

## CHIEF EXECUTIVE'S FOREWORD



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**Michael Izza FCA**  
Chief Executive

The extraordinary environment of 2020 continued into 2021, and although some of our members and their organisations managed to operate effectively - and in some cases more efficiently, with the expedient digital transition of last year becoming 'business as usual' - others experienced very challenging years.

For most businesses, dramatic unpredictability, hardship and anxiety remained for most of 2021. Once again, ICAEW members were at the heart of ensuring that companies survived and recovered.

As you will read in this report, our institute has a great deal to reflect on with pride from across the year - the first full year of our 'Strategy 2030'.

One outstanding achievement was a record ACA student intake of 11,049. This marks a huge 18% increase on 2020, and 15% more than our previous global high in 2019.

This successful growth helped to boost our year-on-year operational income, to £120.2m. Our net result after tax was £33.7m, a healthy increase on 2020.

In recent years, we have also seen significant growth in our net assets, now standing at £151.9m. These strong financial foundations underpin our wider commitment to serve the public interest, equipping us to respond to fast-changing stakeholder expectations in a volatile external environment.

Money from Financial Reporting Council fines has helped strengthen our financial position over the last five years. Under the funding arrangements which apply in some cases, professional bodies are required to pay for the regulator's investigations in advance, and in return they get the money from any fines, if and when they are imposed. In one such case, relating to the Silentnight insolvency, ICAEW faced calls for the fines to be passed over to the associated pension fund. The ICAEW Board considered this matter in depth and concluded that such a donation would not be consistent with our role as set out in our [Royal Charter](#).

Like most organisations, there are times when operational conditions test us, and oblige us to re-think our approach.

In July 2021 we had significant technology issues with our ACA exam platform. This was unacceptable, and we apologise to all of those who were so seriously affected. Our students deserve better, and we will continue to do all we can to improve the exam experience.

Our [Business Systems Transformation \(BST\)](#) project to replace our back-office systems has been another major challenge, both in terms of duration and cost. The final phase has required additional investment, but when the new platform goes live in Spring 2022, it will strengthen our IT infrastructure, simplify our processes and allow us to realise our strategy.

For our staff and volunteers, operating remotely and via a hybrid working model has not always been easy, and we are looking forward to rebuilding some of our human and social capital from 2022 onwards. At our core we are a people business, driven by our intellectual and relationship capital. Our report reflects this by featuring some of the individuals that have helped our profession make a difference in 2021.

Looking ahead, we announced during 2021 that talks are underway with the [Chartered Institute of Public Finance and Accountancy \(CIPFA\)](#), to explore the potential for working more closely together in the future. The vision driving the discussions is the creation of a single strong federated professional accountancy body, with truly global reputation and reach, and equipped to serve the public interest across all areas of economic activity, including the enterprise, public and third sectors.

As we emerge from the pandemic, I want to thank our members, students and employees for their continued commitment and versatility through difficult and uncertain times. Russia's invasion of Ukraine has delivered yet another profound global shock, the consequences of which - in terms of human suffering and political and economic turmoil - can hardly be foreseen. Vigilance, resilience and flexibility will continue to be our watchwords in 2022.

**Michael Izza FCA**, Chief Executive