadmap towards a more digitally oriented collection through 2020 while managing the ongoing need for items in the print collection, many of which are unique to the ICAEW collection. The collection remains one of the world's most important collections of material on or for the accountancy profession.

The Covid-19 pandemic has disrupted the functions and services of the Library teams but throughout the crisis the teams have adapted to the changes, demonstrating a resourcefulness that has ensured the continuation of a high level of service to members and ongoing drive forward on our digital projects. The team have shown great resilience, especially in diversifying their roles to help keep operations running.

LIS management and structure

The Library collection (including third party digital information resources), and supporting software system and catalogue, are maintained and operated by CATER on behalf of ICAEW and the wider public. There are currently 5.5 full time equivalent staff posts funded by CATER for this purpose. One post in Cataloguing remains unfilled following a freeze on recruitment during the pandemic.

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

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

Enquiry, Document Delivery and Loan Services

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

The service has operated remotely throughout the coronavirus pandemic. There has been little variation in enquiries received this year compared to previous years: company information, tax guidance, model documents and client screenings remain popular. These were largely fulfilled by electronic supply. We had 56 enquiries directly relating to coronavirus: a very small proportion of our overall numbers.

We drew upon our electronic resources (ebooks and subscription platforms) to support members when during the earlier stages of the pandemic the book loan service was not available. From early August a weekly postal loan service was available for members and returned loans have been processed. We also offered a callback service.

The team handled 9,670 enquiries during 2020, building on their expertise across a broad range of subjects. A total of 2,842 document items were supplied to enquirers, enhancing the information available on the ICAEW website.

The enquiry service saw an 8.7% drop in traffic over 2020 from the previous year. The total was nevertheless high given the circumstances: The Business Centre was closed to members from the end of March, precluding queries from visitors passing through, and fewer loan requests were made, perhaps owing to the 5-month suspension of the loan service and members' shifting priorities during the pandemic.

Document delivery (excluding client screenings) was down 17% in 2020 having been impacted by access to stock during the pandemic. With no access to the Business Centre for four months and limitations on supply from the offsite store, supply of copyright-licensed print copies from hard-copy decreased by 74%.

The popular client screening service has shown substantial growth following promotion of this membership benefit. A total of 4,850 requests were recorded across the year, with demand during the summer months far exceeding previous years. The service attracted 275 new users in 2020, bringing the total of unique users to 1,357.

Customer satisfaction surveys showed that 85% of Library & Information Service users found the service was easy or fairly easy to use.

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 offsite and accessibility is dependent upon staff based at Milton Keynes.

Print material selection is largely demand-driven and expenditure continues to fall as resources are focused on online products. In addition, less print material was purchased due to the closure of Chartered Accountants' Hall and the economic uncertainty during 2020. The publishing market is also changing, with several publishers withdrawing subscriptions to print material. This trend emphasises the growing reliance on database licences to maintain access to content. Certain stock management tasks have not been possible during the pandemic, which will create a backlog of work for 2021.

Usage and development of online resources

Our online resources have played an important part in the continued provision of services during the crisis. Apart from a small number of cancellations, we have maintained expenditure on digital resources for members. The majority of vendors have kept their prices at or close to zero inflation. Some of our suppliers have also provided additional free access, or have agreed to remove usage limits, to support our users working remotely. We now hold over 540 ebooks, adding 26 titles in 2020. Overall, there was a 4.2% rise in usage year on year. At the height of the UK coronavirus lockdown, ebook usage rose 35%. Third party online resources are promoted through the ICAEW website. In 2020, some of these featured in the ICAEW's coronavirus and redundancy support hubs.

Cataloguing

The skilled Cataloguing team catalogue and index every acquisition and maintain the online catalogue of resources held. Their work is vital to ensuring that relevant, reliable and accurate information can be found quickly and easily.

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

Beyond their regular cataloguing activities, the team play a vital role in the development and maintenance of the taxonomy and handle the transfer of ICAEW archival material to the London Metropolitan Archives (LMA) on behalf of ICAEW.

No hard copy cataloguing or abstracting took place while Chartered Accountants Hall was closed but re-started following the resumption of the postal loans service and book purchasing, through regular team member visits to Chartered Accountants' Hall when this was permitted. This has resulted in a big reduction in cataloguing and abstracting figures compared to last year.

One member of the team moved to a new Digital Archive role and could not be replaced due to a recruitment freeze during the shift to home working and this has also had a huge impact on cataloguing output in 2020.

During the remote-only working period, the team completed a long-needed project to replace subject headings in catalogue records for 2500 of the most recent and most used resources (and for everything added to the collection in the future) with ICAEW taxonomy terms. The result will be that the library collection will be using the same subjects as ICAEW's website providing consistency and making the most of synergies between the two systems. In a follow-up to this project 2,063 links to catalogue searches on the website were updated.

In 2021 we are looking at ways of working alongside the Digital Archive project to produce catalogue records for ICAEW publications stored digitally rather than in hard copy and to resume some journal abstracting – again from digital sources.

Valuation - CATER book collection

It was agreed that the CATER collection will be insured for £1,000,000 (2019: £1,000,000).

Digital Preservation

The Library has long recognised the challenge that the move to online publishing presents to the ongoing effort to keep a permanent archive of all ICAEW publishing and the threat of a digital 'black hole in the knowledge base of the 21st Century' which the British Library has warned about.

A project to build a digital archive began in 2019. Once complete, the digital archive will hold any born digital material that is released by ICAEW into the public domain (e.g., helpsheets, technical releases, press releases and AGM papers) and regular snapshots of the ICAEW website. At a later stage digitised material from the library's print collection could be added to this.

This project is an important way of strengthening the part that the library plays in capturing and sharing organisational knowledge for the benefit of researchers.

To help us meet this challenge, Craig McCarthy was appointed to the role of Digital Archivist in January 2020 and ICAEW's Digital & Publishing department have provided funding for archive platforms from Archive-it and Preservica. Using these platforms, the team will preserve copies of born digital publications and websites produced by teams across the organisation.

The team has all the tools needed for working on the project remotely due to Covid-19 restrictions. Team members with work affected by the pandemic have also been able to take on Digital Archive project work.

In addition to the online training offered by the digital archiving platform providers, have successfully completed the National Archives Digital Preservation Coalition Novice to Know-how training course.

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

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.

The initial phase of the project focused on the set-up and workflow options for ICAEW, followed by consultation with ICAEW colleagues on the preservation priorities. The first collections can now be freely accessed and downloaded:

- All issues of *Economia* magazine
- All ICAEW Representations from 2005

The project is still in the early stages but should be a massive digital resource for future researchers when the first wave of work is complete, with early estimates of over 30,000 documents. In the longer term all born digital ICAEW publications will be added and in a second stage hard copy ICAEW publications will be digitalised and added.

Website captures

Progress on website capture has been intense this year due to ICAEW website redevelopment. The process of selection and capture is technical and complex. A large website capture can take several weeks. In addition to ICAEW.com captures of other ICAEW websites were taken:

- The *Economia* website was captured before closure in January 2020.
- ICAEW's blogs and discussions website, ION, was captured prior to closure of the platform in October 2020.

- All pre-2018 articles from London Accountant have been captured before the website was streamlined

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

Promotion

We continue to promote the Library and the enquiry service on ICAEW's website, general member newsletters and newsletters aimed at specific audience groups such as Practicewire.

Tours and presentations

LIS promotes resources and services via a range of media, including presentations. In 2020 this included a 'Maximising your member benefits' session for the Northern Society and an online presentation to the Sheffield & District Society and their guests.

Key performance indicators

All KPIs in 2020 were affected by changes to services and operations brought about by the coronavirus pandemic.

2020 key performance indicators

	2020	2019	2018	2017
Enquiries ¹	9,670	10,597	10,981	10,436
WebChat enquiries ²	1,218	1,001	1,290	1,516
Book loans, excluding renewals	341	1,155	1,328	1,336
Document Delivery (excl. client screenings) ³	2,842	3,424	4,748	4,179
Client screenings (total reports requested)	4,850	3,424	2,336	1,473
Items (vols and ebooks) acquired and catalogued	303	1,064	1,149	1,683
Journal articles abstracted and indexed on LibCat ⁴	55	282	396	375
Total number of journal articles on LibCat	68,964	68,904	68,599	68,016
Ebook views and downloads ⁵	15,062	14,458	14,699	42,700
Documents added to the Digital Archive	2,119	N/A	N/A	N/A

¹ Enquiry statistics from 2017 onwards exclude quick Business Centre enquiries

² Large scale changes to the ICAEW website in 2019 resulted in a substantial reduction of webchat enquiries

from old or out of date content

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

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

⁵ Removal of a small number of popular ebooks caused a drop in usage from 2017, masking improved engagement with our main eBook platforms between 2017 and 2018

CAPET

CAPET's primary objective is the advancement of education, particularly in accounting and related subjects, by funding various district society prizes, holding the ICAEW International ACA annual prize giving ceremony and to award prizes to those students who have achieved. The prizegiving ceremony is usually held at Chartered Accountants' Hall. Total prize costs relating to the 2020 examinations amounted to £35,000 (2019: £37,000).

Due to the continued Covid 19 restrictions, the 2020 prizegiving ceremony was cancelled and will now be held in April 2021 as a virtual event that remains both high quality and celebratory. This virtual event will award the 2019 and 2020 prizewinners. The virtual event will replicate the main parts of the face-to-face ceremony and will include an opening and welcome address by our President, a keynote address from a member and the President will also announce the winners and close the event.

Learning and Professional Development are working with publishers, Sunday, to create content that will showcase prizewinners as part of the Student Insights hub. This will go live in Q1 2021.

PDLT

The following new academic research projects and event funding requests were approved in 2020:

	Institution/Host	Funding approved
Events		
Management and Accounting Research Group (MARG) Event (Nov 2020)	Aston	5,000
Tax Research Network Conference (Sept 2020)	Cambridge	3,000
PD Leake Lecture: the extended audit report	ICAEW	16,042
PD Leake Lecture: Accounting in the Anthropocene	ICAEW	10,800
Information for better Markets 2020: the financial reporting system	ICAEW	46,785
European Financial Reporting Workshop (Sept 2021)	Glasgow	1,500
Behavioural Finance Working Group Conference (June 2021)	Queen Mary's	3,000
Accounting History Review Conference (June 2021)	Edge Hill	3,000
Information for better Markets 2019 Open Access	Accounting Business Research	7,170
Total 2020:		96,297
Total 2019 for comparison:		104,602

Achievements

In 2020 the huge changes brought about the global Covid-19 pandemic affected research activities and events alike. Ongoing research projects slowed down as researchers dedicated their time to moving all teaching online. Many events were postponed but some event organisers rose successfully to the challenge of holding events exclusively online and found new benefits in terms of wider global participation and reduction in costs. Such events seem unlikely to return to being held exclusively in-person again. Other event funds already allocated but postponed were carried forward to 2021.

In 2020 PDLT grants supported key ICAEW academic events, the annual Information for Better Markets conference and the PD Leake lecture which were both held exclusively online for the first time. In addition to attracting academic speakers of international repute, the audiences were larger than usual with delegates from practice, business, policy makers and standard setters as well as leading academics all viewing. The Information for Better Markets conference had delegates from over 30 countries and the PD Leake lecture had a record 350 viewers. At the same time associated costs in running both events were significantly less than usual.

Several PDLT funded external events were postponed but the annual Tax Research Network (TRN) and Management Accounting Research (MARG) conferences both went ahead successfully. The TRN event had over 300 delegates compared with the usual 80-100 delegates and their use of pre-recorded videos, while increasing the amount of preparation needed, raised the quality of speeches and created a legacy for future viewers. The MARG conference organisers reported similar benefits and even added a social interaction element through the use of wonder.me software. Again, overall costs were far lower than usual.

Completed projects produced outputs including conference papers and presentations, articles on the ICAEW website, academic papers in leading journals and ICAEW research briefings. Two ICAEW briefings were published in 2020: *Fair value measurement by listed private equity funds: do they capture the fundamentals of investee companies?* and *Performance measurement and target-setting: Achieving balance in a Chinese State-Owned Enterprise*. A series of papers from the Information for Better Markets conference 2019 looking at the real effects of financial reporting were published in a special issue of *Accounting and Business Research* in June 2020, videos of the presentations are available on the ICAEW website. Requests for open access for research papers from the Information for Better Markets conference

and PD Leake lecture have resulted in a significant increase in downloads for these papers, making them available to a far wider audience.

Some research projects and other events will continue or take place beyond 2020. At 31 December 2020 a total of four research projects were in progress and nine 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 attract high-quality international audiences and produce research aimed at practitioners. 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.

CATER

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

CAPET

The Trustee intends to continue to award prizes in connection with ICAEW's examinations. At the November 2019 CAT meeting, the trustees unanimously supported the proposal to allocate £75k per annum from 2020 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.

None of the charitable trusts administered by CAT has long-term or on-going obligations.

Foundation

The trustee believes that the trust needs cover of at least the existing commitments and one year's prospective commitments plus one year's administrative expenses in its unrestricted funds. At 2020 levels this would imply carrying free reserves of £233,000 were it not for the discretionary expendable endowment resulting from the ongoing Foundation campaign. The trustee monitors and reviews the level of income reserves against this endowment at each Board meeting.

As at 31 December 2020 unrestricted reserves stood at £134,000 (2019: £99,000) against an endowment of over £2.0m.

The Foundation depends on investment income from the discretionary endowment resulting from its ongoing Foundation Campaign appeal, whose terms of trust have created an expendable endowment for the funding

of the Foundation's charitable activities contemplated by the donor. Any unused donations and their investment returns are expendable at the trustee's own discretion. The trustee's directors therefore decided at a meeting in May 2008 to invest all such unused donations as general-purpose endowment monies, the income from which, as long as all special-purpose donations have already been utilised for their intended purposes, accrues to the unrestricted income fund for such purposes at the trustee's discretion as may be determined from time to time.

At the November 2019 CAT meeting the Board considered some alternatives to the current policy relating to the expendable endowment so that it is less sensitive to short-term movements. In so doing it considered whether a longer-term view to investment return should be taken, which is more in keeping with the investment approach. The Board unanimously supported the option to attribute the average of the excess returns on investment generated over the previous three years. The current method of calculating the excess returns has already been applied to 2016-2017 resulting in the returns from 2020 being the first which could be available. Losses during the year however, have resulted in no funds being available from the expendable endowment in 2021.

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 2020 CATER's undesignated free reserves were £780,000, equating to 13 months' expenditure, as per the maximum level under this policy (2019: 12 months). The slight increase in reserves in the year is attributable to decreased expenditure as a direct consequence of the Covid 19 pandemic.

PDLT

The trustee believes it is prudent to keep a balance of at least the existing and one year's prospective commitments and one year's administrative expenses in unrestricted PDLT reserves against the risk of a sustained decline in investment income. This is based on an average of the last three years results and would require maximum income reserves of £233,000. Reserves of unspent income as at 31 December 2020 amounted to £750,000, which equated to 39 months total expenditure (2019: £661,000). The cumulative increase in reserves over the past few years is as a result of the following factors:-

- we have had some significant write-backs from some projects and events.
- the quality or relevance of the research proposals received has been disappointing. We are committed to ensuring that only the highest quality and most relevant projects are approved for funding and we have turned down a number of projects
- In 2020 the huge changes brought about by the global Covid-19 pandemic affected research activities and events alike. Ongoing research projects slowed down as researchers dedicated their time to moving all teaching online.

We shall be considering a different approach going forward, with some possible calls for particular research, in the hope of attracting more directly relevant projects.

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 £70,000 and £167,000. The reserves of £932,000 as at 31 December 2020 are in excess of the reserves policy (2019: £925,000: in excess of policy). In line with Capet's secondary objectives, the trustees approved additional annual expenditure of £75,000 for 2020-2023 to fund student bursaries, this will bring reserves below the maximum level over the medium term.

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

MAJOR RISKS

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

During 2020 an exercise was carried out to determine the risk of CAT suffering reputational damage in the event that any historical links to racism, slavery etc. were identified. No links were established.

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

During 2019 a new risk emerged in the shape of a global pandemic, coronavirus (or COVID-19) this has presented significant challenges for the Trusts this year and will continue to do so into 2021. The financial impact has predominantly been in the form of reduced investment income and unrealised losses. The major impact has been not only operationally but also the potential impact on the wellbeing of staff from working from home for prolonged periods. The spread of the virus, its complexity and economic impact evolved at unprecedented speed resulting in numerous easing and tightening of lockdown restrictions throughout the year and beyond. It will be some time before the full effects are felt and understood. The trustee continues to monitor the situation closely to make sure it can respond with agility in securing continuing operations and minimise the negative consequences to the objects of the trusts.

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

During November, the Directors conducted a review of current practice against the charity governance code. The key principles of the code are largely met with a few areas requiring further consideration and these will be addressed throughout 2021.

INVESTMENT POLICY AND PERFORMANCE

All the charitable trusts' investments are pooled in CACIP. Cazenove Capital Management managed CACIP's endowment portfolio throughout 2020. Our liquid assets during the year were held within Royal London Asset Management (RLAM) cash plus fund and Cazenove Capital management cash fund.

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).

A formal review of investment managers will be conducted by the CAT sub-investment committee on occurrence of any of the following events:-

- Change in ownership of the manager
- Change in fund manager
- Adverse performance against benchmark over a 3-year period

During 2020, the Trustees decided to undertake a review of investment managers. The investment committee appointed Asset Risk Consultants (ARC) to conduct a review and potential managers were short-listed. Interviews were held and Waverton Investment Management Limited have been appointed to manage the endowment and cash fund previously managed by Cazenove Capital Management. All take

on forms and required documentation has been submitted. Both portfolios at Waverton Investment Management Limited have been set up and transition of funds commenced in March 2021.

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 and reviews regular investment performance reports from the investment managers and reviews them against industry benchmarks.

Endowment Fund Assets by Class

	£'000	% of fund
Equities	9,619	74.5%
Bonds	714	5.5%
Multi-Asset Funds	585	4.5%
Alternatives	1,777	13.8%
Cash	223	1.7%
Total Funds	12,918	100.0%

The endowment portfolio's investment income performance of £327k was a 0.1% positive total return compared to the target of 4.2% and benchmark of 3.5% for the Asset Risk Consultants (ARC) sterling steady growth charity index. The indices incorporate portfolio performance data from over 30 leading charity investment managers encompassing more than 1,500 discretionary portfolios. This index allows charity portfolio performance to be compared versus a realistic group of charities whose portfolios exhibit similar behavioural characteristics. The investment managers have been given a target return of RPI +3% over the medium term. Since inception the portfolio has returned a positive 38.4% over a target of 29.0%.

At the November 2019 CAT meeting the Board considered some alternatives to the current policy relating to the use of the expendable endowment element of the Foundation endowment funds so that it is less sensitive to short-term movements. In so doing it considered whether a longer-term view to investment return should be taken, which is more in keeping with the investment approach. The Board unanimously supported the option to attribute the average of the excess returns on investment generated over the previous three years. The current method of calculating the excess returns has already been applied to 2016-2017 and although the returns from 2020 were the first ones available for consideration, losses in the year have resulted in no funds being available from the expendable endowment during 2021.

The ongoing effect of Covid 19 on the economy has resulted in a decrease in combined investment value mainly due to unrealised market losses to £15.3m (2019: £15.5m), comprising of £12.9m in the endowment fund and £2.4m of liquid assets. This figure includes market losses of £0.2k (2019: £1.3m gain). Income generated was £0.35m (2019: £0.40m).

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 2020, the trustee has received and relied upon confirmations from the investment managers as to proper custodianship of investments. It has also received and relied upon confirmation from their respective auditors that, in their opinion, the internal controls and systems of each organisation are sufficient to prevent or detect material errors or irregularities.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

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


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

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

AUDITOR

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

Approved by the trustee's board of directors on 21 April 2021 and signed on their behalf by



William Arthur Bailey
Chairman

Opinion

We have audited the financial statements of ICAEW Foundation for the year ended 31 December 2020 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 2020 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 23, 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;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

ICAEW FOUNDATION

Use of our report

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

Haysmacintyre LLP.

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

Dated: 14 May 2021

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

	Note	Unrestricted income funds 2020 £'000	Restricted income funds 2020 £'000	Endowment funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and legacies	3	38	705	5	748	555
Income from investments	4	53	301	-	354	434
Total income		91	1,006	5	1,102	989
Expenditure on:						
Charitable Activities						
Grant funded and direct	6	(133)	(175)	-	(308)	(229)
Library	7	-	(684)	-	(684)	(713)
Raising funds						
Investment management fees	5	(1)	(8)	(72)	(81)	(86)
Total expenditure		(134)	(867)	(72)	(1,073)	(1,028)
Net gains/(losses) on investments	8	6	29	(270)	(235)	1,255
Transfer between funds – expendable endowment	14	72	(72)	-	-	-
Net income and movement of endowed funds for the year		35	96	(337)	(206)	1,216
Reconciliation of funds:						
Fund balance brought forward at 1 January	14	99	2,366	12,917	15,382	14,166
Fund balance carried forward at 31 December	14	134	2,462	12,580	15,176	15,382

The accompanying notes form part of these financial statements.

ICAEW FOUNDATION

BALANCE SHEET AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Equipment	10	-	-
Fixed asset investments	8	15,286	15,458
Sub-total assets		15,286	15,458
Current assets			
Debtors	11	174	59
Cash and cash equivalents		66	154
		240	213
Creditors: amounts falling due within one year	12	(287)	(266)
Net current liabilities		(47)	(53)
Total assets less current liabilities		15,239	15,405
Creditors: amounts falling due after more than one year	12	(63)	(23)
Total net assets		15,176	15,382
The funds of the charitable trusts:			
Endowment capital (permanent & expendable)	14	12,580	12,917
Restricted income	14	2,462	2,366
Unrestricted income	14	134	99
Total funds	13	15,176	15,382

Approved and authorised for issue by the trustee's board of directors on 21 April 2021 and signed on their behalf by:



William Arthur Bailey
Chairman

The accompanying notes form part of these financial statements.

	2020 £'000	2019 £'000
Net movement in funds	(206)	1,216
Cash flows from operating activities		
Deduct gains/add back losses on investments	235	(1,255)
(Increase)/decrease in debtors	(115)	49
Increase/(decrease) in creditors	61	(82)
Net cash used in operating activities	(25)	(72)
Cash flows from investing activities		
Purchase of investments	(6,152)	(4,197)
Proceeds of sales of investments	6,328	4,295
Net movement in cash held not yet invested	(239)	61
Net cash (used in)/provided by investing activities	(63)	159
Change in cash and cash equivalents in the year	(88)	87
Cash and cash equivalents brought forward	154	67
Cash and cash equivalents carried forward	66	154

There has been a change in presentation of the cash flows of the Foundation's investing activities as set out in Note 1(d) to these accounts.

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. Previously, only the cash added and withdrawn from the CACIP pool were reported within these accounts and the transactions undertaken within CACIP were not aggregated and presented within the Statement of Cash Flows and investments note. This has been corrected in the current year accounts and the 2019 comparative figures have therefore been restated to fall in line with this change in reporting. This restatement has resulted in the presentation of the underlying investment additions, purchases and movements in cash held not yet reinvested but has not resulted in a change in the net cash provided by investing activities reporting in the Statement of Cash Flows. There has been no impact on the net movement of funds or net assets held in the Charity in the current or previous year as a result of this change.

Going concern

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

Income recognition

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

Expenditure recognition

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

Other**Taxation**

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

Tangible fixed assets

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

Fixed asset investments

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

Cash and cash equivalents

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

Fund accounting

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

2 Statement of financial activities 2019 comparison by fund

	Unrestricted income funds 2019 £'000	Restricted income funds 2019 £'000	Endowment funds 2019 £'000	Total 2019 £'000
Income and endowments from:				
Donations and legacies	1	529	25	555
Income from investments	66	368	-	434
Total income	67	897	25	989
Expenditure on:				
Charitable activities				
Grant funded and direct	(27)	(202)	-	(229)
Library expenditure	-	(713)	-	(713)
Raising funds				
Investment management fees	(1)	(8)	(77)	(86)
Total expenditure	(28)	(923)	(77)	(1,028)
Net gains on investments	9	56	1,190	1,255
Transfer between funds – expendable endowment	14	-	(14)	-
Reconciliation of funds	62	30	1,124	1,216
Fund balance brought forward at 1 January	37	2,336	11,793	14,166
Fund balance carried forward at 31 December	99	2,366	12,917	15,382

3 Donations and legacies
Unrestricted fund

Foundation donations	36	-
Gift aid tax relief on foundation donations	1	-
Donations in kind	1	1
	38	1

Restricted Fund

Gift aid donations from ICAEW	700	500
Voluntary Foundation Income	2	26
Donations in kind	3	3
	705	529

Endowment Fund

Foundation donations	5	25
	748	555

2020 £'000	2019 £'000
36	-
1	-
1	1
38	1
700	500
2	26
3	3
705	529
5	25
748	555

4 Income from investments
Unrestricted Funds

interest securities
Index trusts

Restricted Funds

Fixed interest securities
Index trusts

	2020 £'000	2019 £'000
	3	4
	50	62
	53	66
	24	25
	277	343
	301	368
	354	434

5 Cost of raising funds

Investment managers fees

	2020 £'000	2019 £'000
	81	86
	81	86

6 Expenditure on charitable activities
Grant making activities

Humentum
The Church of St Margaret Lothbury
Sub-total grants

Challenge 10 Initiative
Foundation grants approved
PDLT grants approved
Grants written back (no longer required)

Total grants
Activities undertaken directly

Exam prizes

Support and governance costs

Management and support costs

Audit fee
Indemnity insurance and other trustee
directors expenses

Total expenditure on charitable activities

	Unrestricted £'000	Restricted £'000	Endowment	2020 £'000
	6	-	-	6
	1	-	-	1
	7	-	-	7
	-	28	-	28
	101	1	-	102
	-	96	-	96
	-	(31)	-	(31)
	108	94	-	202
	-	35	-	35
	25	36	-	61
	-	8	-	8
	-	2	-	2
	133	175	-	308

Expenditure on charitable activities – 2019 comparison	Unrestricted £'000	Restricted £'000	Endowment	2019 £'000
Grant making activities				
Humentum	6	-	-	6
The Church of St Margaret Lothbury	1	-	-	1
Sub-total grants	7	-	-	7
Challenge 10 Initiative	-	10	-	10
Liverpool University	-	12	-	12
Aston University	2	10	-	12
PDLT grants approved	-	104	-	104
Grants written back (no longer required)	-	(18)	-	(18)
Total grants	9	118	-	127
Activities undertaken directly				
Exam prizes	-	37	-	37
Support and governance costs				
Management and support costs	18	38	-	56
Audit fee	-	8	-	8
Indemnity insurance and other trustee directors expenses	-	1	-	1
Total expenditure on charitable activities	27	202	-	229

The trustee expenses comprise the costs of two trustee directors who were reimbursed for personal travel expenses during 2020 (2019: one). This amounted to £913 (2019: £63). The trustee directors did not receive any remuneration or other benefits for their services (2019: £nil).

7 Library expenditure

	2020 £'000	2019 £'000
Cost of ICAEW seconded staff	199	193
Books and journals	235	294
Accommodation and facility costs	211	190
Office services and computer costs	39	36
	485	520
Total	684	713

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 4.5 employees were seconded from ICAEW for the year (2019: 4.5 employees).

8 Movements in participating charities' interests in pooled investments

	Balance at 1 January 2020 £'000	New money invested £'000	Amounts withdrawn £'000	Investment income £'000	(Losses)/ Gains on investments £'000	Balance at 31 December 2020 £'000	Note: Fees not yet debited £'000
CAPET	5,326	-	(140)	123	(83)	5,226	(7)
PDLT	7,052	-	(123)	168	(127)	6,970	(10)
Foundation	2,439	72	(66)	53	(36)	2,462	(3)
CATER	641	700	(734)	10	11	628	(1)
Total	15,458	772	(1,063)	354	(235)	15,286	(21)

9 Investments

Market value at 1 January	15,458
Additions	6,152
Net cash movement in year not yet invested	239
Disposal proceeds	(6,328)
Losses on investment	(235)
Market value at 31 December	15,286

Investments at market value comprised:

Equity funds – UK	2,242
Equity funds – outside the UK	7,377
Multi asset funds	585
Bonds	714
Property	1,523
Hedge funds	-
Alternatives	253
Royal London Cash Plus Fund	968
Cazenove Cash Plus Fund	1,401
Cash	223
	15,286

Historical cost:

Restricted fund	2,258
Endowment fund	10,949
	13,207

10 Computer equipment

	2020 £'000	2019 £'000
Cost at 1 January	27	27
Additions	-	-
Disposals	(27)	-
Cost at 31 December	-	27
Accumulated depreciation at 1 January	(27)	(25)
Depreciation for the year	-	(2)
Disposal	27	-
Accumulated depreciation at 31 December	-	(27)
Net book value at 31 December	-	-

11 Debtors

Amounts owed by group and related undertakings
Prepayments and accrued income

2020 £'000	2019 £'000
12	16
162	43
174	59

12 Creditors
Due within one year:

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

Due after one year:

Grants

2020 £'000	2019 £'000
196	168
65	51
4	5
22	42
287	266
63	23
350	289

13 Analysis of net assets between funds

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2020 Total £'000	2019 Total £'000
Investments at market rate	483	1,886	12,917	15,286	15,458
Other net (liabilities)/assets	(349)	576	(337)	(110)	(76)
Total value of the fund	134	2,462	12,580	15,176	15,382

Analysis by trust is shown below:

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2020 Total £'000	2019 Total £'000
CAPET	-	932	4,273	5,205	5,317
PDLT	-	750	6,119	6,869	6,950
Foundation	134	-	2,188	2,322	2,361
CATER	-	780	-	780	754
	134	2,462	12,580	15,176	15,382

Analysis of net assets between funds - 2019 comparison

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2019 Total £'000
Investments at market rate	417	1,841	13,200	15,458
Other net (liabilities)/assets	(318)	525	(283)	(76)
Total value of the fund	99	2,366	12,917	15,382

Analysis by trust is shown below:

	Unrestricted fund £'000	Restricted funds £'000	Endowment funds £'000	2019 Total £'000
CAPET	-	925	4,392	5,317
PDLT	-	661	6,289	6,950
Foundation	99	26	2,236	2,361
CATER	-	754	-	754
	99	2,366	12,917	15,382

14 Summary of 2020 fund movements by trust and prior year comparison:
Unrestricted funds

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2019 £'000
Foundation	37	67	(28)	14	9	99
Total	37	67	(28)	14	9	99

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

Restricted funds

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2019 £'000
CAPET	813	151	(58)	-	19	925
PDLT	549	208	(107)	-	11	661
Foundation	32	26	(32)	-	-	26
CATER	942	512	(726)	-	26	754
Total	2,336	897	(923)	-	56	2,366

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2019 £'000
CAPET	925	124	(56)	(72)	11	932
PDLT	661	169	(87)	-	7	750
Foundation	26	2	(28)	-	-	-
CATER	754	711	(696)	-	11	780
Total	2,366	1,006	(867)	(72)	29	2,462

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 £72,000 to the Foundation to fund bursaries. This is in line with the secondary objectives of CAPET.

Endowment funds

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2019 £'000
CAPET	4,005	-	(27)	-	414	4,392
PDLT	5,734	-	(38)	-	593	6,289
Foundation	2,054	25	(12)	(14)	183	2,236
Total	11,793	25	(77)	(14)	1,190	12,917

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

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. (2019: the trustees approved the transfer of £14,000 from the expendable endowment to unrestricted funds to better reflect the Foundation's available free reserves).

15 Library book stock

The working stock of the library was originally donated by ICAEW to CATER and is currently valued for insurance purposes at £1,000,000 (2019: £1,000,000). The stock is not included on the balance sheet but library expenditure includes the cost of maintaining and adding to it. The aggregate cost and depreciation of the library stock is not known and cannot be estimated with any reasonable degree of accuracy. Additions during the year are expensed as incurred and included within library expenditure as they are below the capitalisation threshold.

16 Related party transactions

There is an agreement between CAT and ICAEW to provide administrative services to the Foundation and linked charities. The total of the transactions amounted to £213,000 (2019: £213,000), in addition to the costs of the library. At the year end £10,000 (2019: £26,000) 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 2020 was £54,000 (2019: £46,000).

ICAEW provide gift aid to support the running of the Library. This amounted to £0.7m for 2020 (2019: £0.5m). CATER make an annual charge to the ICAEW for staff use of Library services; this amounted to £18,000 (2019: £21,000).

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 £199,000 for 2020 (2019: £193,000).

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

17 Group financial statements

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

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

ADVISERS, AGENTS AND ADMINISTRATOR

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

A change in investment managers from Cazenove Capital Management to Waverton Investment Management Limited Investment Management was approved in November 2020. Both portfolios at Waverton Investment Management Limited have now been set up and the transition of funds commenced in March 2021.