

HIGH ^ LIGHTS

CORPORATE FINANCE FACULTY

ANNUAL REVIEW 2021

Faculty representative, public policy, regulatory, technical work, services and financial statement



[icaew.com/cff](https://www.icaew.com/cff)

THE VOICE OF CORPORATE FINANCE

THE CORPORATE FINANCE FACULTY WOULD LIKE TO THANK ITS MANY MEMBER ORGANISATIONS FOR THEIR SUPPORT IN 2021 AND 2022

3i	Development Bank of Wales	Newable Capital
ABN AMRO Commercial Finance	ECI Partners	NorthEdge Capital
Addleshaw Goddard	EY	OMERS Private Equity
Agathos Management	finnCap Cavendish	Panoramic Growth Equity
Albion Capital	FRP Advisory	PEM Corporate Finance
Anthesis	Gibson Dunn	Perscitus Advisers
Arbuthnot Commercial Asset Based Lending	Grant Thornton	PKF Francis Clark
August Equity	Greengage Capital	Price Bailey
Azets	Gresham House Ventures	PwC
Bayes Business School, City, University of London	Haysmacintyre	Quantuma
BDB Pitmans	Headpoint Advisors	Ramboll
BDO	HMT	RSM
Beauhurst	ICON Corporate Finance	Rutland Partners
Beechbrook Capital	IGF	RVE Corporate Finance
Beer Mergers	Investec	Ryecroft Glenton
BGF	James Cowper Kreston	Saffery Champness
BOOST&Co	KPMG	Salonica Group
Brewin Dolphin	Kroll	Simmons & Simmons
British Business Bank	LAVA Advisory Partners	Strand Hanson
Brunel Business School	LDC	Taylor Wessing
Burges Salmon	Lexington Corporate Finance	Thinkat Advisory
Buzzacott	MarktoMarket	Tilney Smith & Williamson
Chatham Financial	Mazars	TLT
Connection Capital	Media Asset Capital	Travers Smith
Corbett Keeling	Menzies	UHY Hacker Young
Crowe UK	MHA MacIntyre Hudson	UK Government Investments
Deloitte	mnAI	Virgin Money
Dentons	Mobeus Equity Partners	WestBridge Capital
	Moore Kingston Smith	WSP



If you would like your organisation to become part of the faculty's extensive network of professionals and businesses involved in corporate finance, please contact helen.jones@icaew.com or phone her on +44 (0)20 7920 8599

CHAIR'S REPORT



My first three years as chair of the Corporate Finance Faculty since May 2019 have of course been dominated by the COVID-19 pandemic, its huge effect on society, the economy and business – and by the faculty's very effective work to help its members in response. Now, as I write these words in early May 2022, the world is once again embroiled in a major international crisis – Russia's renewed invasion of Ukraine.

In that very dark context, it is highly appropriate for me to begin this review by thanking David Petrie and the faculty team for representing ICAEW and the faculty – and the broader corporate finance profession – at very high levels on major policy areas, including the UK's new National Security & Investment Act. They have also done so on the proposed reform of the UK's Listing Rules and on behalf of the Institute on the government's Business Finance Council.

The faculty has been at the forefront of business engagement with UK government, parliament and the civil service about the new national security rules since they were first proposed in 2017. On 1 December 2021, Lord Callanan, Minister For Business, Energy And Corporate Responsibility, was welcomed to Chartered Accountants' Hall by Michael Izza, ICAEW's chief executive, as guest speaker at a major public event organised by the faculty.

David represents ICAEW on the Business Finance Council, which is convened to ensure that SMEs can access the finance they need to grow and thrive. It is jointly chaired by Kwasi Kwarteng, Secretary of State for Business, Energy & Industrial Strategy, John Glen, Economic Secretary to the Treasury and Paul Scully, Minister for Small Business, Consumers and Labour Markets. Its members include major UK banks and financial services companies.

There was a sharp global recovery in M&A, private equity deals and IPOs in 2021, so the faculty's Annual Reception at the National Liberal Club on 3 November was very vibrant. We welcomed guest speaker Rt Hon Lord Willetts FRS, president of the Resolution Foundation. With 280 guests, it was the biggest ever – reflecting the faculty's continuing growth as a major network.

Elsewhere in this review, you will find reports about the faculty's excellent work on subjects that are very important for its many members, including public-to-private transactions, the Takeover Panel, state aid policy, access to finance for smaller companies, innovation investment and, of course, the future of audit and corporate governance.

The Corporate Finance Faculty has continued to grow as a major network and has welcomed many new members – for which I would like to thank David Petrie, Shaun Beaney, Katerina Joannou and Marc Mullen, in particular.

I would also like to thank: the faculty's Board, which I chair; its Technical Committee, chaired by Yvette Allen; the Middle East Panel, chaired by Sam Surrey and supported by ICAEW's staff in Dubai; and the Editorial Panel of *Corporate Financier* magazine.

A handwritten signature in black ink, appearing to read 'Mo Merali'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

MO MERALI

Chair, Corporate Finance Faculty, ICAEW

MAJOR INITIATIVES IN 2021

THE CORPORATE FINANCE FACULTY'S WORK ON BEHALF OF ITS MEMBERS

1

NATIONAL SECURITY HIGH ON AGENDA

The forum on the National Security & Investment Act at Chartered Accountants' Hall on 1 December was the Corporate Finance Faculty's most successful recent collaborative effort. The Institute hosted as guest speaker Lord Callanan, parliamentary under secretary of state at the Department for Business, Energy & Industrial Strategy (BEIS). David Petrie chaired an expert panel that included: Sam Bagot, partner, Cleary Gottlieb and member of the Company Law Committee, City of London Law Society; Chris Blairs, deputy director of national security policy, BEIS; Fenton Burgin, head of UK advisory, Deloitte and member of the board, ICAEW Corporate Finance Faculty; Selina Sagayam, partner, Gibson Dunn and member of the board, ICAEW Corporate Finance Faculty; and Dr Andy Sellars, strategic development director, CSA Catapult. Well over 300 politicians, civil servants, policy-makers, members of ICAEW and the Corporate Finance Faculty attended the event or tuned in online.

2

RECORD ATTENDANCE AT THE ANNUAL RECEPTION

The faculty's Annual Reception at One Whitehall Place (historical home of the National Liberal Club) on the evening of 3 November was its biggest ever, with more than 280 guests. Mo Merali, chair of the faculty, welcomed senior representatives of 85 member organisations as well as Lord Clement-Jones CBE, Lord Leigh of Hurley, representatives of BEIS, the British Business Bank, the London Stock Exchange, Innovate UK, Government Internal Audit Agency, the Takeover Panel, the Association of Financial Markets in Europe, the BVCA, CBI, the Chartered Institute of Taxation, Federation of Small Businesses and the Quoted Companies Alliance.

Guest speaker Rt Hon Lord Willetts FRS, president of the Resolution Foundation, commended the Corporate Finance Faculty for helping to keep the accountancy profession relevant - and spoke about some of the biggest economic, social and innovation challenges for the UK.

3

GREEN CORPORATE FINANCE

In November, the faculty published a special edition of *Corporate Financier* - 'The Green Issue' - to coincide with the crucial COP26 conference that took place in Glasgow.

The magazine included features about investment in renewable energy, electric vehicles, the food sector and hydrogen fuels - as well as about the London Stock Exchange's Green Economy Mark, the World Economic Forum and KPMG on carbon emissions, careers in ESG and Octopus Energy.

4

MORE NEW MEMBER FIRMS

The Corporate Finance Faculty has continued to grow and has welcomed in 2020 and 2021: Agathos; BOOST&Co; Brunel Business School; Greengage Capital; Gresham House Ventures; IGF; LAVA Advisory Partners; MarktoMarket; mnAI; Newable Capital; Headpoint Advisors; PEM Corporate Finance; Rycroft Glenton; Salonica Group; and TLT.

5

CORPORATE FINANCE IN WALES

On 7 October, David Petrie and Shaun Beaney hosted a special lunch in Cardiff for senior representatives of the Corporate Finance Faculty's member firms in Wales, including the BGF, LDC, Development Bank of Wales, HSBC and Lexington Corporate Finance.

6

PUBLIC AND PRIVATE

The faculty organised an online forum 'Public-to-Private Transactions' on 29 September to mark the publication of a new best-practice guideline on the subject. The panel of experts included: Ian Hart, director general of the Takeover Panel; Katerina Joannou, capital markets manager, ICAEW; Joseph Katz, partner, PwC; Jonathan Raggett, director, PwC; Spencer Summerfield, head of corporate, Travers Smith; and David Petrie, head of Corporate Finance, ICAEW.

7

CAREER PATHS AND PROFESSIONAL DEVELOPMENT

During 2021, the 'Future Advisory Professionals' section of *Corporate Financier* magazine included profile features, 'Career Paths' and 'On My CV' about women and men from the faculty's many member firms, such as TLT, Buzzacott, Albion, BDO, BGF, Tilney Smith & Williamson, NorthEdge, WestBridge, 3i, UK Government Investments, Mobeus, Azets, Taylor Wessing, Lexington Corporate Finance, Grant Thornton, PKF Francis Clark, Quantuma, RVE Corporate Finance, Gresham House Ventures, EY, Newable Capital, Anthesis, HMT, Addleshaw Goddard, and KPMG.

8

AI AND BIG DATA

On 28 April, ICAEW's North West region hosted a very popular online forum about big data, corporate advisory and business investment. Expert panellists included Steve Stuart from Liverpool City Region LEP, Astrid Ayel from Innovate UK, Gavin Brown from the University of Liverpool, Daniel McKenna from Very Group, Pinesh Mehta from the BGF, and Shaun Beaney from the Corporate Finance Faculty (co-author of *AI in Corporate Advisory*).

9

ESG IN CORPORATE TRANSACTIONS

The faculty began a new initiative to develop best practice about Environmental, Social and Governance (ESG) in the context of doing deals. It is working with many of its member firms and its extensive network of specialist experts. The aim is to publish a new guideline in autumn 2022. The project is being coordinated by Katerina Joannou.

10

BEYOND THE METAVERSE

The Corporate Finance Faculty's Shaun Beaney co-authored, with Asha Easton (Immerse UK) and Dave Haynes (HTC VIVE) *UK Immersive Tech: VC Investment Report*, which featured 31 the UK's most exciting early-stage companies in VR, AR, XR and haptics. Combined, these early-stage ventures already employed 1,000 people and had raised £135m.

**ANNUAL RECEPTION
ONE WHITEHALL
PLACE****3 November 2021**

Guest speaker:

Rt Hon Lord Willetts
FRS (pictured, right)

REPRESENTATION AND PUBLIC POLICY

NATIONAL SECURITY IN TROUBLED TIMES

The National Security and Investment Act 2021 came into force on 4 January 2022. It considerably increased the government's powers to call in and scrutinise transactions on grounds of national security.

ICAEW and its Corporate Finance Faculty have been in consultation with the UK government at all levels, including ministerial and parliamentary, since 2017. Through roundtables and consultation responses the faculty encouraged an approach that promoted regulatory certainty, economic growth and increased business investment, as well as more security.

The faculty also successfully called for practical market guidance to help businesses, investors and advisers to navigate the notification and the review processes. Accordingly, David Petrie led ICAEW's contribution to the development of the guidance and he represents ICAEW on the government's expert panel.

To find out more, please visit the faculty's information hub at [icaew.com/nationalsecurity](https://www.icaew.com/nationalsecurity)

REFORMING UK AUDIT AND CORPORATE GOVERNANCE

The UK government consulted on corporate governance and audit reforms that reflected most of the recommendations for improving standards and competition made, respectively, in the Brydon, Kingman, and Competition & Market Authority reports.

Of principal relevance to Corporate Finance Faculty members was the proposed wider definition of Public Interest Entities (PIEs). This would lead to an increase in the number of companies subject to the PIE rules, which includes the most stringent regulatory oversight and requirements for auditors and statutory audits, as well as restrictions on non-audit services that can be provided by auditors to such companies.

The faculty helped to shape ICAEW's response against the proposal, which cited:

- evidence of a lack of market capacity of suitably experienced audit, assurance and regulation for PIEs;
- the disincentive that the regulatory burden would create for companies to join, or remain in, the UK market;
- criteria that would likely leave certain entities of public interest out of the regime.

CONTRIBUTING TO THE BUSINESS FINANCE COUNCIL

David Petrie, ICAEW's head of corporate finance, continued to represent ICAEW on the UK government's Business Finance Council. The Council works with lenders to ensure that SMEs can access the finance they need to grow and thrive.

The Council is jointly chaired by Kwasi Kwarteng, Secretary of State for Business, Energy and Industrial Strategy, John Glen, Economic Secretary to the Treasury and Paul Scully, Minister for Small Business, Consumers and Labour Markets. Its members include the UK's major banks and financial services companies that lend to SMEs, as well as the British Business Bank, the British Chambers of Commerce, the Federation of Small Businesses and UK Finance.

INFORMING UK GOVERNMENT

David Petrie and Shaun Beaney organised a special online seminar on 2 December for staff at UK Government Investments (UKGI) and other corporate finance specialists from across government departments. They devised the briefing with Sukhi Johal (executive director) and Julie Price (HR Learning & Development Manager) at UKGI.

SUPPORTING THE TAKEOVER PANEL

Helen Roxburgh, KPMG partner, and Joseph Katz, PwC partner, were appointed as alternates to ICAEW's President on the Takeover Panel. The Institute is a member of the Panel. The alternates attend quarterly and ad hoc meetings, as well as its Hearings Committee, if ICAEW's president has other commitments. The Corporate Finance Faculty provides expert support and develops ICAEW's responses to consultations.

BOOSTING INNOVATION AND CREATIVITY

Shaun Beaney continued to work closely with ICAEW members and staff across the UK to help innovative companies and start-up entrepreneurs from diverse social and educational backgrounds. He was an assessor for Innovate UK on grant applications, a member of the advisory panel of DCMS's Creative Scale Up pilot (in Greater Manchester, West Midlands and the West of England), a member of the Creative Industries Council's investment in growth working group, chaired Immerse UK's access to finance working group, and assisted the East London Inclusive Enterprise Zone.



Lord Callanan, Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy



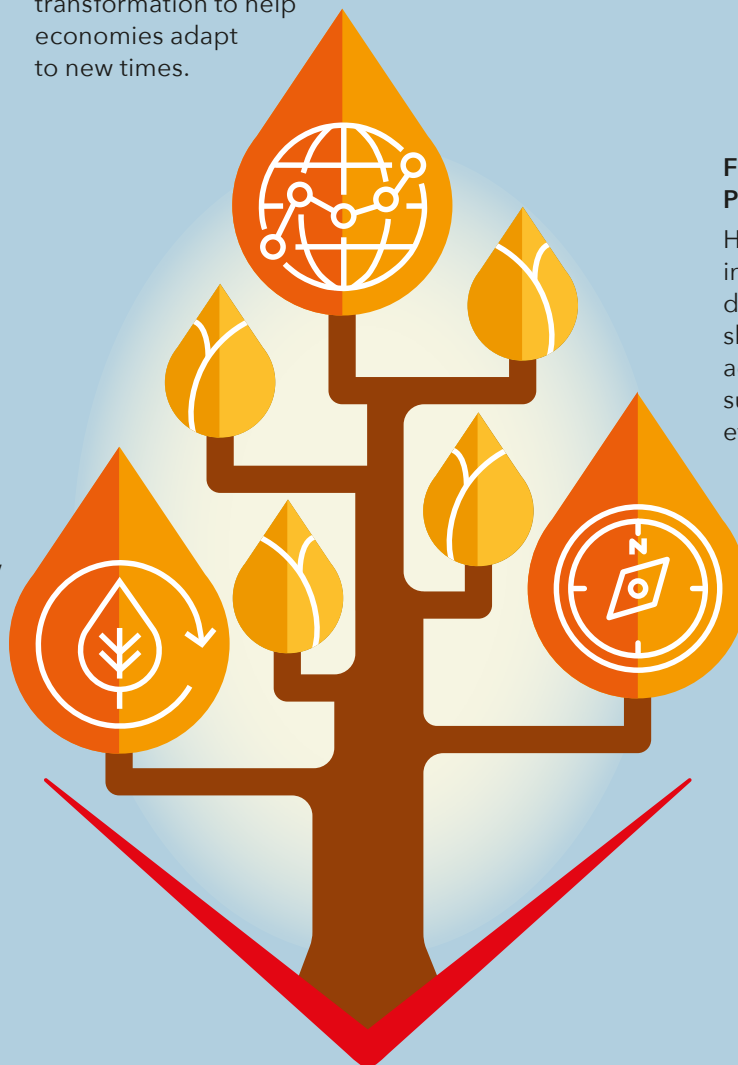
David Petrie, Head of Corporate Finance, ICAEW

**GLOBAL INVESTMENT
AND M&A**

How corporate finance is shaping capital raising, driving transactions and supporting business transformation to help economies adapt to new times.

**INNOVATION AND
SUSTAINABLE
RECOVERY**

How corporate finance is boosting entrepreneurship, business expansion and novel responses to the economic, technological, environmental and social challenges of the 2020s.



**FUTURE ADVISORY
PROFESSIONALS**

How professionals involved in corporate finance are developing expertise, new skills and technologies to advise businesses on successful investment and effective deal-making.

New ideas for new times

To find out more, visit [icaew.com/cff](https://www.icaew.com/cff)
contact helen.jones@icaew.com or phone +44 (0)20 7920 8599

MEMBER COMMUNICATIONS AND SERVICES

The Corporate Finance Faculty worked closely with its Board, its Editorial Panel and ICAEW's business partner, Sunday Publishing, to develop *Corporate Financier* in 2021.

The faculty stepped up coverage in its monthly e-bulletin to all members and saw its social media following on LinkedIn and Twitter increase to well over 10,000.

INTERNATIONAL INSECURITY

M&A, geopolitics and the UK's new law to screen deals

PANEL SHOW

Renewables grow to \$300bn annual global investment with zero-carbon targets on the horizon

BRIGHTER OUTLOOK

With \$2.5trn available to be invested in deals globally, private equity could herald Britain's economic spring



WATCHING BRIEF

Big deals in the broadcasting industry as streaming continues to transform media

GAMES WITH FRONTIERS

The fast-changing world of cross-border M&A

RECHARGING M&A

How the debt markets are fuelling deals

VALUE HUNTERS

Why finding the best deal in a post-pandemic world is about more than price



THE COST OF WAR

How the UK's defence sector is moving into cyber, space and information

THE GREEN ISSUE

M&A, ESG and road to net zero by 2050 [to coincide with COP26 in Glasgow]

MODEL WORKER

With the world of work undergoing dramatic change, how is M&A reshaping the human capital sector?



TECHNICAL LEADERSHIP

BEST PRACTICE

The Corporate Finance Faculty published a guideline, *Public to Private Transactions*, in September. It was written by member firms PwC and Travers Smith. It can be accessed at icaew.com/cff in the 'corporate finance guidelines' section of the website.

CONSULTATION RESPONSES

The Corporate Finance Faculty's Technical Committee reviews and comments on draft regulation and legislation which it considers may impact on the day-to-day work of faculty members. The Technical Committee and faculty staff also contribute to ICAEW's responses on many other related subjects.

In 2021, these included:

ICAEW REP 117/21

HM Treasury, Secondary capital raising review

ICAEW REP 102/21

Financial Conduct Authority (FCA), Diversity and inclusion on company boards and executive committees

ICAEW REP 96/21

Department of Business, Energy and Industrial Strategy (BEIS), Reforming competition and consumer policy

ICAEW REP 90/21

HM Treasury, UK prospectus regime review

ICAEW REP 88/21

FCA, Primary Markets effectiveness review

ICAEW REP 81/21

BEIS, NSI Act: Consultation on the statement for the purposes of s3

ICAEW REP 79/21

HM Treasury, Power to block listings on national security grounds

ICAEW REP 75/21

FCA, Primary Market Bulletin 34

ICAEW REP 63/21

BEIS, Restoring trust in audit and corporate governance

ICAEW REP 52/21

Treasury Committee's inquiry, Jobs, growth and productivity after coronavirus

ICAEW REP 45/21

Department of Work and Pensions' proposals to strengthen the Pension Regulator's powers

ICAEW REP 40/21

The Pension Regulator's proposed approach to the investigation and prosecution of the new criminal offences

ICAEW REP 33/21

BEIS, Subsidy control - Designing a new approach for the UK

ICAEW REP 30/21

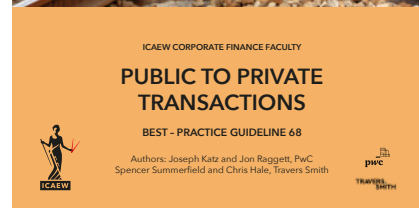
Financial Reporting Council, Quality Management standards

ICAEW REP 25/21

BEIS, Corporate transparency and register reform: implementing the ban on corporate directors

ICAEW REP 21/21

HM Treasury's Financial Services future regulatory framework review



FINANCIAL STATEMENT

CORPORATE FINANCE FACULTY FINANCIAL STATEMENT 2021

	2021 £K	2020 £K
INCOME		
Income	528	571
Miscellaneous income	9	2
Total income	537	573
EXPENDITURE		
Staff costs	(333)	(329)
Events, publications and marketing	(347)	(383)
Infrastructure, finance and administration	(172)	(169)
Total expenditure	(852)	(881)
Faculty activities funded by ICAEW	315	308
NET POSITION FOR THE YEAR	0	0

FACULTY BOARD, COMMITTEES AND STAFF

(AS AT 31 DECEMBER 2021)

FACULTY BOARD

Mo Merali, Grant Thornton (Chair)
Yvette Allen, Deloitte
Jonathan Boyers, KPMG
Alistair Brew, BGF
Fenton Burgin, Deloitte
Lord Clement-Jones CBE, House of Lords
David Collins, Dentons
Diane Craig, RSM
Chris Hunt, Rentokil Initial
Chris Hurley, Dealspan
Catherine Lewis La Torre, British Business Bank
Chris Lowe, EY
Jon Moulton, Percitus Advisers
Maggie Rodriguez-Piza, Funding London
John Rugman, Smith & Williamson
Selina Sagayam, Gibson Dunn
Chris Searle, BDO
Meera Shah, Buzzacott
Duncan Skales, PwC
Chris Watt, ECI Partners

TECHNICAL COMMITTEE

Yvette Allen, Deloitte (Chair)
David Cattermole, KPMG
Andrew Green, RSM
Roger Gregory, BDB Pitmans
James Harris, Strand Hanson
Chris Jarvill, EY
Katharine Johnson, PwC
Tandeep Minhas, Taylor Wessing
Susan Nyman, Grant Thornton
Dani Saghafi, Brunel Business School
Chris Searle, BDO
Richard Thompson, Singer Capital Markets

MIDDLE EAST PANEL

Sam Surrey, Deloitte (Chair)
Nick Beer, Transguard
Ovais Chhotani, PwC
Richard Dingle, EY
Ossama Kayed, KPMG
Salmaan Khawaja, Grant Thornton
Mike Littlewood, HSBC Bank Middle East
Andrew Tarbuck, Al Tamimi

CORPORATE FINANCIER EDITORIAL PANEL

David Coffman, Novum Securities
Selina Sagayam, Gibson Dunn
Jon Stubbings, Grant Thornton

CORPORATE FINANCE FACULTY STAFF

David Petrie, Head of Corporate Finance
Shaun Beaney, Manager, Corporate Finance Faculty
Katerina Joannou, Senior Manager, Capital Markets Policy
Helen Jones, Services Manager
Marc Mullen, Editor, *Corporate Financier* magazine
Debbie O'Neill, Operations Executive

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 195,300 members and students around the world.

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

We are proud to be a founding member of Chartered Accountants Worldwide, a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

www.charteredaccountantsworldwide.com
www.globalaccountingalliance.com

ICAEW

Chartered Accountants' Hall
Moorgate Place
London
EC2R 6EA UK

T +44 (0)20 7920 8689
E cff@icaew.com
icaew.com/cff

in ICAEW Corporate Finance Faculty
🐦 @ICAEW_CORP_FIN

ABOUT THE CORPORATE FINANCE FACULTY

The Corporate Finance Faculty is the ICAEW's centre of professional expertise in corporate finance. It contributes to policy development and responds to consultations by international organisations, governments, regulators and other professional bodies.

The faculty provides a wide range of services, information, guidance, events and media to its members, including its highly regarded magazine *Corporate Financier* and its popular series of best-practice guidelines.

The three major themes for the faculty's initiatives are: Global Investment and M&A; Innovation and Sustainable Recovery; and Future Advisory Professionals.

The faculty's international network includes member organisations and individuals from major professional services groups, specialist advisory firms, companies, banks and alternative lenders, private equity, venture capital, law firms, brokers, consultants, policy-makers and academic experts. More than 40 per cent of the faculty's membership are from beyond ICAEW.

The faculty also provides technical expertise for the ICAEW's Diploma in Corporate Finance.

