THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES (ICAEW)

MINUTES OF ANNUAL AND SPECIAL MEETINGS – 2 JUNE 2026

The meetings were held at Chartered Accountants' Hall, London and virtually via Zoom

The President, Derek Blair, in the chair

Annual Meeting Business

1. The Chair confirmed that the meeting was quorate.

Resolution 1: Reception of annual report and financial statements for 2025

2. The resolution was proposed by Derek Blair, President and seconded by Caroline Smale, Deputy President.

3. Peter Wyman, Chair of ICAEW Board and Alan Vallance, Chief Executive addressed members to provide reflections on, and key highlights from, 2025 and outline the priorities for 2026.

4. Members present at the meeting were invited to ask questions on this item of business.

5. Comments and questions were raised on a range of matters, to which the Chief Executive; Chair of ICAEW Board; Chief Finance Officer; Chief Officer, Professional Standards; Chief Learning Officer and/or Head of Governance responded. Matters addressed included:

   - Challenges facing ICAEW Board
   - Utilisation of ICAEW reserves
   - ICAEW's organisational restructure
   - Strategy for growth and supporting members internationally
   - Composition of ICAEW Council
   - Engagement with the academic community
   - ICAEW regulation of reserved legal services
   - ICAEW's defined benefit pension scheme
   - ICAEW's compliance with the Equality Act 2010

6. Key points noted and actions agreed in response to the comments and questions raised on the above matters are as follows:

   - Cyber security and the impact of AI on ICAEW, its members and students, and steps that need to be taken to address those matters are two key considerations for ICAEW Board.
   - The constituent parts of FRC case cost funding, including case costs, recoveries and levies; the in-year and cumulative impact since inception; and the reserves policy and intended use of reserves were detailed clearly in the annual report. Reserves will only be used to fund strategic initiatives that are in the public interest. One such initiative has been the establishment of the Centre for Public Interest Audit.

- Updates to the ICAEW website are planned following the organisational restructure and will include details of work areas and teams.
- ICAEW is involved directly and indirectly in supporting capacity building initiatives across Africa. An international roadmap, with operational plans for each region aligned to the Direction 2030 strategy is being finalised and will be discussed by ICAEW Board and Council. Engagement with members in Pakistan would be considered as part of those broader discussions.
- Pakistan currently forms part of the South Asia Council constituency, together with Bhutan, Bangladesh, India, Maldives, Nepal and Sri Lanka. Council election procedures would be reviewed by the Governance and Appointments Committee and Council ahead of Council elections taking place in 2027.
- The number of member events held internationally was increasing, however the conflict in the Middle East had temporarily curtailed activity in that region. The Chief Executive took on notice a question regarding plans for engagement with members in Pakistan.
- There are 340 firms accredited to carry out probate work.
- ICAEW's application in 2020 to expand the range of legal services it could regulate to the full set of legal services, including notarial services was approved by the Legal Services Board but rejected by the Lord Chancellor. The ICAEW Regulatory Board continues to review whether there is sufficient demand to justify a further application. The last survey of members indicated there was insufficient support for applying to regulate any of the other reserved legal services.
- As part of its judicial review application, ICAEW was granted the right to regulate the administration of oaths, which it has taken up. However, member demand for this activity is limited. Administration of oaths is relatively straightforward, and the training currently provided in that regard is considered sufficient.
- ICAEW's defined benefit pension scheme had not required employer contributions for a few years. ICAEW is working with the Trustee on a final buy-in before moving to a buyout, so the scheme is substantially de-risked.
- The academic community is recognised as one of ICAEW's key stakeholders and investment of time and resources will be made in strengthening engagement with academics both in the UK and internationally.
- ICAEW is compliant with its obligations under the Equality Act 2010. ICAEW is only required to collect information, including diversity data in respect of member firms licensed to carry out probate work for provision to the Legal Services Board. Other members and firms are encouraged to provide diversity characteristics voluntarily, but response rates varied by characteristic. ICAEW will continue to encourage voluntary disclosure to help support and inform its activities.
- The Chief Executive took on notice a question regarding equality of opportunity and access to ICAEW's events, examinations and services across all sections of society, and the active monitoring of their impact on different groups.
- Issues arising for some members trying to contact ICAEW were known and being investigated.

7. A member raised concerns that ICAEW was considered by some academic critics to be a trade association and stated this posed risks to the credibility and sustainability of the profession and its members. They went on to offer suggestions as to practical initiatives that ICAEW could adopt to strengthen its long-term professional legitimacy and leadership.

8. To be effective, the resolution must be passed by a simple majority of members voting in person or by proxy on a poll. The resolution was carried.

Resolution 2: Appointment of the auditors and determination of their remuneration

9. The resolution to re-appoint the firm of HaysMac as Auditors of ICAEW until the conclusion of the next Annual meeting and authorise the Council to determine the remuneration of the

Auditors was proposed by Nina Hingorani-Crain, Chair of the Audit Committee and seconded by Caroline Smale, Deputy President.

10. Members present at the meeting were invited to ask questions on this item of business.

11. A member enquired as to how long HaysMac had acted as ICAEW's auditors and raised concerns regarding their independence, referring to the materiality of fine monies and questioning whether the auditors had given sufficient scrutiny to the related disclosures in the annual report and financial statements.

12. The Chief Finance Officer and Chair of ICAEW Board responded, with the following points noted:

    - HaysMac had been ICAEW's auditors for 10 years.
    - ICAEW voluntarily adopts the requirements of SATCAR 2017. As such, a re-tender had been undertaken during the past year. Also, while the applicable requirements would require a change of auditor after 20 years, the audit partner had been rotated and as part of the re-tender process and recommendation that HaysMac be reappointed, there would be a further partner rotation at the relevant point.
    - The suggestion that the auditors lacked independence or that the matter of fine monies had not received proper scrutiny was strongly refuted. The source of the fine monies and the funding mechanism with the FRC had been clearly set out in the annual report and financial statements and the disclosures were subject to significant review by the auditors and were considered by the Audit Committee, which comprised a highly experienced Chair and members.

13. To be effective, the resolution must be passed by a simple majority of members voting in person or by proxy on a poll. The resolution was carried.

Additional Business

14. Members noted the reports of co-options, ex officio appointments and elections to Council set out in the Notice of Meeting, together with updates post the publication of the Annual meeting documentation.

15. Derek Blair, President addressed members to provide some reflections on his year as President.

16. Caroline Smale, Deputy President proposed a vote of thanks to the President.

<u>Special Meeting Business</u>

17. The Chair confirmed that the meeting was quorate.

Resolution 1: Fees and subscriptions for 2027

18. The resolution was proposed by Derek Blair, President and seconded by Caroline Smale, Deputy President.

19. Members present at the meeting were invited to ask questions on this item of business.

20. A member commented that the fees appeared modest given ICAEW's ambition to be the pre-eminent professional body and the investment required to meet the challenges of the future, and suggested that consideration be given to increasing fees over the next two to three years, potentially to a materially higher level, to support delivery of the Direction 2030 strategy.

21. The Chair of ICAEW Board responded, noting that:
    - ICAEW monitors its fee levels against those of other professional bodies, and they are lower than some.
    - The current policy is to maintain fees in real terms, increasing by inflation only, and ICAEW did not consider itself constrained by that approach.
    - Should ICAEW identify necessary activities that it didn't have the required funds for, this would be a matter for discussion with Council and members. At present, however, ICAEW was confident that it could deliver the planned programme of work with the current fee policy.

22. The same member also commented on the potential impact of reduced entry-level recruitment by large firms, noting concerns that the growth of AI could, over time, adversely affect ICAEW's membership numbers and fee income.

23. The Chair of ICAEW Board responded to note that ICAEW was aware of a slight decline in recruitment by firms and this was understood to be driven primarily by economic circumstances, rather than the growth of AI, and that the situation regarding numbers being trained to become ACAs was being carefully monitored.

24. To be effective, the resolution must be passed by a simple majority of members voting in person or by proxy on a poll. The resolution was carried.

Derek Blair
President

2 June 2026