Irish Tax Institute

Annual Report and Accounts 2023

Notice of the Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the Irish Taxation Institute (the Institute) will be held at the offices of the Institute, South Block, Longboat Quay, Grand Canal Harbour, Dublin 2 on Thursday 7 September 2023 at 1pm.

Business:

a) To receive and consider the Report of Council and the Statement of Financial Affairs for the year ended 31 March 2023 and the Balance Sheet as at that date.

b) To receive the report of the Auditors.

c) To review the affairs of the Institute.

d) To appoint BDO as Auditors and authorise Council to approve the remuneration of the Auditors.

e) To declare the names of the Members of Council elected for the forthcoming year.

f) To transact such other business as may properly come before the meeting or any adjournment thereof.

Martin Carney
Company Secretary

South Block
Longboat Quay
Grand Canal Harbour
Dublin 2

16 August 2023

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Statement of the President

Colm Browne

It has been a privilege to serve as President of the Irish Tax Institute in a year that saw the return of the first full calendar of in-person events since the outbreak of the Covid-19 pandemic in the spring of 2020.

The annual Conferring Ceremony, which had been a virtual event for the previous three years, returned to the O'Reilly Hall, UCD, in November 2022, and in late March of this year more than 300 members travelled to Galway for the first in-person Annual Conference since 2019. In mid-May the Revenue/ Institute Joint Conference, which had to be postponed in 2020, took place in Limerick.

In addition to these flagship events, I was delighted to welcome members back to the smaller, social events that had been mothballed since 2019. They lent grace and colour to a year in which members reconnected with old friends and colleagues and made new acquaintances across the profession.

Pandemic Gives Way to War in Ukraine

By the time I took up the role of President in September 2022, the increasingly entrenched and intractable war in Ukraine was wreaking havoc in the global economy. Spiralling energy and food prices had triggered a cost-of-living crisis across the world. Escalating inflation, not seen for decades, brought uncertainty to a new level. As central banks raised interest rates, economic forecasts grew ever more pessimistic.

Here, at home, the Government introduced a substantial budgetary package to support households and businesses through this new crisis. By mid-October Revenue had announced the extension of the Debt Warehousing Scheme until May 2024, although the bulk of the debt (over 93%) has now been paid back.

By late autumn the global outlook was extraordinarily gloomy, with governments across Europe preparing for gas rationing and possible blackouts while working feverishly to reshape the global energy market.

The Fastest-Growing Economy in the Euro Zone

But amid this mood of impending crisis, some glimmers of hope were emerging that the strength of the pandemic recovery in Ireland might not be entirely derailed by this latest external shock. As it turned out, growth faltered slightly in the last two months of 2022 but, as the CSO's revised national accounts confirmed in July, the overall economy grew by 9.4% last year, making it the fastest-growing economy in the Euro area.

Despite the massive energy bills and food price increases, the strong consumer spending that fuelled the recovery of the domestic economy shows no sign of abating. And there is no gainsaying the employment and Exchequer returns data.

At the mid-year point, with more than 2.6 million people at work, Ireland had reached full employment. The half-year Exchequer returns showed that a record €41 billion was collected, up €4 billion on the same period last year. Income tax and corporation tax accounted for €26 billion of the overall take, up 20% and 9%, respectively, since June 2022. The resilience of the Irish economy in the face of all recent external shocks has been remarkable.

Rebalancing the Economy

There are down-side risks, and key among them is our exposure to shocks in the multinational sector. The most sustainable way to mitigate this risk is to foster innovation and productivity in our indigenous sector, and tax has a very significant role to play in this endeavour.

We welcomed the announcement by the Minister for Finance, Michael McGrath TD, in his speech at our Annual Dinner in late February that he was taking a fresh look at the existing SME tax measures such as the EII, the KEEP, entrepreneur relief and the R&D tax credit "to ensure that we are unlocking their full potential by encouraging more investment and growth".

In mid-July we had a very constructive meeting with Minister McGrath and his officials on our ideas about how these measures could be enhanced to make them more effective. Some of our recommendations require changes to legislation; others are straight-forward administrative changes that could make them more accessible to small and micro businesses.

As the Minister observed at our event on the Commission on Taxation and Welfare Report in March, we cannot be complacent about the very significant role that multinationals play in our economy: "...for that reason, we need to constantly assess our tax system to ensure that it is competitive both for multinationals and, more importantly in my view, indigenous SMEs". The Institute could not agree more.

A Competitive Tax System

A competitive tax system will help Ireland to retain the multinational companies that are already embedded here and enable it to attract new

entrants in a post-Pillar Two era. In that context, we raised with the Minister the need to move to a territorial regime.

Ireland is now the only country in the EU that does not allow a participation exemption for foreign dividends. We know that competitor European countries are using this as a stick to beat us with in the increasingly intense battle for foreign investment. At the very least, the Government must address this competitive gap in our corporation tax code in tandem with the implementation of the Pillar Two minimum tax in Finance (No. 2) Bill 2023.

The truth is that the certainty that our 12.5% rate offered to investors compensated for some glaring shortcomings in our tax code. Now that it is no longer available to the multinational companies that have been such a stabilising component in our economy, we need urgently to ensure that our corporate tax regime is on an equal footing with those of other European states. Having done that, we need to find new ways of distinguishing ourselves from competitor countries.

We found much common ground in our discussions with the Minister throughout the year, and I hope that our meeting with him in July gave him some food for thought as he prepared his first Budget.

The primary focus of the Institute's tax policy work during the year has been on preparations for the implementation of the Pillar Two Directive, the legislation for which will be published with this year's Finance Bill. Our Director of Policy and Representations, Anne Gunnell, and her team have responded to successive OECD consultations on technical aspects of the "two-pillar solution".

We have also been working closely with the Department of Finance as it drafts the implementing legislation. An iterative consultation process involving fortnightly meetings with officials on the details of the Bill has been taking place since May.

The implementation of Pillar Two is the biggest challenge to the tax system in decades. Let's hope that the intense and detailed work going into the legislation results in the successful practical implementation of the Directive into Irish law.

Commission on Taxation and Welfare

Over the last forty years, successive governments have appointed commissions to undertake a thorough-going review of our tax system and to provide advice on how it should be reformed to respond to the country's needs. The latest such Commission started its work in June 2021, and the Government published its Report the week after I became President of the Institute. It was the fourth Commission in the history of the State, and it was the first to examine the welfare system in tandem with the tax system.

The Commission was ably chaired by Niamh Moloney, Professor of Law at the *London School of Economics*, and among its members were two

former Presidents of the Institute: Sandra Clarke, of *BCC Accountants* and Regional Managing Partner of *Xeinadin Group* in Ireland, and Marie Bradley, Managing Director of *Bradley Tax Consulting*.

On behalf of the Institute, I broadly welcomed the Report and supported the strategic approach taken by the Commission. We agreed with many of its tax base-broadening measures and endorsed its conclusion that the system needs to be rebalanced away from economically regressive labour taxes in favour of indirect taxes such as VAT, property tax and environmental charges.

We did, however, express reservations about the Report's far-reaching recommendations for changes to our capital taxes, and in a seminar hosted by the Institute in mid-March we invited expert speakers to explore the practicalities of implementing the Report's recommendations and their potential unintended consequences for the economy.

Our keynote speaker was Minister Michael McGrath, and he was certainly wary of the proposal to impose capital gains tax (CGT) on assets transferring on death and to curtail CGT relief on disposals of farms and businesses. He said that the impact of such a fundamental shift in our tax policy would require careful consideration before any changes were made.

He was also forthright about his own position on these recommendations: "While my department will consider the Commission's recommendations in the context of the continuous monitoring of these reliefs, I do not intend to bring forward substantial changes as proposed by the Commission". The Minister also confirmed that he would have regard to the Report when drawing up Budget 2024 and that some of its recommendations would be implemented.

Whatever one's view is on specific recommendations, the Commission members have done us a great service by producing such a comprehensive and well-written document. Ultimately, tax policy is a matter for the Government, but this Report deserves the scrutiny of all who take an interest in public policy.

Future-proofing the Profession

How and where we do our work have been revolutionised by the pandemic. Early indications are that this may have increased participation in Ireland, leading to record numbers in employment. What is certain is that, right now, businesses all over the world, including members' practices, are struggling with labour shortages.

During the year, the Institute undertook a comprehensive research project on the attitudes of graduates to the career in tax, as well as new trends in the work of tax professionals in an increasingly digitised world. The research has produced some fascinating and rich findings that will change how we market the career in tax to graduates into the future and will shape the education and training that the Institute

offers to existing members, as well as new entrants.

This project will help to future-proof our profession in a fast-moving world.

Conclusion

The last fifteen years have been something of a roller-coaster for the Irish economy. From the financial crisis that began in 2008 to the return of war on European soil with the Russian invasion of Ukraine in February 2022, global events have buffeted and reshaped it to produce the advanced, resilient and flexible economy that we have today. That did not happen by accident. It is down to good decision making by private sector business owners and the Government alike.

There is much more to be done to build on the progress that we have made in an economy that is now running at full tilt and beyond, with bottlenecks in housing and labour supply constraining growth. The fast pace of change is the hallmark of our era, and with it comes the increased risk of external shocks. In a small open economy such as Ireland's, vigilance and adaptability are critical. But now, more than ever, delivery will be key. If we don't move at speed to provide housing and improve our public infrastructure, we risk choking the potential of our economy and limiting the ambitions of our people.

Tax policy has a major role to play in our continued economic success also, and we, as practitioners, must continue to support a strong and vibrant Institute, thereby empowering it to represent our views on how tax policy can support business, be they indigenous businesses or large multinationals.

The Institute is a respected and balanced voice on tax policy in Ireland, as I have witnessed first-hand during my Presidency, and the Institute team deserves significant credit for building and maintaining this reputation.

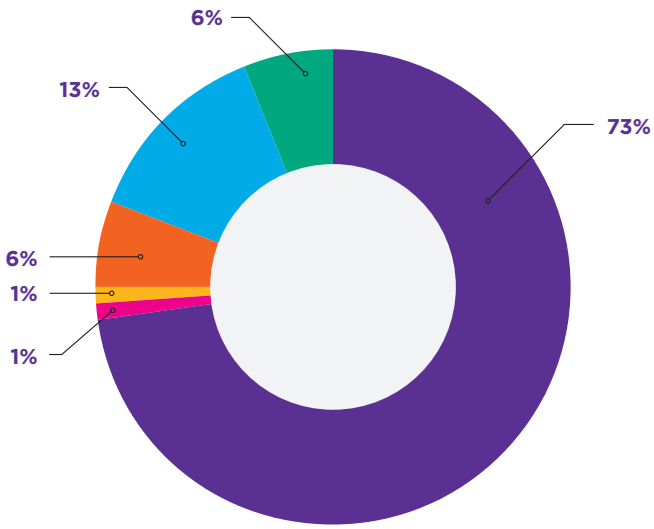
One of those who played a key role in the development of the Institute was our former Past President, Terry Cooney, who died on 7 September 2022. Terry was a founding member of what was then known as the Institute of Taxation in Ireland. He co-authored the very first *Tax Summary* and in later years he acted as its editor. He served as President in 1988–1989, the year in which self-assessment was introduced. He took a keen interest in the Institute's work in tax education, serving as Chair of the Education Committee for many years. Terry was a highly respected and very popular member of the Institute and of the tax profession in Ireland. Ar dheis Dé go raibh a anam dílis.

Finally, I want to thank the entire team at the Institute, led by Martin Lambe, my fellow Council Members and the various Committee members, in addition to all of the members for their support during my Presidency. I thoroughly enjoyed an eventful year, and I wish my successor, Tom Reynolds, and the Institute well in the years ahead.

Summary of Membership 2022 - 2023

	2023	2022	Change %
Associates	6,107	5,922	3%
Fellows	65	64	2%
Members	43	47	-9%
Tax Technicians	488	485	1%
CTA Students	1,108	1,131	-2%
Tax Technician Students	511	499	2%
TOTAL	**8,322**	**8,148**	**2%**

Associates	73%
Fellows	1%
Members	1%
Tax Technicians	6%
CTA Students	13%
Tax Technician Students	6%



Bereavements

The Council notes with deep regret the deaths of the following members:

- Terry Cooney
- Stuart Gallagher
- Caitriona Gaynor
- Richard Grogan
- Claire Guinan-Curley
- Norman E Judge
- Sean Kenny
- Fergal Maher (Oct 2021)
- Philip Manzor
- Paul Monks
- Patrick Murphy
- Nuala O'Driscoll
- David Scanlan

Overview of Activities 2022 – 2023

Over 1,200 students with **4,155** exams sat online

301 newly qualified CTAs

13 Career Fairs & our Career in Tax Fair

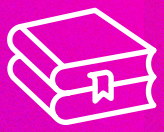
7 colleges partook in our Fantasy Budget competition

34,000 views of *Irish Tax Review* articles, written by **69** authors

100,000 TaxFind users

52 TaxFaxes

9 policy bulletins and news updates



Over 10,000 pages of consolidated tax legislation published

1 new publication, *Valuations for Tax Purposes*

28 CPD events, including **5** complimentary

450 delegates at in-person conferences

Over **100** event speakers

80 meetings and **28** submissions and correspondences with stakeholders at home and abroad

2,605 plays of Tax Talk

Over **1,300** guests attended **9** non-CPD events

Leading Through Tax Education

The Institute offers a range of qualifications to meet the needs of our prospective students. The Chartered Tax Adviser (CTA) qualification is the backbone of our membership, and we had strong numbers enrolling on the programme over the last year. Our Diploma in Tax and Tax Technician qualifications also continue to draw strong interest.

We pride ourselves on the currency of our syllabus and engage with employer firms throughout the year to better understand the changing needs of their tax departments. We use this feedback to ensure our programmes equip students with the skills and knowledge they will need in their careers. For example, in line with the increasing digitalisation of tax and compliance, we expanded the technology element of our CTA course for 2022/2023.

The needs of our students are a top priority for the Institute and the Education team engages with them as we seek to improve the supports that we offer. This year we introduced a new webinar series on study skills, which provided practical advice to students on how to manage their workload effectively during the study term. It also included a wellness session to help them cope with study stress. The series got a positive reaction from students.

External Programmes

Over the last number of years the Institute has worked in partnership with Revenue on a collaborative education project for its officials. We deliver Certificate and Tax Technician courses to complement Revenue's own training and development programme.

We value this collaborative project, and we look forward to working with Revenue's Training Branch to ensure that the courses we provide evolve to meet its requirements as they develop and change.

The Institute also delivers courses to IDA Ireland and the Department of Finance. In the first half of last year the Professional Services team attended the Department's offices in Merrion Street to deliver our Professional Diploma in Taxation Policy and Practice to a group of Finance officials. Experts from the Department and Revenue, as well as tax practitioners, were involved in delivering the programme, which concluded in June.

Conferring Ceremony 2022

One of the happiest occasions in the Institute's calendar is the Conferring Ceremony. After three years of virtual ceremonies, we returned to the O'Reilly Hall in UCD in late November where we were delighted to welcome our newly

qualified CTAs and Tax Technicians to the Institute. It was wonderful to be back in person to share in the joy and pride of our newest members and their families and friends. Our students from Revenue were also awarded certificates, with many qualifying as Tax Technicians.

To qualify as a CTA is quite an achievement, but to excel is exceptional. Our President, Colm Browne, presented awards to 10 students across Part 1, Part 2 and Part 3 for their exam success. In addition to the Institute's awards, 19 awards were presented by 12 sponsoring firms which continue to provide unwavering support for the CTA programme. The Institute is very grateful to those firms for their generosity. Congratulations to all of our winners and thank you to the sponsoring firms.

Ross Duffy with his 1st Place in Part 3 May exams award.

Colm Browne, President, awarding Dermot Kenny with 2nd Place in Part 3 May exams.

Colm Browne, President, awarding James Sherry with 2nd Place in Part 3 August exams.

Colm Browne, President, awarding Jack Kelly with 3rd Place in Part 3 May exams.

Colm Browne, President, awarding Jill Leavy with 3rd Place in Part 3 August exams.

Colm Browne, President, awarding Nicole Fitzmaurice with 1st Place in Part 1 April exams.

Colm Browne, President, awarding Killian Sheehan with 1st Place in Part 1 August exams.

Colm Browne, President, awarding Rachel O'Sullivan with 1st Place in Part 2 April exams.

Supporting Members' Lifelong Learning

Conferences

The conference season got off to a flying start at the end of March with our return to the Galmont Hotel in Galway for the Institute's first in-person Annual Conference in four years. There was a great buzz about the whole weekend, with members clearly delighted to be back with their tax colleagues discussing areas of common interest.

The presentations over the two days of the Conference focussed on issues such as M&A transactions for SMEs and developments in VAT, employment taxes and global mobility as well as Revenue audits and taking a tax appeal. After a morning of informative sessions, delegates had the opportunity to reset by joining a lunchtime chair yoga session. Those who did said it was relaxing and fun. The quality of the technical presentations was excellent, and the Institute is most grateful to the speakers and their firms for all of their hard work on behalf of fellow members.

It was an enjoyable and informative couple of days.

Niall Cody, Revenue Chairman, and Colm Browne, President, at the Irish Tax Institute and Revenue Joint Conference 2023 in Limerick.

Seven weeks later, we welcomed more than 160 members and Revenue officials to the first Institute and Revenue Joint Conference since 2017, held in the Strand Hotel, Limerick. This conference cements the collaborative work that we do with Revenue in our separate but complementary roles in supporting tax compliance among taxpayers in Ireland.

The quality of discussion did not disappoint, as delegates engaged with a programme that covered all of the current hot topics in tax administration. These included the Code of Practice for Revenue Compliance Interventions, Revenue's use of data analytics, the implementation of Pillar Two, debt management and upcoming developments in employer reporting of benefits and tax administration for non-resident landlords.

Diverse CPD Programme

Our Professional Services team remains committed to developing a dynamic and diverse CPD programme that caters for members at all stages of their careers. Thank you to the faculty of more than 100 expert speakers who helped us deliver our 2022/23 CPD programme.

Over the last 12 months, we have delivered a hybrid programme that offers flexibility and ease of access to members. The busy programme covered many key issues for CTAs and their clients, including Preparing for Pay & File, Budget 2023, Finance Bill and Act 2022, Taking a Tax Appeal, our Certificate in VAT and our new Tax, Technology & Data series. The Global CTA Webinars series, in collaboration with our sister CTA institutes in Australia, Hong Kong, South Africa and the UK, continued with a complimentary webinar on Global Mobility in 2022 & Beyond.

For tax professionals at the start of their career, we designed the Tax Trainee Induction Programme which remains a popular offering. The programme brings them up to date across all tax heads and gives them the tools and knowledge to get started in their careers.

Managing Wealth in 2023, Joint Seminar with LIA and FPSB Ireland in the Iveagh Garden Hotel.

Budget 2023 Panel Discussion. L–R: Shane Coleman, Chair and Newstalk Presenter, Elaine Berkery, Eastway Reliability (on screen), Colm Browne, President, and Fergal O'Brien, Ibec.

Global CTA Webinar Series: Global Mobility in 2022 & Beyond
Top L–R: Sarah Connellan, Chair and EY Ireland, and Gavin Duffy, Vialto Partners, South Africa
Bottom L–R: Joanne Haslehurst, Deloitte Global Employer Services, UK, and Desmond Wong, PwC, Hong Kong.

Information Services

Keeping pace with increasingly complex legislation is critical for tax professionals and the Institute works hard to deliver reliable, relevant, and authoritative information services for all of our members.

Valuations for Tax Purposes

The first edition of this unique commentary was launched at Annual Conference 2023. Expertly authored by Marie Flynn, it brings together general principles of valuations and tax-specific provisions and guides on the particular rules that may impact how valuations differ across taxes. It was very positively received by our members and is an invaluable resource for members who provide advice in this space.

Launch of Valuations for Tax Purposes. L-R: Marie Flynn, PwC Private, Colm Brown, President, and Úna Maguire, Director of Professional Services.

Annual Irish Taxation Series

April to the end of June is a busy time for our Information Services team, the powerhouse behind the publication of our essential annual titles. The work that goes into consolidating the year's updated legislation is phenomenal. Thanks to David Fennell, *Direct Tax Acts*, Maria Reade, *Law of Value-Added Tax*, and Aileen Keogan and Emmet Scully, *Law of Capital Acquisitions Tax, Stamp Duty and Local Property Tax*, for their sterling work on the crucial legislation titles.

The fifth edition of *Finance Act 2022 – The Professional's Guide* provides a section-by-section analysis of the legislation that helps members to understand the Finance Act in further detail. Thanks to Emma Arlow, Brendan Murphy and Denis Herlihy, for contributing their expertise to the publication.

Our nearly 700-page *Taxation Summary* moved online this year as part of our sustainability strategy. The summary guide to Irish tax is used by tax advisers, business managers, professional advisers, solicitors, and students of law, accountancy and tax. Thanks to both authors, David Fennell and David Shanahan.

TaxFind developments

TaxFind is a sizeable database, used by more than 100,000 people, so it is imperative that we continue to invest in its infrastructure and make the information as easy to navigate as possible. In addition to investment in the database's technology stack, upgrades over the last year include linking direct tax legislation to related Revenue Tax and Duty Manuals, and linking UK legislation references that correspond to provisions of the Taxes Consolidation Act 1997 to the applicable HMRC Operational Manuals.

Trusted Irish Voice on Tax

Commission on Taxation and Welfare

The Commission on Taxation and Welfare submitted its Report to the Minister for Finance on 1 July, and it was published by the Government on 14 September. Many of the recommendations in the 500-page document echoed the Institute's proposals in its response to the Commission's public consultation earlier in the year.

In a statement at the time of publication, we broadly welcomed the Report but expressed concerns that the proposed changes to PRSI would increase the cost of employment as acknowledged by the Commission itself. We also disagreed with some of its recommendations, particularly those relating to capital taxes.

In November we got an opportunity to set out our position on the Commission's recommendations when the Oireachtas Committee on Budgetary Oversight invited us to attend a meeting as part of its scrutiny of the Report. Our Director of Tax Policy and Representations, Anne Gunnell, and Council Member and Chair of the Institute's Policy and Technical Committee, Brian Brennan told Committee members that the Report's proposals to impose capital gains tax (CGT) on assets transferring on death and to curtail CGT relief on disposals of farms and businesses represented a fundamental shift in tax policy, the consequences of which would require consultation and in-depth careful consideration.

Notwithstanding our reservations, we believe that the Commission's recommendations should provide a framework to assist governments as they seek to address future challenges.

Anne Gunnell, Director of Tax Policy and Representations, and Brian Brennan, Council Member and Chair of the Institute's Policy and Technical Committee, at a meeting with the Budgetary Oversight Committee.

Minister for Finance, Michael McGrath, delivering his keynote address at the Institute's seminar Commission on Taxation and Welfare Report – The Practical Implications.

Any longer-term perspective of Ireland's tax and welfare systems deserves the attention of all who take an interest in public policy. Accordingly, in mid-March we held a complimentary seminar in the Royal College of Physicians in Dublin to explore the practicalities of implementing the Commission's Report and the potential unintended consequences that could arise for our economy.

Our keynote speaker was the Minister for Finance, Michael McGrath TD, who said that the Report would inform budgetary policy in the years ahead. He confirmed that he would have regard to its recommendations as he was drawing up Budget 2024 and that some would be implemented.

Referring to the recommendations on CGT relief, the Minister stated that "[w]hile my department will consider the Commission's recommendations in the context of the continuous monitoring of these reliefs, I do not intend to bring forward substantial changes as proposed by the Commission". The Minister noted that many of the recommendations on capital taxes in the Report would be difficult to implement and he was not convinced that they were the right thing to do.

The Minster's address was followed by two lively and thought-provoking panel discussions moderated by *Newstalk*'s Shane Coleman. The first panel included Institute President, Colm Browne, Muireann Lynch, Senior Research Officer

at the *ESRI*, economist Austin Hughes, and Fellow of the Institute, Donal de Buitléir who served as Secretary to the Commission on Taxation that provided their report in 1982. They had a wide-ranging debate about the Report in the round and the practicalities of its implementation.

The second panel focussed on the implications of the Report's recommendations for indigenous companies, including its proposals for the reform of SME supports such as the EII and KEEP. Former ITI President and member of the Commission Marie Bradley was joined by Raymond Donegan of *IBI Corporate Finance*, John McGrane of the *Family Business Network* and Rosanne Longmore, CEO of med-tech start-up *Coroflo*. This was another excellent discussion, which concluded that the best way to increase revenue from CGT is to cut the rate.

The title of the Commission's Report is *Foundations for the Future.* The Institute agrees that its recommendations present options for the Government and its successors. Ultimately, however, decisions on tax policy are a matter for government.

Engaging with Revenue

The Tax Administration Liaison Committee (TALC) is the main forum to discuss all aspects of tax administration with Revenue, and the Institute actively participates in the six committees that make up TALC. In 2022 we also chaired the Main TALC committee, which oversees the activity of all the sub-committees.

Throughout the year, we had in-depth discussions on important tax administration issues for our members, including how to deal with warehoused debt, ROS issues, experiences of the new Compliance Intervention Framework, Revenue's Tax and Duty Manual review process, and interpretation of Finance Act measures. In July we held a webinar with Revenue on the non-resident landlord withholding tax regime, provided for in Finance Act 2022. The webinar was well attended and gave our members a better understanding of the requirements of the new regime.

The Branch Network is the Institute's own forum that facilitates direct discussions with senior management in Revenue's five operational divisions. Through these forums, Institute Branch Network representatives from across the country engage with their Revenue counterparts about day-to-day tax administration issues on behalf of our members and work to address them.

We updated our members throughout the year on the discussions and latest developments from these engagements via bulletins and TaxFax. Additionally, each year we host a complimentary Branch Network webinar so our members can hear from and engage

directly with Revenue on each division's activities. As expected, the webinar attracted a large audience, and it covered matters such as Pay and File, warehoused debt, and the resumption of debt collection and enforcement.

Pillar Two

The implementation of the Pillar Two Minimum Tax Directive in Finance Bill 2023 has been a key focus for our Tax Policy and Representations team throughout the year. In September the Institute met a delegation from the European Parliament's Subcommittee on Tax Matters (FISC), which came to Dublin to discuss topical international tax issues and challenges. Specifically, they wanted to hear about Ireland's position on the unilateral implementation of Pillar Two in the absence of unanimity among Member States on the Pillar Two Minimum Tax Directive. As it happened, the European Council unanimously adopted the Directive in mid-December.

In early 2023 the Institute responded to two OECD consultations on administrative aspects of Pillar Two, and discussions with the Department of Finance on its implementation began in earnest in early summer. The Institute responded to a Feedback Statement in May, and since then technical discussions with officials on the implementation have been taking place at the fortnightly meetings of the TALC BEPS sub-committee.

In June the Institute met with Benjamin Angel, Director of Direct Taxation for the European Commission, to discuss EU tax developments and how they would affect Ireland and its tax code.

We are keeping a close eye on any developments in this space.

Budget and Finance Bill Activities

Against the backdrop of escalating inflation, a deepening energy crisis and interest rate increases, Budget 2023 was all about the cost of living. Speculation about the measures in prospect had started in the summer, and by the time that it was announced on 27 September – two weeks earlier than usual - much of its content had already been well trailed. Nonetheless, at a cost of €11 billion, the sheer magnitude of the overall package certainly made a splash.

The income tax package, valued at €1.1 billion, included an increase of €3,200 in the standard rate band and an increase of €75 in the income tax credits. The Institute warmly welcomed these changes, which represented the biggest reduction in personal tax in a decade.

The Institute also welcomed the introduction of the Temporary Business Energy Support Scheme (TBESS) to help businesses struggling with spiralling energy bills. After subsequent engagement between the Institute and Revenue on the low take-up of the Scheme, changes were introduced to the eligibility criteria in mid-February that enabled more businesses to qualify. These included a reduction in the energy costs threshold from 50% to 30% when compared with the corresponding period in the previous 12 months.

Although much progress had been made in personal income tax in Budget

2023, other longer-term measures that we had suggested to make our tax system more competitive have so far not been taken on board.

With Pillar Two due to come into effect at the start of 2024, our Pre-Finance Bill and Pre-Budget 2024 submissions returned to the issue of competitiveness. Recommendations included the introduction of a territorial system of tax with a participation exemption for foreign dividends and the simplification of our business tax code with reform of our interest deductibility provisions to be the first item on the agenda.

We had an opportunity to elaborate on these proposals when we met Minister McGrath in his Department on 12 July. Given his commitment to take a fresh look at the SME tax measures, we also took the Minister and his officials through the detail of our recommendations to make measures such as the EII, the KEEP, entrepreneur relief and the R&D tax credit, more accessible to small businesses and start-ups.

It was a constructive engagement, and we hope that some of our proposals will be taken on board by the Minister.

L-R: Martin Lambe, Chief Executive, Cathy Herbert, Director of Corporate Affairs, Anne Gunnell, Director of Tax Policy and Representations, Minister for Finance, Michael McGrath TD, and Colm Browne, President.

Connecting with Friends of the Institute

Connecting with New and Old Friends

Connecting with friends of the Institute, new and old, is important to us, and in November we were delighted to welcome our Past Presidents back to Grand Canal Dock for lunch for the first time since 2019. It is always an enjoyable occasion but was somewhat muted this year, with Past President Paul Moore noting the absence of Terry Cooney, who had passed away a few months earlier.

Facilitating face-to-face gatherings for our members is a priority for the Institute. We kicked off the festive season with a record turnout of South-West region members for lunch in Cork City. The only pause in the chatter was to hear from our guest speaker, renowned sports broadcaster Michael Lyster, who regaled us with stories from behind the scenes on *The Sunday Game*. Thank you to everyone who joined us - it was lovely to see colleagues coming together for this lunch after a three-year absence.

The evening before the ITI and Revenue Joint Conference, which took place in May, our President hosted a reception in Limerick for members in the Limerick/ Clare area. It was a relaxing and enjoyable event – the perfect way to rest before a conference.

Annual Dinner 2023

The Institute's flagship event, the Annual Dinner, returned to its customary slot at the end of February. With the number of guests exceeding 1,000, the atmosphere in the Clayton Hotel, Dublin was electric – a testament to the vitality of the profession and the commitment of members to the Institute.

In his address, our guest of honour, the Minister for Finance, Michael McGrath TD, recognised the valuable contributions of the Institute and its members, sharing expertise and offering advice on complex taxation issues.

Congratulations to our President, Colm Browne, on a very successful night.

International Liaisons

The Institute values its relationship with its sister Institutes in the UK, Australia, Hong Kong and South Africa, as well as its fellow CFE Tax Advisers Europe members. At least once a year, we come together to discuss the tax landscape around the globe and the challenges facing tax institutes across Europe.

Our President also had the pleasure of attending the Chartered Institute of Taxation (CIOT) and the Association of Taxation Technicians (ATT) President's Luncheon in Edinburgh, where Scotland's Deputy First Minister, Shona Robison MSP, delivered a very engaging keynote address.

L–R: David Bradshaw, ATT President, Susan Ball, CIOT President, Shona Robison MSP, Deputy First Minister of Scotland and Cabinet Secretary for Finance, and Colm Browne, Institute President.

Recognising the Work of Our Contributors

The Institute's capacity to continue providing a tax education and training that is held in the highest regard throughout Ireland depends on the generosity of our members and others in the tax profession. With the pandemic behinds us, we could finally gather to say thank you to all who give their time and expertise to support the Institute's work – our lecturers, examiners, moderators, authors, speakers, and committee and Council members.

So on an evening late in January we heartily welcomed each of our contributors to a social evening. It was lovely to see old friends again in person but perhaps even more so to meet the first-time contributors who got involved in the last two years. Everyone was in such good spirits after a long, dark January that it may become the new date for this staple event in the Institute's calendar.

Fellowships

At the Conferring Ceremony in November the Institute awarded a Fellowship to our highly respected member Paul Nestor in recognition of his dedication and contribution to tax throughout his career. In addition to his huge contribution to our tax

Colm Browne, President, presented Paul Nestor with his Fellowship at the Conferring Ceremony 2022.

Colm Browne, President, presented Sarah Meredith with her Fellowship at the Institute and Revenue Joint Conference 2023.

education offering and to our income tax publication, Paul has generously given his time to share his expertise on Finance Bills and Acts with members through written commentary and CPD.

Council Member Sarah Meredith was awarded her Fellowship at the Joint Conference in mid-May in acknowledgement of her work on Council and contribution to furthering the knowledge and understanding of tax in Ireland. This includes sharing her Finance Bill and Act expertise through CPD offerings and publications. Over the years Sarah has supported all areas of the Institute's work by sitting on our Education and Professional Services committees and chairing the Medium Enterprises Division of the Institute's Branch Network.

Irish Tax Review

In June we recognised the work of those who contribute to our quarterly tax technical online journal, *Irish Tax Review.* In the past we had given annual awards of excellence for contributions to the journal, and in June we were delighted to revive this tradition at a special lunch in the Institute.

The Norman Bale Irish Tax Review Article of the Year Award 2022 – went to Lee Squires and Mona Costelloe of *ByrneWallace* for their article "*Arderin Distillery*: Legitimate Expectation and Judicial Review of Revenue".

The second award – the Irish Tax Review Compliance Article Award – was presented to Dr Patrick Mulcahy,

L–R: Julie Burke, Irish Tax Review Editor, Michael Ryan, Irish Tax Review Chair, Lee Squires, ByrneWallace, Mona Costelloe, ByrneWallace, and Colm Browne, President.

L–R: Julie Burke, Irish Tax Review Editor, Ross Duffy, PwC, Dr Patrick Mulcahy, DCU, Michael Ryan, Irish Tax Review Chair, and Colm Browne, President.

DCU, and Ross Duffy, *PwC Ireland*, for their Issue 3 article "Corporation Tax Return 2021: Focus on Disclosures". Congratulations to all four winners on their well-deserved recognition.

At the lunch, we thanked Michael Ryan, who is stepping down as Chair of the *Irish Tax Review* Board, for his contribution to the quarterly over the last decade-and-a-half. He has been a fantastic Chair, and the Institute appreciates the invaluable guidance that he provided during his stewardship of this highly-respected publication. Thank you, Michael.

Irish Tax Review Board and winning authors at lunch in the Institute.

L–R: Gabrielle Dillon, Evelyn Delehanty, Ross Duffy, Dr Patrick Mulcahy, Martin Lambe, Judy Hutchinson, Julie Burke, Anne Hogan, Colm Browne, Margaret Lynch, Michael Ryan, Lee Squires, Mona Costelloe, Helen Byrne, Amanda-Jayne Comyn and Úna Maguire.

Future-proofing the Tax Profession

Research

Graduate recruitment and staff retention are pressing issues for practices, large and small, all over the country. The market has never been more challenging, and in that context the Institute commissioned Ipsos, an international research company, to conduct a comprehensive research project on the complex landscape of graduate recruitment and the positioning of tax as a first choice for graduate careers.

The results from both the qualitative and the quantitative research have been very interesting. The insights we have gained, from focus groups that included undergraduates and the survey of members and students, will inform the Institute's strategy for promoting the career and the design of its educational programmes over the coming years.

We will be sharing the outcome of the research with member firms, the universities and colleges, and other key stakeholders over the coming months.

Thank you to all of our members who took part in the survey and focus groups. We had a very good response, and we greatly value the rich insights that we gained from the project.

Third-Level Engagement

In tandem with the extensive research project, we continued to engage with third-level students, lecturers and universities. For many years now, we have published a third-level textbook, *Irish Taxation: Law and Practice*, that is used in third-level institutions across Ireland. Thank you to our editors, Dr Patrick Mulcahy and Laurence May, and our authors, Raymond Holly, Pat Kennedy, Paul Murphy, Margaret Sheridan and Martina Whyte, for their contributions to the 20th edition of this publication. Caitriona Gaynor, who died all too young in October 2022, was also an author of this publication. Caitriona was a pleasure to work with and is sadly missed by all who knew her. Our thoughts are with her family and friends.

Our third-level competition, Fantasy Budget, has always been well-received by lecturers, and this year we were told that more are updating their syllabi to use the competition as part of their assessment. To mark the achievement of the top three teams, we invited them and their lecturers for lunch and a prize presentation at the Institute. It was a lovely way to get to know them and to engage with them in a career in tax.

As colleges returned to lectures and the career fair season began, our Education team was kept busy in the late autumn. Last year the team travelled throughout the country, attending 13 career fairs to meet students face to face. Our own virtual Career in Tax Fair garnered great engagement between the 18 member firms and students who participated online. We were delighted with the genuine interest expressed by many of the students and hope that they will pursue a career in tax.

Back row, L-R: Shane O'Brien, Senior Tax Manager - Education Delivery, Dr Patrick Mulcahy, DCU lecturer, Shane Walsh, UCD, Michael Lynch, UCD, Ruth McCullagh, TCD, Sarah O'Gorman, TCD, Mark Haran, UCD, Joe Carmody, UCD, Úna McGovern, DCU, Alex Beirne, DCU, and Claire Sweeney, DCU.

Front row, L–R: Martin Lambe, Chief Executive, Martina O'Brien, Director of Educational Strategy, Colm Browne, President, and Sinead O'Brien, UCD lecturer.

Second-Level Engagement

Being exposed to a career path as early as possible is important for both students and recruiting firms. In the last 12 months we have attended several second-level career fairs, where we met students and business teachers, showing them just how exciting a career in tax can be.

We also attended the Institute of Guidance Counsellors' conference, where we interacted with those who can directly influence second-level students' decisions. They were interested in the route to the career and what it could offer their students.

Our Third-Level Scholarship attracted much attention at the fairs. It offers the selected Leaving Certificate student financial support for third-level living expenses and costs and a place on the prestigious Chartered Tax Adviser (CTA) programme upon graduation.

The 2022 recipient, Alisha Scollan, was formally awarded her scholarship by our President at the Conferring Ceremony in November.

Alisha Scollan with her Third-Level Scholarship at the Conferring Ceremony 2022.

Sustainability

The speed at which climate change is happening around the world leaves no room for delay in taking preventative action. A shift to more sustainable practices is moving to the top of the agenda for businesses, as new EU environmental reporting rules for small businesses come into force at the end of 2024. Over the last 12 months the Institute has taken the first steps on its journey towards achieving carbon neutrality.

Working with Clearstream Solutions, we developed a responsible business framework (RBF) that encompasses all areas of the Institute's work. The three pillars of the framework are: Our Environment; Our People, Our Community; Our Services.

We will seek to advance our performance under each of the pillars and adapt as necessary. We look forward to supporting our members as they take the necessary steps to comply with new rules on the decarbonisation of their businesses.

Officers and Council

Council Members 2022 - 2023

Colm Browne
President

Tom Reynolds
Deputy President

Aoife Lavan
Vice President

Karen Frawley
Immediate Past President

Peadar Andrews

Brian Brennan

Oonagh Carney

Ian Collins

Amanda-Jayne Comyn

Maura Dineen

Aidan Fahy

Stephen Gahan

Aileen Keogan

Martin Lambe
Chief Executive

Laura Lynch

Sarah Meredith

Colm O'Callaghan

Kieran Twomey

Shane Wallace

Tommy Walsh

Officers and Council

Mr Colm Browne will retire as Irish Tax Institute President at the forthcoming 48th Annual General Meeting. Mr Tom Reynolds has been elected by Council to become President of the Institute for the ensuing year. Ms Aoife Lavan will be Deputy President and Mr Shane Wallace will be Vice President.

In accordance with the Articles of Association, the following Council Members retired by rotation:

- Mr Peadar Andrews
- Mr Colm Browne
- Ms Maura Dineen
- Ms Aoife Lavan
- Mr Colm O'Callaghan
- Mr Kieran Twomey

Mr Colm Browne having been President of the Institute will retire from Council at the AGM and is not eligible for re-election. Ms Aoife Lavan as incoming Deputy President will be deemed re-elected to Council.

Except for Mr Kieran Twomey, the outgoing Council Members Mr Peadar Andrews, Ms Maura Dineen and Mr Colm O'Callaghan offered themselves for re-election.

In addition to the outgoing Council Members, the following members were nominated for election to Council:

- Ms Kelly Payne
- Mr Neil Phair

Due to the fact that the number of members seeking election equals the number of vacancies, no election was required. The vacancies on Council for 2023-2024 is filled as below:

- Mr Peadar Andrews
- Ms Maura Dineen
- Mr Colm O'Callaghan
- Ms Kelly Payne
- Mr Neil Phair

Attendance at Council Meetings

Name	Number of Attendances	%
Peadar Andrews	3/6	50%
Brian Brennan	4/6	67%
Colm Browne	6/6	100%
Oonagh Carney	6/6	100%
Ian Collins	3/6	50%
Amanda-Jayne Comyn	5/6	83%
Maura Dineen	2/6	33%
Aidan Fahy	5/6	83%
Karen Frawley	4/6	67%
Stephen Gahan	4/6	67%
Aileen Keogan	5/6	83%
Martin Lambe	6/6	100%
Aoife Lavan	4/6	67%
Laura Lynch	6/6	100%
Sarah Meredith	5/6	83%
Colm O'Callaghan	5/6	83%
Tom Reynolds	5/6	83%
Kieran Twomey	5/6	83%
Shane Wallace	5/6	83%
Tommy Walsh	5/6	83%

Irish Tax Institute

Directors' Report and Financial Statements

for the financial year ended

31 March 2023

Charity Number: 5874

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General Information

President	Browne, Colm
Deputy President	Reynolds, Tom
Vice President	Lavan, Aoife
Chief Executive Officer	Lambe, Martin

Directors (hereafter referred to as the "Council")

Andrews, Peadar
Brennan, Brian
Browne, Colm
Carney, Oonagh
Collins, Ian
Comyn, Amanda Jayne
Dineen, Maura
Fahy, Aidan (appointed 08/09/2022)
Frawley, Karen (resigned 08/09/2022)
Gahan, Stephen
Keogan, Aileen
Lambe, Martin
Lavan, Aoife
Lynch, Laura
Meredith, Sarah
O' Callaghan, Colm
Reynolds, Tom
Twomey, Kieran
Wallace, Shane
Walsh, Tommy

Registered Office & Business Address

First Floor Offices
South Block,
Longboat Quay
Grand Canal Harbour
Dublin 2

Secretary

Carney, Martin

Auditors

BDO
Statutory Audit Firm
Block 3
Miesian Plaza
50-58 Baggot Street
Lower
Dublin 2

Bankers	Allied Irish Banks PLC 7/12 Dame Street Dublin 2 D02 KX20 Bank of Ireland 87-89 Pembroke Rd, Ballsbridge Dublin 4
Solicitors	A & L Goodbody Irish Financial Services Centre North Wall Quay Dublin 1 Beauchamp s Solicitors Riverside Two Sir John Rogerson's Quay Dublin 2
Company Registered Number	53699
Revenue Charity Number	CHY 5874
Charity Registered Number	20009533
Date of Incorporation	31 December 1975

Directors' Report

for the financial year ended 31 March 2023

The directors present their report together with the audited financial statements for the financial year ended 31 March 2023. The directors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Activities

Principal Activity

The Irish Taxation Institute (ITI) is an independent, not-for-profit organisation. Our purpose is to promote the study of, research into and discussion of all matters relating to tax legislation and the administration and practice of taxation. We provide a forum for the dissemination of research and information on tax policy prepared by ourselves, the government, the public service and other authoritative persons and bodies both in Ireland and internationally. The results of our own work are shared with the general public and relevant government departments and statutory bodies as necessary.

We set and promote high standards for all those practicing tax. Our standards are set out in our Code of Professional Conduct and Recommended Best Practice Guidelines which is supported by disciplinary procedures.

We engage with the government and the public service in a constructive manner to work towards improvement in tax policy and administration. We also engage with the EU Commission and parliament through our European umbrella body, CFE Tax Advisors Europe (CFE).

Achievements and Performance

Deficit and Reserves

The deficit for the year after providing for depreciation amounted to €230,564 (2022: surplus €630,161).

Review of Operations and Future Developments

Although the financial result for 2023 is negative due to the return to normal in-person events in the last twelve months like the Institute's annual dinner/ annual conference and an increase in direct costs from the Institutes suppliers across the board which the Institute absorbed with no increase to Members subscriptions, the Institute will continue to focus on controlling costs where it can and by widening the range of training and educational programmes.

Over the last number of years Council have also strategically increased investment in improving the level and quality of core services provided by the Institute. Council is cognisant of the broad trends in mobile and cloud technologies and given the pace of change particularly in technology and digitalization decided that the Institute should embark and continue on, a programme of investment where relevant to keep pace with technology and digital trends.

This investment included a fully redeveloped version of TaxFind, the Institute's tax research platform. TaxFind was further enhanced in 2022-2023 when work commenced on technical upgrades which will continue during 2023-2024 and these upgrades will future-proof the platform and inform future developments around evolving member needs.

In light of Covid-19, the Institute also undertook a programme of change in the delivery of lectures, exams, CPD offerings (seminars, courses and certificates) investing in remote technology to ensure the continued delivery of these crucial elements for its members in a seamless and efficient manner.

As the worst of the pandemic has been weathered in 2022-2023 and the economy reopened fully, the Institute will continue to embrace technology in designing and delivering its education and information services to ensure that our students and participants in our Continuing Professional Development programmes experience best-in-class professional education and training.

The Institute commenced a review of its Membership system (CRM) and its website in terms of the technology and complex processes underpinning these crucial systems.

The Institute also undertook work on an important piece of research to gather views among third level students on their perception of a career in tax with planning of the research well advanced. This research was commissioned following Institute meetings with member firms where the key issue that emerged was the recruitment of talent for a career in tax. The research was independently carried out by Ipsos and reviewed by Council in May 2023

during a strategy session and the output of this research will inform the Institute's marketing and promotion work for the coming years.

The level of Investment and support provided by the Institute is set against a backdrop of subscriptions having only been increased once since 2005. The continued prudent management of resources by Council has placed the Institute on a healthy financial base and there is no immediate requirement to revisit subscriptions. The Institute will continue to focus on delivery, quality and ensuring that its qualifications are responsive to the requirements of employers and members.

Financial Review

Going Concern

Although the result for the period ending 31 March 2023 shows a deficit due to the return to normal in-person events in the last twelve months like the Institute's annual dinner/annual conference following the lifting of restrictions in place during Covid-19, the Directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The directors have assessed the overall financial position of the company and are satisfied that there are sufficient reserves within the company to enable any liabilities to be paid as they fall due, and for a period not less than twelve months after the date of signing the financial statements. The directors further believe that although normal business operations were interrupted during Covid-19, the majority of these have migrated to on-line and virtual platforms successfully and have not had a material impact on the Institutes business.

The directors have formed the judgement that there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis when preparing the financial statements.

Principal Risks and Uncertainties

The Irish Taxation Institute has assessed the principal risks and uncertainties which are managed through a detailed risk analysis register. These risks and uncertainties may arise as a result of internal or external sources and include internal control breakdowns, disruption to information systems, human resources issues, reputational risks and regulatory issues.

Events After the Year End

There have been no significant events affecting the company since the year end.

Structure, Governance and Management

Constitution

The company, which was incorporated on 31 December 1975 is registered as limited by guarantee under Part 18 of the Companies Act 2014 and does not have a share capital.

Every member is liable for the debts and liabilities of the company in the event of a winding up to such amount as may be required but not to exceed €1.27.

Directors

Andrews, Peadar
Brennan, Brian
Browne, Colm
Carney, Oonagh
Collins, Ian
Comyn, Amanda Jayne
Dineen, Maura
Fahy, Aidan (appointed 08/09/2022)
Frawley, Karen (resigned 08/09/2022)
Gahan, Stephen
Keogan, Aileen
Lambe, Martin
Lavan, Aoife
Lynch, Laura
Meredith, Sarah
O' Callaghan, Colm
Reynolds, Tom
Twomey, Kieran
Wallace, Shane
Walsh, Tommy

Secretary

Carney, Martin

The following Directors retire by rotation:

Andrews, Peadar

Browne, Colm

Dineen, Maura

Lavan, Aoife

O'Callaghan, Colm

Twomey, Kieran

Mr Colm Browne having been President of the Institute will retire from Council at the next AGM and is not eligible for re-election.

Political Contributions

The company did not make any political donations during the year, as defined by the Electoral Act 1997.

Third-Level Scholarship Fund

The Institute's Third-Level Scholarship Programme provides an opportunity to students to receive financial assistance through their education and progress to the AITI programme to pursue a career as an AITI Chartered Tax Adviser (CTA).

During the 2022/2023 academic year there were four students on the scholarship programme and therefore the cost of supporting students during the financial year amounted to €16,000 (2022: €16,000). It is expected that 4 students will take up scholarships in the 2023/2024 academic year. An amount of €22,000 (2022: €22,000) is set aside as a designated reserve in the Balance Sheet to cover the cost of the programme in 2023/24.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("relevant financial reporting framework").

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets,

liabilities and financial position of the company as at the financial year end date, and of the surplus or deficit for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285, Companies Act 2014, with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel, with appropriate expertise, and the maintenance of computerised accounting systems. The company's accounting records are maintained at First Floor Offices, South Block, Longboat Quay, Grand Canal Harbour, Dublin 2.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that in formation.

Auditors

The auditors BDO Ireland, have been elected to be in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

The financial statements were approved by Council on 19 June 2023 and signed on its behalf by:

Colm Browne
President, Director & Member of Council

Laura Lynch
Chair of Finance & Administration Committee, Director & Member of Council

Martin Lambe
Chief Executive Officer, Director & Member of Council

Corporate Governance Statement

The Irish Taxation Institute is a company limited by guarantee, not having a share capital. The company is not obliged to comply with the principles recommended in the Combined Code on Corporate Governance. However, Council, the Institute' s governing body (Board of Directors), is committed to the highest standards of corporate governance and applies elements of the Code in so far as it is relevant to the Institute.

The Institute is fully compliant with the Charities Governance Code in accordance with the requirements of the Charities Regulatory Authority.

Council and the Chief Executive

Council is the governing body of the Institute and comprises of up to 21 members consisting of 18 elected members, 2 co-opted members and 1 Chief Executive. The Chief Executive is an unelected member of Council. In accordance with the Constitution one-third of the elected Council members are required to retire by rotation at each Annual General Meeting based on seniority. Council members are required to abide by the Code of Conduct for Council Members.

The President chairs meetings of Council. The Immediate Past President is entitled to attend meetings of Council but is not entitled to vote. Council meets at regular intervals throughout the year and on such other occasions as determined by the President.

Council members do not receive remuneration for their services as Directors of the Institute. The Chief Executive similarly does not receive remuneration for his services as a Director of the Institute.

Council is responsible for the leadership, direction and control of the Institute, for determining the Institute's overall strategy and for ensuring that the Institute pursues the main objects of its Constitution.

The implementation of the strategic plan is delegated by Council to several standing committees. Council collectively reviews performance against the strategic plan at regular intervals.

The following standing committees were in place during the period under review:

- Audit Committee
- Finance and Administration Committee
- Investigations Committee
- Education Committee
- Corporate Sector Committee
- Nominations and Remunerations Committee
- Policy and Technical Committee
- Professional Affairs Committee
- Professional Services Committee
- Tax Administration Committee

Detailed terms of reference and work plans are in place for each of the standing committees, and the committee chairpersons' report to Council at regular intervals on the progress of their work plans.

A framework for the conduct of Council and committee meetings is in place and new Council members are provided with the opportunity of attending an induction presentation provided by the Chief Executive / Company Secretary.

The Chief Executive manages the day-to-day operations of the Institute within the framework established by Council and is responsible for implementing the strategic plan developed by Council. The Chief Executive is required to report to Council at each Council meeting and meets with the President, the Deputy President and Vice President at regular intervals during the periods between Council meetings.

The Institute holds insurance cover to protect Council Members and Officers against liability arising from legal actions brought against them in the course of their duties.

Council has implemented a "Speak-up" policy which enables employees to raise genuine concerns about any malpractice or wrongdoing within the Institute. The policy is designed to ensure that a clear and straightforward channel exists for any employee to raise issues of concern.

Finance and Administration Committee

Council has overall responsibility for finance and administration and the system of internal controls, which is designed to provide reasonable assurance against material misstatement or loss. However, no system of control can provide absolute assurance. Council has put in place an organisational structure appropriate to the size of the company with defined lines of responsibility and delegation of authority where Council considers it necessary.

The Finance and Administration Committee established by Council meets at regular intervals throughout the year and is responsible for:

- Monitoring the integrity of the financial statements and any information pertaining to its financial performance
- Setting, and approving for recommendation to Council, the annual budget
- Monitoring actual performance against budget
- Appraising, reviewing and authorising capital expenditure.
- Approving, on behalf of Council, the remuneration of staff below senior management
- Reviewing Health and Safety procedures

Audit Committee

The Audit Committee comprises of up to three Council members who are independent of management and free of any relationship that, in the opinion of Council, would interfere with their exercise of independent judgement. The Institute's Head of Finance attends meetings of the Audit Committee as and when required to do so.

The Committee is responsible for reviewing the Financial Statements and the audit findings, ensuring compliance with accounting policies and satisfying itself as to the effectiveness of the company's systems of internal controls and risk management.

The Committee is also responsible for making recommendations to Council regarding the appointment, reappointment or removal of external auditors and reviewing their independence. If deemed appropriate by Council, the annual audit is put to tender every three years. BDO are the current auditors and the audit for the year ending 31 March 2023 is the third year of their current term of appointment.

The Audit Committee meets with the auditors, independent of management.

Nominations and Remunerations Committee

Council has established a Nominations and Remunerations Committee, which is responsible for the recruitment, assessment, and conditions of service of the Chief Executive and senior executive management. The Committee assesses performance annually against agreed objectives and reviews the remuneration of the Chief Executive and other senior executives serving on the management team to satisfy itself that their remuneration is in line with market rates for similar organisations. The reviews are carried out in accordance with an agreed process established in conjunction with external independent salary consultants.

The Nominations and Remunerations Committee is also responsible for identifying suitable members to fill vacancies on Council if they may arise during the year.

The Committee comprises the President, Deputy President and Vice President.

On behalf of the Council

Colm Browne

President, Director & Member of Council

Laura Lynch

Chair of Finance & Administration Committee, Director & Member of Council

Martin Lambe

Chief Executive Officer, Director & Member of Council

Date: 19 June 2023

Independent Auditor's Report to the Members of Irish Taxation Institute

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Irish Taxation Institute (the 'company') for the financial year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The financial reporting standard applicable in the UK and Ireland.

In our opinion the financial statements:

- give a true and fair view of assets, liabilities and financial position of the company as at 31 March 2023 and of its deficit for the year then ended
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the Directors' Report. The other information also comprises the remaining information included in the Annual Report, other than the financial statements and our Auditor's report thereon. The remaining other information in the Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained at the date of this auditor's report as well as the remaining other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained at the date of this auditor's report, or based on the work we will perform on the remaining other information included in the Annual Report, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Based on the work we have performed on the other information obtained at the date of this auditor's report, we have nothing report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purpose of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained during the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our Auditor's Report.

The purpose of the audit report and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Carbery
For and on behalf of
BDO Dublin
Statutory Audit firm
AI223876

Date: **19/06/2023**

Statement of Financial Activities

Including Income and Expenditure for the financial year ended 31 March 2023.

		Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
Operating Activities	**Note**	€	€	€	€
Income					
Income from charitable activities					
Operations generating funds	5	5,884,322	-	**5,884,322**	5,890,075
Investment income	6	500	-	**500**	145
Total income		5,884,822	-	**5,884,822**	5,890,220
Expenditure					
Expenditure on charitable activities					
Cost of operations	7	(6,099,386)	(16,000)	**(6,115,386)**	(5,260,059)
Reversal of previous impairment on building		-	-	**-**	-
Total expenditure		(6,099,386)	(16,000)	**(6,115,386)**	(5,260,059)
Net income before other gains and losses		(214,564)	(16,000)	**(230,564)**	630,161
Transfers between funds		(16,000)	16,000	**-**	-
Net movement in funds		(230,564)	-	**(230,564)**	630,161
Total funds on 1 April 2022	19, 20	10,424,870	22,000	**10,446,870**	9,816,709
Total funds on 31 March 2023	19, 20	10,194,306	22,000	**10,216,306**	10,446,870

There are no gains or losses other than those shown above, and all amounts relate to continuing operations. The accompanying notes on pages 65 to 87 form part of these financial statements.

The financial statements were approved by Council on 19 June 2023 and signed on its behalf, by:

Colm Browne	Laura Lynch	Martin Lambe
President, Director & Member of Council	**Chair of Finance & Administration Committee, Director & Member of Council**	**Chief Executive Officer, Director & Member of Council**

Balance Sheet

as at 31 March 2023

	Notes	2023	2022
Fixed Assets		€	€
Tangible fixed assets	14	**4,368,657**	4,565,211
Current Assets			
Debtors: amounts falling due within one year	15	**511,502**	462,490
Cash and cash equivalents	16	**6,554,445**	6,510,723
Total Current Assets		**7,065,947**	6,973,213
Creditors: amounts falling due within one year	17	**(1,218,298)**	(1,091,554)
Net Current Assets		**5,847,649**	5,881,659
Total Assets Less Current Liabilities		**10,216,306**	10,446,870
Funds			
Unrestricted funds	19	**10,194,306**	10,424,870
Restricted funds	20	**22,000**	22,000
Total Funds		**10,216,306**	10,446,870

The accompanying notes on pages 65 to 87 form part of these financial statements.

The financial statements were approved by Council on 19 June 2023 and signed on its behalf, by:

Colm Browne	Laura Lynch	Martin Lambe
President, Director & Member of Council	**Chair of Finance & Administration Committee, Director & Member of Council**	**Chief Executive Officer, Director & Member of Council**

Statement of Cash Flows

for the financial year ended 31st March 2023

	Notes	2023 €	2022 €
Cash flows from operating activities			
(Deficit)/Surplus for the year		**(230,564)**	630,161
Investment income recognised in Statement of Financial Activities		**(500)**	(145)
Depreciation		**275,106**	305,703
Movement in working capital		**44,042**	935,719
Movement in debtors		**(49,012)**	73,566
Movement in creditors		**126,744**	(259,012)
Cash flows from operating activities		**77,732**	750,273
Cash flows from investing activities			
Purchase of tangible assets		**(78,552)**	(33,592)
Investment income		**500**	145
Cash flow from investing activities		**(78,052)**	(33,447)
Movement in cash and cash equivalents		**43,722**	716,826
Cash and cash equivalents at beginning of the financial year	**16**	**6,510,723**	5,793,897
Cash and cash equivalents at end of the financial year	**16**	**6,554,445**	6,510,723

Notes to the Financial Statements

for the financial year ended 31 March 2023

1. General Information

These financial statements comprising the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes constitute the individual financial statements of the Irish Taxation Institute for the financial year ended 31 March 2023.

Irish Taxation Institute is a Company Limited by Guarantee and not having a share capital (registered under Companies Act 2014), incorporated in the Republic of Ireland with a registered number of 53699. The Registered Office is First Floor Offices, South Block Longboat Quay, Grand Canal Harbour Dublin 2, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report.

2. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Accounting convention

The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards issued by the Financial Reporting Council and the Companies Act 2014.

Irish Taxation Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Notes to the Financial Statements

for the financial year ended 31 March 2023

The Directors have availed of the provisions of Section 291(5) of the Companies Act 2014 to use a format for the financial statements that better describes the activities of a company not trading for a profit. The main change being the replacement of the title "profit and loss" with the title "Income and Expenditure" and consequential changes in descriptions of certain items to be consistent with the descriptions appropriate to the not-for-profit sector.

Use of Estimates and Judgements

The preparation of financial statements in conformity with Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Impairment review of Tangible Fixed Assets

Long-lived assets, consisting primarily of land and buildings/long leaseholds, comprise a significant portion of total assets. The property is tested for impairment at periodic intervals by the directors.

Following the annual review of the carrying values of land and buildings/ long leaseholds, and also taking into account the valuation which took place in prior year, the directors are of the opinion that the market value is greater than the net book value at 31 March 2023. There is no indication of an impairment required.

Preparation of the accounts on a going concern basis

Although the result for the period ending 31 March 2023 shows a deficit due to the return to normal in-person events in the last twelve

Notes to the Financial Statements

for the financial year ended 31 March 2023

months like the Institute's annual dinner/annual conference following the lifting of restrictions in place during Covid-19, the Directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The directors have assessed the overall financial position of the company and are satisfied that there are sufficient reserves within the company to enable any liabilities to be paid as they fall due, and for a period not less than twelve months after the date of signing the financial statements. The directors further believe that although normal business operations were interrupted during Covid-19, the majority of these have migrated to on-line and virtual platforms successfully and have not had a material impact on the Institutes business.

The directors have formed the judgement that there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis when preparing the financial statements.

Income

Subscriptions & other activities
Income from subscriptions is recognised in the year to which it relates.

Publications & electronic information
Income from publications and electronic information are accounted for on delivery of the goods to the buyer.

Conferences & seminars
Income from conferences and seminars, registration fees, non-discretionary services and member engagement events are accounted for when the event takes place.

Notes to the Financial Statements

for the financial year ended 31 March 2023

Courses & examinations
Qualifications and examinations are accounted for when the event or exam takes place.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. All expenses including support costs and governance costs are allocated to the sole activity of the company.

Taxation

The company is a charity, and it does not carry out any activities with a view to profit and therefore no liability to corporate taxation arises.

Property, Plant and Equipment

(i) Cost
Property, plant and equipment are recorded at historical cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes prime cost, overheads and interest incurred in financing the construction of tangible fixed assets. Capitalisation of interest ceases when the asset is brought into use.

(ii) Depreciation
Depreciation is provided on property, plant and equipment, on a straight-line basis so as to write off their cost less residual amounts over their estimated economic lives.

Notes to the Financial Statements

for the financial year ended 31 March 2023

The estimated economic lives and depreciation rates assigned to property, plant and equipment are as follows:

Land and buildings long leasehold	2%
Computer equipment	25%
Fixtures and fittings	15%
Plant	12.5%

The company's policy is to review the remaining economic lives and residual values of property, plant and equipment on an ongoing basis and to adjust the depreciation charge to reflect the remaining estimated life and residual value.

Fully depreciated property, plant and equipment are retained in the cost of property, plant and equipment and related accumulated depreciation until they are removed from service. In case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the Statement of Financial Activities.

Impairment

Assets not carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre interest cash flows obtainable as a result of the asset's continued use. The interest cash flows are discounted using a discount rate that represents the current market risk free rate and the risks inherent in the asset. For the purposes of assessing impairment, assets are grouped

Notes to the Financial Statements

for the financial year ended 31 March 2023

at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If the recoverable amount of the asset (or the asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Financial Activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

Trade debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that has a probable result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions

are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution retirement benefit plans.

(i) Short Term Benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined Contribution Retirement Benefit Plans

The company operates a defined contribution plan. A defined contribution plan is a retirement benefit plan under which the company pays fixed contributions into a separate fund. Under defined contributions plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered retirement benefit plans on a contractual or voluntary basis. The company has no further payment obligations once the contribution has been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to the Financial Statements

for the financial year ended 31 March 2023

Reserves and fund accounting

Council is aware of the general duty to apply company funds within a reasonable time of receiving them and have endeavoured to spend funds in accordance with the charitable objectives set out in its Constitution.

Unrestricted funds are available to spend on activities that further any of the purposes of the company. Restricted funds of the company are that which the Directors have decided at their discretion to set aside to be applied for a specific purpose.

Unrestricted funds are maintained at a level needed:
(a) to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice; and
(b) to cover administration and support costs without which the company could not function.

Council considers it prudent that unrestricted reserves should be enough:
(a) to avoid the necessity of realising fixed assets held for the company's use; and
(b) to cover 12 months of gross expenditure.

The day-to-day monitoring of this policy is the responsibility of management, who will bring any issues to the immediate attention of the Finance and Administration Committee and ultimately to the Council, if required.

Investment income, gains and losses are allocated against the appropriate fund.

Currency

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements

Notes to the Financial Statements

for the financial year ended 31 March 2023

are presented in Euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Financial Activities within "Investment (expense)/income".

3. Going Concern

Although the result for the period ending 31 March 2023 shows a deficit due to the return to normal in-person events in the last twelve months like the Institute's annual dinner/annual conference following the lifting of restrictions in place during Covid-19, the Directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The directors have assessed the overall financial position of the company and are satisfied that there are sufficient reserves within the company to enable any liabilities to be paid as they fall due, and for a period not less than twelve months after the date of signing the financial statements. The directors further believe that although normal business operations were interrupted during Covid-19, the majority of these have migrated to on-line and virtual platforms successfully and have not had a material impact on the Institutes business.

Notes to the Financial Statements

for the financial year ended 31 March 2023

The directors have formed the judgement that there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis when preparing the financial statements.

4. The Company

The Irish Taxation Institute is a company limited by guarantee, registered under Part 18 of the Companies Act 2014.

Every member is liable for the debts and liabilities of the company in the event of a winding up to such amount as may be required but not to exceed €1.27.

5. Income from charitable activities – Operations generating funds.

Income comprises the invoiced value of goods and services provided by the company in the Republic of Ireland:

	Unrestricted Funds 2023	Total 2022
	€	€
Subscriptions and member services	**2,506,640**	2,233,616
Other activities	**3,377,682**	3,656,459
Total income from charitable activities	**5,884,322**	5,890,075

Notes to the Financial Statements

for the financial year ended 31 March 2023

6. Investment Income

	2023	2022
	€	€
Bank Interest	**500**	145
	500	145

7. Expenditure on charitable activities

Expenditure comprises the invoiced value of goods and services supplied by third parties in the Republic of Ireland:

	Restricted funds	Unrestricted funds	Total 2023	Total 2022
	€	€	€	€
Subscriptions and member services	16,000	2,781,828	**2,797,823**	2,203,284
Other activities/ support costs	-	3,317,558	**3,317,558**	3,056,775
	16,000	6,099,386	**6,115,386**	5,260,059

Expenditure on charitable activities amounted to €6,115,386 (2022: €5,260,059), €6,099,386 (2022:€ 5,244,059) of which related to unrestricted funds.

Notes to the Financial Statements

for the financial year ended 31 March 2023

The main category of support costs are:

	2023	2022
	€	€
Governance costs	**175,754**	113,123
Salary Costs - indirect	**1,683,777**	1,594,696
IT costs	**699,379**	621,158
Professional fees	**45,268**	44,841
Advertising	**63,910**	55,724
Subscriptions	**51,560**	48,592
Depreciation	**275,106**	305,703
Other	**322,803**	272,938
	3,317,558	3,056,775

Other support costs consist of general office expenses such as insurance, stationery, cleaning and credit card commissions.

Included in governance costs are:

	2023	2022
	€	€
Audit	**29,961**	23,876
Legal Advice	**100,421**	78,202
Statutory/constitutional costs	**1,284**	4,898
Other	**44,089**	6,147
	175,754	113,123

Notes to the Financial Statements

for the financial year ended 31 March 2023

8. Analysis of resources expended by expenditure type.

	Staff Costs 2023	Depreciation 2023	Cost of Generating Funds 2023	Total 2023	Total 2022
	€	€	€	€	€
Expenditure on charitable activities	2,807,051	275,106	3,033,229	**6,115,386**	5,260,059
Total Expenditure on charitable activities	2,807,051	275,106	3,033,229	**6,115,386**	5,260,059

9. Net movement in funds

	2023	2022
Net movement in funds is stated after charging	€	€
Depreciation of tangible assets	**275,106**	305,703

10. Employees

Number of employees

The average monthly number of employees during the year were:

	2023	2022
	NUMBER	NUMBER
Directors	**1**	1
Administration	**32**	31
	33	32

Notes to the Financial Statements

for the financial year ended 31 March 2023

Employment costs (including directors)

	2023	2022
	€	€
Wages and salaries	**2,368,673**	2,233,522
Social welfare costs	**317,876**	297,435
Other retirement benefit costs	**120,830**	110,225
	2,807,379	2,641,182

10.1. Directors' emoluments

	2023	2022
	€	€
Gross payments to Council members	**213,791**	208,748
Other retirement benefit costs	**13,538**	13,132
	227,329	221,880
Social welfare costs	**22,982**	22,328
	250,311	244,208

Including the Chief Executive Officer, who is remunerated for the executive services provided to the Institute, no Council member receives payment in respect of services provided in their capacity as Council member, other than by way of reimbursement of out-of-pocket expenses incurred in the provision of these services.

Council members may receive payment for services provided, not related to their service to the Council/Board or in their capacity as a member of the Council/Board.

Notes to the Financial Statements

for the financial year ended 31 March 2023

The total cost of remunerating the Chief Executive Officer, including pension and excluding employers' PRSI, for services in that capacity for the year amounted to €221,523 (2022: €215,194).

Details of payments to Council members, including reimbursed expenses, who were members of Council during the year, are as follows (where relevant these are stated exclusive of VAT and employers PRSI):

Council member	Executive remuneration	Royalties & education fees	Reimbursed expenses	Total 2023	Total 2022
	€	€	€	€	€
Brian Brennan	-	-	-	-	350
Ian Collins	-	-	-	-	150
Amanda-Jayne Comyn	-	**675**	-	**675**	440
Aileen Keogan	-	**2,118**	-	**2,118**	1,756
Sarah Meredith	-	**375**	-	**375**	3,990
Oonagh Carney		**650**	-	**650**	
Stephen Gahan		**150**	-	**150**	
Martin Lambe	**221,523**	**-**	**1,838**	**223,361**	215,194
	221,523	**3,968**	**1,838**	**227,329**	221,880

10.2 Employee benefits

The number of employees whose total employee benefits (excluding employer pension costs and employers' PRSI) for the reporting period fell within each band of €10,000 from €70,000 upwards, as required per the SORP, are as follows:

Notes to the Financial Statements

for the financial year ended 31 March 2023

Salary band	Number of Employees 2023	Number of Employees 2022
€70,000 - €79,999	**6**	4
€80,000 - €89,999	**3**	2
€90,000 - €99,999	**1**	1
€100,000 - €109,999	**-**	-
€110,000 - €119,999	**1**	2
€120,000 - €129,999	**1**	-
€130,000 - €139,999	**-**	1
€140,000 - €149,999	**3**	2
€150,000 - €159,999	**-**	-
€160,000 - €169,999	**-**	-
€170,000 - €179,999	**-**	-
€180,000 - €189,999	**-**	-
€190,000 - €199,999	**-**	-
€200,000 - €209,999	**1**	1
	16	13

There were no other employees who received employee benefits, excluding employer pension costs, more than €70,000 during the year.

11. Retirement benefit costs

The company operates a defined contribution retirement benefit scheme. Retirement benefit costs amounted to €120,830 (2022: €110,225). The assets of the scheme are held in an independently administered pension fund.

Notes to the Financial Statements

for the financial year ended 31 March 2023

12. Key management compensation

Key management includes the Council and senior management of the company. The compensation paid or payable to key management, including employer's pension contributions, for employee services is shown below:

	2023	2022
	€	€
Salaries and other short term employee benefits	**944,976**	910,554
Social welfare contributions	**97,893**	94,350
	1,042,870	1,004,904

13. Taxation

Under the Taxes Consolidation Act, 1997, the company is exempt from Corporation Tax due to its status as a registered charity. Revenue charity number CHY 5874.

Notes to the Financial Statements

for the financial year ended 31 March 2023

14. Tangible fixed assets

	Land and buildings long leasehold	Plant	Fixtures & fittings	Computer equipment	Total
	€	€	€	€	€
Cost					
At 1 April 2022	6,363,923	416,684	800,162	2,386,040	9,966,809
Additions	-	-	63,344	15,208	78,552
At 31 March 2023	6,363,923	416,684	863,506	2,401,248	10,045,361
Depreciation					
On 1 April 2022	2,068,278	416,684	665,410	2,251,228	5,401,598
Charge for the year	127,278	-	38,737	109,091	275,106
On 31 March 2023	2,195,554	416,684	704,147	2,360,319	5,676,704
Net book values					
At 31 March 2023	**4,168,369**	**-**	**159,359**	**40,929**	**4,368,657**
At 31 March 2022	**4,295,647**	**-**	**134,752**	**134,812**	**4,565,211**

Assets not initially carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Directors are of the opinion that the carrying value of Land and Building Long Leasehold and Plant does not exceed the net realisable value.

Notes to the Financial Statements

for the financial year ended 31 March 2023

15. Debtors: amounts falling due within one year

	2023	2022
	€	€
Trade debtors	**324,515**	181,774
Value added tax receivable	**-**	7,916
Prepayments and accrued income	**186,987**	272,800
	511,502	462,490

All debtors are due within one year.

All trade debtors are due within the company's normal terms, which is thirty days. Trade debtors are shown net of impairment in respect of doubtful debts.

16. Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash in hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Cash Flow Statement can be reconciled to the related items in the Balance Sheet as follows:

	2023	2022
	€	€
Cash and cash equivalents	**6,554,445**	6,510,723
	6,554,445	6,510,723

Included within cash and cash equivalents is government issued bonds of €980,000 (*2022: €980,000*)

Notes to the Financial Statements

for the financial year ended 31 March 2023

17. Creditors: amounts falling due within one year

	2023	2022
	€	€
Trade creditors	**101,356**	100,631
PAYE/PRSI	**100,914**	80,902
Other creditors and accruals	**478,039**	398,051
Value added tax payable	**2,754**	-
Deferred income	**535,235**	511,970
	1,218,298	1,091,554

The repayment of trade creditors vary between on demand and 90 days. No interest is payable on trade creditors. The terms of accruals are based on the underlying contracts.

Tax is subject to the terms of the relevant Legislations.

Other Amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

18. Deferred income

	2023	2022
	€	€
At 1 April	**511,970**	744,667
Amounts deferred in the year	**535,235**	511,970
Amounts released to income in the year	**(511,970)**	(744,667)
On 31 March	**535,235**	511,970

Deferred income arises in relation to conferences, seminars and exam registrations paid in advance, and annual subscriptions paid in full. The company defers the income in line with the delivery of the service to which it relates.

Notes to the Financial Statements

for the financial year ended 31 March 2023

19. Reconciliation of movements in unrestricted funds

	2023	2022
	€	€
Unrestricted funds as at 1 April	**10,424,870**	9,794,709
Incoming resources	**5,884,822**	5,890,220
Resources expended	**(6,115,386)**	(5,260,059)
Surplus for the period	**(230,564)**	630,161
Unrestricted funds as of 31 March	**10,194,306**	10,424,870

The unrestricted reserves policy is reviewed by the directors on an ongoing basis and any transfers required between restricted and unrestricted reserves are reflected in the financial statements.

20. Reconciliation of movements in restricted funds

	2023	2022
	€	€
Scholarship Programme		
At 1 April	**22,000**	22,000
Resources expended	**(16,000)**	(16,000)
Transfer of funds	**16,000**	16,000
Surplus for the period	**-**	-
At 31 March	**22,000**	22,000

The Institute's Third-Level Scholarship Programme provides an opportunity to students to receive financial assistance through their education and progress to the AITI programme to pursue a career as an AITI Chartered Tax Adviser (CTA).

21. Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total 2023	Total 2022
	€	€	€	€
Tangible Fixed assets	-	4,368,657	**4,368,657**	4,565,211
Current assets	22,000	7,043,947	**7,065,947**	6,973,213
Creditors due within one year	-	(1,218,298)	**(1,218,298)**	(1,091,554)
Total funds	22,000	10,194,306	**10,216,306**	10,446,870

22. Financial Instruments

	2023	2022
	€	€
Financial Assets measured at amortised cost:	**6,878,960**	6,692,497
Financial Liabilities measured at amortised cost:	**101,356**	100,631

Financial assets measured at amortised cost comprise cash and cash equivalents and trade debtors. Financial liabilities measured at amortised cost comprise trade creditors.

23. Capital commitments

There were no capital commitments as of 31 March 2023 and 2022.

24. Retirement benefit obligations

The company operates a defined contribution scheme for employees. The pension entitlements of employees are administrated separately by a pension fund. The defined contribution pension charge for the financial year was €120,830 (*2022-€110,225*). The amount outstanding at the financial year end was €NIL (*2022- €NIL*).

25. Related party transactions

No member of Council (Board of Directors) has received payment in respect of services to Council, other than by way of reimbursement of payment of expenses incurred in the provision of these services. Council members may receive payment for services provi ded, not related to their services to the Council/Board or in their capacity as a member of the Council/Board. No member of key management has received payments other than that of standard remuneration per employment contracts. Details of these payments are set out in note 10.1.

26. Post Balance Sheet events

There have been no significant events affecting the Company since the year end.

27. Approval of financial statements

The financial statements were approved by Council on 19 June 2023.

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The Institute is a company limited by guarantee without a share capital (CLG), registered number 53699.
The Institute is also a registered charity, number 20009533.
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