

# HIGH ^ LIGHTS

CORPORATE FINANCE FACULTY

## ANNUAL REVIEW 2022

FACULTY INITIATIVES, MEMBER SERVICES  
AND FINANCIAL STATEMENT



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# THE VOICE OF CORPORATE FINANCE

THE CORPORATE FINANCE FACULTY WOULD LIKE TO THANK ITS MANY MEMBER ORGANISATIONS FOR THEIR SUPPORT IN 2022 AND 2023

3i	Duff & Phelps	Newable Capital
ABN AMRO Commercial Finance	EY	NorthEdge Capital
Addleshaw Goddard	Evelyn Partners	OMERS Private Equity
Agathos Management	FRP Advisory	Panoramic Growth Equity
Albion Capital	Gem Corporate Finance	PEM Corporate Finance
Anthesis	Gibson Dunn & Crutcher	Perscitus Advisers
Arbuthnot Commercial	Grant Thornton	PKF Francis Clark
August Equity	Greengage	Price Bailey
Azets	Gresham House	PwC
Bayes Business School	Haysmacintyre	Quantuma Advisory
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
BOOST & Co	James Cowper	Saffery Champness
British Business Bank	KPMG	Salonica Group
Brunel Business School	Kroll Advisory	Simmons & Simmons
Burges Salmon	LAVA Advisory Partners	Strand Hanson
BGF	LDC	Taylor Wessing
Buzzacott	Lexington Corporate Finance	Thinkat Advisory
Chatham Financial	MacIntyre Hudson	TLT
Connection Capital	MarktoMarket	Travers Smith
Corbett Keeling	Mazars	UHY Hacker Young
Crowe UK	Media Asset Capital	UK Government Investments
Deloitte	Menzies	Virgin Money for Business
Development Bank of Wales	mnAI	WestBridge Capital
finnCap Cavendish	Mobeus Equity Partners	WSP
ECI Partners	Moore Kingston Smith	



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](mailto:helen.jones@icaew.com) or phone her on +44 (0)20 7920 8599

## CHAIR'S REPORT



With many of our member firms and the broader transactional arena reporting a record year of corporate finance activity in the previous year, 2022 saw a return to more normal levels of M&A and investment. The continuing war in Ukraine and its impact on inflation and interest rates, along with a period of political and economic turbulence in the UK, resulted in a more cautious approach from investors.

2022 also marked the 25<sup>th</sup> anniversary of establishment of the Corporate Finance Faculty. Alongside the faculty's usual workload, we were able to look back at the faculty's many achievements. The 249<sup>th</sup> edition of *Corporate Financier*, published in November, considered the important role that the faculty continues to play in support of what is now a very substantial and important part of the operating activities of many of ICAEW's member firms.

Whilst this year may have started more modestly on deals activity, that of the regulators did not. The faculty was very actively engaged with UK government, parliament, civil service officials and various policy makers and regulators, submitting no fewer than 14 formal consultation responses and representations on behalf of our members. In December 2022, the government announced a series of measures known as the Edinburgh Reforms, comprising some 30 or so elements designed to enhance the competitiveness of the UK's financial markets. Some of these are regulatory changes with which the faculty is involved and are already well-advanced, but others will be subject to consultation in 2023. The faculty will respond to all those that have a direct impact on its members' day to day activities.

Throughout the year the faculty continued its work to ensure that members are up to date with the very latest trends in corporate finance and with a programme of initiatives and events focussed on business development. To take just one example, Environmental, Social and Governance (ESG) factors are now serving as major drivers to investment activity. The faculty devised and led a major initiative focused on ESG in Deals and Investment which included a best-practice guideline, produced together with Deloitte, distributed to all faculty members and launched via a high-profile event at Chartered Accountants' Hall.

Also in this review, you will find reports about the faculty's work on subjects that are very important for its many members, including the future of audit and corporate governance, access to finance, boosting innovation and creativity, the impact of economic sanctions for advisers, women leaders in corporate finance, and many more.

Having taken over as Chair of the faculty some five years ago, in May I will be handing over the baton. I am delighted to report that my successor will find the faculty in great shape. It continues to grow and develop the nature and extent of its work and services on behalf of all its members, including in 2023 developing a digital and interactive version of its highly popular flagship publication, *Corporate Financier*.

For all of this I would like to extend my sincere thanks to faculty's Board, the Technical Committee, chaired by Yvette Allen; the Middle East Panel, chaired by Richard Dingle and supported by ICAEW's staff in Dubai; and the Editorial Panel of *Corporate Financier* magazine. And finally, I would like to extend my personal thanks to the staff of the faculty led by David Petrie and including Katerina Joannou, Shaun Beaney (until May of 2022), Sam Gallagher, Helen Jones, Debbie O'Neill and Marc Mullen, editor of *Corporate Financier*.

**MO MERALI**

Chair, ICAEW Corporate Finance Faculty

## MAJOR INITIATIVES IN 2022

1

### 25<sup>TH</sup> ANNIVERSARY OF THE FACULTY

Established in 1997, this year the Corporate Finance Faculty celebrated 25 years of service to members. This significant milestone afforded the opportunity to reflect on some of the faculty's most notable achievements. Over the past two decades, the faculty has collaborated with the UK government, parliament and other stakeholders and market participants on the creation of the British Business Bank; published the Business Finance Guide, Private Equity Demystified: An explanatory guide, and good practice guides for cyber security in corporate finance and the use of artificial intelligence in corporate transactions; brought about amendments to the tax-advantaged venture capital regime; responded to the government's Patient Capital Review and gave feedback on emergency business funding measures in response to the COVID-19 crisis.

2

### COMBINING INVESTMENT POLICY AND BUSINESS DEVELOPMENT

The 25<sup>th</sup> Anniversary Annual Reception postponed due to proposed industrial action by the RMT was rescheduled for 22 February 2023. The event, which was renamed the 25<sup>th</sup> Anniversary Reception and provided members with a forum to combine consideration of investment policy and business development, took place in the spectacular setting of Mansion House in the City of London. It was also the best-attended ICAEW event of the year. Opened by Michael Izza, ICAEW's CEO, guest speakers included the faculty chair, Mo Merali, co-founder and former faculty chair Lord Leigh of Hurley, and John Flint, CEO of the UK Infrastructure Bank. Prizes were awarded to the top students in the ICAEW/CISI Diploma in Corporate Finance by Julia Penny, President ICAEW.

3

### ESG IN DEALS AND INVESTMENT

In October the faculty's major initiative on ESG, supporting ICAEW's strategic objective of building 'a world of sustainable economies', culminated in the launch of the latest best-practice guideline – ESG in Deals and Investment – at Chartered Accountants' Hall. A packed audience heard an introduction by the guideline's co-authors Jason Caulfield, global head of ESG M&A, and Susanna Costa, director at Deloitte. David Petrie chaired a lively panel debate featuring James Hilburn, Deloitte; Julia Groves, managing director for sustainability at the British Business Bank; Richard Spencer, ICAEW's director of sustainability; Tomas Sys, principal at Ramboll; and Sophia Walwyn-James, director at 3i Private Equity.

4

### CORPORATE FINANCIER

The faculty's flagship publication, *Corporate Financier*, remains a mainstay of the faculty's service, keeping members up to date on the latest developments in doing deals and investment as well as on regulatory and legislative change. For many members reading or contributing to *Corporate Financier* plays an important part in annual CPD compliance. In 2022 and in response to demand for a paperless publication from some of the faculty's members work began on designing and rolling out an innovative, digital version of *Corporate Financier*. It is intended that this version will be launched in spring 2023.

5

### NEW INITIATIVES FOR EARLY-STAGE VENTURES AND INNOVATION

The Corporate Finance Faculty continued its work on behalf of ICAEW to support investment in start-ups and early-stage ventures run by people from diverse social, educational and professional backgrounds.

6

**THE MIDDLE EAST NETWORK**

The faculty's Middle East Network exists to provide a forum for corporate financiers, advisers and investment principals based in the GCC. The faculty's activities are co-ordinated by ICAEW's office in Dubai and the network held one event in 2022. The Middle East Network's panel is chaired by Richard Dingle of EY who took over the role from Sam Surrey of Deloitte in 2022.

7

**WOMEN LEADERS IN CORPORATE FINANCE**

In support of the faculty's ongoing work to promote diversity in corporate finance, features in *Corporate Financier* magazine throughout 2022 included profiles of women leaders in the faculty's many member firms. These included Lucy Stapleton, Head of UK Deals at PwC, Liz Claydon, Head of UK Deal Advisory at KPMG and six leading women in private equity.

8

**SANCTIONS: INFORMATION AND GUIDANCE ON MANAGING THE IMPACT**

The faculty was an active contributor to an online hub established by ICAEW to support members in relation to Russia's war against Ukraine, and the consequences for businesses, advisers and investors. It can be found at [icaew.com/Ukraine](https://icaew.com/Ukraine). The faculty also provided insight to government departments on the impacts of sanctions on businesses and investment.

9

**INNOVATION INVESTMENT SUMMIT**

On 25 May, the faculty collaborated with several organisations to host Liverpool City Region's first Innovation Investment Summit. Opened by Steve Rotherham, Liverpool's Metro Mayor at The Spine Building, magnificent new headquarters of the Royal College of Physicians, this conference brought together many of the region's leading entrepreneurs, scientists, academics and policy makers. Speakers included representatives from the British Business Bank, Innovate UK, Liverpool School of Tropical Medicine, Unilever, Sci-Tech Daresbury, Arete Capital Partners, LCR Ventures, Edge Hill University, Cage Capture and Inovus. As a direct result of the summit, Liverpool City Region established a initiative involving ICAEW members to provide funded expert financial advice and support for early stage businesses.

10

**UNDERSTANDING AI**

The faculty contributed its expertise to a government report, Understanding UK AI R&D commercialisation and the role of standards. It was published on 12 May by the Department of Digital, Culture, Media and Sport, the Office for Artificial Intelligence, Oxford Insights and Cambridge Econometrics.

**25<sup>TH</sup> ANNIVERSARY  
RECEPTION**  
22 February 2023



# REPRESENTATION AND PUBLIC POLICY

## MAINTAINING NATIONAL SECURITY IN INVESTMENT

When it came into force on 4 January 2022 the National Security and Investment Act 2021 considerably increased the government's powers to call in and scrutinise corporate finance transactions in no fewer than seventeen sectors.

The faculty has been closely engaged with government at all levels, including ministerial, since the Act was first mooted in 2017. The faculty actively campaigned for an approach that promotes regulatory certainty, economic growth and increased business investment, as well as enhanced national security. David Petrie also advocated the production of Market Guidance, working closely with ICAEW members and others in the Houses of Lords ensured that the Act required these to be produced and regularly updated by the Investment Security Unit.

Lord Callanan, Parliamentary Under Secretary of State, introduced the regime at Chartered Accountants' Hall ahead of the Act coming into force. During 2022 the faculty continued to contribute to guidance developed by the government's Expert Panel.

## THE EDINBURGH REFORMS

Announced on 9 December 2022, the 'Edinburgh reforms' comprise the government's plans for financial services regulation in the UK, including for capital markets. The plans include reform initiatives already underway, such as those recommended in - or relating to - the UK Listings Review, on which the faculty engaged with members and policymakers throughout 2022.

Specifically, in February the faculty's working group submitted a further response to the Secondary Capital Raising Review team, outlining the undesirable consequences of certain of the Review's recommendations. In the autumn, a letter to the Economic Secretary to the Treasury resulted in the faculty leading a briefing on those consequences for Treasury officials.

## ESG IN DEALS

At a roundtable in January, deals and sustainability experts revealed how investment and financing decisions are being informed by environmental, social and governance (ESG) factors. Insights from that event helped inform the faculty's best-practice guideline, authored by member firm Deloitte, on the role of ESG in M&A strategy and transactions and in corporate performance.

## VC INVESTMENT IN THE UK

The faculty responded in June to a parliamentary committee's call for evidence on the UK venture capital market. Katerina Joannou led the response, which included two headline recommendations: that further interaction should be encouraged between public and private funding to boost the health of the venture capital landscape in the UK; and that in the short term, the government should provide certainty regarding the future of the Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) scheme.

## CONTRIBUTING TO THE BUSINESS FINANCE COUNCIL

David Petrie represented ICAEW on the government's Business Finance Council in 2022. The council brings together senior representatives from the UK's major high-street and challenger banks, and leading business organisations. ICAEW is the only professional body included in the council. In March, a meeting chaired by Kwasi Kwarteng, then Secretary of State for Business, considered the financial implications of the war in Ukraine for many UK businesses. The Autumn meeting of the council was co-chaired by Andrew Griffith FCA MP, Economic Secretary to the Treasury and Kevin Hollinrake MP, Parliamentary Under-Secretary of State for Enterprise and Markets. The council submitted evidence on both policy and practical measures which might assist SMEs seeking to increase investment in sustainability with the objective of achieving net zero.

## UK AUDIT AND CORPORATE GOVERNANCE REFORMS

In its response published in May 2022, the government confirmed the reforms it intended to proceed with in relation to the UK's audit, corporate reporting and corporate governance systems. The faculty continues to be alert to developments that could impact assurance services beyond audit that are demanded by Public Interest Entities (PIEs) and other significant companies, to new reporting requirements for PIEs, and to future changes to the definition of a PIE.

## ICAEW AND THE TAKEOVER PANEL

ICAEW is a member of the Takeover Panel and the Institute's President attends quarterly meetings and the Hearings Committee, supported by the faculty team. Faculty members who advise public companies serve as alternates while a working group develops ICAEW's responses to Panel consultations.



**David Petrie**, Head of Corporate Finance, ICAEW



**Andrew Griffith MP**, Economic Secretary to the Treasury



**Kevin Hollinrake MP**, Parliamentary Under-Secretary of State for Enterprise and Markets



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



**Katerina Joannou**, Senior Capital Markets Manager, ICAEW





## NEW IDEAS FOR NEW TIMES

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

**Innovation and sustainable recovery** – How corporate finance is boosting entrepreneurship, business expansion and novel responses to the economic, technological, environment 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.

**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.



**ICAEW**  
Corporate Finance Faculty



## MEMBER COMMUNICATIONS AND SERVICES

The Corporate Finance Faculty worked closely with its Board, Editorial Panel and ICAEW's business partner, Sunday, to develop *Corporate Financier* in 2022.

The faculty continued to develop digital communications through its monthly all-member e-bulletin and saw its social media following on LinkedIn and Twitter increase to well over 11,000 (a 10% year-on-year increase).

### SPEND, SPEND, SPEND

US acquirers are flocking to Europe, tempted by attractively priced assets

### RETAIL THERAPY

Investors are shopping around for the best retail and online opportunities

### GROWING PAINS

Can the growth in deals backed by UK-based corporate venture investors last?

### EXIT STRATEGY

Securing a successful exit amid market uncertainty

### THINK AGAIN

M&A in a volatile energy market

### 25<sup>TH</sup> ANNIVERSARY SPECIAL

Corporate Finance Faculty celebrates its growing membership and influence

### ESG SPECIAL

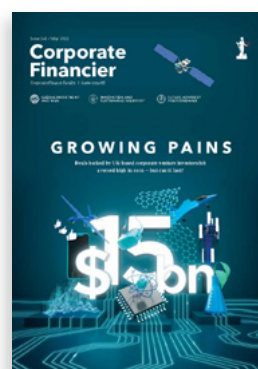
Strong performance on environmental, social and governance issues is driving growth and value creation

### THE PRIVATE EQUITY SPECIAL

Celebrating adaptability in the mid-market and looking at the busiest dealmakers

### STAYING THE COURSE

How companies, investors and advisers keep deals on track in an economic storm





# TECHNICAL LEADERSHIP

## BEST PRACTICE

The faculty published its 69<sup>th</sup> guideline, ESG in Deals and Investment. It was written by member firm, Deloitte, and was also informed by a roundtable of advisers, investors, finance providers and specialist consultants.

## 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 responses on many other related subjects.

In 2022, these included:

### ICAEW REP 12/22

Secondary Capital Raising Review (Additional comments)

Financial Conduct Authority (FCA), Confidential feedback on the implications of possible listing regime changes.

Department of Business, Energy and Industrial Strategy (BEIS) Investment Security Unit, Comments on draft compliance and enforcement guidance

### ICAEW REP 14/22

Takeover Panel, Miscellaneous Code Amendments

### ICAEW REP 48/22

Treasury Committee, Call for evidence, The venture capital market

BEIS Investment Security Unit, Comments on draft Market Guidance Notes on the national security and investment notification regime

### ICAEW REP 53/22

HM Treasury, Update to the Green Finance Strategy

### ICAEW REP 64/22

FCA, Primary Market Effectiveness Review

### ICAEW REP 78/22

Takeover Panel, Presumptions of the definition of 'acting in concert' and related matters

Letter to Economic Secretary to the Treasury regarding recommendations of the Secondary Capital Raising Review

BEIS Investment Security Unit, Comments on draft guidance for digital system data retention under the national security and investment notification regime

### ICAEW REP 97/22

Takeover Panel, Miscellaneous Code Amendments

### ICAEW REP 98/22

Takeover Panel, The offer timetable in a competitive situation



## ESG IN DEALS AND INVESTMENT

### HOW ESG IS SHAPING ACTIVITY THROUGHOUT THE M&A LIFECYCLE

Authors: Deloitte

Environmental, social and governance (ESG) factors are now the driving force behind an increasing number of deals and investment decisions.

Our guideline provides practical guidance drawn from recent experience on how to integrate ESG into the M&A process, identify and quantify its value.

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



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# FINANCIAL STATEMENT

## CORPORATE FINANCE FACULTY FINANCIAL STATEMENT 2022

	2022	2021
	£K	£K
<b>INCOME</b>		
Income	515	528
Miscellaneous income	0	9
<b>Total income</b>	<b>515</b>	<b>537</b>
<b>EXPENDITURE</b>		
Staff costs	(270)	(333)
Events, publications and marketing	(239)	(347)
Infrastructure, finance and administration	(196)	(172)
<b>Total expenditure</b>	<b>(705)</b>	<b>(852)</b>
Faculty activities funded by ICAEW	190	315
<b>NET POSITION FOR THE YEAR</b>	<b>0</b>	<b>0</b>

# FACULTY BOARD, COMMITTEES AND STAFF

(AS AT 31 DECEMBER 2022)

## 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**, Charles Russell Speechlys  
**Diane Craig**, RSM  
**John Garner**, LDC  
**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**, Evelyn Partners  
**Selina Sagayam**, Gibson Dunn  
**Meera Shah**, Buzzacott  
**Duncan Skailes**, PwC  
**Chris Watt**, ECI Partners

## TECHNICAL COMMITTEE

**Yvette Allen**, Deloitte (Chair)  
**David Cattermole**, KPMG  
**Steve Dolman**, BDO  
**Andrew Green**, RSM  
**James Harris**, Strand Hanson  
**Chris Jarvill**, EY  
**Katharine Johnson**, PwC  
**Amrit Mahbubani**, Panmure Gordon  
**Tandeep Minhas**, Taylor Wessing  
**Susan Nyman**, Grant Thornton  
**Dani Saghafi**, Brunel Business School  
**Richard Thompson**, Singer Capital Markets

## MIDDLE EAST PANEL

**Richard Dingle**, EY (Chair)  
**Zubin Chiba**, PwC (rotating Partner)  
**Ovais Chhotani**, PwC (rotating Partner)  
**Nick Beer**, Transguard  
**Ossama Kayed**, KPMG  
**Adnan Fazil**, Deloitte  
**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 (until May 2022)  
**Sam Gallagher**, Manager (Contractor), Corporate Finance Faculty (joined October 2022)  
**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 202,450 members and students around the world. All of the top 100 global brands employ ICAEW Chartered Accountants.\*

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.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), 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.

[charteredaccountantsworldwide.com](https://www.charteredaccountantsworldwide.com)  
[globalaccountingalliance.com](https://www.globalaccountingalliance.com)

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## ABOUT THE CORPORATE FINANCE FACULTY

The Corporate Finance Faculty is 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% of the faculty's membership are from beyond ICAEW.

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



ICAEW is  
carbon neutral

\* includes parent companies. Source: ICAEW member data  
March 2023, Interbrand, Best Global Brands 2022