

P D Leake Trust: 2025 activity report

The P D Leake Trust was established in 1962 to advance the science of accounting and political economy, including public finance and taxation.

In 2025, the Trust supported independent, high-quality research and knowledge exchange designed to strengthen understanding of corporate behaviour and performance, improve the information available to markets and stakeholders, and help boards, advisers and policymakers reduce the risk and impacts of corporate failure.

In delivering these aims, activity during the year combined: (i) the commissioning and publication of research; (ii) the initiation of new, future-facing research programmes; and (iii) the convening of events and conferences that enable academics and practitioners to challenge assumptions, test emerging ideas, and translate evidence into practical insight.

Key achievements in 2025

1) Advancing the ‘Why do companies fail?’ programme

ICAEW continued to progress its multi-year research programme Why do companies fail? initiated with funding from ICAEW charitable trusts to respond to concerns about ‘surprise’ corporate failures — those where annual reports show no obvious warning signs. The programme’s aim is to strengthen understanding of root causes of corporate collapse (including governance shortcomings and internal control weaknesses) and translate evidence into risk-mitigation insights relevant to boards, advisers, regulators and policymakers.

In 2025, outputs supported through the programme included:

A peer-reviewed journal article (published in Accounting and Business Research) by Professor Maria Correia examining the evolving role of accounting information in bankruptcy prediction (presented at the International Accounting Policy Forum 2024). The research reviews evidence on bankruptcy prediction and concludes that both accounting and market measures have predictive power, with models based on accounting information remaining stable over recent decades.

A systematic literature review (submitted to ICAEW) by a team of researchers led by Ambika Zutshi at the Peter Faber Business School in Australia on the interplay of internal controls, governance and transparency. The findings reveal that strong internal controls and effective audit committees reduce failure risk, while diverse and skilled boards enhance decision quality and crisis response.

A further draft journal article (presented at the International Accounting Policy Forum 2025) on stakeholder losses from corporate failure by Professors Steven Young and Peter Pope. It proposes to treat accounting misconduct as a symptom rather than

the root cause of failure, to avoid scapegoating accounting for wider governance weaknesses, and to ensure regulatory expectations are proportionate to likely benefits and costs.

These outputs collectively strengthened the evidence base on early warning signals, the behavioural and governance drivers of failure, and how reporting and accountability frameworks can better support resilience.

2) Publication of new research on data assets

During the year ICAEW published a research report by Dr Eugene Wu, supervised by Professor Andy Stark DATA – a new emerging type of intangible. This developed the knowledge base in an area of growing relevance to corporate reporting, where there is an active research project by the International Accounting Standards Board.

3) Commencing three new, “ground-breaking” research projects

To extend the Trust’s impact into new and high-priority risk areas for the profession and the public interest, ICAEW commenced three significant research projects in 2025:

Study of the Behavioural Roots of Firm Failure (commenced October 2025; delivery expected end-April 2026), led by Professor Ania Zalewska (University of Leicester) with a multidisciplinary research team including Aston University. This project responds to gaps in understanding how boards select executives and detect early warning signs or corporate failure by bringing insights from behavioural and social science insights. It will form the next phase of ICAEW’s project ‘why do companies fail’?

Investigating how accountants use beneficial ownership information to manage money-laundering and terrorist-financing risk, led by Paul Gilmour (University of Portsmouth).

The international competitiveness of the UK tax administration framework, led by Peter Jelfs (Brunel University).

Together, these projects broadened the Trust’s research portfolio into new areas of interdisciplinary research and topics on economic crime and tax administration.

4) International Accounting Policy Forum (IAPF) - Special journal issue reflecting the 19th International Accounting Policy Forum

A special edition of Accounting and Business Research was published in 2025 reflecting the 19th edition of the International Accounting Policy Forum (IAPF) hosted by ESMT Berlin on 15 and 16 December 2024. The papers covered accounting and corporate failure, audit failures, and accounting for sustainability.

5) Hosting the 20th International Accounting Policy Forum in Madrid

ICAEW hosted the 20th International Accounting Policy Forum at Universidad Carlos III de Madrid on 15–16 December 2025. The programme brought together leading academics, regulators and senior practitioners to examine topics including sustainability information in governance, assurance of sustainability reporting, and directors' statutory duties for reporting and audit, alongside an ICAEW-chaired roundtable and a keynote panel session. It included representatives from IOSCO, PIOB and EFRAG

This flagship conference directly supported the Trust's purpose by strengthening the interface between rigorous research and real-world professional and policy challenges.

Knowledge exchange and convening in 2025

6) Sponsoring innovative discussion events

The Trust supported two practitioner-focused discussion events hosted by Queen Mary, University of London: navigating the digital frontier: technology's role in shaping accounting practices (1 May 2025); and current and emerging issues in auditing research and practice (9 June 2025). These sessions were designed to explore current and emerging issues affecting the accountancy profession, facilitate dialogue between academia and practitioners, and strengthen pathways from research to practice and policy.

7) Sponsoring academic conferences in 2025

To strengthen the UK's research ecosystem and encourage dissemination of findings and collaboration, the Trust sponsored a range of conferences during 2025, including:

18th International Behavioural Finance Working Group Conference (4–6 June 2025)

Financial Management Association International (FMA) European Conference (11–13 June 2025)

The Mediterranean Accounting Conference (TMAC) (22–25 June 2025)

28th Financial Reporting and Business Communication Conference (7–8 July 2025)

14th African Accounting and Finance Association (AAFA) Emerging Scholars Colloquium (2 September 2025)

Tax Research Network 2025 conference (8-10 September 2025)

Management Accounting Research Group (MARG) conference (6–7 November 2025)

These conferences supported emerging scholarship, strengthened international networks, and ensured that research relevant to reporting, governance, markets and decision-making continued to be shared, tested and refined.

Looking ahead

The Trust's 2025 activity intentionally balanced delivery of publishable outputs with investment in future impact. The next phase will focus on:

- completion and dissemination of newly commissioned research (notably behavioural roots of firm failure);
- ensuring practical translation into insights for boards, advisers and policymakers, for example through the Why do companies fail? programme; and
- continued support for high-quality convening that connects research, practice and public interest outcomes.