



# High lights

A large, stylized red chevron symbol is positioned between the words 'High' and 'lights'. The chevron is composed of two thick red lines meeting at a sharp point at the top, with the lines extending downwards and outwards.

## **Annual Review 2019**

FACULTY PROJECTS, INITIATIVES,  
ACTIVITIES AND FINANCIAL STATEMENT

# The voice of corporate finance

THE CORPORATE FINANCE FACULTY WOULD LIKE TO THANK ITS MANY MEMBER ORGANISATIONS FOR THEIR SUPPORT IN 2019 AND 2020

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3i	Drooms	OMERS Private Equity
ABN AMRO Commercial Finance	Duff & Phelps	Panoramic Growth Equity
Addleshaw Goddard	ECI Partners	Perscitus Advisers
Alantra	EY	PKF Francis Clark
Albion Capital	Fieldfisher	Price Bailey
Anthesis	FRP Advisory	PwC
Arbuthnot Commercial Asset Based Lending	Gibson Dunn	Quantuma
August Equity	Grant Thornton	Ramboll
BDB Pitmans	Haysmacintyre	RSM
BDO	Headpoint Advisors	Rutland Partners
Beauhurst	HMT	RVE Corporate Finance
Beechbrook Capital	ICON Corporate Finance	Saffery Champness
Beer Mergers	Independent Growth Finance	Samena Capital
BGF	Investec	Shawbrook Bank
Brewin Dolphin	James Cowper Kreston	Simmons & Simmons
British Business Bank	KPMG	Smith & Williamson
Burges Salmon	Kreston International	Spectrum Corporate Finance
Buzzacott	LDC	Stonehage Fleming
Cantor Fitzgerald	Lexington Corporate Finance	Strand Hanson
Cass Business School	Linklaters	Taylor Wessing
Cavendish Corporate Finance	Marsh	Thinkat Advisory
Chatham Financial	Mazars	TLT
Clydesdale Bank	Media Asset Capital	Travers Smith
Connection Capital	Menzies	UHY Hacker Young
Corbett Keeling	MHA MacIntyre Hudson	UK Government & Investment
Crowe UK	Mobeus Equity Partners	WestBridge Capital
Deloitte	Moore Kingston Smith	WK Corporate Finance
Dentons	Newable Capital	WSP XPS Group
Development Bank of Wales	NorthEdge Capital	Yorkshire Bank

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If you would like your organisation to become part of a 7,000 strong network of professionals and companies involved in corporate finance, please contact [grace.gayle@icaew.com](mailto:grace.gayle@icaew.com) or call her on +44 (0)20 7920 8689

# Chair's report



This is a review of the Corporate Finance Faculty's work in 2019. For most of the year, the biggest concerns for businesses, investors and advisers in the UK were the country's imminent departure from the EU and what form it would take. But at the time of writing, in early May 2020, it is already clear that in the long run of history 2019 will unfortunately be remembered in particular as the one in which COVID-19 first emerged in China.

In response to the now-global crisis, the faculty and ICAEW as a whole have worked very closely with UK government ministers and departments, as well as with the Bank of England and the British Business Bank, to support and improve emergency measures for companies and employees.

The faculty has also been collaborating with the British Business Bank to update the *Business Finance Guide* so that it now includes even more information about managing cash and working capital, preparing financial projections and when to seek expert advice about loan applications, tax-related matters and business recovery.

Last year, the faculty and departments across ICAEW helped companies and advisory firms to prepare for Brexit.

In September, David Petrie, head of corporate finance, was invited by the UK Government to represent ICAEW on the newly created Business Finance Council. The new council was co-chaired by Andrea Leadsom, Secretary of State for Business, Energy & Industrial Strategy, and John Glen, Economic Secretary to the Treasury and City Minister. They brought together the heads of business lending from all the UK's major high-street banks and alternative finance providers to

boost investment in SMEs at a precarious time for the country's economy.

In response to the COVID-19 crisis, that group is continuing to meet, now chaired by the current Business Secretary, Alok Sharma (who is a member of ICAEW).

The faculty's long-standing work on growth finance and on innovation investment, including support for Innovate UK's initiatives, continued in 2019. But its work also reflected the international nature of corporate finance. In May, the faculty and member firm JCRA organised a forum to discuss 'Geopolitics & Global M&A' at Chatham House, the world-famous London home of the Royal Institute of International Affairs. Meanwhile, the faculty's panel in the Middle East continued to meet to discuss the big issues in the region, with the support of ICAEW's office in Dubai.

There was a ground-breaking example last July of how the faculty addresses the current and future professional needs of its members when it published *AI in Corporate Advisory* with Drooms. The detailed report was the first in the world on the subject. It featured unique, in-depth research about how machine learning and natural language processing, applied to big data, will transform investment and M&A over the next decade.

The role of advanced technologies in economic development, business investment and the future of professionals involved in corporate finance – and in the way that we will all operate and deliver transactions – is going to become even greater in the next few years, so it will be at the heart of the faculty's work as we move further into the 2020s.

I would like to thank the Corporate Finance Faculty's board, its Technical Committee, the Editorial Panel of *Corporate Financier* magazine, and the faculty's staff for all that they achieved in 2019 – and for their important work now, during the COVID-19 crisis.

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, ICAEW Corporate Finance Faculty

# 1. Highlights from 2019

## NOTABLE INITIATIVES INCLUDED:

# 1

### AI IN CORPORATE ADVISORY

The Corporate Finance Faculty and member firm Drooms published the *AI in Corporate Advisory* report on 3 July at Chartered Accountants' Hall. The ground-breaking white paper, which was authored by Shaun Beaney from the faculty and Rosanna Woods, UK managing director of Drooms, assessed the application of AI to M&A and due diligence processes. Speakers at the conference included Lord Clement-Jones CBE, co-chair of the All-Party Parliamentary Group on AI, Dr Rannia Leontaridi OBE was director of Business Growth and the Office for Artificial Intelligence at the Department for Business, Energy & Industrial Strategy, Fiona Wilkinson, president of ICAEW, Ollie Buckley, executive director at the Centre for Data Ethics & Innovation and Robert Hodgkinson, ICAEW's executive director technical.

# 2

### WORLD AFFAIRS AT CHATHAM HOUSE

The 'Geopolitics & Global M&A' forum at Chatham House in London on 21 May brought together 200 faculty members with experts from JCRA, OMERS Private Equity, Cass Business School, Queen Mary, University of London and PwC to discuss trade wars, high-tech competition and cross-border deals. The faculty also published a special issue of *Corporate Financier* on the subject to coincide with the forum.

# 3

### INVESTMENT ACROSS THE UK

The Corporate Finance Faculty's 'Debt for Deals' breakfast forum at the Royal Liver Building in April, organised with ICAEW's North West regional team and the Liverpool City Region LEP attracted investors, lenders, advisers and company directors from across the city. In 2019, the faculty's team took part as speakers and panellists in events about investment and M&A across the UK, including in Belfast, Birmingham, Canterbury, Liverpool, London and Northampton.

# 4

### NEW MEMBER FIRMS

The following organisations joined the Corporate Finance Faculty in 2019: Beauhurst; Headpoint Advisors; Kreston International; Quantuma; RVE Corporate Finance; Strand Hanson; TLT; and WestBridge Capital.

# 5

### CORPORATE FINANCE IN THE MIDDLE EAST

ICAEW's Dubai Office organised three events for the faculty. Two were held at the Capital Club; Dubai: on 26 March, 'The story so far: how is the Gulf's approach to FinTech evolving?' and on 30 September, 'Getting beneath the headlines: what next for real estate in the UAE?' plus 'Mid-cap fundraising: challenges and opportunities in the Kingdom' held on 19 November, at the Marriott Riyadh Diplomatic Quarter, Saudi Arabia.

# 6

### PEOPLE POWER IN CORPORATE FINANCIER

In February 2019, the faculty launched 'People Power', a new section of *Corporate Financier* magazine all about young up-and-coming professionals ('Desire Paths'), promotions and new appointments and landmark deals ('On My CV').

## 7

**ANNUAL RECEPTION**

The Corporate Finance Faculty's Annual Reception at Painters' Hall in the City of London on 12 November was a great success, featuring guest speaker Deb Oxley OBE, chief executive of the employee ownership association. Sybella Stanley, director of corporate finance at RELX, the FTSE-100 global provider of information-based analytics and tools, was presented with ICAEW's Corporate Development award.

## 8

**M&A RESEARCH CENTRE**

The faculty continued its long-standing collaboration with the M&A Research Centre at Cass Business School, which is led by Professor Scott Moeller. David Petrie, ICAEW's head of corporate finance, is a member of the centre's board and joined a panel of experts at an evening event in January to discuss prospects for global M&A.

## 9

**NEW FILM**

A new short film on Youtube showed how active engagement with the faculty helped younger advisers, investors and corporate M&A specialists in their professional development, network effectively, win new business and raise their profiles: [tinyurl.com/CF-FacultyVideo](https://tinyurl.com/CF-FacultyVideo)

## 10

**CREATIVE START-UPS**

The faculty continued to support start-ups, by taking part in seminars organised by the Creative Entrepreneurs network at the Design Museum in London, and supporting the FastForward London programme managed by The Accelerator Network. Shaun Beaney was also a guest speaker in 2019 at forums at the Victoria & Albert Museum and the London College of Fashion.

**IMAGES****Top left:**

David Petrie, Deb Oxley OBE, Mo Merali, Sybella Stanley, Alec Stokes, Charlotte Mancuso, Andrew Rutherford and Rosanna Woods at the Annual Reception.

**Top right:**

Dr Rannia Leontaridi speaking at the AI in Corporate Advisory conference held on 3 July at Chartered Accountants' Hall.

**Bottom left:**

Deb Oxley OBE addresses the audience at the Annual Reception.

**Bottom right:**

Forum Panel at the Geopolitics and Global M&A at Chatham House, 21 May.



## 2. Representation and public policy

### BUSINESS FINANCE COUNCIL

The UK Government created the Business Finance Council in 2019, which includes ICAEW, to boost funding for SMEs. Andrea Leadsom, Secretary of State for Business, Energy & Industrial Strategy co-chaired its first meeting (with John Glen, Economic Secretary to the Treasury) on 9 October. She invited David Petrie, ICAEW's head of corporate finance, alongside heads of business banking from lenders, including Lloyds, Barclays and HSBC. Keith Morgan CBE, chief executive of the British Business Bank (BBB) and member of the Corporate Finance Faculty's board, is also on the council. The council's first act was to adopt an SME Finance Charter.

### BREXIT HUB

The Corporate Finance Faculty provided information to members about the UK's departure from the EU via ICAEW's online hub, which included a checklist and preparation tips, as well as links to government and technical guidance [icaew.com/brexit](https://www.icaew.com/brexit)

### INFRASTRUCTURE FINANCE

The Corporate Finance Faculty responded on behalf of ICAEW to the Infrastructure Finance Review – a joint consultation by HM Treasury and the Infrastructure & Projects Authority. The purpose of the consultation was to gather feedback about government tools for encouraging private capital investment into infrastructure projects, as well as current investment models and governance to replace PFI and PF2.



### UK FINANCE FESTIVAL

ICAEW's head of corporate finance David Petrie was a guest panellist at the UK Finance Festival held at the Titanic Museum in Belfast in May, alongside senior representatives of UK Finance, Bank of Ireland and Funding Xchange.

### INNOVATE UK

The Corporate Finance Faculty has continued to work closely with the British government's R&D commercialisation agency Innovate UK. Shaun Beaney from the faculty chairs the access to finance working group of the Immerse UK network for VR/AR/haptic technologies. He is an official assessor for ICAEW on Innovate UK's Investment Accelerator programme, which is part of the Industrial Strategy Challenge Fund.

### ACCOUNTANCY PROFESSION STRATEGIC FORUM

David Petrie was invited to join ICAEW's delegation to the Accountancy Profession Strategic Forum (APSF) in Valetta, Malta in April. The delegation also included Robert Hodgkinson, executive director, technical, and Paul Simkins, director of quality assurance. The aim of the forum was to encourage the development of best practice by international accounting organisations. Discussions included enhancing the anti-money laundering ecosystem and new types of business finance.

### EUROPEAN POLICY RESEARCH

The Corporate Finance Faculty was among several international contributors to two new reports *Paths to Scale: finance lessons from European entrepreneurs*, and *Motivations to Scale*, both published by London-based thinktank Nesta and the Startup Europe Partnership, which is supported by the European Commission.

### CREATIVE INDUSTRIES

The Corporate Finance Faculty represents ICAEW on the Department for Digital, Culture, Media & Sport's Creative Scale Up advisory board, and on the Creative Industries Council's Investment in Growth working group.



### 3. Member communications and services

The Corporate Finance Faculty continued to work closely with its board, its Editorial Panel and Progressive Content to develop *Corporate Financier* as one of the most respected publications in the industry. Cover stories in 2019 included:

#### **BIG DEALS - THE UK'S MOST ACQUISITIVE COMPANIES**

Unique research by *Corporate Financier* into the most active corporate buyers.

#### **HEALTH CHEQUES**

How \$430bn-plus of M&A had piqued private equity's interest in medical innovation.

#### **WORKER TAKEOVER**

*Wallace & Gromit* creator Aardman was the latest company to go for employee ownership – an increasingly popular route for businesses and their advisers.

#### **NEW WORLD ORDER**

The big implications of changing geopolitics and global trade for international M&A.

#### **LET'S GET TOGETHER**

The small-cap advisers joining forces to navigate IPOs.

#### **BUSY IN BUYOUTS**

Unique research by *Corporate Financier* into the private equity firms doing the most deals in the UK.

#### **HAND IN HAND**

How AI-based technologies have been changing the role of corporate finance advisers.

#### **BEST-KEPT SECRET**

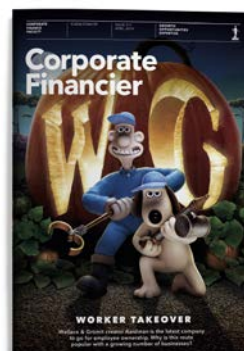
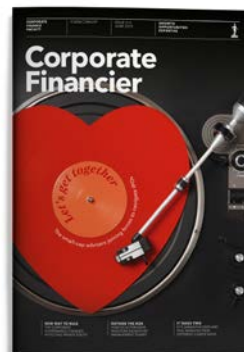
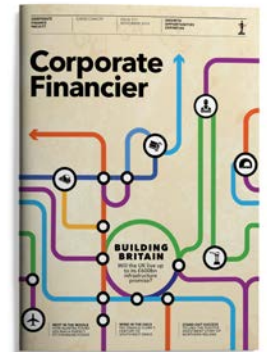
Liverpool's emerging corporate finance scene.

#### **BUILDING BRITAIN**

Will the UK live up to its £600bn infrastructure promise?

#### **FAMILY FORTUNES**

How succession and legacy drive the sale of family-owned businesses.



## 4. Technical leadership

The faculty's Technical Committee has responsibility for technical work in the area of corporate finance. The committee reviews and comments on draft regulation and legislation that affects the day-to-day work of faculty members. It also contributes to ICAEW responses on other subjects.

The faculty led or contributed to ICAEW's response to the following consultations during 2019:

### ICAEW REP 129/19

BEIS consultation regarding the proposed acquisition of Cobham plc by Advent International.

### ICAEW REP 123/19

ESMA's review of the Market Abuse Regulation.

### ICAEW REP 106/19

ESMA's consultation on draft guidelines on the disclosure requirements under the Prospectus Regulation.

### ICAEW REP 98/19

FRC's consultation on proposed revisions to Ethical and Auditing Standards.

### ICAEW REP 93/19

BEIS initial consultation on CMA recommendations for statutory audit services.

### ICAEW REP 73/19

FRC's proposal to revise the Standards for Investment Reporting.

### ICAEW REP 68/19

Sir John Kingman's Review of the Financial Reporting Council.

### ICAEW REP 64/19

Sir Donald Brydon's Independent Review into the Quality and Effectiveness of Audit.

### ICAEW REP 60/19

Scottish Parliament's Economy, Jobs and Fair Work Committee's European Structural Investment Funds inquiry.

### ICAEW REP 59/19

HM Treasury and Infrastructure & Project Authority's Infrastructure Finance Review.

### ICAEW REP 55/19

HMRC's consultation about preventing abuse of the R&D tax relief for SMEs.

### ICAEW REP 53/19

HMRC's consultation, Protecting Your Taxes in Insolvency.

### ICAEW REP 51/19

BEIS Select Committee's inquiry, Supporting Regional Investment and Growth.

Comments provided to ICAEW's federation body, Accountancy Europe, on the green bond prospectus being considered by the European Commission.

### ICAEW REP 13/19

CMA'S statutory audit market update paper.

### ICAEW REP 07/19

BEIS Select Committee's inquiry into the future of audit.

The faculty's working group finalised the technical guidance, *Guidance for preparers of prospective financial information*, in February 2020. A transition period to its implementation will be extended so as not to distract from businesses' immediate priorities because of the impact of the coronavirus, and the new guidance will be promoted at an appropriate time.



# Financial statement

YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£'000	£'000
<b>INCOME</b>		
Faculty subscriptions	563	572
Miscellaneous income	43	20
<b>Total income</b>	<b>606</b>	<b>592</b>
<b>EXPENDITURE</b>		
Staff costs	344	344
Events, publications and marketing	257	320
Infrastructure, finance and administration	189	185
<b>Total expenditure</b>	<b>790</b>	<b>849</b>
Faculty activities funded by ICAEW	184	257
<b>NET POSITION FOR THE YEAR</b>	<b>0</b>	<b>0</b>

# Faculty board, committees and staff

(AS AT 31 DECEMBER 2019)

## FACULTY BOARD

**Mo Merali**, Grant Thornton (Chair)  
**Yvette Allen**, Deloitte  
**Jonathan Boyers**, KPMG  
**Fenton Burgin**, Deloitte  
**Lord Clement Jones CBE**, House of Lords  
**David Collins**, Dentons  
**Diane Craig**, RSM  
**Chris Hunt**, Rentokil Initial  
**Chris Hurley**, LDC  
**Chris Lowe**, EY  
**Keith Morgan**, British Business Bank  
**Jon Moulton**, Percitus Advisers  
**Philip Robert-Tissot**, Consultant  
**Maggie Rodriguez-Piza**, Funding London  
**Selina Sagayam**, Gibson Dunn  
**Chris Searle**, BDO  
**Duncan Skales**, PwC  
**Sam Surrey**, Deloitte  
**Steve Tudge**, ECI  
**Jane Vinson**, BGF

## TECHNICAL COMMITTEE

**Yvette Allen**, Deloitte (Chair)  
**David Cattermole**, KPMG  
**Andrew Green**, RSM  
**Roger Gregory**, BDB Pitmans  
**Chris Jarvill**, EY  
**Katharine Johnson**, PwC  
**Tandeep Minhas**, Taylor Wessing  
**Susan Nyman**, Grant Thornton  
**Chris Searle**, BDO  
**Richard Thompson**, Cantor Fitzgerald

## MIDDLE EAST PANEL MEMBERS

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

## CORPORATE FINANCIER EDITORIAL PANEL

**David Coffman**, Cairn Financial Advisers  
**Rebecca Guerin**, RSM  
**Selina Sagayam**, Gibson Dunn  
**Victoria Scott**, Albion Capital

## CORPORATE FINANCE FACULTY STAFF

**David Petrie**, Head of Corporate Finance, ICAEW  
**Shaun Beaney**, Manager, Corporate Finance Faculty  
**Grace Gayle**, Services Manager  
**Katerina Joannou**, Manager, Capital Markets Policy  
**Eva Mota**, Operations Executive  
**Marc Mullen**, Editor, *Corporate Financier* magazine



Chartered accountants are talented, ethical and committed professionals. There are more than 1.8m chartered accountants and students around the world, and more than 184,500 of them are members and students of ICAEW.

We believe that chartered accountancy can be a force for positive change. So we attract the brightest and best people and give them the skills and values they need to ensure businesses are successful, societies prosper and our planet's resources are managed sustainably.

Founded in 1880, we have a long history of contribution to the public interest and we continue to nurture collaborative global connections with governments, regulators and business leaders. By sharing our insight, expertise and understanding we can create a world of strong economies and a sustainable future.

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