



Chartered
Institute of
Taxation.

Annual Report 2022

Published April 2023

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The Members of Council (the Trustees) present their Annual Report and audited Financial Statements of the Chartered Institute of Taxation for the year ended 31 December 2022. The Financial Statements comply with the Charities Act 2011, the governing documents and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) (effective 1 January 2019).

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Vision and values



Our vision

We will remain the leading Institute for taxation professionals in the United Kingdom, serving the public interest through the pursuit of excellence and with integrity.

Our mission

The CIOT is the leading professional body in the UK for advisers dealing with all aspects of taxation. As a not-for-profit organisation our primary purpose is to promote education in taxation with a key aim of achieving a more efficient and less complex tax system for all.

Our purpose

The advancement of public education in taxation.

Our objects

The charitable objects of the Institute as set out in our Royal Charter are:

1. advance public education in and the promotion of the study of the administration and practice of taxation and the principles of economic and political science in relation to taxation

2 (i) to prevent crime and;

(ii) to promote the sound administration of the law for the public benefit by promoting and enforcing standards of professional conduct amongst those engaged in the provision of advice and services in relation to taxation and monitoring and supervising their compliance with money laundering legislation.

Our activities

Maintaining an educational and ethical framework of the highest standard aiming to produce tax advisers of the best quality for the general public – Chartered Tax Advisers.

- Working for greater public understanding of tax matters, including through:
 - Promoting tax discussion and debate
 - Publishing and distributing information on tax matters
- Setting ongoing educational and ethical practice requirements for tax advisers and reviewing compliance with those requirements
- Supervising members for compliance with anti-money laundering regulations
- Being available for consultation by legislators, regulators and administrators of tax law and others and by producing high quality representations and responses
- Understanding the needs of taxpayers and making recommendations to improve and simplify tax law and administration for the benefit of all sectors of society

Our objectives for the tax system

The CIOT works for a better, more efficient tax system for all affected by it; taxpayers, their advisers and the authorities.

Our objectives for the tax system include:

- Greater simplicity and clarity, so people can understand how much tax they should be paying and why
- Greater certainty, so business and individuals can plan ahead with confidence
- A legislative process which translates policy intentions into statute accurately and effectively, without unintended consequences
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented)
- Responsive and competent tax administration, with a minimum of bureaucracy

Our members

Membership of the CIOT is by examination, nationally recognised as the gold standard of UK taxation education. Our members are at the heart of the CIOT and we are proud to celebrate a diverse membership and volunteer community. We work with tax institutes across the world in their domestic territories to grow the CTA family through the licensing of our Charter. We support more than 19,000 members and 7,600 students throughout their tax careers, providing assistance through our London-based head office and our regional network operating across the UK and partnering with the growing CTA family worldwide.

The CIOT is a registered charity in England and Wales, number 1037771 and a regulatory body for the purposes of anti-money laundering supervision of tax practitioners.



President and Chief Executive's report



After two years dominated by the coronavirus pandemic, 2022 was the year the Institute settled into a 'new normal' of hybrid working, with meetings and events a blend of online and in person. Politically, however, it was anything but normal, with four tax ministers, four Chancellors and four 'fiscal events', the third of which essentially reversed the second!

The year also saw the sad death of Her Majesty Queen Elizabeth II. Our Institute will always be grateful for her granting our Royal Charter in 1994. She was an exemplary monarch with an exceptional sense of duty and dedication. We sent King Charles condolences on behalf of the Council, members, students and staff of the Institute.

Education and examinations

The rapid pace of digital change cannot be avoided. For the tax profession, digitalisation has become as important a part of tax practice as tax law. This is why Council decided to invest in the creation of the Diploma in Tax Technology, which you can read more on pages 14 and 15. Our thanks to Ian Hayes, Paul Aplin and Shan Sun for their work on this.

Our exams remained remote in 2022. From May 2023, CTA exams will be held in purposely designed test centres, where we can more easily ensure a level playing field in terms of environment and computing equipment. By the end of 2022, we had over 7,000 students registered for the CTA qualification, including joint programme and Tax Pathway students, and nearly 3,700 ADIT students.

613 students completed the CTA qualification in 2022 and 212 completed ADIT. We send our congratulations to them and to our Prize Winners, who you can read about on pages 28-29.

Membership and branches

Membership of the Institute was 19,681 at the end of 2022. We welcomed 770 new members into our membership, the highest number admitted in eight years. We were pleased to welcome many of them to Drapers' Hall in the City of London for our first in-person Admission Ceremony since the pandemic.

While in-person events have returned, our Joint Branches Sub-Committee continue to ensure CPD is available online, with the establishment of an Online Branch in 2022, chaired by Reshma Johar.

We were delighted to hold a reception at the National Gallery in September to thank our volunteers for their support and to recognise the exceptional service to the Institute of Elizabeth Anfield, Keith Bell, John Foulkes, Stephen Foulkes, Felicity Whitley and Chris Williams, by presenting them with Certificates of Merit.

People

The smooth and effective running of the Institute would not be possible without the hard work and dedication of our staff. Their efforts over the course of 2022 are evident in this report and we thank them for their support. The Institute has embraced a hybrid working policy, with employees working from home, the office, or a combination of both. Our Facilities and IT teams have helped to ensure that the roll-out has been a success.

2023 sees a number of notable members leave Council. We thank John Endacott, Chris Lallemand, Mike Thexton and former President Glyn Fullelove for their contributions to the Institute. We are grateful for their experience, enthusiasm and expertise and for those of our continuing Council Members. We thank, in particular, Peter Rayney, for his energetic presidential year and continuing contribution, deservedly recognised in his Tolley's Award for Outstanding Contribution to Taxation in 2021-22.

Our Equality, Diversity and Inclusion (EDI) Committee published our joint EDI Strategy with the Association of Taxation Technicians setting out our plans to embed EDI values across our organisations.

We welcomed Krzysztof Mikata-Pralat to the role of Lay Representative. Krzysztof replaces Quinton Quayle and Jane Brothwood who stepped back from their roles last year. Our thanks to them.

We also welcomed a new honorary fellow of the Institute, with former Prime Minister Gordon Brown receiving the award in a virtual ceremony in February, recognising his outstanding contribution to the field of taxation. He is the fifth former Chancellor to receive it.

Tax policy - legislation and debate

There was no big new Finance Bill in 2022, but we did see completion of the post-2021 Budget Finance Bill, legislating for basis period reform and bringing in three new, niche taxes – the Economic Crime Levy, the Residential Property Developer Tax and the Public Interest Business Protection Tax. These kinds of narrow, sector-specific taxes seem to be becoming more popular with government. While a case can be made for all three measures, this is nevertheless a trend which is adding to the complexity of the tax system.

In the first half of 2022 we joined with the Institute for Fiscal Studies (IFS) to hold debates on two more new taxes which were being mooted – a

windfall tax on the profits of energy producers and an online sales tax. The government of course adopted the first and rejected the second. It is great that we are able to bring together such a wide range of perspectives for these debates, which are often attended by officials dealing with the relevant policy, so they inform the policy process directly, as well as providing insights to the rest of us.

Hanging over the tax debate all year was the wider economic picture – rising prices, low growth and a large government budget deficit.

The political tide ebbed and flowed through the year between those whose focus was raising taxes to reduce the deficit, and those who felt generating growth was the priority, with low taxes being central to achieving this. The Institute is carefully politically neutral, but we do aim to facilitate debate and help policy-makers understand the practical implications of policies they are considering. So at the autumn party conferences, alongside IFS, we made our topic the role of tax in tackling the cost of living crisis.

Low Incomes Tax Reform Group

The work of the tax advice charities – Tax Aid and Tax Help for Older People – and of our Low Incomes Tax Reform Group (LITRG) becomes even more important in difficult economic times.

A particular success for LITRG in 2022 came with its work on the abusive practices of some tax refund companies. LITRG's representations contributed to HMRC taking action against one particular company and issuing tax refunds automatically to more than 60,000 taxpayers. This was followed by the announcement of a broader crackdown on the refund company market in January 2023.

LITRG's work to address inequalities in pension tax relief for low earners resulted in draft legislation to make payments to those affected.

We were all saddened by the death in the autumn of Robin Williamson, LITRG's Technical Director until his retirement in 2018. Robin was a champion of the rights of taxpayers on low incomes and a guide, counsel and mentor to many in our Institute family. He was central to LITRG's development over its first two decades and remained an active volunteer in the years following his retirement. His legacy will live on through the group's work.

Tax administration and compliance

Tax did not escape the whirlwind year in British politics in 2022. The initiation and reversal of the government's tax programme, all in a matter of days, particularly stood out, as did repeal of the Health and Social Care Levy before it had taken effect.

One change that did survive was the decision to abolish the Office of Tax Simplification (OTS). This was a disappointing move. The OTS did much good work during its 12 years of existence. That the tax system continued to get more complex over this time is not its fault. Ministers and officials assure us that its demise does not mean the simplification agenda is dead. We hope they mean it and will do what we can to keep it alive.

If the tax system was simpler there would be less pressure on HMRC's helplines and other resources. Service levels continued to be a cause for concern in 2022, with taxpayers and advisers facing unacceptable delays when trying to get timely responses and action.

HMRC did a great job managing Covid economic support schemes but by their own admission, this came at a cost to other areas of their work, meaning they had to divert resources from other areas, creating backlogs elsewhere. Our members told us of the challenges they face and have urged us to make the case that HMRC needs to invest in customer service. The first principle of compliance is that it should be easy for willing taxpayers to comply with their obligations. When they can't get prompt answers to their queries it costs time, money and risks non-compliance.

In 2022 we wrote to successive Prime Ministers and Chancellors, urging them to invest in HMRC to better support taxpayers and businesses. Our concerns were also picked up by the House of Commons Public Accounts Committee in their inquiry into HMRC's performance.

A members' survey allowed us to gather examples of the types of service issues members encounter on a daily basis, which we are ready to provide to HMRC in January 2023. We were pleased that HMRC First Permanent Secretary Jim Harra has also agreed to meet with us to discuss these issues early in 2023 and hope this sets the stage for further dialogue.

An online survey of our members using the Agent Dedicated Line found their experiences contrasted with HMRC's official view, leading to the modification of HMRC's data gathering processes.

Member feedback also meant we could suggest improvements to HMRC's VAT registration service and guidance, while HMRC's decision to make a downloadable form available for the Capital Gains Tax (CGT) property reporting service was also the result of member feedback on the challenges with the existing online service. We will continue to make the case for improved service levels in 2023.

Ministers and HMRC have been listening to us in other areas. 2022 was book-ended by two sensible tax administration decisions which we had suggested: the waiving of penalties for late filing and late payment for a month at the start of the year, and delaying the roll-out of Making Tax Digital for Income Tax to allow more time for testing, preparation and reviewing the needs of the smallest businesses. It is now vital that HMRC use this extension effectively, working with us and other stakeholders so we are not back in the same place again in two years time!

Standards and regulation

Something we expected to see during 2022 but did not is the next stage of the government's efforts to raise standards in the tax advice market. In November the new Financial Secretary told a parliamentary hearing that regulation of agents is something she is 'considering actively' but at the time of writing the promised consultation has not yet emerged.

CIOT's position is clear. Rather than creating a costly new government regulator, the most effective way forward is to build on the good work already being done by bodies such as CIOT, by requiring anyone providing tax advice on a commercial basis to belong to a recognised professional body. Our rules already protect taxpayers and make clear that there is no place in the tax profession for those who devise, promote or sell tax avoidance schemes.

The Institute plays an active part in discussions about the tax profession, engaging not only with officials, but also with often critical politicians and campaigners. One of the most prominent voices in this space is Dame Margaret Hodge MP. In June we invited her to set out her thoughts on what makes a responsible tax system for 2022's CTA Address. Even those who disagree with some of her other remarks (which can still be found on the [CIOT website](#) if you missed them) will hopefully agree that she was right to describe tax as "an issue for everybody" and with her call for the tax profession to rise to the challenge of helping the public understand and engage with it.

International

One of the most shocking moments of the year was Russia's invasion of Ukraine in February. This prompted sanctions including a ban on the provision of accountancy services and the introduction of a Register of Overseas Entities holding UK property. Our professional standards team communicated with members about these. Our technical and external relations teams identified loopholes in the government's legislation and suggested ways to remedy them.

CIOT members practice UK tax and as such we have relatively limited presence overseas. The exception is ADIT. After the invasion we promptly contacted our Ukrainian ADIT students granting them additional support and flexibility in relation to their studies and exams. Meanwhile, we took the decision not to provide any services to those in Russia or Belarus, meaning in effect that students resident there cannot register to sit our exams. We applauded the work of members of our Polish sister body who mobilised to support Ukrainian refugees and encouraged our members to support their work.

We continued to play an active role in CFE Tax Advisers Europe, with CIOT Deputy President Gary Ashford also a Vice President of CFE. We congratulate Ian Hayes on his appointment as CFE President for 2023.

We welcomed the South African Institute of Taxation (SAIT) into the growing international community of Chartered Tax Advisers. They join the Irish Tax Institute, The Tax Institute of Australia and the Taxation Institute of Hong Kong as being licensed to grant the CTA designation to their qualifying members.

Our successes in 2022 would not have been possible without the hard work, dedication and commitment of our people, members and volunteers. We are grateful for your support and wish you a happy, healthy and prosperous year ahead.

Susan Ball

CIOT President, May 2022 – May 2023

Helen Whiteman

CIOT Chief Executive

Bridge the Gap

The tax profession's safety net

bridge
thegap

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000
000 TaxAid

TAX HELP
FOR OLDER PEOPLE

The two UK tax advice charities – Tax Help for Older People and TaxAid – provide free tax help and advice to vulnerable, low income taxpayers.

The need for access to free and trusted tax advice by low income, vulnerable people has never been higher. The charities currently help around 20,000 people a year by phone and in-person, but demand continues to rise.

Bridge the Gap is a joint campaign from the two charities, supported by CIOT, to raise an additional £250,000 a year to enable them to meet the increased demand for their help.

Please support the campaign to give them the resources they need to continue acting as 'the tax profession's safety net'.

www.bridge-the-gap.org.uk

Public Benefit report

The CIOT is an educational charity with the consequent obligation to work for the public benefit. CIOT Council has considered the guidance published by the Charity Commission and concluded that the CIOT's core activities – as described in this report – satisfactorily address the principles of identifiable public benefit and demonstrate that the charity has fulfilled the public benefit requirement under Section 17 of the Charities Act 2011.

Since 2010, the Institute has had observers whose role is to advise the Institute's Council on the public interest regarding the Institute's activities. In early 2022, Council amended the role's title from Lay Public Interest Council Observer to Lay Representative, more clearly defining the focus of the role. His report appears below.

Report from the CIOT's Lay Representative

Since joining CIOT as a Lay Representative in October 2022, I have been impressed not only by how welcoming and supportive everyone has been, but also by how the charity is constantly looking at new ways to improve and develop.

As a 'critical friend' of Council, it is only fitting for me to start by challenging assumptions about the need for my role. The charity is willing to ask tough questions and is open to scrutiny. This fills me with the hope that future external board effectiveness reviews will look at the most optimal governance structures for CIOT and that the charity's Board will follow even more closely recommendations from the Charity Governance Code.

This includes reviewing the number of trustees, which remains high, and the ongoing need to ensure that the board members adequately reflect the diverse communities they serve. It was heartening to see that the organisational Equality, Diversity, and Inclusion Strategy was approved in October 2022. I will eagerly await progress reports on its implementation and the difference it is making. The detailed and thoughtful conversations in December 2022 about the real need and desire for the charity's investment policy to lead the way in establishing a golden standard of socially and environmentally sustainable and responsible investing practices were also very encouraging.

I look forward to learning more about CIOT and working with the Council to continue to meet our charitable aims and deliver public benefit.



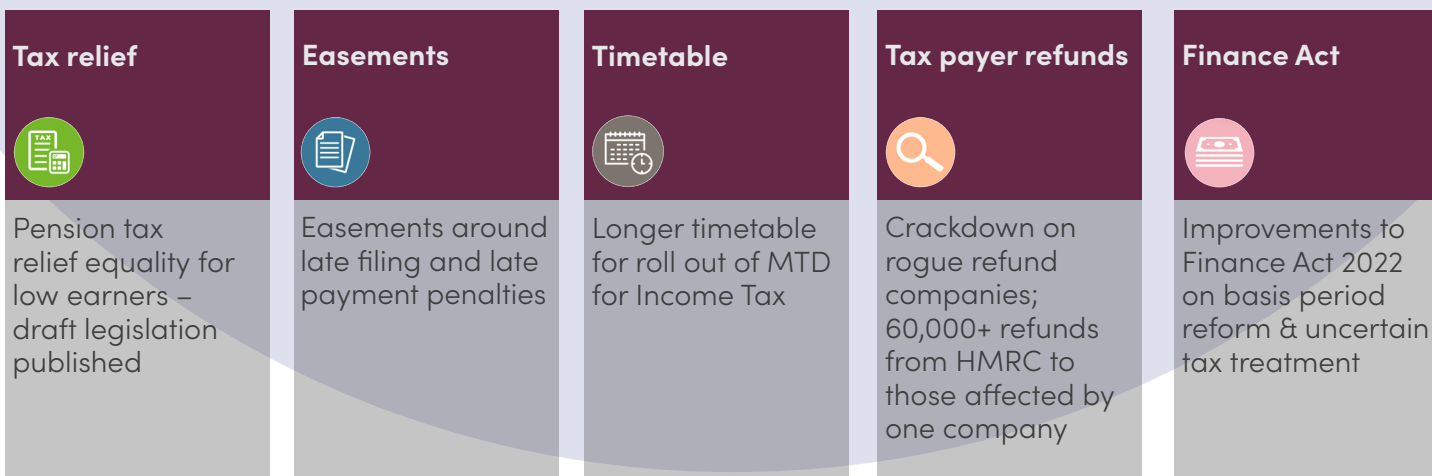
Krzysztof Mikata-Pralat

CIOT IMPACT IN 2022

Jan – Dec 2022



SUCCESSSES WE CONTRIBUTED TO



The Year in Tax – 2022

▶ Finance Bill 2021-22 considers Residential Property Tax, Economic Crime Levy and uncertain tax treatments.



JANUARY

▶ The government consults on plans to introduce an online sales tax.



FEBRUARY

▶ Spring Statement – Chancellor Sunak announces income tax cut from 2024 and increases the National Insurance threshold.



MARCH

▶ The Health and Social Care levy is introduced only to be abolished six months later.



APRIL

▶ New CIOT President Susan Ball says HMRC's service levels must improve so taxpayers and advisers receive a better service.



MAY

▶ At £32 billion, the UK's tax gap remains steady, despite the impact of the pandemic.



JUNE



▶ Sunak's resignation as Chancellor leads to Boris Johnson's downfall as PM. Nadhim Zahawi takes the Treasury reins.



JULY

▶ Conservative leadership candidates clash over whether and when to cut taxes.



AUGUST

▶ Liz Truss new Prime Minister. Chancellor Kwasi Kwarteng's tax cutting 'mini-budget' abolishes the Office for Tax Simplification.



SEPTEMBER

▶ Mini-budget reaction leads to Kwarteng's sacking and Truss' resignation. Jeremy Hunt is fourth Chancellor of 2022.



OCTOBER

▶ The freezing and lowering of tax thresholds dominates an Autumn Statement of tax rises and spending cuts. Online sales tax shelved.



NOVEMBER

▶ Scottish Budget increases taxes on higher earners and widens divergence. MTD for Income Tax delayed to April 2026.



DECEMBER

Diploma in Tax Technology



2022 saw CIOT launch the Diploma in Tax Technology (DITT) in response to the increasing importance of technology to the work of tax professionals.

Advancements in tax technology and the increasing digitalisation of the tax system mean tax advisers can respond faster, accurately and more efficiently to regulatory and reporting changes. It is critical for tax professionals to keep up with the rapid pace of change.

The need to understand digital change is as important a part of tax practice as understanding tax law. It represents one of the biggest changes to practice in the last 50 years. It is why Council took the strategic decision to invest in the establishment of CIOT's first digitally-focused qualification.

Responding to the challenge of digitalisation

A Working Party of Council was established to consider how the Institute could respond to technological change and best meet the needs of members, the wider tax profession, businesses and the public. The outcome of this work was a recommendation to establish the Diploma.

The group was chaired by CIOT Council Member Ian Hayes and included Paul Aplin OBE, also a member of Council, and Shan Sun, Tax Technology Lead for Deliveroo. They were supported by Rosalind Baxter, Director of Education.

The Working Party invited representatives from business and industry to help scope a draft syllabus and decide on the level of the qualification. This work was then sent to a range of employers for feedback. Once finalised, two project partners, (Coefficient and Tolley) were engaged to create course content, assessment questions and a platform to test them on.

The Diploma

The DITT programme provides learning and certification for tax professionals, helping them navigate the increasing digitalisation of the tax system.

To make the course as accessible as possible, the diploma is available online, on demand. The syllabus is set broadly at Level 4 on the national qualification scale in England and Wales (equivalent to around 7-8 on the Scottish qualifications framework) and comprises 11 modules. There are two routes to qualification, depending on candidates' wish to gain grounding in the use or administration of technology.

The syllabus has been designed as a broad-based instructional programme to provide candidates with a wide foundation in tax technology. Because technology is a fast-moving discipline, the modules will be reviewed and updated annually to ensure the qualification remains relevant.

DITT is available to existing tax professionals wishing to begin building their technology skills and to technologists wishing to gain more knowledge of how tax impacts technological developments. It is an excellent first step for new entrants to the tax technology world and to those returning to the profession after a career break.

Tolley Academy has been chosen by CIOT as the learning platform provider and facilitator of the online assessments.

Skills and recognition in Tax Technology

There are three layers of learning. The first comprises four modules designed to kick start/refresh candidates' knowledge of the current tax landscape.

The second group of modules (5 to 8) underpin the programme and give candidates the choice of two routes. These are Route 1 (Deep dive into technology management) and Route 2 (Essential technology tools for data handling).

The final layer consists of modules related to Making Tax Digital (MTD), with the syllabus designed to reflect earlier learnings and candidates' existing professional tax knowledge.

Tuition material consists of a mix of webinars, reading material and practice questions, with assessments built into the programme. It is necessary for candidates to pass the assessments in the order in which they are set.

The course content and structure is shown on the opposite page.

Learning outcomes

Candidates who successfully complete the modules and obtain the Diploma will be able to converse confidently about tax technology with experts and work within tax technology project teams.

Candidates will also know how to research and assimilate relevant data sets and demonstrate to employers that they are better equipped to provide relevant tax practice and governance updates for their clients.

Engagement

Over 100 candidates had registered between the launch of the qualification on 21 November 2022 and the end of 2022. We hope to maintain and develop this momentum in the year ahead.

More details about the qualification are available here: www.tax.org/ditt

“

“While companies broadly understand the importance of creating strategies around tax technology and pursuing related initiatives, most are yet to make appropriate investments in this area. We hope the diploma will spur leaders into engaging and making a commitment to the next steps in the evolution of the tax future.”

Susan Ball, CIOT President

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Diploma in Tax Technology modules

Introduction

The first four modules are designed to kick start and refresh candidates with the current tax landscape:

MODULE 1 Understanding tax technology and its impact: an overview

MODULE 2 Types of tax technology

MODULE 3 Data ethics, governance & data security

MODULE 4 Emerging technologies

Skills for the tax technologist

The second group of modules underpins the programme where you choose either module 7 or 8:

MODULE 5 Introduction to project and product management in tax technology

MODULE 6 Managing and handling tax data

Choose either module 7 or 8:

MODULE 7 Deep dive into tax technology management

MODULE 8 Essential technology tools for data handling

Skills for the tax practice department

The third and final set of modules are designed to reflect the application of what has been learnt in the earlier modules, and enhance existing professional tax knowledge:

MODULE 9 Understanding the shift to digital tax administration

MODULE 10 HMRC's ten-year strategy

MODULE 11 Opportunities for delivering a more holistic, proactive service

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“For tax advisers managing the challenge of digitalisation the ultimate and real question is - how do we change? The answer is centred around awareness of digital technology, understanding how it works, how it can be used and how those key professional principles and practices can be transposed and embedded within the digital world. The solution to this challenge is education. The CIOT understands and embraces the growing role of digital change as part of tax practice and as relevant as tax law. Our first response is the creation, development and launch of the Diploma in Tax Technology.”

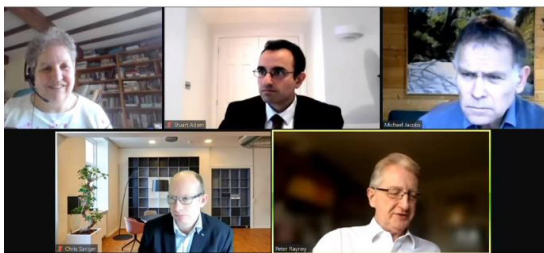
Ian Hayes, Consultant Tax Adviser and Chair, DITT Working Group, CIOT.

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Promoting debate on tax

CIOT debates in 2022

The Institute holds regular public debates in support of our objective of creating a well-informed debate on tax policy. These are often held jointly with the Institute for Fiscal Studies (IFS) and bring together those with an interest in the tax policy process from fields including taxation, politics, public policy and academia.



Is time for an oil and gas windfall tax?

With pressure growing on the Government to bring in a windfall tax on North Sea oil and gas companies, we brought together a panel of experts in March to weigh up the merits of such a levy.

This included two former government advisers – Chris Sanger of EY, who advised Labour on the 1997 windfall tax on the privatised utilities, and Michael Jacobs, a former adviser to Labour on energy and climate policy, who had become a leading advocate of a windfall tax. Alongside them were Heather Self, a former tax director of a large power company, and IFS' Stuart Adam. Chaired by then-President, Peter Rayney.



Should the government introduce an online sales tax

Panellists clashed over how complex an online sales tax would be and on whom the burden of business rates falls, during a lively debate in May.

The event was our first to be held in-person since 2019 and included contributions from Nick Lakin of Kingfisher plc, Alasdair McGowan of eBay, Gabby Donald, chair of CIOT's Indirect Taxes Committee, and Stuart Adam. A consultation on the tax was launched by the government early in 2022 but it was ruled out in the Autumn Statement.

The event was chaired by Peter Rayney and introduced by IFS Director Paul Johnson.



What does a responsible tax system look like?

The Chartered Tax Advisers' Address in June saw Dame Margaret Hodge MP argue that a responsible tax system would help to restore public trust in the tax system and called on the profession to help promote better public understanding of tax.

The event in London marked Susan Ball's elevation to the CIOT Presidency. Additional contributions came from John Whiting CBE and Dan Neidle of the think-tank Tax Policy Associates, with both speaking of the need for taxpayers and the authorities to work together to improve awareness, understanding and accountability.

How should the tax system treat pension saving?

A July debate on the taxation of pension savings concluded that a lack of consensus and political hesitancy meant major reform was unlikely.

Reform of the tax-free lump sum, reducing pension tax relief to fund increased state pensions and greater consideration over how pensions interact with the benefits system were all debated.

Chaired by Mubin Haq, CEO of abrđn Financial Fairness Trust, other panellists were Glyn Bradley (Mercer), Charlotte Clark (Association of British Insurers), Kelly Sizer (LITRG) and Carl Emmerson (IFS).



Can tax help tackle the cost of living crisis?

At Labour Conference in Liverpool, Shadow Financial Secretary James Murray, Paul Johnson of the IFS and Financial Times journalist Chris Giles convened to discuss the ramifications of September's mini-budget at an event chaired by CIOT President Susan Ball.

Murray accused the government of taking a 'reckless gamble' with the economy and said Labour's economic growth plan would restore credibility if the party is elected to government.



Conservatives: Tax cuts, growth and the cost of living

A last-minute change to proceedings saw CIOT and IFS host a live viewing of (then) Chancellor Kwasi Kwarteng's speech to Conservative conference.

While few in the conference hall would find fault with the Chancellor's words, economic turbulence would lead to Kwarteng's removal as Chancellor just 11 days later, setting in motion a chain of events leading to Liz Truss' downfall as Prime Minister and the reversal of government economic policy.

Susan Ball welcomed a panel of experts including Chris Giles, Stuart Adam and John Myners of the Yimby Alliance, a pro-housebuilding campaign group.



Working for a better tax system

Report from the CIOT Technical Committees

The CIOT's technical work is driven by our public benefit objectives, including seeking a simpler, more workable tax system and ensuring the interests of taxpayers are considered by policymakers.

The overwhelming theme of our engagement with HMRC in 2022 concerned their service levels. While HMRC did an excellent job delivering the Covid support schemes, with discussions around compliance continuing into 2022, service levels have suffered and remain inadequate in many areas. The launch of the HMRC service dashboard and improvements to the 'where's my reply' service are welcome, but expectations of recovery have been overly ambitious.

In 2022, we made 121 written submissions (2021: 123) to HMRC, HM Treasury and other government and parliamentary bodies across the UK and held 331 meetings (2021: 364).

Our committee chairs and vice-chairs are listed on page 47. We are grateful to them and the volunteers who lead or participate in our activities.

Technical Policy and Oversight Committee

Some of the CIOT's technical work is led by the Technical Policy and Oversight Committee (TPOC), either because it is of strategic importance or spans several committees.

Through TPOC we engage with senior HMRC staff at the Representative Bodies Steering Group, work with HMRC and the Government Digital Service to secure improvements to HMRC guidance and are represented on the Charter Stakeholder Group.

We made submissions to parliamentary inquiries on tax reliefs, Covid-19 employment support schemes and HMRC performance. We engaged with the All-Party Parliamentary Group on Anti-Corruption and Responsible Tax on their 'Putting a stop to the tax fraud game' initiative, and with stakeholders including the National Audit Office and Office of Tax Simplification (OTS).

The decision to abolish the OTS was disappointing. In light of this, we are considering how we can help HMRC and the Treasury embed simplification into their work. We will be consulting with other professional bodies and interested parties to take this forward in the coming year.

Private Client (UK)

The extension of the no gain/no loss tax treatment for transfers between separating/divorcing spouses from one to three years was a change recommended by CIOT. We sought clarification on transactions involving trusts and whether the 6 April 2023 start date could be brought forward.

The approach to the consultation on Low Income Trusts and Estates, where income under £500 does not have to be reported, was advocated for by CIOT and should be legislated for in 2023.

We maintained input to HMRC's working group on the Trust Registration Service (TRS). Guidance in the TRS Manual has improved and HMRC accepted our analysis that Premium Bonds and National Savings Certificates held for minors directly fall outside the registration requirement.

Private Client (International)

A CIOT-STEP submission expressed concern with HMRC's interpretation of rules for the remittance of loans raised against unremitted foreign income/gains used as collateral. Their view that remittance of the full loan value will incur a charge based on the full value of the collateral, even where it exceeds the loan amount, impacts taxpayers filing returns based on previous guidance that had been changed without warning. Other issues included HMRC's guidance and approach to statutory residence test exceptional circumstances and remittances in divorce proceedings.

Indirect taxes

Taxpayers continue to experience severe administrative delays with a range of VAT services. We raised this with HMRC, highlighting problems faced by agents from the introduction of the new VAT registration service and helping resolve these.

We responded to consultations on the online sales tax, VAT in the digital age, alcohol duties and option to tax applications. We requested HMRC consider further simplification of the postponed VAT accounting regime and continued engagement on uncertain tax treatments and VAT 'One to Many' (OTM) letters. Our annual VAT conference returned as an in-person event, attracting 75 delegates.

Employment Taxes

We engaged HMRC in workshops looking at how legislation could be developed to offset taxes already paid by workers and their personal companies when their off-payroll status is adjusted to 'inside IR35'. This longstanding issue is acknowledged by HMRC as an exchequer risk. The September flip-flop on IR35 delayed progress, but we are hopeful of a solution in 2023.

We provided evidence to the Treasury's call for evidence on Umbrella Companies, the response to which was limited guidance improvements. We suggested the government's Future of Work Review should consider tax issues, its response to the 2017 employment status consultation having failed to propose any simplification to determining when PAYE applies. We continue to express concern with difficulties faced by non-experts when undertaking status determinations and limitations in the Check Employment Status for Tax (CEST) tool. The Supreme Court's decision to allow the PGMOL case to be heard in 2023 may provide clarification.

We engaged the OTS on their review of hybrid and distance working but its abolition means we cannot take this forward with them, which is disappointing given changes in working practices.

Day-to-day issues with PAYE operation, taxable benefits-in-kind and expenses payments rules continue. We engaged HMRC on these, resulting in improvements and changes to guidance. We have provided feedback to HMRC on their proposed OTM nudge letters on employment tax matters.

The committee produced its sixth annual Employment Taxes Voice publication with a seventh planned for March 2023.

Management of taxes

Discussions continued with HMRC's OTM Compliance Advisory Board on the consistency, clarity and transparency of their approach to nudges and prompts. HMRC are increasing their use of OTM interventions so addressing these issues has become more pressing. We also provided comments to HMRC on numerous draft OTM letters.

Regular engagement with HMRC on offshore matters has focused on letters to offshore corporates owning UK property. We published website guidance assisting members whose clients receive such correspondence. We also provided input into HMRC's Digital Disclosure Service.

Engagement continues on the new late filing and late payment penalty regime for VAT (which began in January 2023), and on HMRC's compliance activities, powers and safeguards, customer experience, dispute resolution and review of the tax administration framework.

We responded to HMRC's consultation on Mandatory Disclosure Rules and met with them to discuss concerns about the onerous proposals requiring reporting of arrangements entered into since 29 October 2014. We were pleased HMRC acted on our concerns, moving the date to 25 June 2018. We submitted responses to consultations on debt collection, data collection and increasing the use of mediation, and commented on draft regulations implementing OECD Reporting Rules for Digital Platforms.

Owner Managed Businesses

We continued engagement with HMRC on basis period reform, publishing updates as they arose. We engaged with HMRC on their Income Tax Self-Assessment (ITSA) registration call for evidence and were pleased they accepted our recommendation that further legislative changes were unnecessary.

We met HMRC's clearance unit head to discuss concerns with clearance applications made by members. This gave HMRC the opportunity to explain the role and operation of the unit.

We are planning representations to HMRC in early-2023 on their rediscovered views on the purchase of own shares legislation and what this means for clearance applications where multiple completion contracts are involved.

A Budget representation is also planned for early-2023 on the restriction of CGT holdover relief involving non-business chargeable assets and assets which are not chargeable assets, such as intangible assets.

We met HMRC to discuss the anomalous outcomes produced from the treatment of partnerships under the intangible fixed asset regime. We regularly engaged with HMRC's mid-sized business team, discussing their customer support and a project designed to improve understanding of pre-insolvent businesses.

Property taxes

The Treasury consultation on the application of sovereign immunity is a potentially significant measure that will limit exemptions from tax for sovereign wealth funds and foreign public pension funds investing in UK real estate. While broadly supportive, we emphasised the need to consider uncertainties and unintended consequences.

Divergence between residential and commercial Stamp Duty Land Tax (SDLT) rates has led to an increase in SDLT reclaims HMRC regard as unjustified. We evaluated HMRC's proposals and offered alternative suggestions.

The committee made a submission to HMRC and the Treasury on tax relief for remediation of derelict land and responded to the OTS review of property income. Long-term engagement on problems with the Construction Industry Scheme led to positive discussions in HMRC's Construction Forum that we hope will bear fruit in 2023.

We were part of HMRC's working group improving guidance for reporting capital gains on UK property disposals, leading to enhanced information and guidance for taxpayers and agents.

Our Business Rates Working Group responded to consultations on revaluations, the requirement to report property changes in real-time, transitional arrangements and linking local authority and HMRC data sets. This latter proposal may increase administrative burdens with minimal benefits.

Digitalisation and Agent Services

Making Tax Digital (MTD) was the main focus of the committee's work, with regular engagement with HMRC on MTD for ITSA. We presented a comprehensive question bank containing detailed practical questions on implementation. A member survey in late 2022 showed the proposed April 2024 start date was unrealistic and we were pleased that it will now be delayed to April 2026.

We worked with other committees on MTD for VAT, particularly in relation to the new VAT registration service, automatic signing up of businesses to MTD and the new VAT penalty regime.

The committee considered the income record viewer, CGT property reporting service and availability of paper forms, granular permissions, multi-factor agent authentication, and new form 64-8.

International tax

Work continued on the two-pillar solution to reform international tax and introduce a global minimum corporation tax. A UK Government consultation on 'pillar two' rules to ensure multinationals pay a minimum rate of 15 per cent corporation tax (or equivalent) in their countries of operation is expected to be introduced for accounting periods on or after 31 December 2023. We welcomed the global agreement on a minimum corporate tax rate but urged caution on the speed of implementation in the absence of detail from the OECD.

There were two 'pillar one' progress reports involving partial reallocation of taxing rights to jurisdictions where consumers are located. Further consultations on pillars one and two were published by the OECD in December and we continue to engage with the relevant authorities on these. Detailed rules are under development and agreement remains some way off.

We were involved with proposed changes to the transfer pricing documentation large businesses must maintain and await revised draft legislation in Finance Bill 2023. We gave evidence to the Public Accounts Committee inquiry into the Digital Services Tax and HMRC's informal consultation on tax treaty provisions.

Corporate Tax

A key area of work was Research and Development (R&D) tax relief, with new compliance measures announced. We share government concerns with R&D relief abuse and support efforts to tackle this.

However some of these measures are ill-targeted and it is unclear they will tackle abuse. We do not support the new requirement for companies to give advance notice of R&D claims. This will prevent genuine claimants from accessing relief and may not result in a significant reduction in abuse.

We remain concerned by the approach to R&D rules for SMEs and HMRC's view on subsidised expenditure and contracted out R&D. We gave evidence on this to the House of Lords in October.

We responded to a consultation on capital allowances, although we are disappointed there has been no further action on how the capital allowances regime can better support businesses and investment.

Scotland

We responded to a Scottish Government consultation on the Land and Buildings Transaction Tax Additional Dwelling Supplement, calling for the extension of relief timescales and the introduction of easements.

We also responded to proposals for a Scottish replacement for UK aggregates levy, highlighting the risks of rate divergence and seeking clarity on the tax treatment of imports and exports.

We gave evidence to the Scottish Parliament's Finance and Public Administration Committee pre-budget scrutiny and met Scottish ministers prior to the Scottish Budget to discuss the practical challenges of further income tax divergence. We continue to press for the resumption of the Devolved Taxes Legislation Working Group in discussions with officials.

Wales

We gave evidence to a Senedd inquiry into the Welsh Tax Acts etc. (Power to Modify) Bill, arguing that primary rather than secondary legislation should be the starting point for proper tax scrutiny.

We responded to Welsh Government consultations on business rates reform and council tax revaluations. Our response to a consultation on Land Transaction Tax and second homes said that a recurrent levy such as council tax may be a better disincentive to multiple home ownership.

Plans for a Welsh 'tourist tax' were also considered. Our preference is for a national framework that provides consistency and coherence across Wales. We are concerned about the additional administrative costs of collection and reporting and highlighted options for reducing these.

Crypto Assets Working Group

CIOT and ATT established a joint working group to consider the tax implications of crypto currencies.

We responded to HMRC's consultation on the taxation of decentralised finance (De-Fi) and lending/staking of crypto assets, urging reconsideration of the tax rules for crypto assets alongside targeted De-Fi legislation. We urged HMRC to introduce a universal, statutory definition of cryptoassets for tax purposes, met HMRC's head of crypto policy and are represented on HMRC's crypto asset roundtable.

Climate Change Working Group

The group became a joint committee of CIOT/ ATT in 2022. Issues considered included the VAT implications of the Scottish deposit return scheme for single use drink containers, plastic packaging tax and the peatland and woodland code.

We urged HMRC to establish index pages on GOV.UK listing green tax incentives on a single, accessible page, which they agreed to in principle. We met HMRC to discuss issues with the plastic packaging tax and highlighted areas for guidance improvements. The issue of agents being unable to register clients for the tax will be included in CIOT's charter standards submission to HMRC.

We engaged with Exeter University's 'Environmental Citizenship: attitudes towards environmental taxation' research and ran a branch webinar for members on our net zero work. Volunteers and external specialists continue to work with us to share best practice and promote our net zero activities.

EU & Human Rights Working Group

The working group did not meet in 2022 because the issues within its remit were addressed by other committees. The group's expertise on EU and human rights matters continues to be fed into this wider work.

Chair of Technical Policy and Oversight Committee

John Barnett

Director of Public Policy

John Cullinane

Head of Tax Technical

Richard Wild

A voice for the unrepresented

Report from CIOT's Low Incomes Tax Reform Group (LITRG)

The Low Incomes Tax Reform Group contributes to the CIOT's public benefit role by helping those unable to afford tax advice. This is fulfilled by providing free, comprehensive online guidance and by working to make the tax and associated welfare systems more equitable and accessible.

LITRG advisory panel

In early-autumn, we were extremely saddened at the death of Robin Williamson, LITRG's Technical Director until his retirement in 2018.

Robin had remained on the LITRG panel as an active volunteer alongside his wife Jane Moore. His frequent and valuable contributions to our work will be sorely missed. He was a keen defender of the rights of individuals with disabilities when interacting with the tax and benefits systems. We hope to continue Robin's legacy, starting in early-2023 with the publication of an article on tax reliefs for employees with disabilities, based on a book he had started but was sadly unable to finish.

The panel's two sub-groups remained active in 2022. The pensions sub-group continued to press government for a solution to the inequality of some low earners not receiving tax relief on their pension contributions. Draft legislation for a scheme of 'top-up payments' was published in the autumn. We have suggested a number of improvements.

In 2022, LITRG responded to 33 consultations (6 jointly with CIOT) and attended 370 meetings and events with HMRC, other government departments and third sector organisations. LITRG engages regularly with government, politicians and authorities across the UK and devolved parliaments. We were a finalist in the Tolley's outstanding contribution (not-for-profit) category at the 2022 Taxation Awards.

Tax credits and benefits

LITRG continues to highlight the challenges facing taxpayers receiving tax credits and universal credit. We ensured amendments were made to tax credit compliance letters so claimants know how to comply with checks. We were asked to review draft legislation in connection with tax credits and basis period reform, having identified issues and potential unintended consequences. HMRC also agreed to a formal position regarding the repayment of Self Employment Income Support Scheme (SEISS) payments for tax credits to ensure claimants did not lose out on tax credits when repaying SEISS grants.

Tax refund companies

We raised awareness around the potential problems associated with using certain private companies to claim tax refunds. We appeared on BBC radio and TV, Welsh TV and were quoted in several newspapers on the issue.

Following a significant amount of contact from the public, we raised specific issues directly with HMRC about the actions of one particular refund company. This resulted in HMRC agreeing to take restorative action in over 60,000 cases to ensure that people received their tax refund directly.

Bereavement benefits

We gave evidence to the UK Commission on Bereavement in late-2021, contributing to its 2022 'Bereavement is everyone's business' report. We are now in discussions with some of the other charities involved in the report with a view to our bereavement sub-group – a panel of volunteers and other external organisations – merging with a new, broader group to pursue change in this area.

Although sorting out tax matters is only one part of dealing with a bereavement, we know that people can struggle with this, so helping to influence simplification, such as easier reporting of a death to third parties, is important. The sub-group's work on the Bereavements Benefits (Remedial) Order was once again quoted by the Joint Committee on Human Rights in their report to Parliament.

Working with government, HMRC and devolved administrations

We continue to engage closely with HMRC on behalf of low-income, unrepresented taxpayers.

Our feedback ensured HMRC's 'new starter' checklist was updated, making it easier for unrepresented taxpayers to complete the form. HMRC have agreed to publish a paper CGT return for taxpayers unable to file electronically. We have provided significant input into HMRC's penalty reform project, with many of our suggestions to mainstream and technical guidance accepted. On basis period reform, HMRC agreed to change their communications with taxpayers following our feedback.

Since Making Tax Digital for Income Tax was first mooted, LITRG have been raising concerns that the £10,000 starting threshold is too low and would bring non-taxpayers into scope. We welcomed the December 2022 announcement that its roll-out will be delayed until at least April 2026, with a review to take place for those with gross income under £30,000.

Changes were also made to the GOV.UK website clarifying the position on online childcare as a direct result of LITRG feedback.

LITRG websites

LITRG's guidance is primarily delivered via the website, www.litrg.org.uk. Although aimed at those unable to pay for advice, our materials are widely used by CIOT and ATT members, other professionals and third sector advisers.

In 2022, there were 5 million visitors across our websites who viewed 7.7 million pages. The site continues to be highlighted in House of Commons Library briefings as an important source of information.

Revenuebenefits, a website for advisers, received continued funding from HMRC in 2022 that will remain in place until 31 March 2024. The website will then be closed down, reflecting the fact that tax credits are being replaced by Universal Credit.

New guidance published this year included help on trusts and the trust registration service, highlighting the various situations where unrepresented taxpayers could unwittingly fail to register. We published information on cryptoassets, showing how this can affect low-income, unrepresented taxpayers from a tax and benefits perspective. Our guidance on where to put SEISS grants on 2021/22 tax returns was well received externally.

We have also published a series of articles relating to the cost of living, explaining how people can claim refunds and reliefs through the tax system as well as educating employers about the tax and benefit implications of their cost of living initiatives.

In the second half of 2022, we undertook a significant review of the website with the aim of improving its administration and user experience.

Changes will be implemented in 2023-24 with a new content management system introduced, navigation improvements for mobile phones and content improvements to remove duplication and ensure people can find understandable information as quickly as possible.

Media and external engagement

LITRG continues to enjoy a strong media presence in national newspapers and the professional press, as well as appearances on TV and radio to discuss a range of tax topics. Mainstream media mentions of LITRG in 2022 covered a range of topics, including our work on tax refund companies.

We were also invited to present to groups including HMRC's Customer Compliance Group and the teaching union, NASUWT. We received extremely positive feedback that our presentations helped increase understanding about the impact of the tax system on low-income, unrepresented taxpayers.

Joanne Walker was invited to sit as a tax expert on the Tax Working Group of the Poverty and Inequality Commission, a body established to provide advice to Scottish Government ministers.

Head of LITRG

Victoria Todd

Senior Manager

Kelly Sizer

“

“I was really struggling to find any guidance from the gov.uk website on filling in the starter checklist when moving from self-employed (to) employed. Your article gave me a direct, straightforward answer to my query... and put my mind at ease. Thanks so much for the information you provide and the way in which you provide it.”

Quote from a LITRG website user

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Promoting excellence in tax education

Report from the Education Committee

The Education Committee ensures that the educational aims of the Institute remain relevant and maintains a focus on the future development of the tax profession.

In addition to providing support and encouragement for students, the Committee has the key responsibility for promoting the study and understanding of tax for the benefit of the wider public.

By the end of 2022, there were over 5,000 students registered for the CTA qualification. This includes those who are participating in our Joint Programmes with the Institute of Chartered Accountants in England and Wales (ICAEW) (ACA CTA) and ICAS (Institute of Chartered Accountants of Scotland) (CA CTA). We have been pleased to see continuing numbers of students achieve membership of the Institute via the joint programmes. In addition, a further 2,662 students registered for the Tax Pathway, the joint ATT-CTA route to qualification.

The Education Committee has responsibility for several sub-committees. These are the ADIT Sub-Committee; the Grants Sub-Committee and the Fellowship Sub-Committee.

ADIT

ADIT was represented in the joint delivery of two major CIOT events. The 12th Kings College London/CIOT/ADIT/IFA International Tax Conference took place online on 14 and 15 July, attracting 149 delegates. The 15th CIOT/ADIT/IFA Young International Corporate Tax Practitioners' Conference took place in London on 22 September, attracting 52 delegates.

The third ADIT International Tax Webinar series took place between May and October 2022. Five webinars were delivered, attracting a total of 221 delegates. All of the webinars were very modestly priced with free entry for ADIT International Tax Affiliates.

A total of six Champion-led ADIT Network Webinars were held in 2022, focusing on a range of international tax topics of interest to ADIT audiences in Europe and Asia.

The ADIT network webinars are free events, intended to help grow and contribute to the ADIT community in the countries and regions in which ADIT Champions operate. Each event is promoted to local ADIT students and holders, as well as tax professionals at major employers.

The second virtual ADIT Awards Ceremony took place online on 22 November, presented by CIOT President Susan Ball and ADIT Academic Board chair Jim Robertson. 47 ADIT award winners, graduates and Affiliates participated, and the event included a networking session led by members of the ADIT Sub-Committee and ADIT Champions from around the world.

CTA Exam Skills and Focus Days in 2022

Two one-day training days were held for students in spring and autumn 2022. This is the most direct way the Institute supports its CTA students, with the training days offered at a nominal price to make them as widely accessible as possible. The feedback from those attending remains positive and the Institute is grateful for the ongoing dedication of the tutors who facilitate these.

Fellowship

One person successfully presented a body of work to the high standard required to achieve Fellowship. The topic chosen was titled 'Practical Tax Commandments for Advisers'. A further nine had their Fellowship synopses approved.

Journal of Tax Administration

During the year the Committee took on responsibility for monitoring the Institute's involvement in the future development of the Journal of Tax Administration (JOTA) which is funded by CIOT. This will include various initiatives to ensure further integration with JOTA and a clearer link to the Institute's educational activities.

Grants

The Committee approved a request for sponsorship from the Institute for Fiscal Studies (IFS) for a residential conference taking place at the end of March 2023 at Worcester College, Oxford. The conference will focus on the taxation of top incomes.

Employer engagement

Meetings have taken place this year with employers in the accounting, legal and commercial sectors. The Business Development team arranged virtual employer events, inviting employers to share recruitment best practices and hear about the support provided by the Institute to students. Feedback on the November 2022 exams and plans for 2023 were also discussed and the exercise was seen as an effective way to communicate. We would like to thank employers for their continued support of their trainees.

Chair of Education Committee

Jane Frecknall-Hughes

Director of Education

Rosalind Baxter

Education Development Manager

Andy Brodrick

ADIT Examinations Manager

Rory Clarke



Examinations report

Report from the Examination Committee

A CTA is regarded as having achieved the premier tax qualification, having passed exams that require candidates to demonstrate a breadth and depth of technical expertise and an ability to apply that to practical situations.

The primary objective of the Examination Committee is the supervision of the administration arrangements for the CTA examinations and the review of the examination format and results in line with the requirements of Council. We are grateful to our examiners, committee members and staff for all their hard work in what is a huge administrative and intellectual exercise.

In 2022, 4,400 CTA tax exams were taken across the May and November exam sessions.

Following the November 2022 exam results, 613 students successfully completed the exam requirements for membership of the CIOT across the two exam sessions in 2022. This includes those on the CTA Direct route, the ATT CTA Tax Pathway route, the ACA CTA Joint Programme route and the CA CTA Joint Programme route. The Committee hope that the successful candidates will go on to play an active role in the future of the CIOT, volunteering for whichever area of the Institute's work interests them most.

How the exams were offered in 2022

The same exam software used for recent sessions, but with increased functionality, was in use for the May and November 2022 exams. This gave our students certainty around how they would be sitting their exams and confidence that there would be no disruption as a result of pandemic-related changes.

To ensure the integrity of the remote exams, they remained open book with various security measures in place, including anti-collusion software, recording of exact times candidates started and ended their exams, ID capture processes compared to the candidate register and periodic photos of the candidates taken frequently but at random times during the exams and compared to their ID.

The future - using purpose-built test centres

The project regarding how the exams would be offered in 2023 and beyond moved on in 2022 with meetings with stakeholders and suppliers.

In the summer of 2022 it was announced that the CTA examinations will be held in purpose-built test centres from the May 2023 exam session onward. The same software will continue to be used and pre-loaded onto the devices at test centres.

The decision was taken primarily to provide a level playing field for all candidates. Over the last three years some have had more advantageous environments in which to sit their exams than others (for example a quieter environment, a better laptop or second screen and better wi-fi than others).

There have also been an enormous volume of emails into the Education Team regarding candidates' individual laptop arrangements before, during and after the exams. The invigilated exams will be conducted giving candidates access to their own pre-purchased exam permitted tax legislation with online search facilities, providing a consistent environment.

The exams will return to being closed book. Candidates will have a choice of two providers from whom they can purchase the tax legislation which they will be able to access online during their examinations. These online products will not be exactly the same as any products candidates might currently use for their day-to-day work but they will be very similar. Candidates will be able to tag and group this online legislation and use any other features these products have in advance of their examinations.

Because of the announcement regarding test centres in 2023, dialogue increased with employers in the later half of the year.

ICAEW/ICAS Joint Programmes

During the course of 2022, 166 students completed both qualifications and thus successfully completed the ACA CTA Joint Programme and the CA CTA Joint Programme. Within this figure there are 38 who completed the qualification via sitting one of the two permitted ADIT exam papers for Joint Programme students.

Computer-based examinations on demand

In addition to our twice-yearly taxation exam sessions, CTA candidates are also examined via Computer Based Examinations (CBEs) in Principles of Accounting, Law, and Professional Responsibilities & Ethics. These are available all year round at test centres across the UK. Students not wishing to sit in a test centre can choose to sit these CBE exams in a suitable location of their choice using a remote invigilation package with a live invigilator. This remote option gives students choice, increasing accessibility and reducing travel time.

Tax Pathway

In 2022, 141 students on the Tax Pathway successfully completed all the examination papers required of them. The Tax Pathway enables students to study for both the ATT and CTA qualifications and become members of both bodies in less time, without reducing the quality and rigour of the qualifications. Students are able to transfer into the Tax Pathway from the traditional CTA and ATT routes, providing they meet the requirements.

ADIT

Approximately 3,700 students from around 120 countries are currently pursuing our ADIT qualification. In addition, 1,694 individuals have now achieved the qualification, 335 of whom have subscribed as International Tax Affiliates.

2022 saw approximately 800 new students registering onto the ADIT qualification. Exams took place (online) in June and December 2022. Approximately 1,950 exam entries were received over the course of the two exam sessions. Students sat the online exams at their homes and offices, in 68 countries. 212 candidates completed the ADIT qualification in 2022.

Level 7 Apprenticeship

At the end of 2021 the CIOT ceased to be an End-Point Assessment Organisation (EPAO) for the Apprenticeship owing to a government decision that changed the external quality auditor arrangements. The numbers registered did not warrant the extensive resource required for CIOT to become directly regulated by Ofqual.

In agreement with the Education and Skills Funding Agency and Ofqual, the Level 7 Tax Apprenticeship route continues to exist, and to enable this, the CIOT now acts as a centre for ICAEW who act as the quality auditor in this respect. CIOT is very grateful to ICAEW for all their help in this regard.

In 2022, 61 apprentices successfully completed all elements of the End-Point Assessment (the Project Report and the Application and Professional Skills exam) so have successfully completed their Level 7 Apprenticeship.

Chair of Examination Committee

Jo Bello

Director of Education

Rosalind Baxter

Education and Examinations Manager

Jude Maidment

Prize winners

CTA and ADIT medal and prize winners 2022

We are pleased to celebrate the achievements of those students who successfully achieved a qualification with us in 2022, including our medal and prize winners who are listed below.



May 2022 CTA examinations medal and prize winners

Autumn Luanna Murphy (Bolton), Institute Medal; **Samuel John Pettinger-Harte** (London), Gilbert Burr Medal; **Harris Bone** (Leeds), Victor Durkacz Medal and Croner-i Prize; **Reshan Reuben Ragunathan** (London), Spofforth Medal; **Daniel Iles** (London), Ronald Ison Medal; **Joseph Thomson Maughan** (London), John Tiley Medal and Chris Jones Prize; **Stephanie Margaret Eddy** (St Ives), Wreford Voge Medal; **Shannon Elizabeth Evans** (Manchester), Ian Walker Medal; **Edward Richard John Hughes** (London), Avery Jones Medal.

November 2022 CTA examinations medal and prize winners

Helen Ashcroft (Ruislip), Institute Medal; **Natalie Bowmaker** (Sunderland), Gilbert Burr Medal; **Shobana Narenthiran** (London), Victor Durkacz Medal; **Rebecca Frances Claire Walters** (Plymouth), Spofforth Medal and Croner-i Prize (joint with Harris Bone); **Helen Anne Needham** (Barnsley), Ronald Ison Medal; **Matthew Adam Jermy** (Cambridge), John Tiley Medal; **Harris Bone** (Leeds), Wreford Voge Medal and Croner-i Prize (joint with Rebecca Frances Claire Walters); **Angelique Landry** (London) and **Alex Jane Gear** (Wickford), Ian Walker Medal (joint); **Liam James Foot** (Southampton), Avery Jones Medal; **Chris Watts** (Cardiff), Chris Jones Prize.



June 2022 ADIT examinations medal and prize winners

Anya Maynard (Cardiff), Heather Self Medal; **Luke McMillan** (Leeds), Raymond Kelly Medal; **Claire Humeniuk** (Malta), Tom O'Shea Prize; **Hugo Holmes** (Bristol), Croner-i Prize; **Nicolae Radulescu** (Romania), Wood Mackenzie Prize; **Neil Dugan** (Edinburgh), Worshipful Company of Tax Advisers Prize.

December 2022 ADIT examinations medal and prize winners

Matthew Birchall (Macclesfield), Heather Self Medal; **Chia Chiang Tan** (London), Raymond Kelly Medal; **Scott Huxford** (Gerrards Cross), Tom O'Shea Prize; **Priyanka Dhamotharan** (India), Croner-i Prize; **Mashaal Amir Khan** (UAE), Worshipful Company of Tax Advisers Prize.

Medals and Prizes for Outstanding Performance

CTA medals/awards are awarded for the following: **Institute Medal** for the candidate who has completed the CTA qualification by achieving first time passes in all required tax exams, regardless of route sat, and having achieved the best overall performance (exams could be taken at one or more exam sessions). **Gilbert Burr Medal** for the highest mark in the Taxation of Owner-Managed Businesses Advanced Technical Paper (ATP). **Victor Durkacz Medal** for the highest mark in the Domestic Indirect Taxation ATP. **Spofforth Medal** for the highest mark in the Inheritance Tax, Trusts & Estates ATP. **Ronald Ison Medal** for the highest mark in the Taxation of Individuals ATP. **John Tiley Medal** for the highest mark in the Taxation of Major Corporates ATP. **Wreford Voge Medal** for the highest mark in the Cross-Border Indirect Taxation ATP. **Ian Walker Medal** for the highest mark in the Awareness Paper. **Avery Jones Medal** for the best performance in the Application and Professional Skills Paper. **Chris Jones Prize** for the highest total marks in two ATPs (taken at the same sitting). **Croner-i Prize** for the candidate with the highest distinction mark in an ATP.

ADIT medals/awards are awarded for the following: **Heather Self Medal** for best overall performance in Module 1 Principles of International Taxation. **Raymond Kelly Medal** for best overall performance in Module 2 United Kingdom option. **Tom O'Shea Prize** for best overall performance in Module 3 EU Direct Tax option. **Croner-i Prize** for best overall performance in Module 3 Transfer Pricing option. **Worshipful Company of Tax Advisers Medal** for highest mark in Module 3 (all other options). **Wood Mackenzie Prize** for highest mark in the Upstream Oil and Gas module.

Supporting our members

Report from the Membership and Branches Committee and the Branch Network

The Branch Network helps the CIOT achieve its charitable aims by providing access to Continuous Professional Development (CPD) opportunities, sharing best practice and helping to enhance the tax profession.

Members

The Institute's total membership at the end of 2022 was 19,681 (2021: 19,311). Member retention increased by one percentage point to 96%, reflecting the low year-on-year resignation rate.

2022 was an excellent year for membership growth as we welcomed 770 new members (2021: 764). This is the highest number of successful students welcomed in the last eight years. It was a pleasure to welcome 237 of them to the first in-person Admission Ceremony in three years at Drapers' Hall in the City of London. They joined 30 members celebrating 50 years of membership, eight prize winners, four Fellows and 280 guests.

44 new members joined via our route to membership with ICAS (The Institute of Chartered Accountants of Scotland). The route to membership for ICAS members holding the ICAS Tax Professional (ITP) qualification has now closed as the ITP qualification has ended, with entrants joining directly via the CA-CTA programme.

Joint ATT membership remains popular. 205 new CIOT members are existing ATT members, with 2,863 members holding joint membership.

Branch Network Community

The Branch Network is supported by over 200 volunteers. They helped deliver 87 events in 2022 covering topics such as:

- Crypto Assets for Beginners
- Domestic Reverse Charge - a year on
- Farming
- Financial Markets
- Scottish and Welsh Taxes
- Making Tax Digital

Branch volunteers met twice in 2022 to discuss the challenges associated with delivering CPD opportunities, share best practice and enhance the reputation of the profession. An online meeting in May was followed by an in-person event in September.

The challenges of the previous three years were acknowledged, as were changes to the delivery of events, the support provided by Head Office to the network and what it means for Branches to deliver content online and in-person.

It was gratifying to hear praise of the volunteer committees and Head Office team in continuing to provide CPD opportunities in the face of the many personal and professional challenges associated with the pandemic. But the overwhelming takeaway was how good it was to be able to meet in person once again.



In person events are back!

Survey results from 2021 indicated a desire in the membership to return to in-person events. CIOT provided support to committees to deliver high-quality events in line with our educational remit. In 2022, branches delivered 27 in-person events in the UK and Channel Islands, attracting over 1,000 delegates.

The East Midlands Committee responded to the changing requirements of members after the pandemic by producing events that are available both online and in-person. They held a one-day conference in the beautiful surroundings of Wollaton Hall and Deer Park in Nottingham (images above and overleaf).

We were particularly pleased to see the return of the Merseyside Annual Dinner, which attracted over 240 guests including representatives from the local Law Society and others in significant civic roles. Northern Ireland also saw the return of their dinner, with over 100 guests from local firms and the Presidents of CIOT and ATT in attendance.

Anniversaries

Bristol and Sheffield Branches celebrated their 50th anniversaries in 2022. In October, Sheffield held a wonderful anniversary dinner at Tankersley Manor, attracting 50 people including local members and volunteers and the CIOT Chief Executive and President. Cumbria and South West Scotland celebrated their 20th anniversary with a return to in-person technical events, with Giles Mooney joining members in May for a session on personal taxes and owner managed businesses. There are lots more anniversaries to celebrate in 2023, including our Manchester & District Branch, which celebrates a staggering 90 years!



Digital engagement

Of the 87 events held in 2022, 60 were held online as webinars, attracting 13,332 attendees (of which 1,848 were students and 879 were members of the public). To deliver on our educational aims, 35% of our webinars were delivered free of charge, attracting 10,611 attendees. We remain very keen to foster new talent and were delighted to introduce 28 new speakers in 2022.

Following the formation of the new Online Working Group (which reported into Joint Branches Sub-Committee) in early 2021, Council approved the establishment of an online branch in 2022, with Reshma Johar appointed Chair. The Online Branch will have a remit to work closely with our existing branches, delivering a series of online events which complement our existing CPD offering and focusing on ensuring that our content is accessible and inclusive. Reshma is a Tax Consultant at Carter Backer Winter LLP, where she specialises in a range of direct taxes centred around owner-managed businesses. For the last 4 years she has been a London Branch Committee member as well as participating in the work of CIOT's technical committees. Reshma is also Vice-chair of the CIOT's Equality, Diversity and Inclusion Committee.

Growth and Looking Ahead

Lynne Poyser became Chair of the Joint Branches sub-committee at the Branches Forum in September, succeeding Jo Routier and Zoe Roberts. Lynne was previously London Branch Chair (where she was also an ATT representative for a number of years) and is a member of the CIOT's Conferences Sub-Committee. She is a Tax Writer and member of ATT.

Lynne thanked both Jo and Zoe for their hard work over their three year term and thanked them for their support and guidance in handing over the Chairmanship of Joint Branches Sub-Committee and the Branch Network Chair.

The forum also saw the announcement that the in-person Branches Conference will return to Warwick in 2023.

As always, we are keen to hear from members and students who have an interest in volunteering for their local Branch Committee or who wish to learn more about holding events, speaking at events or providing sponsorship to the Network. Please contact the Branch Network Team, branches@ciot.org.uk.

Chair of the Membership and Branches Committee

Sarah Hewson

Chair of the Branch Network

Lynne Poyser

Head of Member Services

Emma Barklamb

Promoting understanding of tax

External Relations report

The Institute’s objectives include creating “a well informed public opinion on taxation”. To achieve this, we inform public debate via the media, publish information for taxpayers, engage with politicians and policymakers, and provide forums for the discussion of tax policy.

CIOT in the media

The CIOT, including LITRG, featured 323 times in the mainstream media during 2022, in addition to hundreds of mentions in the tax and accountancy trade press.

Through the year CIOT was covered on topics including:

- Calling for, then welcoming, the waiving of penalties for late filing of tax returns (Daily Telegraph, The Independent, Yorkshire Post, etc.)
- HMRC service levels (The Times, Sunday Times, Wales Online, etc.)
- Making Tax Digital preparedness and delay (The Times, Daily Telegraph, Financial Times)
- The tax gap (Evening Standard, City AM, The Independent, etc.)
- Loopholes in the new register of overseas entities (BBC News Online, Financial Times, The Guardian, etc.)
- Non-dom status (context of Rishi Sunak’s wife) (BBC 5 Live, Financial Times, LBC, etc.)
- HMRC letters to wealthy taxpayers (Financial Times, The Times)
- CGT changes (Financial Times, Daily Mail)

Additionally LITRG contributed to stories and articles on topics including:

- Exploitative rebate claims firms (The Guardian, BBC TV (Rip Off Britain and X-Ray), Daily Mail, etc.)
- High Income Child Benefit Charge (Daily Mirror, Daily Express)
- Advice to self-assessment taxpayers (BBC News Online, The Times, Financial Times)
- Claiming employment-related tax reliefs (The Guardian, YourMoney.com)

Informing the political debate

CIOT and LITRG were referenced 88 times in parliamentary debates and reports in 2022. We also provided oral and written evidence to parliamentary inquiries, influencing the findings of a number of reports. Highlights included:

- Securing improvements to Finance Act 2022 reflecting representations made in areas including basis period reform, uncertain tax treatment and CGT and mixed-use property
- During passage of the Act, opposition spokespeople drew attention to our Climate Change Tax Policy Road Map, and our concerns on topics including tax policy scrutiny and implementation of the recommendations of the Office for Tax Simplification were raised
- CIOT and LITRG evidence to a House of Lords inquiry on off-payroll working was cited seven times in the findings, including in relation to the Check Employment Status for Tax tool. The government promised to review the advice it offers to taxpayers
- Drafting an amendment to the government’s Economic Crime (Transparency and Enforcement) Bill, which would have fixed a loophole in the register of beneficial owners of overseas entities owning UK land. This gained cross-party support and a ministerial commitment to keep the area under review
- Evidence to a House of Lords inquiry into R&D tax reliefs in October. The inquiry’s final report in January 2023 cited CIOT oral and written evidence 39 times. The inquiry was chaired by chartered tax adviser Lord Leigh of Hurley
- CIOT concerns over HMRC performance standards and changes to R&D credits were picked up by the Commons Public Accounts Committee (PAC) and reflected in their deliberations and final report
- Our evidence to PAC on the value for money of Covid support schemes and effectiveness of the Digital Services Tax was drawn on by MPs in their questioning of HMRC

Engaging with policy-makers

We continue to work with politicians of all parties in pursuit of better informed tax policymaking. In 2022, we engaged a total of 64 politicians at Westminster, the Scottish Parliament and Welsh Assembly – 25 Conservatives, 19 Labour, 8 SNP, 6 Lib Dem and 6 others, including:

- Our September parliamentary reception, hosted by Craig Mackinlay MP CTA, with then Financial Secretary Lucy Frazer guest speaker
- Attendance at Labour and Conservative party conferences. We held well-attended debates at both, with Shadow Financial Secretary James Murray among the speakers at Labour (see page 17), as well as meeting with a range of politicians, advisers and policy thinkers
- Former Prime Minister Gordon Brown was awarded an honorary fellowship at our virtual President's lunch in February attended by James Murray and SNP Treasury spokesperson Alison Thewliss
- Head of External Relations George Crozier contributed an article on tax simplification to a paper published by the All-Party Parliamentary Group on Anti-Corruption and Responsible Tax, alongside articles by Labour, Conservative, Lib Dem and Green politicians.
- Dame Margaret Hodge MP, chair of the responsible tax all-party group, gave this year's CTA Address (see page 16).

Online information

We continue to publish thought-provoking and informative blogs on the CIOT website.

In 2022, we published 105 blogs, including 34 opinion articles and 71 covering parliamentary debates and other political developments. During the year we published articles on topics as varied as tax transparency, the birth of capital gains tax, tax reform in Scotland and how grandparents are facing more onerous requirements than oligarchs when it comes to trust registration.

We also published reports on all our debates through the year (see pages 16-17) and, in May, an explainer on the domicile rules. Our blogs can be read at tax.org.uk/blog/1.

CIOT in Scotland

We continue to play a prominent part in the Scottish tax debate. In September CIOT Vice President Charlotte Barbour gave evidence to the Scottish Parliament's Finance and Public Administration Committee, as part of an inquiry into Scotland's public finances. Its report in November cited CIOT evidence in six places.

Our analysis of the impact of income tax decisions taken at Holyrood and Westminster on taxpayers in Scotland versus those in the rest of the UK gained wide coverage, especially after the UK Chancellor's Spring Statement and September Mini-Budget, and the Scottish Budget in December. In July, The Times' Scottish edition published an op-ed from John Cullinane on the pros and cons of devolving national insurance.

We also gained coverage on plans for a tourist tax, prospects for council tax reform and the impact of changes to Land and Buildings Transaction Tax.

In January we met with the Shadow Finance Secretary Liz Smith MSP (Conservative) to discuss Scottish tax policy and administration. Public Finance Minister Tom Arthur was guest speaker at the CIOT/ATT Joint Presidents' Lunch in Edinburgh in May. In November CIOT and LITRG were represented at pre-budget roundtables with Tom Arthur and Acting Finance Secretary John Swinney.

CIOT in Wales

In February, Lakshmi Narain, chair of CIOT's Welsh Technical Committee, and John Cullinane, CIOT's Director of Public Policy, gave evidence to the Welsh Senedd on the Welsh Tax Acts Bill. In April, the Finance Committee published their report, citing CIOT 24 times. We met Luke Fletcher, tax spokesperson for Plaid Cymru, and have met the Welsh Conservatives' Tax Policy Board.

Our comments on the December 2021 Welsh Budget featured in the tax trade press in January 2022. We gained significant coverage in Welsh media on non-Wales specific issues including self-assessment penalties, tax refund companies and HMRC customer service. Our press release in December on Welsh Government proposals to reform council tax was covered by Nation Cymru.

Director of Public Policy

John Cullinane

Head of External Relations

George Crozier

Upholding professional standards

Report from the joint CIOT/ATT Professional Standards Committee

Members are expected to adhere to high professional standards in order to maintain trust in the profession by members of the public, HMRC and other third parties. The Joint Professional Standards Committee looked at a number of important issues during the year as part of the continuing work to set appropriate standards and review and monitor adherence to these.

Professional Indemnity Insurance (PII)

The PII market continues to be difficult for tax advisers and we maintain regular contact with brokers to stay appraised on developments. Work was completed on an update to the regulations and guidance (in force from 1 January 2023). The updated regulations bring clarity to the requirements for firms based overseas, the retired and those undertaking pro-bono work. DAC Beachcroft provided two free webinars to members during 2022 covering PII related matters.

Member support

Support to members is provided through our helpline, standards@ciot.org.uk. Queries including PII issues, client handover to new advisers and handling voluntary requests for information by HMRC were addressed in 2022.

Work with HMRC

As well as continued engagement with HMRC on raising agent standards, we also responded to their consultation on raising standards in the tax advice market. The CIOT response identified a number of underlying issues which need addressing and the need for consumer protection safeguards around the high volume repayment business model, particularly the use of deeds of assignment. The expected publication in 2022 of a separate consultation to 'explore options to improve the wider regulatory framework that supports standards in tax advice' did not materialise in the year. We look forward to that publication and to further engagement on professional regulation in the future.

Work with the Tax Tribunal Judges

We became aware that Tax Tribunal Judges may not know how to raise issues in situations where they were aware of poor standards of behaviour from members when sitting in the Tribunals.

We started dialogue with the Judges and prepared a helpsheet that will be rolled out in 2023, together with a presentation at the Judges' conference.

Continuing Professional Development (CPD)

Work concluded on updates to CPD regulations and guidance during the year. This version applies from 1 January 2023. Slimmed down guidance provides clarification on CPD exemptions.

Professional Conduct in Relation to Taxation (PCRT)

PCRT was reviewed during the year and minor editorial changes made. The group began to consider the impact on PCRT if the International Ethics Standards Board for Accountants (IESBA) introduce an ethical framework on tax planning.

Compliance

The CIOT does not simply set standards but must also monitor compliance and follow up where non-compliance is identified, including referral to the Taxation Disciplinary Board (TDB) where appropriate.

Annual Return

The Annual Return is a key element in checking member compliance. Members completing the form must self-certify compliance with CPD, PII and Anti Money Laundering (AML) obligations and respond to conduct questions including criminal convictions and disciplinary action by another professional body. Members failing to complete a return risk referral to the TDB.

CPD audit

The annual check of a selection of CPD records indicated a high level of compliance with this membership requirement.

Chair of CIOT/ATT Professional Standards Committee

Ruth Cook

Director of Public Policy

John Cullinane

Head of Professional Standards

Heather Brehcist (January-April 2022)
Jane Mellor (from April 2022)

Anti-Money Laundering

All businesses in the UK tax and accounting sector must be supervised for Anti-Money Laundering (AML) purposes by an approved supervisory body.

At the end of 2022, over 850 firms were registered for AML supervision with CIOT.

Financial sanctions

Following the Russian invasion of Ukraine, sanctions and other measures were introduced, including a ban on the provision of accountancy services and the introduction of the Register of Overseas Entities. Members were asked to contact the CIOT to advise us of clients with Russian connections. The team dealt with a large volume of queries, with guidance added to the website.

Supervision and inspection visits

Following the success of our virtual visit programme throughout the Covid-19 pandemic, virtual visits continued during 2022.

The usual programme was scaled back owing to staff changes, but the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) were kept informed and a plan has been put in place to bring visit numbers back up to pre-pandemic levels in 2023.

Communication

In addition to regular AML newsletters, articles in the weekly members' email and Tax Adviser magazine, AML issues were covered in our Professional Standards webinar in May 2022 and a further webinar on 'AML Reminders and Risks' in November 2022. We also provided AML training as part of the Taxation Disciplinary Board training day.

Our second annual report on our activities as an AML supervisor was titled 'Risk and Response'. This report is a requirement under the Money Laundering Regulations in addition to the annual report which we submit to HM Treasury.

Office for Professional Body Anti-Money Laundering Supervision: Sourcebook update

We continue to engage with the other AML supervisors, HM Treasury and OPBAS in order to meet the statutory requirements placed on us as supervisors. We also actively take part in information sharing on financial crime threats and risks.

We are accountable to OPBAS for the standard of our supervision and provided a response to the Financial Conduct Authority consultation on the OPBAS sourcebook update.

Chair of CIOT/ATT Professional Standards Committee

Ruth Cook

Director of Public Policy

John Cullinane

Head of Professional Standards

Heather Brehcist (January–April 2022)
Jane Mellor (from April 2022)

Enforcement of standards

Taxation Disciplinary Board report

The Taxation Disciplinary Board (TDB) is an independent body which handles complaints about alleged breaches of professional rules and conduct by members and students of CIOT and ATT.

The TDB is responsible for administering the Taxation Disciplinary Scheme (TDS), which sets out the principles and powers that underlie the participant bodies' complaints and disciplinary procedures.

These procedures exist to protect the public. By maintaining and enhancing professional standards they also strengthen the standing and reputation of the tax profession and are beneficial to all members. The TDB aims to ensure it is at the forefront of best regulatory practice and is committed to an open and effective system of complaints handling and disciplinary tribunals.

Governance of the TDB

The investigation of complaints, including the function of 'reviewer' and day-to-day administration is undertaken by Sarah Gardiner, our Interim Head of Operations. Sarah joined the TDB in September 2022 and has a professional background as a solicitor, working most recently at the Solicitors Disciplinary Tribunal.

In February 2023, Sarah was joined by the TDB's new Case Manager, Avni Varsani. Avni joined from Kingsley Napley solicitors and has a background in regulation from several healthcare regulators.

Avni will assume responsibility for investigating complaints, leaving Sarah to concentrate on the smooth running of the TDB and being accountable to the Board of Directors.

The Chair of the Board continues to be Susan Humble. The Board currently has three other directors: John Whiting, appointed by CIOT, Brian Palmer, appointed by ATT and Elizabeth Fullerton-Rome, who is an independent Non-Executive Director.

Nigel Bremner is the Clerk to the Disciplinary Tribunal, responsible for the organisation and conduct of disciplinary hearings.

John Whiting's second term ends in April 2023 and he will be much missed for his wise counsel and expertise. He will be replaced by Daniel Lyons, who attended his first TDB Board meeting in March 2023.

The TDB will be recruiting for an additional independent Non-Executive Director to replace Elizabeth Fullerton-Rome when her second term ends in May 2023. Colin Wilby resigned from his role as the TDB's second Non-Executive Director in April 2022. Colin has not been replaced pending discussions with CIOT/ATT about the constitution of the TDB's Board, as part of wider ranging strategy discussions.

The Committees and Tribunals which make decisions on complaints are appointed by the TDB from a panel including tax professionals and lay persons, some of the latter being lawyers. Panel members do not have any current involvement with the standards setting of the two participant bodies.

A number of panel members completed their two terms in 2022, which has given the TDB an opportunity to refresh the panels to ensure that they remain diverse, inclusive and fit for purpose in what is a rapidly developing regulatory market. An exercise to recruit new panel members started in September 2022 with an excellent response. Competition for appointment has been high. Interviews took place in February 2023, with appointments made afterwards.

Developments in 2022

Remote working, online training events and virtual hearings have continued this year.

A successful training day was held in November 2022. Presentations were received from Sarah Ellson, Partner at Fieldfisher solicitors, on subjects including recent case law and the drawing of adverse inferences. John Whiting led a session on the TDB's Indicative Sanctions Guidance (ISG), covered in more detail on the following page.

Susan Humble facilitated a discussion on managing the cost of cases. Attendees were pleased to hear from Jane Mellor, Head of Professional Standards at CIOT/ATT on a range of standards topics including the approach to anti-money laundering requirements which have become particularly topical in a year of Russian sanctions.

The TDB has invested in an online training programme for its panel members, staff and Board to facilitate training across several topics, including anti-money laundering and GDPR. The benefits of this training will be seen in mid-2023.

The plan for the year ahead is to continue to run the TDB administration largely remotely, with some physical meetings and training events.

Hearings also continue to run remotely unless there is a good reason to proceed in person. Decisions are made on a case-by-case basis as part of the initial listing process, informed by representations from the CIOT/ATT member concerned. Some members will want to have the opportunity to have their day in court and to put their case face-to-face with the panel sitting in front of them. Others have welcomed the opportunity to be heard remotely, taking at least some of the inevitable anxiety out of the process. Appearing before a regulator is a difficult experience for all professionals. The TDB aims to reduce stress and cost where practical.

The Indicative Sanctions Guidance (ISG) was reviewed and an updated edition published in January 2022, incorporating user feedback.

An annual review of the ISG is included in the TDB's operational programme to ensure that learning, both from the TDB and other regulators, is embedded in our work. New case law plays an important role in that review. The ISG is updated during the year should changes in legislation, best practice or case law necessitate. This reflects the intention that the document is intended to be living, rather than written in stone for all time, and consistently fit for purpose. The annual update is in hand and will be published by March 2023.

Following on from groundwork laid and evidence given by the TDB in 2020, we continue to have useful discussions with HMRC regarding its agenda to raise standards in the tax advice sector. 2023 will see us progress this relationship and look to establish better professional working links with those responsible for regulation within other membership bodies in the tax advice sector and elsewhere, so we can understand the nature of their regulatory work and share best practice.

The TDB manages its independence robustly. Relationships with stakeholders are respectful and considered, the TDB's integrity being a key part in the machinery of tribunal service delivery in a way that is fair to all service users.

Complaint cases dealt with in 2022

In 2022, the TDB received 49 referrals. 15 of these were made by CIOT/ATT, six by another professional body, two from government and the remaining 26 by clients or other members of the public, including an investigative think-tank, TaxWatch. Of these 49 cases, 48 related to CIOT or joint CIOT/ATT members or students.

At the time of writing, 10 of the 49 cases have been concluded. Three fixed penalty notices were issued to CIOT members for failure to file CPD records (2) and failure to register for AML (1). One concluded with the expulsion of a student CIOT member. In six cases, no further action was taken because it was determined that the TDB had no jurisdiction on the matter complained about, or because the complaints were not sufficiently serious to merit investigation.

34 of the 39 remaining cases are at the pre-investigation committee stage. Of these, 16 are awaiting outcomes either from other regulatory bodies or criminal proceedings. These cannot be progressed until such time as these investigations/proceedings have concluded.

Of the remaining five cases, two have been referred for disciplinary hearing for failure to pay a fixed penalty sanction, one has been considered by the investigation committee and is awaiting a disciplinary hearing. One is currently 'stayed' pending the outcome of another case and one is awaiting review by the investigatory assessor.

In addition, there have been six AML cases which resulted in the issuing of fixed penalties.

Chair, Taxation Disciplinary Board

Susan Humble

Managing our resources

Finance and Operations report

The resources and finances of the Institute are managed operationally by the Chief Executive Officer, the Chief Finance Officer and other senior staff, with the Officers Group and the Finance and Operations Committee providing scrutiny and guidance.

2022 results

The Institute made an operating gain (before gains or losses on investments) of £801,000 for the year (2021: £1,535,000).

The Institute benefitted from increased income from membership subscriptions and investments in the year, and whilst there was a small reduction in income from education & examination activities, and conference & events, overall income was marginally up on 2021. Staff costs increased in the year in response to the high inflationary background and the need to retain our staff. Increased travel and meeting expenses reflects the return to some in-person meetings and events in 2022. IT expenditure increased in the year on CRM and website improvements. Reductions in expenditure on legal & professional fees and administrative expenses partially offset the other increases in expenditure.

During the year, the Institute undertook a review of its investment in its digital strategy following the revision to the scope of the project. The focus on a simpler set of deliverables rendered some of the earlier investment in development work in 2018 and 2019 to be no longer required. This constituted an indication of impairment and in accordance with the requirements of FRS 102, resulted in a write-down of the carrying value of the digital asset. The consequent charge to the profit and loss account in 2022 was £456,000.

After the net loss on investments of £69,000 (2021: net gain £155,000), the net income for the year is £732,000 (2021: £1,690,000).

Total income for the year was £9,882,000, £63,000 ahead of last year (2021: £9,819,000). Increased membership subscription income and investment income was largely offset by reductions in student registration income & examination fees, and conferences & event income. Membership income was £6,233,000 (2021: £6,087,000) and investment income £151,000 (2021: £108,000). Income from student registrations & examination fees was £2,616,000 (2021: £2,681,000) and conferences and event income was £333,000 (2021: £431,000).

Expenditure for the year amounted to £9,081,000 (2021: £8,284,000), an increase of £797,000 compared to 2021. The increase in expenditure in the year includes increased staff costs of £389,000, IT expenditure £152,000, amortisation £84,000 and travel and meeting expenses £44,000. In addition, the impairment review carried out during the year gave rise to a write down of £456,000 which is charged to expenditure in profit and loss. Compared to 2021, there were reductions in expenditure on education & examination costs of £102,000, legal & professional fees of £81,000 and administrative expenses of £192,000.

The value of investments at the end of 2022 decreased, providing realised gains £194,000 offset by unrealised losses £256,000 and realised losses £7,000, the gains and losses netting to £69,000 (2021: unrealised gains of £143,000 and realised gains of £12,000, netting to £155,000).

General Funds at the end of the year amount to £8,512,000 (2021: £7,163,000). Total funds at the end of 2022 amount to £8,812,000 (2021: £8,080,000).

The Institute continues to share staff and other administrative resources with the Association of Taxation Technicians which enables both organisations to benefit from economies of scale.

The Covid pandemic has had a lasting impact on the way the Institute carries out its activities, in particular the continuing preponderance of meetings being held virtually rather than in-person, and the move to a hybrid working policy for our staff. In addition, the move to delivering examinations online remained in place during 2022.

The potential for the effect of the pandemic to negatively impact and reduce membership numbers thankfully hasn't been realised, with total membership increasing to 19,681 at the end of 2022 (2021: 19,311). We are pleased to note that our membership numbers increased during each year of the pandemic, reflecting the long-term nature of membership of a professional body.

The CIOT has substantial reserves, standing at £8,812,000 at 31 December 2022. These reserves have been built-up over the years to provide financial stability for the Institute to continue its charitable purposes in just such circumstances as this pandemic. The financial assets held by CIOT can be readily converted into cash.

The financial statements are prepared on a going concern basis as the Trustees are satisfied that there is a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future.

Investments

The CIOT investments valuations decreased over the year with net losses of £69,000 (2021: net gains of £155,000).

The Institute's primary reason for investing is to ensure that sufficient funds are available to meet the required levels of reserves; to seek to maintain the real value of capital in those funds; and for those funds to provide a source of income to contribute towards the costs of its charitable activities. The Institute's powers of investment are set out in the Royal Charter which provides that funds not immediately required for any of the Institute's objects may be invested in such a manner as is prescribed in the Byelaws. The Byelaws provide wide-ranging investment powers.

During the year, the investment policy and approach was reviewed, and the Council determined that there should be two categories of investable funds, separately managed by discretionary investment managers, and that the objectives and risk approach to each category shall be different:

- Tier 1 investable funds' objective is to grow the capital over the longer-term to protect against inflation, and for income to be paid over to the Institute. The funds are invested with a low to medium risk approach
- Tier 2 investable funds' objective is to achieve superior capital growth over the longer-term, with income being reinvested. The funds are invested with a higher risk approach

Following the review of the investment policy and the creation of the two categories of investable funds, the existing investment portfolio was designated as 'tier 1' and is managed by RBC Brewin Dolphin. A new investment portfolio was created and £2,900,000 placed on 28 December 2022 with new investment managers, Killik & Co and designated as 'tier 2'.

The F&OC carries out regular reviews of its investments and their performance with the investment managers. This is to ensure that invested funds are sufficient to meet the obligations identified in the Institute's strategic plans.

Council requires that its discretionary investment managers have acceptable comprehensive and integrated environmental, social and governance screening processes as a fundamental part of their investment decision making.

Council has not placed any specific ethical restrictions on its investments.

Reserves

The Trustees regularly review the charity's needs for reserves in line with the guidance issued by the Charity Commission and assess the risks involved in the activities of the Institute. They agreed that the purpose of its reserves policy should be to provide financial stability and the means for the development of the Institute's principal activity. During the year the Trustees determined that there should be three categories of target reserve and that those targets for 2022 should be:

- i) A 'Working Capital Reserve' equal to two months of the Institute's annual operating expenditure, providing a target of £1,570,000
- ii) A 'Specific Reserve' equal to £300,000 for future funding of the Taxation Disciplinary Board (TDB)
- iii) A general 'Strategic Reserve' equal to 75% of the annual amount of the principal sources of income of the Institute, namely its Membership subscription income and its income from its education activities, providing a target of £6,574,000.

The Working Capital Reserve provides funds for the normally expected fluctuations in the operating result and cashflow of the Institute, including financing for capital expenditure to maintain the Institute's operating capacity at its current capability.

The Strategic Reserve provides a general reserve for both the funding of the potential future effect of the adverse strategic risks to which the Institute is exposed, and the funding of future strategic investment by the Institute.

The total target for reserves as at 31 December 2022 was £8,444,000. The actual reserves at the year-end amounted to £8,812,000. This is a surplus of £368,000 representing 4.4% of the Reserves target.

Branches

The CIOT/ATT branches have provided a consolidated net surplus of £12,000 (2021: £28,000) before central costs. Branches have continued their important role for members and have attracted good delegate numbers at their meetings, assisted by staff at Head Office. We regularly review the support provided to branches and the Finance team at Head Office has responsibility for the branches' accounting.

Controls

Controls and systems are reviewed by CIOT management and are updated as necessary, in agreement with the Audit & Risk Committee, to ensure that appropriate support, control and good practice are achieved.

IT

We have continued to improve the efficiency and effectiveness of our business processes with upgrades to our IT infrastructure. The main finance system, Microsoft Navision, has been migrated to Microsoft Business Central 365. This transition enables interoperability with other IT tools in daily use in the organisation, such as Dynamics CRM 365, SharePoint, Teams, OneDrive, and Outlook which has enabled an integrated and consistent security policy between applications.

There have been additions to the Monck Street office IT Infrastructure to assist with the needs of the hybrid environment, face-to-face and remote working methods.

There is now a desk and room booking application available to all employees and the meeting rooms continue to provide a high-quality audio and video conferencing experience which has been integrated with Microsoft Teams.

Whilst the Monck Street office IT security has continued to be robust and to a high industry standard, end-user device security was prioritised for improvements and four new security applications have been rolled out to all users' laptops. These applications not only protect the users from malicious attacks, but also provide warnings to the IT team that action needs to be taken to stop potential threats.

HR

The HR and Facilities team have continued to support our staff with the hybrid working policy, with employees working from home, the office, or a combination of both, and have organised a number of all-staff days at the office. We continue to focus on wellbeing and other support initiatives for our staff and are committed to investing in training and development to strengthen the capabilities of employees and enable them to achieve their full potential.

Charity Commission

The F&OC considers the implications for CIOT of new recommendations and guidance issued by the Charity Commission.

Chair of Officers Group

Susan Ball, President

Chair of Finance and Operations Committee

Tracy Easman

Chief Executive Officer

Helen Whiteman

Chief Finance Officer

Karl Cerski

Financial Controller

Linda Mensah

Head of Human Resources

Annette Hutchinson

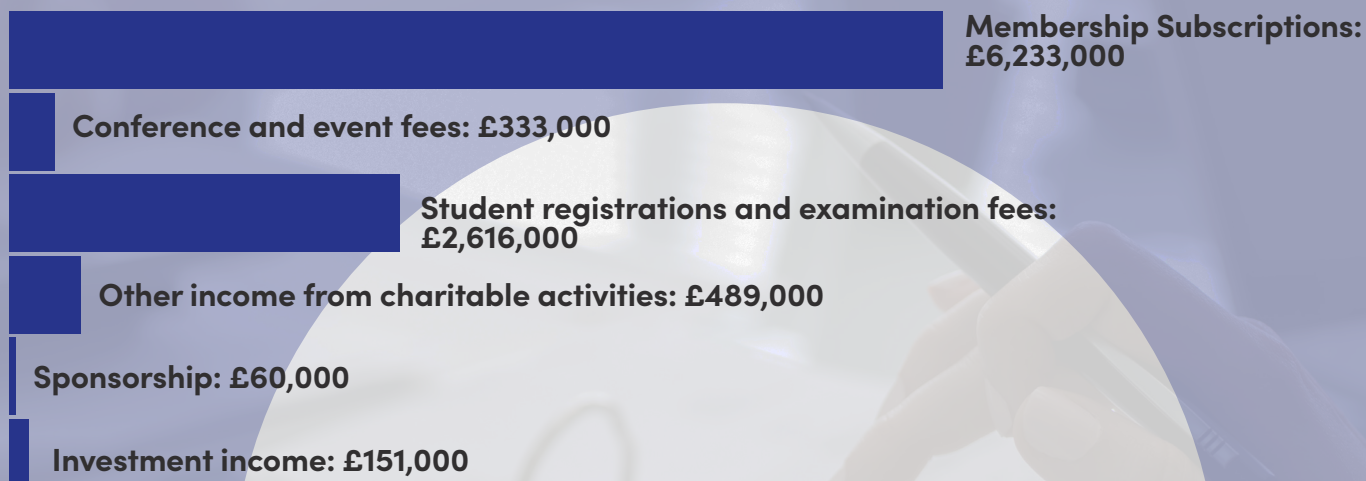
Senior Systems Manager

Nick Pope

Income

2022: £9,882,000

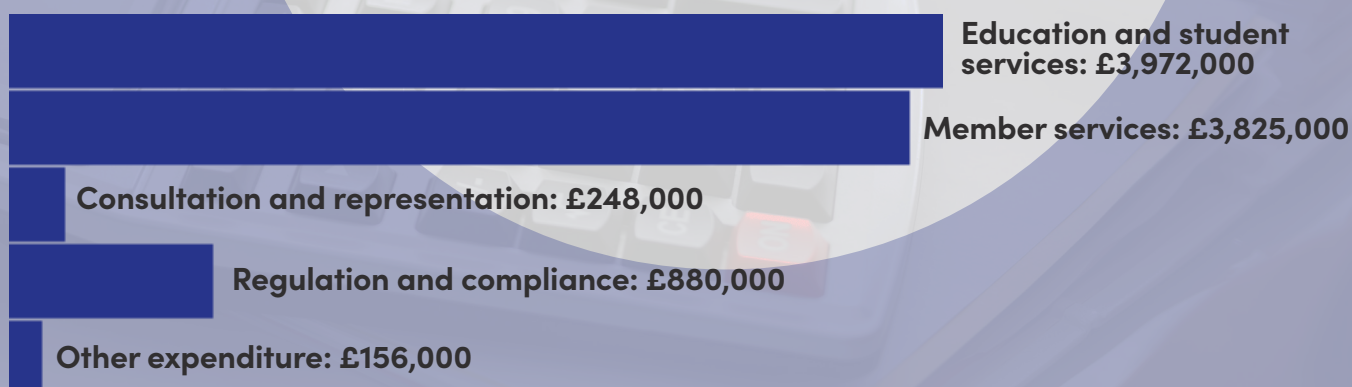
2021: £9,819,000



Expenditure

2022: £9,081,000

2021: £8,268,000



A full breakdown of CIOT income and expenditure is provided in the Notes on Financial Statements section of this report.

Equality, diversity and inclusion

Report from the Equality, Diversity and Inclusion (EDI) Committee

The CIOT and ATT Equality, Diversity and Inclusion (EDI) Committee was established in 2020 with a remit to ensure that EDI values are embedded and demonstrated across both organisations.

The CIOT/ATT EDI strategy and action plan was approved by both councils at their meetings in October and December 2022. We continue to promote and embed a culture of equality, diversity and inclusion across both organisations. This work is overseen by our independent chair, Olayinka Iwu.

The committee's purpose is to:

- Grow and celebrate our diverse membership and volunteer community, reflecting the UK's cosmopolitan society
- Increase influence with key stakeholders and government
- Improve brand awareness of the CIOT and CTA community, and ATT
- Deliver diversity of thought and experience through our national and regional events programme, as well as through our leadership

The committee met four times in 2022 and undertook a number of initiatives aimed at strengthening EDI values, including:

- Two independent surveys of members and students undertaken by James Law Associates to collate data to benchmark against future progress and inform the EDI strategy and action plan
- Following the development of the EDI strategy and action plan, the committee considered metrics for objectively measuring performance. This work is expected to be completed in spring 2023
- An inclusive language guide was written and communicated to staff and volunteers. It aims to support accurate, informative and non-offensive professional interactions and will be reviewed regularly as language use changes
- The committee received updates on EDI issues from the CIOT's technical committees, LITRG, External Relations and Membership and Events teams. Nikhil Meta was appointed CIOT Council champion for EDI and an EDI impact review introduced for consultation responses

- Many of our services and meetings remain accessible online, helping increase and widen participation across our membership. New opportunities were provided for members through our New Speaker Programme (see page 31). In addition, several EDI-focused articles appeared in Tax Adviser magazine over the course of 2022 and a number of events were arranged including:

- o Supporting International Women's Day webinar (March 2022)
- o 'Readying ourselves for a fresh start' (June 2022)
- o Sharing the results of the independent EDI survey (October 2022)
- o Organising and delivering webinars with other partners on menopause (October 2022)

In addition to the work of the EDI committee, CIOT Council will review the remit of the Nominations Committee in February 2023 and commence a period of appointments to Council using an open and transparent process. Council members have received EDI training as part of their annual trustee training programme.

We continue to be open to feedback and to welcoming to everyone at head office, our branches, and through our volunteers, students, and members.

Chair of CIOT/ATT EDI Committee

Olayinka Iwu

Head of HR & Facilities

Annette Hutchinson

CIOT Chief Executive

Helen Whiteman

ATT Chief Executive

Jane Ashton

Head of LITRG

Victoria Todd

Our EDI Strategy (2021-26)

Our Goals

As two educational charities, our common purpose is the advancement of public education in taxation. Our EDI strategy should contribute to this shared purpose by inspiring, informing and influencing members, students, volunteers, colleagues, key stakeholders and the public. In the four years to 2026, our specific focus will be on implementing measures in furtherance of EDI objectives related to sex, age, ethnicity and social mobility at the same time as remaining alert to other EDI issues.

In relation to EDI, we aim to:

1. Develop an inclusive environment within our workplaces and to ensure that the ATT and CIOT live their values within EDI
 2. Embed EDI throughout the work that we deliver within those workplaces
 3. Build an inclusive membership with a true sense of belonging which celebrates diversity
 4. Inspire the next generation of tax professionals and ensure inclusive access to our tax qualifications and member services
 5. Undertake initiatives in respect of EDI-related matters including research, the preparation of resources and commentary on relevant tax proposals.
3. Address the issue identified in the 2022 survey of the difficulties encountered by members returning to work after a career break by reviewing our services to identify what support, guidance, and information we are able to provide to members returning to work
 4. Identify and implement ways to make our volunteering information, support and guidance more accessible and visible in order to address the finding from the 2022 survey which indicated that members and students did not know how to get involved as volunteers with their professional body/bodies
 5. Work to improve our understanding of:
 - a. race and ethnicity data collection and monitoring on a broader basis as well as any cultural differences that exist
 - b. any barriers that may exist which prevent ethnically diverse individuals from becoming students and/or from subsequently achieving their aspirations to become members and then progress in their careers
 6. Strive to:
 - a. remove any EDI-related barriers that prevent or discourage enrolment as a student or registration to sit any of our examinations
 - b. ensure that appropriate publicity is given to the process for applying to sit an examination under special arrangements

Our Strategy for 2022-2026

In furtherance of our aims, we will:

1. Work to improve our diversity data collection and monitoring by:
 - a. collecting, collating, and analysing appropriate diversity data to ensure we have an evidence-based approach to our work
 - b. using this data to prioritise actions, and
 - c. undertaking our second EDI survey of students and members in 2025
2. Follow up the findings in the 2022 survey in respect of the students and members who reported having experienced inappropriate activity, mostly related to sex, by undertaking further research in this area to understand the nature and context of that activity and how we might influence, inform, and encourage positive behaviours and encounters to deliver more positive/better experiences
7. Ensure in our capacity as employers that all our staff colleagues:
 - a. have the opportunity to succeed and feel a sense of belonging within our organisation
 - b. are encouraged to make full use of all their talents, be their best and achieve their potential
8. Strive to use appropriately inclusive language in all our publications
9. Work collaboratively with other bodies (including new 'partners') to share good practice and extend the reach and influence of our EDI work and achieve our aims
10. Work closely with our EDI Committee, looking to them to support, monitor and advise on the development and delivery of our EDI strategy and the realisation of our full potential to advance EDI within our spheres of influence

CFE Tax Advisers Europe

Confédération Fiscale Européenne (CFE) Tax Advisers Europe acts as a forum for information exchange and contributes to the development of tax law at a European level.

The Institute represents the UK on the body alongside the ICAEW Tax Faculty. In 2022, CIOT involvement included contributions from Gary Ashford (CFE Vice President), Ian Hayes, chair of the Tax Technology Committee and Jeremy Woolf, chair of the CFE's Indirect Taxes committee. In January 2023, Ian Hayes became CFE President, succeeding Piergiorgio Valente.

The CFE in 2022

2022 saw General Assembly and Technical Committee meetings return as in-person events. The year saw CFE engage on matters including green taxes and tax technology. It advocated for greater tax coherence and continued its efforts to tackle tax avoidance and evasion.

Fiscal Committee

The Fiscal Committee engaged with the OECD's international tax reform work, publishing opinion statements and welcoming the EU's commitment to ensure the global rules for a minimum corporate tax are enacted through an EU-wide coherent framework. The committee also considered the European Commission's (EC) proposal for a debt-equity bias reduction allowance on limiting the deductibility of interest for corporate interest purposes ('DEBRA') and possible solutions to double taxation issues within the EU involving inheritances and gifts.

The Indirect Tax Committee published a statement on the EC's 'VAT in the Digital Age' consultation, welcoming it but expressing concern with the difficulties associated with non-harmonised digital reporting and e-invoicing requirements in the single market. Following the ECJ decision in Danske Bank, the committee continued work to develop a paper considering the concepts of 'whole entity' and 'establishment only' approaches for VAT grouping, affecting businesses with overseas branches. The committee also worked on VAT & compensation, and problems related to the four 'quick fixes' for VAT.

The CFE European Court of Justice Task Force made opinion statements on several decisions of the ECJ, including the application of German tax rules on the deductibility of foreign final losses and the discriminatory interaction between the 'interest barrier' and group contributions.

Professional Affairs Committee

There were two main areas of focus in 2022. Work on the paper 'Professional Judgement in Tax Planning – an ethics quality bar for all tax advisers' continued and reflects many of the principles in CIOT's Professional Conduct in Relation to Taxation (PCRT) rules.

An opinion statement was prepared responding to the EC's consultation on the regulatory framework for tax intermediaries, aimed at tackling enablers of tax evasion and aggressive planning in the EU. Feedback suggested the EC's view on the extent of activity was outdated, that further measures should not be introduced without first evaluating existing policies and future proposals should not have a disproportionate impact on reputable tax advisers. This activity allowed CIOT to demonstrate the value of PCRT on a European stage.

Tax Technology Committee

The Committee focused on the taxation of crypto assets (subgroup headed by Gary Ashford), Making Tax Digital (subgroup headed by Paul Aplin), and began exploring Technology as an essential part of the tax profession. The MTD group conducted an initial online survey on how European Countries are dealing with MTD. This survey will be followed by a second aimed at the MTD 'consumers'.

New Tax Professionals Committee

The New Tax Professionals Committee brings together tax advisers within their first 10-15 years of practice or professional body membership). In 2022, it considered topics including real estate in foreign jurisdictions, special investment incentives for wealthy individuals, R&D tax credit schemes, GCT, management companies and cryptocurrency. The committee plans to consider how to engage younger members and recruit for the tax profession.

The CFE's own annual report can be read at: <https://taxadviserseurope.org/publications/>.



Reference and administrative information

(as at 20 April 2023)

President

Susan Ball CTA (Fellow) ATT (2017)

Deputy President

Gary Ashford CTA (Fellow) ATT (2011)

Vice-President

Charlotte Barbour MA, CA CTA (Fellow) (2019)

Other Members of Council

Paul Aplin OBE BSc FCA CTA (Fellow) (2017)
John Barnett MA (Oxon) CTA (Fellow) TEP Solicitor (2014)
Jo Bello LLB CTA (Fellow) ATT (Fellow) (2021)
Tracy Easman CTA (Fellow) ATT (Fellow) (2018)
John Endacott BSc CTA (Fellow) FCA (2016)
Glyn Fullelove* MA CTA (Fellow) ACA (2014)
Ian Hayes BA FIIT CTA (Fellow) FCA FRSA (2013)
Sarah Hewson LLB CTA (Fellow) ATT (2021)
Mobeen Ismail BSc CA CTA (Fellow) (2021)
Chris Lallemand BSc CTA (Fellow) FCA (2011)
Ashley Makoni BSc CTA (Fellow) FCCA (2021)
Nikhil Mehta LLB, Barrister CTA (Fellow) (2018)
Peter Rayney* CTA (Fellow) FCA TEP (2016)
Jonathan Riley CTA (Fellow) (2017)
Jennie Rimmer LLB CTA (Fellow) (2014)
Nichola Ross Martin CTA (Fellow) FCA (2017)
Christopher Shrubsole BSc Exec MBA CTA (Fellow) (2021)
Penelope Tuck BSc PhD FCA CTA (Fellow) (2019)

Year of appointment to Council shown in brackets.

* indicates Past President

Public Interest Representative

Krzysztof Mikata-Pralat (from October 2022)



Susan Ball



Gary Ashford



Charlotte Barbour

Senior Management Team

Chief Executive

Helen Whiteman BA, MSc, PGDip

Secretary and Director of Education

Rosalind Baxter BA ACIS

Chief Finance Officer

Karl Cerski BA ACMA

Director of Public Policy

John Cullinane MA CTA (Fellow) FCA

Registered office

The Chartered Institute of Taxation
30 Monck Street
London
SW1P 2AP

Committees of Council

Officers Group

Chair | Susan Ball
Deputy Chair | Gary Ashford

Audit & Risk Committee (Joint CIOT/ATT)

Chair | Laura Kaye Tomlinson

Education Committee

Chair | Jane Frecknall Hughes
Vice-Chair | Chris Shrubsole

Equality, Diversity & Inclusion Committee (Joint CIOT/ATT)

Chair | Olayinka Iwu

Examination Committee

Chair | Jo Bello
Vice-Chair | Mike Thexton

Finance & Operations Committee

Chair | Tracy Easman

Membership & Branches Committee

Chair | Sarah Hewson

Nominations Committee

Chair | Charlotte Barbour

Professional Standards Committee (Joint CIOT/ATT)

Chair | Ruth Cook
Vice-Chair | Tracy Easman

Technical Committees

Technical Policy and Oversight Committee

Chair | John Barnett
Vice-Chair | Adrian Rudd
Vice-Chair | Peter Dylewski

Scottish Technical

Chair | Sean Cockburn

Welsh Technical

Chair | Richie Tout

Corporate Taxes

Chair | Adrian Rudd
Vice-Chair | Chris Lallemand

Employment Taxes

Chair | Colin Ben-Nathan
Vice-Chair | Simon Adams
Vice-Chair | Eleanor Meredith
Vice-Chair | Paul Tucker

International Taxes

Chair | David Murray
Vice-Chair | Alastair Munro

Management of Taxes

Chair | Helen Adams
Vice-Chair | Andy McKenna

Owner Managed Business

Chair | Pete Miller
Vice-Chair | Andrew Constable
Vice-Chair | Victor Dauppe
Vice-Chair | Jitendra Patel

Private Client (International)

Joint Chair | Emma Chamberlain
Joint Chair | Giles Clarke
Vice-Chair | Michelle Robinson

Private Client (UK)

Chair | Danny Clifford
Vice-Chair | David Mellor

Property Taxes

Chair | Marc Selby
Vice-Chair | Leigh Sayliss

Indirect Taxes

Chair | Gabby Donald
Vice-Chair | Nick March

Digitalisation and Agent Services

Chair | Alison Hobbs
Vice-Chair | Claire Rulten
Vice-Chair | Andrew Jackson

Tax Adviser Committee

Chair | Yvette Nunn

Connected Charity

Association of Taxation Technicians
30 Monck Street
London
SW1P 2AP

Auditor

UHY Kent LLP
t/a UHY Hacker Young
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Investment Advisers

RBC Brewin Dolphin Ltd
12 Smithfield Street
London
EC1A 9LA

Killik & Co LLP
46 Grosvenor Street
London
W1K 3HN

Solicitors

Stone King
Boundary House
91 Charterhouse St
Clerkenwell
London
EC1M 6HR

Structure, governance and management

The original Institute of Taxation was founded in 1930 and was registered as a charity in England and Wales in 1982 (registered charity, England & Wales, 1037771). Following the granting of a Royal Charter in 1994, the governing documents of the Institute are the Royal Charter itself and its Byelaws.

Governance

The Institute operates within the terms of its Charter, Byelaws and regulations and its management is under the control of the Council of the Institute. Good governance and leadership are essential for the success of the Institute.

Council formally resolved in July 2021 to adopt the Charity Governance Code for Large Charities (the Code) and is committed to the good governance principles and outcomes it promotes. The Institute, under the apply or explain basis of the Code, reports the following deviations to the Code:

- 5.6.2 The current size of Council is 21 members which is in excess of the suggested limit of 12 members recommended in the Code. The size of Council has been highlighted in the 2021 self-assessment as an area to review by Council members.
- 5.7.4 Three Council Members have served a term of over nine years. The succession plan in place will ensure no future Council Member serves a term of more than nine years.

In 2022 the Terms of Reference for each Committee were reviewed to ensure consistency with the Scheme of Delegation. An overview of the Committee structure was also added to the website in 2022 and can be found [here](#).

Council evaluates its performance through a self-assessment survey of Council Members conducted and evaluated in January each year. In addition, Council has committed to an external board review every three years in line with the Code. The first external review is scheduled for 2023 and will be reported in the 2023 Annual Report.

The register of interests for Council Members, the Public Interest representative and senior staff are available on the Institute's website <https://www.tax.org.uk/about-us/council>.

Council

The Council comprised 21 Trustees at the end of 2022 (2021: 25) who provide a wide range of skills and experience.

The Officers Group of Council comprises the CIOT President (Chair), CIOT Deputy President, CIOT Vice-President, CIOT Vice-President elect, Immediate Past-President, ATT President, Chief Executive, Secretary and Director of Education, Director of Public Policy and the Chief Finance Officer.

The members of staff who attend all Council meetings are the Chief Executive, Secretary and Director of Education, the Director of Public Policy, the Chief Finance Officer and the Governance Officer. All their roles are separate and clearly defined. Other staff members attend for specific items when required.

The Council considers that its Members are independent and that no individual, or small group of individuals, can dominate Council decisions. The Council met six times during the year to deal with trustee business, review financial performance, strategy and risk and has a formal agenda of matters specifically reserved to it for decision in accordance with article 5(3) of the Royal Charter.

Council members achieved an overall attendance rate of 79% (2021: 93%) at the six Council meetings during the year. One meeting was called at short notice (to provide additional information regarding the new qualification in Tax Technology unavailable at the meeting earlier the same month) and this affected the average attendance rate, bringing down the overall figure, which was over 80% for four meetings. An attendance rate of 80% and above is considered best practice.

The Officers Group of Council met six times in the year to deal with day-to-day executive matters which include reports from Institute executives. Overall attendance at the six meetings was 87% (2021: 91%).

In compliance with Council Regulation 10.9, Council members and other Standing Committee Members are required to make declarations of interests at meetings which might give rise to a conflict of interest or influence their vote on a resolution. All members have access to internal advice and can access independent professional advice, such as legal or financial advice, at the Institute's expense if needed for Council, or Council Members, to effectively discharge their duties. Trustee training is provided for new and existing Trustees and refreshed every year. New Council members are paired with an existing Council member to help and assist them as required.

In early 2022, Council reviewed the previous role of Lay Public Interest Council Observers and decided to amend the role title to Lay Representative, to make it clearer externally that the focus of the role was to provide an independent voice contributing to the decisions of Council, governance and boardroom best practice.

Election to Council

Council members are recruited via an open process overseen by the Nominations Committee. Vacancies are advertised in Tax Adviser, at CIOT conferences, weekly members' email and social media to attract CTAs with a diverse range of viewpoints and backgrounds.

To help identify potential candidates, prospective new Council members, who must also be Members of the Institute (Byelaw 5 (5)), are selected for what they can contribute to the Institute and must sign a declaration that they are not disqualified from acting as a Trustee.

Election to Council is by the Members of the Institute at the Annual General Meeting. The Council is responsible for dealing with nominations under Members Regulation 19 (Nominations for Election to Council). Council is also responsible for the election of its Honorary Officers.

Trustee training is provided for new and existing Trustees and refreshed yearly.

Audit & Risk Committee

The Audit & Risk Committee is an independent joint committee of the Councils of the Institute and the Association of Taxation Technicians (ATT).

Members are appointed by both Councils and comprise a serving member of each Council, a nominee from each of CIOT/ATT and two other independent members. The Chief Finance Officer, Chair of CIOT Finance and Operations Committee, ATT Honorary Treasurer, CIOT Chief Executive, ATT Chief Executive, Secretary and Director of Education, Director of Public Policy and the Financial Controller attend the meetings.

Members of the Committee receive no remuneration for their services, operate independently from the Council, have both accountancy and taxation qualifications and recent and relevant experience.

The Committee acts a catalyst in relation to matters affecting the Institute's financial controls, reporting requirements and risk management. It is authorised to seek any information it requires from members of the Council, external auditor and staff.

In this role it:

- reviews financial control policies and their practical implementation
- examines the budgets and management accounts
- considers the changes in the external environment and the procedures used to respond to them
- oversees the risk management process at a strategic level

It has a specific responsibility for the Institute's relationship with the external auditors attending the audit planning and closure meetings and has private meetings with the auditors as necessary. The Committee reviews the audit strategy document and ensures that all recommendations made by the auditors by way of their management letter receive attention and action.

The Committee met three times during the year and requested and received reports from management and from the external auditor on the audit. It considers annually a wide range of audit-related subjects and reports directly to the Council and comments on perceived weaknesses. No major weaknesses in internal control systems have been identified.

In 2022 an independent review of PAYE was undertaken. No issues were identified.

Risk Management

It is the Institute's policy for staff and volunteers with a detailed knowledge of how the Institute operates to:

- regularly review areas of uncertainty throughout the Institute
- develop mitigation strategies
- take action to mitigate all risks that would otherwise prevent the Institute from achieving its charitable objectives

The strategic risk register is presented to Council and the Audit & Risk Committee quarterly.

Key risks are grouped under headings which are: reputation, education, governance, regulation, influence, competition and partnership working. Operational risks are also captured on the risk register and regularly compared with the ATT.

Two key risks are:

- Employers no longer seeing the CTA qualification as relevant to their business so withdrawing their support

Mitigation includes continued regular meetings with the largest employers and trainers of students and periodic reviews of the exam structure to ensure the qualification is fit for purpose and relevant. As part of managing this risk, the Working Party of Council who had been developing a new qualification in Tax Technology completed their work and the new Diploma in Tax Technology was launched in November 2022 (see pages 14-15). The qualification will promote the CIOT brand in an increasingly technological environment and help innovate the ways our education and learning can be accessed by an increasingly flexible, digitally aware and diverse workforce.

- Retention of members

Mitigation includes demonstrating the Institute's authority and prestige by playing a leading role in the key issues in tax affecting the public and the profession. Members in practice are involved in all our activities from setting exams to engaging with government, through holding each other to account for compliance with our professional rules (including the anti-money laundering scheme), to overseeing the management of the organisation.

Council Members' Remuneration

Council members receive no remuneration for their services although travel and subsistence costs are reimbursed when undertaking Institute business. Under article 8(2)(b) of the Charter, a minority of Council members may receive payment for delivering lectures or writing articles on taxation matters on behalf of the Institute. Any payment must be approved by the non-conflicted trustees agreeing that securing the trustee's services is good value and in the best interests of the charity. No trustees were paid in 2022 (or in 2021).

Internal Controls

The respective responsibilities of the Council and Auditor in connection with the financial statements are explained on pages 52-55. The Council Statement on going concern is set out on page 59.

The Council is responsible for the Institute's system of internal controls and for taking such steps as are reasonably open to it to safeguard the assets of the Institute and to prevent and detect fraud and other irregularities.

The Charities Governance Code emphasises the importance of maintaining and regularly reviewing the systems of financial controls, performance reporting, policies and procedures with the Council periodically taking steps to assure itself of their effectiveness. As with all such systems, internal control is designed to manage rather than eliminate the risk of failure to achieve strategic objectives and can provide reasonable and not absolute assurance against material misstatement or loss.

Quarterly management accounts are presented at Council meetings and measured against both budget and interim forecasts. A clear organisation structure with defined authority limits has been established. The Council keeps under review the need for internal audit at the Institute.

Data Protection

The Institute complies with data protection legislation and uses up to date industry procedures to keep personal data as safe and secure as possible and to protect against loss, unlawful processing, unauthorised disclosure or access. The Institute also retains an independent GDPR consultant to provide updates, advice and training.

Staff and volunteers

The Council recognises that building and developing skills, competencies, teamwork and motivation of employees is key to achieving the CIOT's charitable aims.

CIOT employees are responsible for operational matters, supporting the CEO in the matters delegated in the Scheme of Delegation. To support this, the Institute relies on the commitment and positive support of volunteers. All staff, except the Chief Executive who is employed by the Institute, are jointly employed by the Institute and the Association of Taxation Technicians (the CIOT's connected charity, registered in England & Wales, 803480) with whom we have a Service Level Agreement.

The average number of employees in a mix of full-time and part-time roles in the year was 85, a mix of approximately 30 part-time and 55 full-time (2021, 81 employees). 55 staff members are female and 24 (30%) come from an ethnic minority background. We are committed to promoting diversity and inclusiveness within CIOT (see page 42).

Institute members and students are encouraged to become involved in Institute activities. There are over 700 unpaid volunteers on Council, standing committees, technical committees, sub-committees, branches and working parties. The Institute is grateful not only for their generous input but also to their firms who may ultimately bear the financial cost, including those members who are self-employed. An estimated 17,975 volunteer hours were provided during the year (2021: 18,150). A member of staff seconded to the Institute from HMRC contributed an estimated 1,610 hours in 2022.

Health and Safety

The nature of the Institute's activities means that employees and volunteers do not encounter many hazards in the workplace. As a responsible employer, the health, safety and wellbeing of our staff receives ongoing management attention to ensure a safe working environment. A general policy statement of health and safety at work is included in the Employee Handbook.

Ongoing responsibilities include assessment and management of areas of exposure to organisational and remote workers' risk assessments, first aid provision, issuing and displaying statutory information and increasing employee awareness of their role in maintaining a safe environment.

During 2022 we continued to support staff who chose to work from home following the roll-out of post-pandemic flexible working arrangements through wellbeing calls, online social activities and access to counselling and GP services. Our annual all-employee meeting was held in person. Health and safety training for homeworkers was provided along with access to a range of online wellbeing resources and seminars.

Equality, Diversity and Inclusion

The Institute is committed to providing equal opportunities to job applicants, staff, students and volunteers regardless of sex, sexual orientation, marital status, age, race, ethnic origin, religion or belief or disability.

The Institute seeks to conduct all its activities in full adherence to all applicable laws prohibiting discrimination in employment or service provision, and to develop and maintain a diverse workforce of staff and volunteers across the Institute. All new employees undergo diversity and unconscious bias training as part of their induction.

Environment

The Institute has been working with a sustainability consultancy (Achill Management) to understand the Institute's direct and indirect carbon emissions. Carbon usage for a baseline year (2019) has been calculated to enable the Institute to set reduction targets and develop a sustainability strategy.

In 2023 the Institute will voluntarily publish a Streamlined Energy and Carbon Report (SECR) setting out the Institute's energy use and associated greenhouse gas emissions (scopes 1 & 2) with a narrative on energy efficiency actions undertaken to reduce the Institute's carbon footprint. Separately, measures will be put in place to ensure the carbon impact of current and future activities is considered as part of decision-making.

Safeguarding

The Staff Safeguarding Focus Group was refreshed in 2022 and has begun work on reviewing our policy and process approaches to take into account the nature of the very few complaints received. From a safeguarding viewpoint, our members and students are mainly concerned with access and process issues, which Heads of Teams have action plans to work through and review and the central Focus Group monitors. All Focus Group members have committed to becoming Mental Health First Aiders to support members, employees and their work in this area.

Fundraising

The CIOT does not raise funds for itself through asking for public donations in any form.

Statement of Council Members' responsibilities

Council members, as trustees of the Institute, are responsible for preparing the Annual Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to the Auditor

The trustees who are in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report was approved by Council on 20 April 2023.

By order of the Council

Rosalind Baxter
Secretary

Independent Auditor's report to CIOT trustees

Independent auditor's report to the trustees of The Chartered Institute of Taxation

Opinion

We have audited the accounts of the Chartered Institute of Taxation (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the accounts
- sufficient accounting records have not been kept
- the accounts are not in agreement with the accounting records and returns
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as

the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 (UK) 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 accounts.

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the sector
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of noncompliance throughout the audit

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and noncompliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- reading minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Kent LLP, Statutory Auditor
Thames House
Roman Square
Sittingbourne
Kent ME10 4BJ

20 April 2023

Financial statements

Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000
Income from:					
Donations and legacies	3a	35	35	35	35
Charitable activities	3b	9,619	9,619	9,624	9,624
Other trading activities	3c	77	77	52	52
Investments	3d	151	151	108	108
Total income		9,882	9,882	9,819	9,819
Expenditure on:					
Raising funds	3e	22	22	16	16
Charitable activities	3e	9,059	9,059	8,284	8,284
Total expenditure		9,081	9,081	8,268	8,268
Operating gain		801	801	1,535	1,535
Net (loss)/gain on investments	7	(69)	(69)	155	155
Net income and net movement in funds		732	732	1,690	1,690
Reconciliation of funds					
Total funds brought forward at 1 January	15	8,080	8,080	6,390	6,390
Total funds carried forward 31 December	15	8,812	8,812	8,080	8,080

The above results are derived from continuing activities and all gains and losses recognised in the year are included above. The notes on pages 59-71 form part of these financial statements.

Balance Sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed Assets			
Tangible assets	5	432	554
Intangible Assets	6	975	1,801
Investments	7	3,993	3,891
Total Fixed Assets		5,400	6,246
Current Assets:			
Stock	9	71	91
Debtors	10	1,874	1,576
Cash at bank and in hand	11	5,516	4,014
Total Current Assets		7,461	5,681
Liabilities			
Creditors falling due within one year	12	(3,835)	(3,642)
Net Current Assets/(Liabilities)		3,626	2,039
Total assets less current liabilities		9,026	8,285
Creditors			
Amounts falling due after more than one year	13	(214)	(205)
Net Assets		8,812	8,080
Funds of the charity			
Unrestricted	15	8,812	8,080
Total Funds		8,812	8,080

Approved and authorised for issue by the Council on 20 April 2023 and signed on its behalf by:

Susan Ball

President

Karl Cerski

Chief Finance Officer

Helen Whiteman

Chief Executive

The notes on pages 59-71 form part of these financial statements.

Financial statements

Statement of Cash Flows for the year ended 31 December 2022

	2022 £'000	2021 £'000	
Net cash provided by operating activities (Table A)	1,826	606	
Cashflow from investing activities			
Dividend and interest from investments	151	108	
Purchase of tangible fixed assets	(61)	(7)	
Purchase of intangible fixed assets	(243)	(153)	
Proceeds from sale of investments	2,284	596	
Purchase of investments	(2,455)	(558)	
Net cash (used in)/provided by investing activities	(324)	(14)	
Increase in cash and cash equivalents in the year	1,502	592	
Cash and cash equivalents at 1 January	4,014	3,422	
Cash and cash equivalents at 31 December (Table B)	5,516	4,014	
Table A			
Reconciliation of net income to net cashflow from operating activities			
Net income as per Statement of Financial Activities	732	1,690	
Adjustments for:			
Depreciation charge for the year	183	184	
Amortisation charge for the year	613	527	
Intangible asset write-down	456	0	
Dividends and interest from investments	(151)	(108)	
(Gain)/loss on investments	69	(155)	
Decrease/(increase) in stock	20	(77)	
Increase in debtors	(298)	(262)	
Increase/(decrease) in creditors	193	(1,179)	
Increase/(decrease) in creditors (long term)	9	(14)	
Net cash provided by operating activities	1,826	606	
Table B			
Analysis of cash and cash equivalents			
Cash in hand	461	(14)	
Notice deposits (less than 3 months)	5,055	4,028	
Total cash and cash equivalents	5,516	4,014	
Analysis of changes in net debt			
	At 1 January 2022 £'000	Cash flows £'000	At 31 December 2022 £'000
Cash	4,014	1,502	5,516
Total	4,014	1,502	5,516

The notes on pages 59-71 form part of these financial statements.

Notes on financial statements

1. General Information

The Chartered Institute of Taxation ("CIOT" / "the Institute") is a charity incorporated by Royal Charter, registered with the Charity Commission for England and Wales (registered charity, England and Wales, 1037771). The CIOT's registered office is 30 Monck Street, London, SW1P 2AP.

The principal activities of the Institute are: a professional membership and awarding body for tax advisers; promoting and enforcing standards of professional conduct; working for greater public understanding of tax matters; and providing guidance on tax matters for those unable to afford tax advice.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of preparation of accounts

The financial statements are presented in sterling and rounded to the nearest thousand pounds. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition – October 2019), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The financial statements of the Institute for the year ended 31 December 2022 include the results of its Branches, which are not separate legal entities, for the 12 months ended 31 December 2022 (2021: 12 months ended 31 December 2021).

The Association of Taxation Technicians of 30 Monck Street, London SW1P 2AP is a connected charity but it is not subordinate to the Institute and therefore consolidated financial statements have not been prepared. Further information on the relationship can be found in note 21.

Going Concern

As detailed in the Council Members' responsibilities statement, the Trustees are required to prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business. The Trustees conclude that the CIOT has sufficient resources to continue in operational existence, and accordingly continue to prepare the accounts on a going concern basis.

Income Recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met and it is probable that the income will be received and the income can be reliably measured.

Student registration fees are not refundable and are credited to income over the period of the registration with 50% recognised in the first year and 25% in each subsequent year. This phasing reflects the additional administration costs incurred in the first year of registration.

Subscriptions, sponsorship, examination fees and registration income are credited to income over the period to which they relate with that portion relating to subsequent years included in creditors. The date to which examination fees relate is deemed to be the date of the examination.

Investment income from the Institute's portfolio of investments is credited on an earnings basis each year.

Notes on financial statements

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the funds are met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grants received by CIOT are not performance related grants and are classified as income from donations and legacies in accordance with the Charities SORP.

Expenditure Recognition

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

- Expenditure on raising funds comprises the costs of commercial trading and investment management costs
- Expenditure on charitable activities includes, but is not limited to, the cost of regulation and compliance, student services, education, governance and grants
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred

Donated services and facilities

In accordance with Charities SORP (FRS 102) the contribution of unpaid volunteers is not recognised as income in the financial statements given the absence of a reliable measurement basis. More information about the contribution is given on page 71.

Donated services and facilities are recognised on receipt or supply, on the basis of the value of donation or contribution which is the amount that the Institute would be willing to pay or charge to obtain or supply facilities and services on the open market. Corresponding amounts are recognised as income and expenditure in the period.

Significant accounting estimates and judgements

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these include judgements and estimates have been made include:

- Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate
- Estimating the useful economic life of intangible fixed assets for the purposes of determining an amortisation rate
- Estimating the carrying value of assets for the purposes of ensuring that this does not exceed their recoverable amount
- Estimating the recoverability of debtors for the purposes of determining the bad debt provision
- As set out in these accounting policies under "Going Concern", the Trustees have considered that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Allocation of support costs

Support costs are central administration costs that assist the work of the charity but do not directly undertake charitable activities and are allocated across the categories of charitable expenditure. The basis of the allocation is given in note 3e to the financial statements.

Intangible and Tangible Fixed Assets and Depreciation and Amortisation

All single purchases of less than £1,000 (inc VAT) are written off in full to the Statement of Financial Activities in the year of purchase unless forming part of a bulk purchase where the total is £1,000 (inc VAT) or more, which is capitalised.

Depreciation and amortisation are calculated to write off the cost of fixed assets over their estimated useful lives on a straight-line basis as follows:

- Leasehold improvements are written off over the remaining life of the lease (10 years)
- Office equipment 25%
- Intangible assets relating to CRM and accounting system 20%

Notes on financial statements

Fixed Asset Investments

Investments have been valued at fair value at 31 December 2022. The fair value of investments quoted on a recognised stock exchange is the quoted bid price. Account is therefore taken of both realised and unrealised gains/losses in the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and net realisable value. An annual review is carried out for any obsolete stock which is written off accordingly.

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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 charity has a present obligation resulting from a past event that will probably 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 discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financing nature. Such financial instruments, except for investments classified at fair value through profit or loss, are initially recognised at the transaction value and subsequently measured at their settlement value.

Pension Costs

Members of staff are eligible to join the Institute's defined contribution retirement benefit scheme. The scheme provides individual pension plans which are managed by independent pension providers. The amounts charged to the statement of financial activities in respect of pension costs is the actual contribution payable in the year.

Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated to sterling at rates applying at the balance sheet date. Transactions in foreign currencies are recorded at the rate set at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Taxation

The CIOT meets the definition of a charity in Schedule 6 Finance Act 2010 and accordingly is entitled to the exemptions set out in Part II Corporation Tax Act 2010 and Section 256 Taxation of Chargeable Gains Act 1992 to the extent that its income and gains are applied for charitable purposes.

Operating Leases

The charity classifies the lease of property as an operating lease; the title of the property remains with the lessor and the lease agreement expires in 2028 whilst the economic life of such property typically exceeds this. Rental charges are charged on a straight line basis over the term of the lease.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors.

Notes on financial statements

3. Analysis of income and expenditure

3a. Income from donations and legacies

	2022 £'000	2021 £'000
Grants receivable	35	49
Grants repaid	0	(14)
Total income from donations and legacies	35	35

Government grants received in the year amounted to £35,000 (2021: £35,000) relate to the Institute's work in maintaining the content on the website www.revenuebenefits.org.uk. There were no unfulfilled conditions or other contingencies attaching to the grants that were recognised in income.

The Institute did not benefit from any other forms of government assistance during the year (2021: nil).

3b. Income from Charitable Activities

	2022 £'000	2021 £'000
Membership Subscriptions	6,233	6,087
Chartered Tax Adviser registration fees and entrance fees	39	27
Student registrations and examination fees	2,616	2,681
Conference and Event fees	333	431
Sale of books and journals	116	108
Anti Money Laundering Fees	282	290
Total Income from Charitable Activities	9,619	9,624

3c. Income from Other Trading Activities

	2022 £'000	2021 £'000
Sponsorship	60	52
Letting office space to other charitable organisations	17	0
Total income from other trading activities	77	52

3d. Investment Income

	2022 £'000	2021 £'000
Dividend income	84	52
Other interest receivable	67	56
Investment Income	151	108

3e. Breakdown of expenditure

	Activities undertaken directly £'000	Support costs £'000	Grant funding of activities £'000	Total 2022 £'000
Charitable activities				
Grants payable	0	0	112	112
Education and student services	1,191	2,781	0	3,972
Members Services	1,147	2,678	0	3,825
Regulation and Compliance	264	616	0	880
Consultation and representation	74	174	0	248
LITRG costs	6	15	0	22
Total expenditure on charitable activities	2,683	6,264	112	9,059
Raising funds				
Investment management costs	22	0	0	22
2022	2,705	6,264	112	9,081

	Activities undertaken directly £'000	Support costs £'000	Grant funding of activities £'000	Total 2021 £'000
Charitable activities				
Grants payable	0	0	101	101
Education and student services	1,274	2,605	0	3,879
Members Services	999	2,044	0	3,043
Regulation and Compliance	268	547	0	815
Consultation and representation	140	287	0	427
LITRG costs	1	2	0	3
Total expenditure on charitable activities	2,682	5,485	101	8,268
Raising funds				
Investment management costs	16	0	0	16
2021	2,698	5,485	101	8,284

Notes on financial statements

Support costs and governance costs are central administration costs allocated to each activity on the same proportional basis as expenditure incurred directly and are analysed as follows:

	Total 2022 £'000	Total 2021 £'000
<u>Support costs:</u>		
Information technology	805	653
Staff costs	3,245	2,856
Operating costs	394	651
Depreciation	183	184
Amortisation	613	527
Intangible asset write-down (note 6)	456	0
Auditors remuneration	17	22
Property	456	438
Legal and professional fees	72	153
<u>Governance costs:</u>		
Council meetings (inc. Council member's expenses)	23	1
	6,264	5,485

Grants payable to tax charities, other charities and individuals to help meet the core operating costs of providing free tax advice to persons who cannot afford to pay for professional help or training, original tax research, and to promote public understanding of tax matters:

	Total 2022 £'000	Total 2021 £'000
Tax Advisers Benevolent Fund (registered Charity no. 1049658)	15	0
Tax Aid (registered Charity no. 10622852)	30	50
Tax Volunteers (registered Charity no. 1102276)	30	30
Grants payable to 1 University Student for original tax research	29	18
Grant for Journal of Tax Administration	8	3
	112	101

4. Net income/(expenditure) for the year

	2022 £'000	2021 £'000
This is stated after charging:		
Depreciation	183	184
Amortisation	613	527
Impairment of intangible assets (note 6)	456	0
Fair value (losses)/gains on investments	(69)	155
Operating lease rentals	343	343
Auditor's remuneration:		
- Statutory audit	17	20
- Taxation advisory services	2	0

5. Tangible Fixed Assets

	Leasehold Improvements	Office equipment	Total Tangible Fixed Assets
	£'000	£'000	£'000
Cost at 1 January 2022	528	1,058	1,586
Additions	0	61	61
Disposals	0	(145)	(145)
Cost at 31 December 2022	528	974	1,502
Depreciation at 1 January 2022	159	873	1,032
Change for the year	53	130	183
Disposals	(0)	(145)	(145)
Depreciation at 31 December 2022	212	858	1,070
Net book value at 31 December 2022	316	116	432
Net book value at 31 December 2021	369	185	554

6. Intangible Assets

	£'000
Cost at 1 January 2022	3,132
Additions	243
Cost at 31 December 2022	3,375
Amortisation at 1 January 2022	1,331
Charge for the year	613
Impairment*	456
Amortisation at 31 December 2022	2,400
Net book value at 31 December 2022	975
Net book value at 31 December 2021	1,801

* During the year the Institute undertook a review of its investment in its digital strategy, following revision to the scope of the project. The focus on a simpler set of deliverables rendered some of the earlier investment in development work in 2018 and 2019 to be no longer required. This constituted an indication of impairment and in accordance with the requirements of FRS 102, resulted in a write-down of the carrying value of the digital asset. The consequent charge to the profit and loss account in 2022 was £456,000.

Notes on financial statements

7. Fixed Asset Investments

	2022 £'000	2021 £'000
Fair value at 1 January	3,891	3,774
Additions at cost	2,455	558
Disposal proceeds	(2,284)	(596)
Net (losses)/gains on listed investments	(256)	156
Net gain/(losses) on gilts	194	(1)
Movement on cash/deposits	(7)	0
Fair value at 31 December	3,993	3,891
Historical cost	6,207	3,652

Listed investments held at 31 December 2022 comprised of the following:		
Fixed interest	406	793
Listed UK equities	655	620
Listed International equities	1,664	688
Other Assets	527	714
Gilts	484	820
Term deposits and cash	257	257
	3,993	3,891

All investments are carried at their fair value. Investments in bonds, equities, property, and alternative investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using bid price. Asset sales and purchases are recognised at the date of trade at cost (i.e. their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Institute is considered in the financial review and investment policy and performance sections of Council's Report.

The main risk to the Institute from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Institute manages these investment risks by retaining expert advisers and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Institute does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return.

8. Interest payable

	2022 £'000	2021 £'000
Other interest payable	0	4

9. Stock

	2022 £'000	2021 £'000
Publications and merchandise	71	91

10. Debtors

	2022 £'000	2021 £'000
Trade debtors	716	100
Other debtors	152	114
The Association of Taxation Technicians	0	380
Prepayments and accrued income	1,006	982
	1,874	1,576

11. Cash at bank and in hand

	2022 £'000	2021 £'000
Cash at bank	461	(14)
Cash on short-term deposit	5,055	4,028
	5,516	4,014

12. Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	788	699
The Association of Taxation Technicians	262	0
Other creditors	70	56
Taxes and social security	97	93
Accruals	714	831
Deferred income	1,904	1,963
	3,835	3,642

Deferred income includes subscriptions, examination fees and conference fees paid in 2022 but relating to income and events in 2023.

Deferred Income

	2022 £'000	2021 £'000
Amount brought forward	1,963	2,679
Released in the year	(1,957)	(2,689)
Amounts deferred in the year	1,898	1,973
Amount carried forward	1,904	1,963

Notes on financial statements

13. Creditors: Amounts falling due after one year

	2022 £'000	2021 £'000
Student registration fees:		
At 1 January	205	219
Fees received in advance	319	326
Release of income in year	(310)	(340)
At 31 December	214	205

14. Financial Instruments

The carrying amount of the charity's financial instruments at 31 December were:	2022 £'000	2021 £'000
Financial Assets		
measured at fair value through profit or loss	3,993	3,891
Total	3,993	3,891

Financial instruments measured at fair value through profit or loss comprise listed investments.

15. Statement of Funds

	At 01.01.22 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfer £'000	At 31.12.22 £'000
Unrestricted						
General:	7,130	9,882	(9,081)	(69)	(7,862)	0
Working capital reserve	0	0	0	0	1,513	1,513
Strategic reserve	0	0	0	0	6,999	6,999
Designated:						
Property	500	0	0	0	(500)	0
Disciplinary procedures	300	0	0	0	0	300
Information technology	150	0	0	0	(150)	0
	8,080	9,882	(9,081)	(69)	0	8,812
	At 01.01.21 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfer £'000	At 31.12.21 £'000
Unrestricted						
General	5,066	9,818	(8,284)	155	374	7,130
Designated:						
Property	1,024	0	0	0	(524)	500
Disciplinary procedures	300	0	0	0	0	300
Information technology	0	0	0	0	150	150
	6,930	9,818	(8,284)	155	0	8,080

The purpose of the charity's funds are as follows:

Unrestricted General fund

The general 'working capital reserve' is intended to be equal to two months of the Institute's annual operating expenditure. The general 'strategic reserve' is intended to equal 75% of the annual amount of the principal sources of income for the Institute, namely its membership subscription income and income from its education activities. Neither general fund has been designated for specific purposes, allowing the funds to be spent as the Trustees see fit in pursuit of the Institute's charitable objectives.

Designated funds

Disciplinary procedures: to be used to cover the unpredictable future costs of investigations and disciplinary hearings by the Taxation Disciplinary Board.

Transfers between funds:

At the year end, the balance of the property and information technology designated funds were transferred to the general reserve. In turn, the general unrestricted reserve fund was stratified into a working capital reserve and a general strategic reserve.

16. Analysis of net assets between funds

	Unrestricted Fund £'000	Designated Funds £'000	2022 Total £'000
Tangible Fixed Assets	432	0	432
Intangible Fixed Assets	975	0	975
Investments	3,993	0	3,993
Cash on short-term deposit and at bank	5,217	300	5,516
Other net current (liabilities)	(1,890)	0	(1,890)
Creditors falling due after more than one year	(214)	0	(214)
Total 2022	8,512	300	8,812

	Unrestricted Fund £'000	Designated Funds £'000	2021 Total £'000
Tangible Fixed Assets	554	0	554
Intangible Fixed Assets	1,801	0	1,801
Investments	3,891	0	3,891
Cash on short-term deposit and at bank	3,064	950	4,014
Other net current (liabilities)	(1,975)	0	(1,975)
Creditors falling due after more than one year	(205)	0	(205)
Total 2021	7,130	950	8,080

Notes on financial statements

17. Analysis of Unrealised Gains

The total of unrealised gains at 31 December 2022 constitutes movements on revaluation and are as follows:

	2022 £'000	2021 £'000
Unrealised gains included above:		
On investments	338	407
Total unrealised gains at 31 December	338	407
Reconciliation of movements in unrealised gains/(losses):		
Unrealised gains at 1 January	407	252
(Less)/add in respect to disposals in year	(7)	12
(Less)/add (losses)/gains arising on revaluations in year	(62)	143
Total unrealised gains at 31 December	338	407

18. Financial Commitments

At 31 December 2022 the Institute had commitments to make future minimum lease payments, in respect of its office lease, under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Amounts due:		
Within one year	471	471
Between one and five years	1,612	1,695
After five years	316	704
Total commitment	2,399	2,870

19. Personnel

All members of staff with the exception of the Chief Executive, who is employed by the Institute, are jointly employed by the Chartered Institute of Taxation and the Association of Taxation Technicians. All costs are initially disbursed by the Institute and an agreed proportion is attributed to the Association. The total average number of employees, including those jointly employed by both charities, was 85 (2021: 81), a mix of 30 (2021: 28) part-time and 55 (2021: 53) full-time employees (excluding exam invigilators who work approximately 4 days per year), and the number whose salary and benefits in kind fell within the following scales is as follows:

	2022	2021
£60,001 - £70,000	12	4
£70,001 - £80,000	3	5
£80,001 - £90,000	8	9
£90,001 - £100,000	1	3
£100,001 - £110,000	5	2
£110,001 - £120,000	0	2
£120,001 - £130,000	0	0
£130,001 - £140,000	0	1
£140,001 - £150,000	1	0
£150,001 - £160,000	0	1
£180,001 - £190,000	1	1
Total staff costs:	2022	2021
	£'000	£'000
Salaries	4,178	3,649
National Insurance	470	385
Pension costs	417	360
	5,065	4,395

Key management personnel are defined as those with the day-to-day control of running the organisation. At the Institute, those people are Chief Executive Officer, Director of Education and Secretary, Director of Public Policy and the Chief Finance Officer. Their aggregated remuneration in 2022 was £563,016 (2021: £554,364).

The Institute has maintained liability insurance throughout the year to pay on behalf of the Institute or its Council, committee members and staff, any claims for wrongful acts arising out of the conduct of the Institute's business, or committed in their capacity as officers. The insurance premium paid by the Institute covering both claims against the Institute and Trustees personally amounted to £15,914 (2021: £16,481).

The Institute operates a defined contribution pension scheme whose assets are held separately from those of the Institute in independently administered funds. The pension cost charge represents staff pension contributions. Contributions paid by the Institute amounted to £417,092 (2021: £360,482).

There was an outstanding pension contribution at the year-end for 2022 of £60,472 (2021: £57,868).

20. Donated Services and Facilities

Institute members and students are encouraged to become involved in the Institute activities and there are over 700 unpaid volunteers on Council, Committees, Sub-Committees, Branches and Working Parties. The Institute is grateful, not only for their generous input, but also to their firms who may ultimately bear the financial cost. It is estimated that c18,000 volunteer hours were provided during the year. In addition, office space and utilities have been donated for meetings by other organisations, and facilities and administration services have been supplied by the Institute to other tax charities. Staff seconded to the Institute from HMRC contributed an estimated c1,600 hours in the year. The value to be placed on these resources cannot be reasonably quantified and measured and is not therefore recognised in the statement of financial activities.

21. Related Party Transactions

The Trustees of the Institute are members of Council, who are drawn, from time to time, from the membership of the Institute. No members of Council received any remuneration or benefits-in-kind for their duties as Trustees (2021: £Nil).

Members of Council are reimbursed for travelling and other expenses whilst engaged on the activities of the Institute. In the year ended 31 December 2022, 6 Council members reclaimed reimbursement of expenses totaling £2,952 (2021: 1 Council member: £14).

Under the terms of the Royal Charter and Bylaws, the Institute is empowered to make reasonable and proper payments to members of the Council in respect of services provided by such member to the Institute, or on its behalf, in delivering lectures or writing articles on taxation matters. During the year 3 Council members received remuneration of £4,634 (2021: £11,825 to 2 Council members).

Council members are obliged to pay annual subscriptions due to the Institute and are entitled to take advantage of the services offered by the Institute, on the same terms offered to all members, or to the general public.

The Association of Taxation Technicians

The total allocation of costs incurred by the Institute to the Association for the year is £1,484,404 (2021: £1,345,598) and there was a balance due to the Association at the balance sheet date of £261,936 (2021 amounts due from the Association to the Institute: £379,720).

The Taxation Disciplinary Board

The Institute's contribution to costs in the year was £196,385 (2021: £202,594). The amount due to the CIOT at the balance sheet date was £129,316 (2021: £129,316).

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