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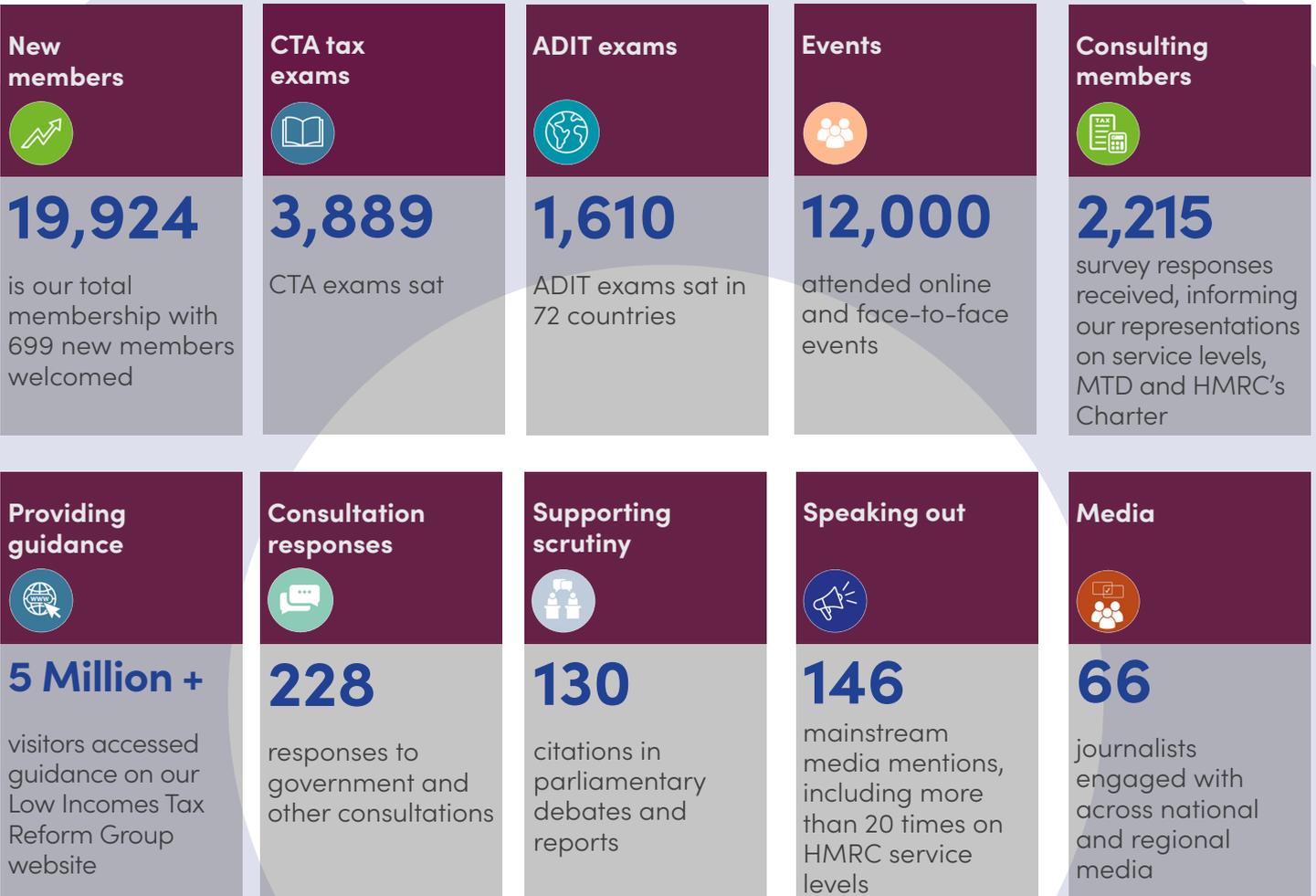
Chartered
Institute of
Taxation.



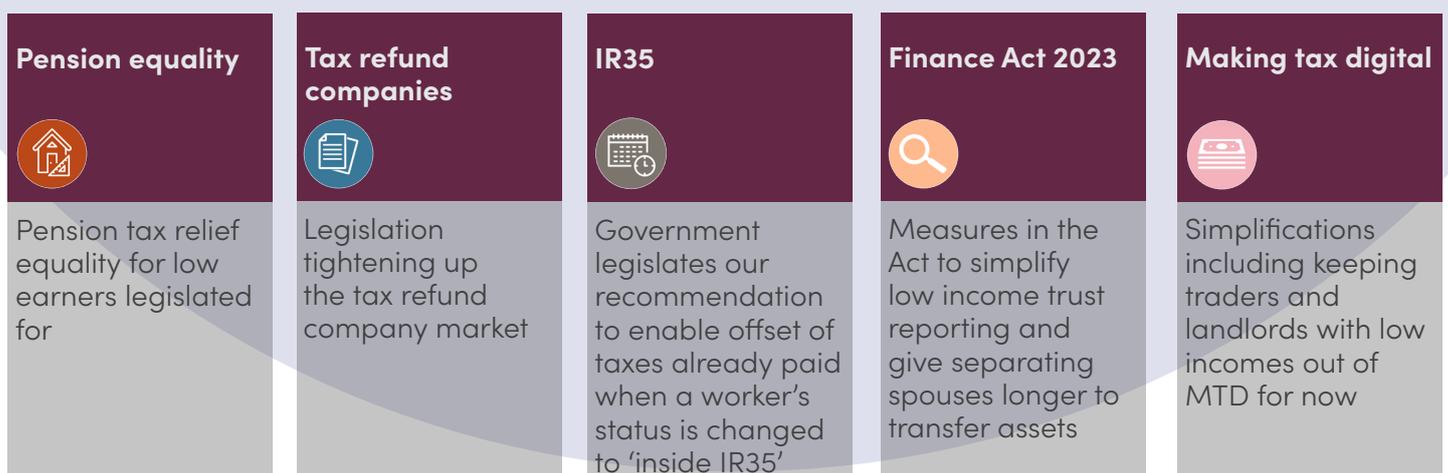
Annual Report 2023



CIOT IMPACT IN 2023



SUCCESSSES WE CONTRIBUTED TO

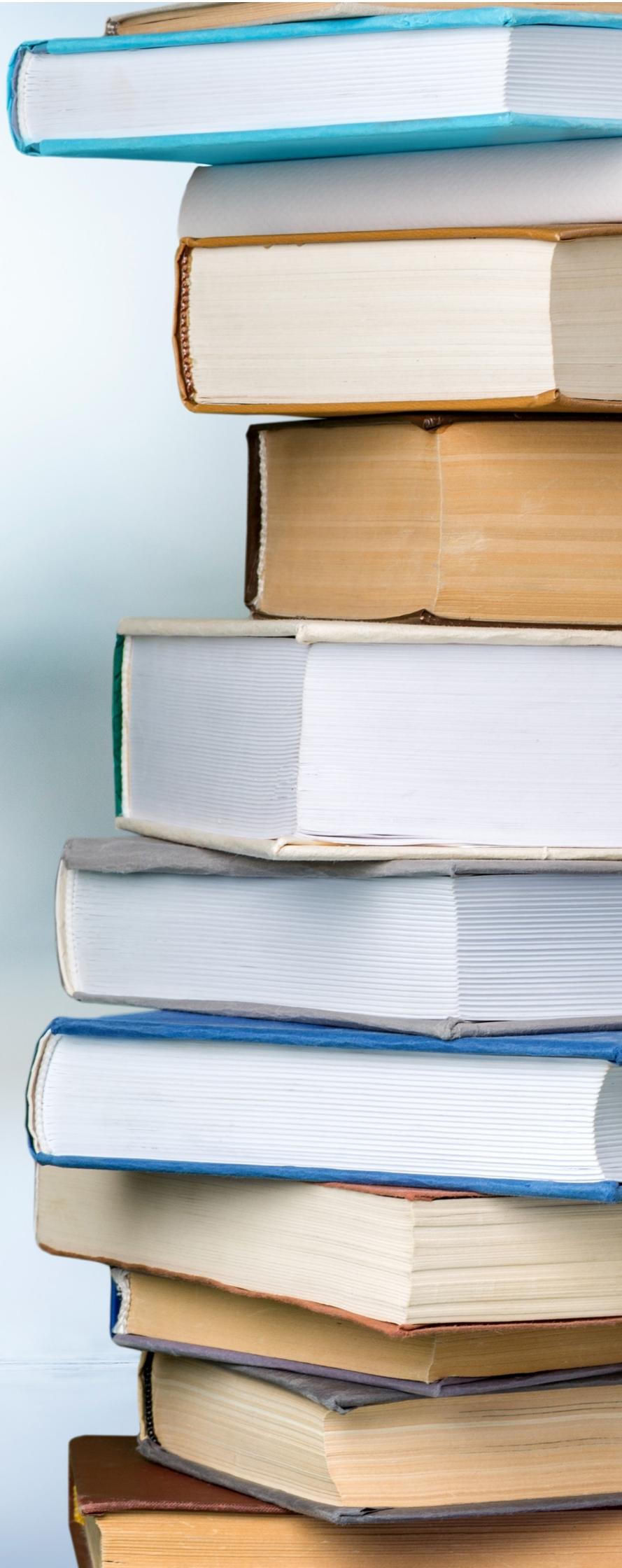


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The Members of Council (the Trustees) present their Annual Report and audited Financial Statements of the Chartered Institute of Taxation for the year ended 31 December 2023.

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 nearly 20,000 members and over 11,000 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



Exam successes and a record setting year for membership remind us of our purpose to promote better awareness and understanding of the tax system. But heightened focus on the work of the tax authorities, changes in society and technology and the small matter of a General Election are a reminder of the challenges that lie ahead.

Education and Exams

The CTA qualification is rightly regarded as being of the highest quality. We want it to remain that way, which is why the last year saw us take the decision that it was time for a comprehensive review of the qualification to ensure it remains fit for purpose in a rapidly changing world. We want to encourage employers, students and teachers to take part in this review so that their views guide our work. We are grateful to them in advance for their continued support.

By the end of 2023, 7,534 students were registered for the CTA qualification, including those qualifying through joint programmes or via the Tax Pathway. We were pleased to see over 3,800 students registered for ADIT and are really encouraged that nearly 500 candidates had registered for our Diploma in Tax Technology (DITT) by the end of the year. 576 students successfully completed their exams to qualify for membership of the CIOT and 233 completed ADIT. They include our prize winners, who are listed on pages 30 and 31. Our congratulations also go to those candidates who completed the DITT qualification.

Membership

Last year was another record-breaking year for membership. We welcomed 699 new members, taking our total for the year to 19,924, which includes an enviable 96% retention rate. We are tantalisingly close to our 20,000th member and this will be a milestone moment for us. Our members are the beating heart of our Institute, and it is their experience and their expertise that is fundamental to helping us fulfil our charitable objectives of promoting education and understanding of taxation.

For many, the Branch Network will be the focal point of their interaction with CIOT. The network goes from strength to strength, with volunteers supporting a programme of events across the UK and beyond. 2023 saw our oldest branch, Manchester, celebrate its 90th anniversary, while there were 40th anniversary celebrations for members in the East Midlands, Northern Ireland, North East England, Severn Valley and South London and Surrey.

Our people

The achievements in this report are those of our staff, members and volunteers who contribute to keep the Institute running.

Our staff continue to make a success of home and hybrid working and our facilities team at Monck Street ensure that when we get together, for example, at our quarterly all employee days in the office, that the chance to meet colleagues old and new is something to look forward to.

John Cullinane's retirement in May meant we welcomed a new Director of Public Policy in Ellen Milner. Our Senior Management Team was boosted later in the year with the appointment of Andrew Burnett as our first Chief Operating Officer.

We will be saying goodbye to a number of notable members of Council in 2024. Tracy Easman, Ian Hayes and Jennie Rimmer have all been big contributors to our work in their time with us and we thank them and our continuing Council members for their invaluable and enthusiastic support.

Our Equality, Diversity and Inclusion (EDI) Committee continues to ensure that EDI values are embedded across our organisation and to understand and break down the barriers to participation. They have helped influence new initiatives like the support available to members returning to work after a career break and for students who may not yet have decided on membership.

Tax policy

After the furore of 2022, 2023 offered something approaching relative normality on the tax policy front. The March Budget and subsequent Finance Bill saw the government bring forward plans to introduce full capital expensing and abolish the pension lifetime tax-free allowance.

November's Autumn Statement saw full expensing being made permanent, the merging of Research & Development reliefs being confirmed and, of course, the announcement of cuts to National Insurance, a move that was seen by some as firing the starting gun for a General Election that has to take place at some point over the coming months.

Once again, we partnered with the Institute for Fiscal Studies (IFS) on a programme of debates, highlighting our ability to convene some of the most important thinkers in the tax world to grapple with the topical tax issues of the day.

Debates on topics such as carbon taxation, global tax reform, income tax and non-dom status percolated the year, and we held well-attended debates on the fringes of the Conservative and Labour party conferences in Manchester and Liverpool, featuring prominent political speakers.

A debate reflecting on our 2017 Better Budgets project with IFS and the Institute for Government on highlighted how complexity is holding back improvements to the tax policy process. It reminded us of the value of the now departed Office of Tax Simplification, as well as the importance of holding government to account on their promise to embed simplification into the tax system.

Low Incomes Tax Reform Group

Our Low Incomes Tax Reform Group (LITRG) continue to speak up in support of unrepresented taxpayers. Like Tax Aid and Tax Help for Older People, it is an important signpost for those who need help.

LITRG continue to identify problems with the actions of some tax refund companies, most recently involving refunds related to historical Payment Protection Insurance (PPI) claims. Parliament legislated for pension tax relief equality for low earners, something LITRG was at the forefront campaigning for. Its influence with HMRC means that when it speaks up, its concerns are listened to and acted on.

2023 also marked LITRG's 25th anniversary. The group was started by John Andrews in 1998 after his CIOT presidential year, during which he gathered evidence that older people on lower incomes were struggling to navigate the tax system alone. The group's first published report focused on these issues, but its work rapidly evolved to cover many different aspects of the tax regime. Some of LITRG's major accomplishments are highlighted on pages 12 and 13.

One major area of work for LITRG in 2023 was the development of a new website. Over 5 million people, including CIOT members, turn to the site for guidance and the new functionality will make it easier to find information as quickly as possible.

Tax administration

Sadly, our concerns with HMRC service levels continued through 2023. They were heightened in the summer when HMRC decided to temporarily restrict access to the telephone self assessment helpline, and exacerbated in December when, seven weeks before the self assessment deadline, access to both the helpline and Agent Dedicated Line were curbed. HMRC must make the best of their limited resources, and we back its drive to have taxpayers interact digitally, but if the digitalisation agenda is not handled properly, it risks storing up problems further down the line.

We had the opportunity to share our concerns about service levels and the roll out of Making Tax Digital with the new Financial Secretary to the Treasury, Nigel Huddleston, shortly before the Autumn Statement. A member survey had found deep concern about the project's roll-out, with nearly eight in 10 respondents saying it had impacted their trust in the tax system. When members tell us there are issues, it is our responsibility to ensure that we raise these with the people in charge.

It is thanks to the relationships that we have established over time that we are able to raise members' concerns at the highest levels of government. We are grateful for the conversations we have been able to have with people like Jim Harra, Nigel Huddleston and his predecessor as Financial Secretary, Victoria Atkins.

We see our role as being a constructive, if sometimes critical friend, of the authorities and we hope they can see the experience and expertise we can lend.

International

CIOT continues to play an active role as a member of CFE Tax Advisers Europe under the presidency of our own Ian Hayes since January 2023, alongside ICAEW's Tax Faculty. We continue to represent the interests of the UK tax profession across CFE's committees, lending our knowledge and expertise. In late September, we travelled to Finland to join colleagues, where we discussed among other things the increasing prominence of Artificial Intelligence (AI). AI is a topic of big interest to us, and we are already starting to think about its impact on us as an organisation and the profession more widely.

Standards

A major change this year was the decision to bring the case handling work of the Taxation Disciplinary Board (TDB) under the umbrella of CIOT and ATT's professional standards team.

The TDB will continue to be robustly independent of both CIOT and ATT through its board and committees, and this was of the utmost importance in the discussions preceding the decision. All involved believe the change will give the TDB the chance to deliver a more efficient and effective case handling capability, while ensuring the TDB maintains its integrity and independence.

Our Standards team has had a busy year adapting to changes in guidance and regulations but these changes, specifically to professional indemnity insurance and continuous professional development, are expected to bring clarity and consistency for members. Stronger anti-money laundering requirements mean that they have had to take a tougher line on enforcement of the rules, and they have been handling these with skill and diplomacy.

All that remains is for us to thank our members, volunteers and staff for their continued support of the Institute in 2023. Our work really is a collective effort, and so we are grateful for your time, dedication and commitment.

We wish you a happy, healthy and prosperous year ahead.

Gary Ashford

CIOT President (May 2023 - May 2024)

Helen Whiteman

CIOT Chief Executive

Public Benefit report

Report from the CIOT's Lay Representative

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.

Report from the CIOT's Lay Representative

In my first full year as Lay Representative, I experienced first-hand the dedication and commitment of staff and Council members to the charity's objectives and public benefit.

The CIOT never rests on its achievements, always aiming to improve how it is run. It is doing so steadfastly and responsibly. There is a constant desire to deliver better outcomes for its membership and the public, while acting with a long-term view in sight. Sometimes the road to improvement is not straightforward, but it never shies away from being challenged and looking at things from a fresh perspective.

In 2023, I witnessed Council discussions guided by a common understanding and desire to act in the best interests of the membership and the public. I cannot recall a meeting when Council members did not mention their responsibilities as Charity Trustees. Those were not merely words but a deep-felt commitment to, and understanding of, the role of a Council member as a Charity Trustee. This was reinforced at autumn's annual trustee training.

Council's areas of focus were diverse and by no means limited to taxation, which remained at its core. Council held important discussions on the best ways to ensure the charity invests and manages its resources ethically and responsibly. Equally passionate conversations surrounded the introduction of the first ever Sustainability Policy and Strategy. Deliberations on the organisational set-up of the Taxation Disciplinary Board (TDB) enabled Council to ensure the TDB remains an independent and trustworthy body with a framework enabling it to effectively address complaints and disciplinary matters.

2023 saw the first-ever external governance review into the charity's operation, following the recommendations of the Charity Governance Code, which CIOT formally adopted last year.

The review recognised the strengths of Council's approach to governance, including members' shared commitment to the Institute and the significant progress made in recent years around

the creation, development and refinement of governance documents such as the Risk Register, Standing Orders and Scheme of Delegation. I would also add that one of council's strengths is the ability of members to challenge themselves and senior CIOT staff in a robust, yet respectful and constructive manner, making for a high-quality decision-making process. The review resulted in several recommendations, some of which have already been made (e.g. the creation of a Governance Manual). Others are perhaps more contentious and require further thought on how they would work in practice (e.g. limiting the size of the Council or introducing a new dedicated chair role). They will be the subject of debates in 2024.

A Strategy Day in March provided evidence that Council is working to ensure CIOT's activities educate the public and the profession on tax matters. It continues to constructively engage with HMRC on issues raised by taxpayers and their representatives. Council will no doubt return to the question of how best to campaign for a simpler, more accessible tax system in the coming years, and how to do so in a world of limited resources and growing complexities. These discussions evidenced the difficulties taxpayers and advisors face when trying to do the right thing, not receiving the correct information from the tax authorities, or simply being unable to get in touch with them.

I have now reached the halfway point in my three-year role as a "critical friend" of the Council. I remain deeply impressed by the ongoing desire of all those I meet to always look at ways of further improving CIOT. I would like to congratulate the Council members and the staff team on their impact in 2023 and remain hopeful this will continue in 2024 with Council members continuing to challenge each other and senior staff to secure the best possible outcomes for all those whom the charity serves.

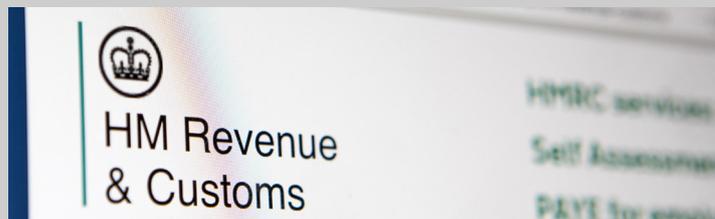


Krzysztof Mikata-Pralat
Lay Representative

The Year in Tax - 2023

JANUARY

House of Commons Public Accounts Committee says HMRC service levels are 'not acceptable'.



FEBRUARY

Scottish Budget agreed by MSPs, increasing the higher and top rates of Scottish income tax to 42p and 47p. In December, the top rate is increased to 48p and a new 45p 'advanced' rate introduced.



MARCH

Spring Budget - full capital expensing introduced and pensions lifetime allowance abolished. Chancellor says he will take 'personal responsibility' for tax simplification.



APRIL

50th anniversary of the introduction of VAT. At £162 billion in 2022/23, it is the largest revenue raiser for government after income tax and National Insurance.



MAY

HMRC concedes that the tax system has become more complex but defends its simplification efforts.



JUNE

HMRC announces that the self assessment phone line will close for three months, directing taxpayers to its digital services instead.



JULY

The Finance (No.2) Bill receives Royal Assent, formally abolishing the Office of Tax Simplification.

News story

Update on the closure of the Office of Tax Simplification

The Office will cease work after publication of the Hybrid and

AUGUST

The United Nations says it should play a bigger role shaping global tax rules to better help developing countries.



SEPTEMBER

CIOT member survey finds poor HMRC service levels are making it harder to do business. 96% of respondents doubt there will be improvements in the coming year.



OCTOBER

Economic Crime and Corporate Transparency Act passes, creating a new offence of failure to prevent fraud and strengthening Register of Overseas Entities.



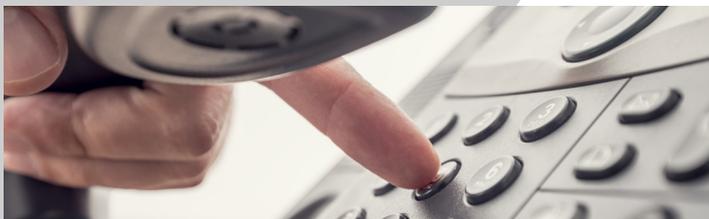
NOVEMBER

Nigel Huddleston is new Financial Secretary to Treasury as Autumn Statement cuts National Insurance by 2p and makes full expensing permanent.



DECEMBER

HMRC announces its self assessment and agent dedicated lines will deal only with 'priority' calls in the run up to the 31 January self assessment deadline.



The Low Incomes Tax Reform Group at 25



The CIOT's Low Incomes Tax Reform Group (LITRG) celebrated its 25th anniversary in 2023. Here we take a look at some of the group's most notable achievements in its first quarter of a century.

LITRG is founded in 1998 when then CIOT President John Andrews (near right) identified that the tax profession needed to do more to support low income, unrepresented and often vulnerable taxpayers. With Council approval, LITRG was created with a remit to target for help and information those least able to afford tax advice and work to make the tax system more friendly to their needs.



LITRG's first report "Older People on Low Incomes – the case for a friendlier tax system" recommends that a 'publicly supported volunteer scheme' should be set up to help older taxpayers on low incomes.

In the absence of government help, a pilot scheme is launched in 2001 that would later become the Tax Help for Older People service, run via a separate charity.

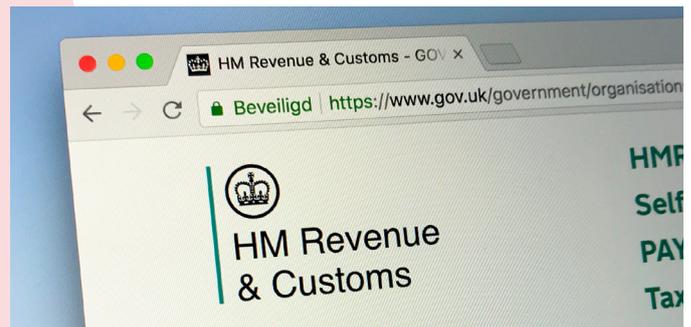
The case for a friendlier tax system

Low Incomes Tax Reform Group
of

THE CHARTERED INSTITUTE
OF
TAXATION

December 1998

LITRG has been in the lead of standing up for taxpayers disadvantaged by HMRC's 'digital by default' strategy. The group assisted the first three appellants in a 2013 VAT case in which it was decided that adequate and publicised alternative methods need to be made available and accessible for those unable to engage digitally, whether due to age, disability, location or otherwise.



LITRG is influential in shaping the way tax credits work. It helps make the treatment of overpayments by official error fairer, leads a coalition of charities to secure 'notional entitlement' for claimants in a relationship breakup and informs parliamentary debates on the subject. Its Revenuebenefits website becomes a go-to for information on a complex area of tax and benefit policy and the site wins a Taxation Award in 2012.



Over 1 million people access LITRG's coronavirus guidance during the pandemic. LITRG's engagement with HMRC secures changes to prominent support programmes like the job retention scheme and self-employment income support scheme, making it easier for low income taxpayers to access support.



LITRG spearheads an action group calling on the government to ensure all low-paid workers receive equivalent pension tax relief. The group secures a manifesto commitment in 2019 that results in legislation ending this pension inequality and securing payments for those affected.

LITRG welcomes solution to pension inequality for low-income workers

Release: Immediate: Budget Day: Wednesday 27 October 2021

The Low Incomes Tax Reform Group (LITRG) welcomes today's announcement from the Government which ends the injustice that over a million low-income workers (mostly women) lose out on pensions tax relief worth an average of £53 a year.¹ However, the group stresses that the process for the top-up payments should be made as straightforward as possible, and expresses disappointment that the change will only come into effect from 2024/25.

LITRG shines a light on the unscrupulous behaviour of some tax refund companies inappropriately making claims on behalf of taxpayers, convincing HMRC that action needs to be taken. As a result, HMRC agrees to refund 60,000 affected taxpayers directly and to introduce tougher rules to police the repayment agent market.

Policy paper Information for customers of Tax Credits Ltd – refunding tax reclaims

Updated 20 February 2023

Contents

1. What will be refunded
2. When and how the refunds will be made
3. Repayment agents
4. Update (20 February 2023)

[Print this page](#)

A large number of taxpayers who have reclaimed tax payments using the repayment agent Tax Credits Ltd since December 2021 will be due a direct refund from HMRC.

HMRC has found that up to 60,000 clients of the repayment agent Tax Credits Ltd signed up through a new online process.

The company introduced the process in December 2021 and following an investigation, HMRC was not satisfied that the new process and documentation led to a valid assignment of repayments to Tax Credits Ltd. There was insufficient evidence within the process of the client's intention to assign ownership of their refund to Tax Credits Ltd.

Over five million people a year turn to LITRG's website for support. Although aimed at those unable to pay for advice, the resource is widely used by CIOT members, other professionals and charities. By 2024, an updated website will make it even easier for people to access LITRG's free guidance for help with their tax affairs.



400 +

The number of pages of free tax and benefits guidance on our website

5 million +

The number of unique visitors to our website each year

25 years

The number of years LITRG has been advising taxpayers

200 years

The number of years of tax legislation in the UK

Promoting debate on tax

CIOT debates in 2023

The Institute holds regular public debates, supporting our objective of creating a well-informed debate on tax policy. These are often organised jointly with the Institute for Fiscal Studies (IFS), bringing together those with an interest in tax policy.

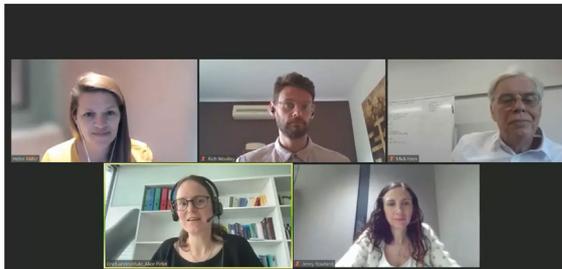
You can watch our debates at tax.org.uk/videos-and-audio.



Better Budgets – have we succeeded in making tax policy better?

Six years on from its publication, CIOT, IFS and the Institute for Government (IfG) brought together some of the authors of the report and the former head of HMRC to ask if tax policy making had improved. They concluded that while some of the report's recommendations had been adopted, the continuing complexity of the tax system and a lack of effective consultation and scrutiny had hindered progress.

The event was chaired by Gemma Tetlow of the IfG, with contributions from former CIOT President Bill Dodwell, Paul Johnson of IFS, Jill Rutter of IfG and Sir Edward Troup, HMRC Permanent Secretary between 2016 and 2018.



Carbon border adjustment – what approach should the UK take?

With the UK exploring options to address the issue of carbon leakage, a panel of energy and taxation experts convened to consider the merits of the country adopting a carbon border adjustment mechanism, or CBAM. They noted that while a CBAM could work for the UK, there were substantial practical and legal questions which would need to be addressed for it to work effectively.

The event was chaired by IFS Deputy Director Helen Miller and included contributions from Michael Keen (University of Tokyo), Alice Pirlot (Geneva Graduate Institute), Jennifer Rowland (HM Treasury) and Richard Woolley (Chemical Industries Association).



The future of international tax reform

Delivering the 2023 Chartered Tax Advisers' Address, Pascal Saint-Amans, former tax director of the Organisation for Economic Co-operation and Development (OECD), told an audience of tax professionals that progress on reallocation of taxing rights will be hard but that his successor will be able to find a way through.

However tax campaigner Tove Maria Ryding argued that the UN was 'the only place [for] a real global agreement on tax'. They were joined by Heather Self, who welcomed progress at finding multilateral solutions but argued for more focus on indirect and carbon taxes going forward.

Where next for income tax?

The income tax regime has become more complicated in the past decade, but the revenue raised means big reforms are unlikely under either a Conservative or Labour government. Guests heard that an ‘increasingly odd-looking system’ of cliff edges and ‘crazy complexities’ created disincentives to earn and opportunities for avoidance, but that the income tax system of tomorrow would stay ‘much the same as it is’ with ‘another bit of bell or whistle’ every year.

Chaired by CIOT President Gary Ashford, contributions came from John Barnett (CIOT), Fran Bennett (University of Oxford), Tom Waters (IFS) and the Conservative MP and former tax adviser Nigel Mills.



How should non-doms be taxed?

CIOT’s last joint debate with IFS in 2023 took place in November, focused on the taxation of non-doms. A panel of academics, lawyers and tax advisers considered the drawbacks of an unsatisfactory and ‘archaic’ domicile regime, and the steps that could be taken to reform the rules, with political consensus and taxpayer certainty cited as important factors.

Chaired by Helen Miller, contributions came from Emma Chamberlain (CIOT), Nimesh Shah (Blick Rothenberg), Arun Advani (University of Warwick) and Jane Page (Kirk Rice Accountants and former Treasury adviser).



Conservative Party conference

The focus in Manchester was the tax and public finance challenges facing Britain. Our panel considered the state of the public finances, tax cut prospects, council tax and corporation tax reform and the taxation of digital platforms.

Guest speaker Lord Leigh of Hurley, Chair of the House of Lords Finance Bill Sub-Committee, lamented the state of the public finances but defended his colleagues in government as ‘Tory tax-cutters at heart’, saying ‘if they could, they would’. Speaking alongside Lord Leigh were Paul Johnson and Gary Ashford. The event was chaired by Rhiannon Kinghall Were, Head of Tax Policy at the law firm Macfarlanes.



Labour Party conference

Labour’s Shadow Financial Secretary said the route out of the UK’s economic ills was ‘not by pulling the tax and spend lever’ but through growth. James Murray said plans to grow Britain’s economy would be ‘front and centre’ of Labour’s plans for government if it wins the next General Election. Targeted tax changes could also help tee up public investment, as our panel considered the revenue raisers that could be tweaked to improve productivity and address inequalities.

James Murray was joined by Paul Johnson, Ellen Milner (CIOT Director of Public Policy) and Gary Ashford, who chaired proceedings.



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 needs and interests of the public are considered by policymakers.

In 2023, we made 159 written submissions (2022: 121) and held 292 meetings (2022:331). Our committee chairs and vice-chairs are listed on page 45. We are grateful to them and the other volunteers who give their time to lead and participate in our technical activities.

Technical Policy and Oversight Committee

Some of 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 senior HMRC staff at the Representative Bodies Steering Group, the Guidance Strategy Forum (GSF), and are represented on HMRC's Charter Stakeholder Group.

A key theme of our engagement with HMRC in 2023 continued to be service levels, which remain inadequate in many areas. TPOC led much of this work. We have undertaken surveys and gathered examples of HMRC's performance, sharing and discussing these with HMRC and ministers. Through the GSF we are working with HMRC to improve GOV.UK guidance, including via the review of tax guidance and forms for small business announced at Spring Budget 2023. Following the abolition of the Office of Tax Simplification we have been working with HMRC and HM Treasury with the aim of embedding tax simplification into the policy making process and to develop a framework for considering simplification ideas.

Private Client (UK)

Engagement with HMRC on the Trust Registration Service continued. Discussions are ongoing about their draft Capital Gains Tax (CGT) guidance on the timing of market value disposals under contract.

Following our scrutiny of the simplifying measure in Section 29 and Schedule 2 of the Finance Act 2023, where income of any description from a trust or estate under £500 does not have to be reported, the government introduced an amendment to ensure that where a settlor has created a number of trusts and the £500 exemption is divided between them, any pension trusts are ignored.

We responded to the Inheritance Tax (IHT) section of the consultation on the Taxation of Environmental Land Management Schemes, explaining farmers and landowners would be discouraged from engaging in these schemes if the landowner's overall IHT position worsened.

Private Client (International)

We engaged HMRC on the long-standing issue of remittance of loan monies secured against foreign income/gains (FIG). CIOT questioned HMRC's view that if a secured loan is remitted to the UK in full, the value of the FIG is deemed to have been remitted. We understand HMRC are reviewing their position as a result of our representations.

We addressed the the University of Warwick report on 'non-doms' and the impact on UK tax revenues, preparing an explainer on the issue and the interaction between the transfer of assets abroad rules and an overseas company being subject to UK corporation tax. We also engaged HMRC on the matter of remittances. Correspondence between HMRC and CIOT (from 2012), which stated the widely understood position, is now subject to change.

Corporate Tax

A significant focus in 2023 was Research & Development (R&D). We highlighted concerns with HMRC's approach to compliance and the detrimental impact on the relief's policy intentions. We had constructive dialogue with HMRC on improving standards and ensuring R&D claims enquiries are effective at tackling error and fraud while being balanced and fair.

We worked with HMRC on other R&D compliance changes, such as the introduction of the additional information form for claims and claims notification requirements for new claimants. The Autumn Statement announced a new merged R&D relief scheme. We shared our concerns about the rushed timetable and uncertainties with some of the rules with HMRC and in evidence to the House of Lords.

We have been discussing capital allowances with HMRC and HM Treasury and the potential inclusion of assets for leasing in the 'full expensing' provisions.

Employment Taxes

We continued engagement with HMRC on the provision of a 'set off' for taxes already paid where an Off-Payroll Worker's status is changed following a compliance inquiry. We were pleased the government accepted our position and included an enabling clause in Finance Bill 2023-24.

We made 34 tax simplification suggestions in our Budget representations. While only one was taken forward other suggestions, such as uplifting fixed rates to reflect increases in the cost of living, continue to be discussed.

Practical and technical issues remain key to our work. Engagement has resulted in HMRC clarifying rules on reimbursements for home charging of electric company vehicles and the application of optional remuneration rules to cash Long Term Incentive Plans. The committee also produced its annual edition of Employment Taxes Voice.

Indirect Taxes

We responded to consultations including the interpretation of VAT & Excise legislation, VAT energy saving materials relief, VAT provisions for the deposit return scheme and the VAT treatment of fund management. We prepared a Finance Bill submission on alcohol duty.

We made guidance recommendations to HMRC including on VAT registration, the domestic reverse charge on construction services, business and non-business activities, and the VAT component of the small business guidance project.

We regularly met HMRC at VAT engagement groups discussing land and property, insurance, registration and rates. We discussed several bespoke VAT issues including the second-hand vehicle payment scheme and partial exemption special methods. We are represented on forums where customs and excise matters are discussed and again held our annual in-person VAT conference.

Management of taxes

We continued discussions with HMRC about their approach to nudges and prompts in One to Many (OTM) letters, including their effect on penalties, how they fit with the statutory compliance framework and their effectiveness in tackling non-compliance. During the year and with the support of other committees, we provided comments to HMRC on nearly 50 OTM campaigns.

Engagement with HMRC on the Tax Administration Framework Review (TAFR) continued, with sessions looking at reform of the compliance framework. We also submitted written responses to three TAFR-related consultation documents.

We engaged with HMRC and provided evidence to a House of Lords enquiry, sharing our concerns about the proposed new criminal offence for tax avoidance scheme promoters who fail to comply with HMRC stop notices. Specifically, we highlighted that something can (in principle at least) potentially be a crime on HMRC's say-so given that a decision to issue a stop notice will rest entirely with HMRC with no external oversight.

We met HMRC to discuss Code of Practice 9, and issues raised by volunteers concerning Schedule 36 information notices and HMRC's debt management processes.

Digitalisation and Agent Services

Our significant focus during 2023 has been on Making Tax Digital for Income Tax (MTD for ITSA). We have attended numerous meetings with HMRC to discuss several key requirements of the scheme, in addition to our regular engagement. Many of the simplification changes announced in the Autumn Statement, such as cumulative treatment of quarterly updates and removal of the end of period statement, were measures which we had been calling for throughout this time.

In the summer, we undertook a member survey on MTD covering both VAT and ITSA. We discussed the results with HMRC and shared these with the Financial Secretary to the Treasury in advance of the Autumn Statement.

We continue to work with HMRC on their digital services for agents, through the Agent Digital Design Advisory group, and have shared what we consider to be the minimum standards required for new digital systems and new digital forms.

Property taxes

With the Employment Taxes Committee, we responded to a consultation on reforms to the Construction Industry Scheme. We continued to proactively recommend that landlord contributions to tenants to carry out building fit outs should be removed from the scope of the scheme. The government's agreement in principle at the Autumn Statement was welcome. This will reduce the scheme's administrative burdens and remove cash flow disadvantages for start-ups and inward investors.

Proactive submissions were made in several areas including the Residential Property Developer Tax, the new Luxembourg-UK Double Tax Treaty and Stamp Duty Land Tax.

Our Business Rates Working Group provided a briefing for parliamentarians on the Non-Domestic Rating Bill 2023 and responded to consultations on business rates avoidance and the transparency and disclosure of information on business rates valuations.

International tax

The UK implemented its rules for 'Pillar Two' reforming the taxation of multinational companies. They will ensure multinationals pay a minimum rate of 15 per cent corporation tax (or equivalent) in their countries of operation for accounting periods beginning on or after 31 December 2023.

Work continued with HMRC and HM Treasury to ensure these new taxes work as intended and comply with the rules, commentary and administrative guidance agreed and issued by the OECD's Inclusive Framework. We welcome the positive engagement with government and are supportive of the ongoing changes to the UK's rules because it is important that the UK's legislation aligns with the OECD's agreed position.

We responded to a consultation on transfer pricing, permanent establishments and diverted profits tax, welcoming the direction of travel to align rules with international standards, and HMRC's review of tax treaty priorities.

Owner Managed Businesses

We submitted two representations ahead of Spring Budget 2023 on specific issues related to the legislation on CGT relief for gifts of business assets and on company purchase of own shares involving multiple completion contracts.

We discussed HMRC's simplification objectives and suggested there should be a mechanism to identify and correct defective legislation more easily, for example through post-implementation reviews and a dedicated section in future Finance Bills.

Topics discussed through our regular engagement with HMRC's Mid-Sized Business (MSB) team have included the support HMRC offer MSBs through their Customer Support Team and their temporary Customer Compliance Manager service.

We engaged with HMRC on Basis Period Reform, discussing the implementation and communication of the changes. Volunteers took part in testing HMRC's online overlap relief request form. We responded to HMRC's consultation on cash basis reform.

Scotland

We responded to consultations on the Transient Visitor Levy (Tourist Tax), the Land and Buildings Transaction Tax (LBTT) Additional Dwelling Supplement, and proposals for a devolved replacement for UK Aggregates Levy, the Scottish Aggregate Tax (SAT). CIOT was represented on a government advisory group supporting the development of SAT legislation.

In November, CIOT gave evidence to the Scottish Parliament's Finance and Public Administration Committee on issues related to the assignment of VAT revenues to the Scottish Budget. We participated in a pre-Budget roundtable with the Scottish Government's Public Finance Minister, Tom Arthur MSP, to discuss our priorities ahead of December's Scottish Budget. We strengthened our engagement with Revenue Scotland, attending the launch of their annual report, and discussing their corporate plan with them.

Alongside ICAS, we published a review of our 2021 paper 'Building a Better Tax System' assessing developments in Scottish tax policy since the last Scottish Parliament election.

Wales

We responded to a Welsh Government consultation on a proposed discretionary visitor levy and joined the Welsh Government's working group, continuing engagement as the policy develops.

The Welsh Government have also consulted on reforms to council tax, including new and more frequent revaluations of properties. We responded to the phase one consultation jointly with the Low Incomes Tax Reform Group and have continued engagement following publication of the next phase of consultation in November 2023.

We also responded to consultations on proposals to reform business rates in Wales including more frequent valuations, new information requirements, the introduction of an anti-avoidance rule and alternative approaches to raising local taxes such as a local land value tax.

In November, we participated in the Welsh Government's annual tax conference, a welcome return to an in-person conference.

Climate Change Working Group

The working group met with HMRC and responded to a consultation on proposals for a UK carbon border adjustment mechanism. This topic was also the focus of a CIOT/IFS joint online debate in spring, with over 300 attendees (see page 14).

We discussed several areas related to the plastic packaging tax and responded to an HMRC consultation covering the development of their online interactive guidance tool, introduction of chemical recycling, and the adoption of a mass balance approach.

We were also involved in discussions around the development of the proposed Scottish Aggregates Tax. Our group's meetings have hosted guest speakers including an OECD representative to discuss tax and sustainability issues from an international perspective, and the implication of falling fuel duty revenues as electric vehicle uptake increases.

Employee-Ownership Trusts Working Group

We responded to the public consultation on Employee Ownership Trusts and Employee Benefit Trusts, which considered many aspects of the existing rules surrounding the tax benefits and associated conditions of these trusts. Many of the suggested recommendations were contained in a CIOT report from 2021.

Crypto Assets Working Group

We met with the chair of the All Party Parliamentary Group on Crypto and Digital Assets to discuss how we can assist the group's work. Meetings also took place with HMRC throughout the year to share members' concerns around the taxation of assets, offering suggestions and seeking answers. We responded to the second public consultation concerning the CGT treatment of Decentralised Finance transactions.

EU & Human Rights Working Group

The working group did not meet in 2023 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

Ellen Milner

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.

In 2023, LITRG responded to 23 formal consultations (6 jointly with CIOT) and attended 341 meetings and events with HMRC, other government departments and third sector groups. LITRG engages regularly with UK parliamentarians, the Scottish and Welsh governments and the devolved revenue authorities.

LITRG at 25

LITRG celebrated its 25th anniversary in 2023. Broadening from its initial focus helping older people navigate the tax system, its work has evolved to encompass a wider range of taxpayers. You can read more about some of LITRG's achievements over its quarter of a century on pages 12 and 13.

The Robin Williamson Grant

Following the death in 2022 of Robin Williamson, (LITRG's Technical Director until 2018) LITRG received a generous donation to establish a grant in his name. The purpose of the Robin Williamson Grant, administered by the LITRG team, is to shine a light on an area of taxation (or benefits where there is a tax link) impacting those on low incomes, and which requires attention from government.

In 2023 a grant was awarded to fund research into tax and the gig economy, an important and growing area of focus for LITRG. The report was discussed at our December 2023 panel meeting and its findings will be used to support follow-up activities in 2024. This will include improving and expanding our guidance on the subject, working with the media to improve the accuracy of reporting on the issue, campaigning for policy changes, and making proposals to HMRC to shape their approach to the implementation of new rules requiring digital platforms like eBay and Vinted to collect information on how much money sellers make, as this may bring non-compliance issues to the surface.

LITRG websites

LITRG's guidance is primarily delivered via www.litrg.org.uk. Although aimed at those unable to pay for advice, the materials are widely used by CIOT and ATT members, other professionals and third sector advisers. The site continues to be highlighted as a source of information by the House of Commons Library.

In 2023, there were over 5.2 million visitors to LITRG's websites, who viewed 7.88 million pages.

Significant investment was made to the LITRG website in 2023, upgrading it to a new platform with improved functionality and mobile navigation. It was successfully launched on 1 February 2024. A significant amount of staff time was invested in this work, which included rewriting existing material into an improved format, and implementing changes needed to streamline its administration. Further improvements are planned to help people to find understandable information as quickly as possible.

RevenueBenefits, a website for advisers, received ongoing funding from HMRC in 2023. The site forms a key part of our continuing work on the tax credit-universal credit migration. Funding will remain in place until 31 March 2025, when the site will be closed down, reflecting the fact that tax credits are being replaced by universal credit.

“

I found the answer to my question in your excellent worksheet “What tax rates apply to me”. It concerned calculation of the starting rate for savings and in particular the effective deduction of dividends from total income in calculating the restriction of the starting rate. This allowed me to reconcile my spreadsheet calculation of my sister's tax for 22/23 with HMRC's. Thank you.

Quote from a LITRG website user

”

Tax refund companies

Our work raising issues involving certain private companies claiming tax refunds on behalf of taxpayers led to a change in the law that allows HMRC to render void assignments of income tax repayments. Further issues have emerged in relation to refunds related to historical Payment Protection Insurance payouts. As a result of our representations, HMRC agreed to stop automatically processing such claims. We continue to raise concerns about the use of nominations by certain refund companies.

Pensions equality

Legislation providing for additional tax relief for low income employees in net pay pension schemes was introduced in 2023, correcting a long-standing anomaly in the pension system that LITRG, together with representatives of the pensions industry and others, had been campaigning for. This additional tax relief will be available in respect of 2024/25 onwards.

Good guidance report



In April, we published 'Good guidance: The importance of effective guidance for unrepresented taxpayers', making 40 recommendations for improving taxpayer guidance on GOV.UK. The report was positively received by HMRC, who have implemented several of its suggestions and remain in ongoing dialogue with us.

Media and external engagement

LITRG continues to enjoy a strong media presence, appearing regularly in national and trade titles. We are regularly sought out for comment by the press on topical tax issues. Topics on which we provided comment included: our work on tax refund companies; changes to the availability of HMRC's telephone self assessment helpline, the high income child benefit charge and council tax reform in Scotland.

Working with HMRC and government

When HMRC decided to temporarily restrict access to its self assessment telephone helpline in the summer, LITRG tested alternative routes for people needing extra support, flagging up deficiencies that HMRC responded to quickly. Further work on HMRC communications issues included our regular feedback on One to Many letters, which resulted in a number of improvements to draft letters.

We continued work on Making Tax Digital (MTD) for income tax, inputting to HMRC's review of small business. Our evidence was quoted by the House of Commons Public Accounts Committee report into MTD. On basis period reform, LITRG identified various interactions with areas including tax credits and student finance. We have produced guidance on the topic and HMRC have agreed to send out a targeted letter to unrepresented taxpayers.

LITRG Technical Officer Meredith McCammond was seconded part-time to HMRC's intermediaries directorate for six months in 2023, supporting a range of work in that area. The secondment was extremely successful, helping LITRG better understand HMRC's structure and operations and HMRC benefitting from LITRG's first-hand experience of the labour market, intermediary conduct and supporting vulnerable customers. Meredith was subject to Civil Service rules, for instance on confidentiality, for the duration of her secondment and a relevant period afterwards.

We received positive feedback on our work from politicians, including Victoria Atkins in her role as Financial Secretary to the Treasury, and from senior HMRC staff. We have been invited to give presentations to HMRC, including to parts of their Customer Compliance Group and their Professional Standards Committee. We received extremely positive responses that these helped increase HMRC's understanding about the impact of the tax system on low income unrepresented taxpayers.

Our work on devolved tax matters in Wales and Scotland was also productive. LITRG Technical Officer Joanne Walker served as a tax expert on the Tax Working Group of the Poverty and Inequality Commission, a group established to provide independent advice to Scottish ministers, contributing technical expertise into its report.

Head of LITRG

Victoria Todd

Senior Manager

Kelly Sizer

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.

In 2023, the External Relations team welcomed two new members of staff, with Jamie Presland and Ghazaleh Pourzadi joining in early 2023 to support our media and political relations activity.

CIOT in the media

In 2023, CIOT and LITRG featured 146 times in the mainstream media, in addition to hundreds of mentions in the tax and accountancy press.

CIOT contributed its expertise on topics including:

- HMRC service levels (The Times, Daily Telegraph, Financial Times, Daily Mail).
- Scottish income tax divergence (The Scotsman, Scottish Daily Mail, BBC News, Times).
- VAT reform (Financial Times).
- HMRC interest rates (Daily Telegraph, Daily Express).
- The taxation of cryptocurrency (Financial Times, Daily Telegraph).
- HMRC data collection (Daily Telegraph).
- Making Tax Digital (Bloomberg).
- Inheritance tax (Daily Telegraph).

In addition, LITRG were featured in stories on topics such as:

- Exploitative tax refund companies (Financial Times, Daily Telegraph).
- Self assessment helpline closures (Observer, BBC Radio 4, Daily Mail).
- HMRC service levels (Telegraph).
- High Income Child Benefit Charge (The Sun).
- Council tax reform in Scotland (The Herald).

Informing the political debate



CIOT and LITRG’s once again influenced legislation and committee findings during 2023. We were referenced 137 times in parliamentary debates and reports over the year.

Highlights included:

- Measures advocated by us legislated for in Finance Act 2023, including pension top-up payments for low earners, tightening tax refund rules, extending no gain/no loss CGT treatment for transfers between separating spouses and simplifying taxation of estates.
- Amendments during the Act’s passage reflecting our representations on separating spouse transfers and the taxation of trusts.
- Ministers using the Economic Crime and Corporate Transparency Bill to close a loophole identified by CIOT in the Register of Overseas Entities holding UK land or property.
- Our evidence cited extensively in a November Public Accounts Committee report on the implementation of Making Tax Digital. We were also cited in the committee’s reports on HMRC customer service (January), pandemic support schemes (March) and the Digital Services Tax (April).
- Giving evidence to the House of Lords committee scrutinising Finance Bill 2023–24, cited 45 times in the final report. Director of Public Policy Ellen Milner represented CIOT at the session (image above).

Engaging policymakers

We continue to work with politicians of all parties in pursuit of better-informed tax policymaking. In 2023 we engaged with 59 politicians - 17 from the Conservatives, 16 from Labour, 11 from the SNP, 9 Lib Dems and 6 others, including:

- Meeting Financial Secretary to the Treasury Victoria Atkins to discuss our priorities around tax simplification.
- Briefing sessions for Shadow Financial Secretary James Murray and other members of the Labour Treasury team on both Finance Bills. During debate on the second bill, Murray commended LITRG for its work tackling pensions inequality and thanked CIOT for its 'invaluable support'.
- Our annual parliamentary reception, hosted by Craig Mackinlay CTA MP and attended by politicians from the Conservatives, Labour and SNP.
- Attendance at Conservative, Labour and Lib Dem conferences. We held debates at the first two, welcoming Lord Leigh of Hurley (Chair of the Lords Finance Bill Sub-Committee) and James Murray as our guest speakers and meeting a number of politicians and advisers on the conference fringes.
- CIOT President Gary Ashford taking part in a roundtable hosted by the European Parliament's FISC committee, including MEPs from the Netherlands and Germany.

Online information

The CIOT website continues to be a source of informative and thought-provoking content on a range of topical tax issues.

In 2023, we published 131 blogs including five guest blogs, opinion articles and reports on a range of political and parliamentary developments. Our guest blogs covered topics including stamp duty refunds, devolution, disputes, R&D reliefs and disability and the tax system.

We also published reports on the debates we held over the course of the year (see pages 14 and 15 for more information). Our blogs can be read at www.tax.org.uk/blog/1.

CIOT in Scotland

CIOT remains an important stakeholder in the Scottish tax debate and our activity generated 61 media mentions. An op-ed in the Times' Scottish edition from CIOT's Sean Cockburn on the technical implications of a new income tax rate for higher earners generated significant coverage.

Our 'Building a Better Tax System' paper with ICAS was launched with a call for clarity on the future of Air Passenger Duty devolution and VAT assignment. Charlotte Barbour gave evidence to a Scottish Parliament committee on the latter of these.

CIOT were cited by Scottish Conservative finance spokesperson Liz Smith at First Minister's Question Time in May 2023. We also welcomed Deputy First Minister Shona Robison (pictured), as guest speaker at the CIOT/ATT Joint Presidents' Lunch in Edinburgh in the same month.



CIOT in Wales

We continue to contribute to the devolved tax debate in Wales. In March, Ritchie Tout represented CIOT at a meeting hosted by the Welsh Conservative Party's Tax Policy Group. Ritchie also wrote for the Business Live website on the ways in which the Welsh Government could use its limited tax powers to support economic investment and growth.

The Welsh media outlet Nation Cymru picked up our comments on the need for 'clear communications' and 'simple admin' for visitors and businesses as the Welsh Government weighed up plans for a Tourist Tax.

Director of Public Policy

Ellen Milner

Head of External Relations

George Crozier

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.

CIOT represents the UK on the CFE, alongside the ICAEW Tax Faculty. In 2023, CIOT Council member Ian Hayes was appointed President of CFE. The Institute is represented on each of the CFE's technical committees (the Fiscal, Professional Affairs, Tax Technology and New Tax Professionals committees) and General Assembly.

The CFE in 2023

In 2023, CFE convened a number of conferences and events and issued a series of 'opinion statements' on a number of topical tax issues.

Opinion Statements

FASTER Withholding Tax Proposal

CFE argued that an EU proposal for a new EU-wide system for the avoidance of double taxation and prevention of tax abuse may be limited in the scope of its application. Its opinion statement covered a number of issues in relation to the FASTER proposal, including the issuing of tax residency certificates, information requirements and the long lead-in time for the directive's introduction.

Corporate tax reform

CFE responded to two EU corporate tax proposals. While it welcomed a proposed directive on Transfer Pricing, it questioned the need for 'Business in Europe: Framework for Income Taxation', which would create a single set of rules for determining the tax base of groups of companies in the EU. CFE argued it could be in breach of EU subsidiarity and proportionality rules.

VAT

The EU's VAT in the Digital Age (ViDA) proposals, which will harmonise and adapt VAT rules to reflect the increasing digitalisation of the economy were welcomed. However concerns were raised about invoicing and digital reporting requirements, and the administrative and financial burdens on small businesses.

Pandora Papers

CFE issued an opinion statement following the publication of a European Parliament report on the lessons learned from the Pandora Papers and other revelations. The CFE welcomed the parliament's efforts to promote better transparency, accountability and integrity in the tax system, pointing out how tax professionals can contribute to these goals and strengthen the integrity and robustness of fiscal systems.

Events

CFE Forum

The CFE Forum and General Assembly took place in Brussels in April.

Two panels of participants debated the EU's VAT in the Digital Age proposals and the EU Directive on the Pillar 2 global tax rules. Benjamin Angel, director of the European Commission's Taxation and Customs Union directorate was welcomed as guest speaker.

Professional Affairs conference

September saw the CFE hold its Professional Affairs conference and a strategic discussion of the General Assembly in Helsinki, co-hosted with the Association for Finnish Tax Professionals.

CIOT joined colleagues from across Europe in conference and committee discussions. Issues considered during the two-day event included the impact and evolution of European and global regulatory developments on the profession, the rise of Artificial Intelligence and VAT and chain transactions. Representatives from CIOT included Alistair Cliff, Jane Mellor, Ian Hayes, Paul Aplin, Jeremy Woolf and Ellen Milner.

The CFE's own annual report is available to read at: <https://taxadviserseurope.org/publications/>.



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 is responsible for promoting the study and understanding of tax for the benefit of the wider public.

By the end of 2023, there were 4,673 students registered for the CTA qualification. This includes those participating in our Joint Programmes with the Institute of Chartered Accountants in England and Wales (ICAEW) via the ACA-CTA route and the Institute of Chartered Accountants of Scotland (ICAS) through the CA-CTA route. We have been pleased to see continuing numbers of students achieve membership of CIOT via these joint programmes. A further 2,861 students are 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.

CTA Exam Skills and Focus Days in 2023

Five webinars were held for students for each exam session. These took place in the spring and autumn and are the most direct way the Institute supports its CTA students.

In order to make them as widely accessible as possible, the training days are offered at a low price in the hope of being affordable for all, not least those who are self-studying and not financially supported by their employer. The feedback from those attending remains positive and the Institute is grateful for the excellent tutors who teach the students.

Fellowship

Five people successfully presented a body of work, and two people a dissertation to the high standard required to achieve Fellowship. Seven people had their Fellowship synopses approved. Three were Direct Fellowship applicants and four, existing CTA Associates.

Journal of Tax Administration

Last 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. Support has included funding for a new website, as well as relevant initiatives to ensure further integration with JOTA and a clearer link to the Institute's educational activities.

Grants

The committee approved a request for a small amount of sponsorship from the University of Exeter for an event entitled "An exploration workshop for tax academics". This took place in the summer of 2023. The committee also approved a grant for the annual Tax Research Network (TRN) conference, which took place at the University of Cambridge in September 2023.

Advanced Diploma in International Taxation

ADIT was represented in the joint delivery of two major CIOT events. The 16th CIOT/ADIT/IFA Young International Corporate Tax Practitioners' Conference took place in London on 21 September, attracting 70 delegates. The 24th CIOT/ATT/ADIT/IFA Cross Atlantic and European Tax Symposium took place in London on 16 November, attracting 67 delegates.

The fourth ADIT International Tax Webinar series took place between May and October 2023. Seven webinars were delivered, attracting a total of 466 delegates. All of the webinars were very modestly priced with free entry for ADIT International Tax Affiliates.

A total of four Champion-led ADIT network webinars and one face to face network event were held in 2023, focusing on 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 ADIT Champions operate. Each event is promoted to local ADIT students and holders, as well as tax professionals at major employers.

The third virtual ADIT Awards Ceremony took place on 9 November, presented by ADIT Academic Board chair Jim Robertson and featuring a speech from CIOT President Gary Ashford. 97 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.

Diploma in Tax Technology

The Diploma in Tax Technology (DITT) launched in November 2022 and proved popular in 2023, with 499 new candidates registering for the qualification. In the same period, 212 candidates have passed at least one module assessment and 93 have completed the qualification.

A DITT Committee has been established to oversee the qualification and its future development. It met for the first time in September 2023 under the chairmanship of Paul Aplin and comprises tax technology experts and representatives from a number of key stakeholders and employers. A dedicated DITT and ADIT Education Officer has been appointed to the Education Team, and acts as Secretary to the DITT Committee.

The first DITT syllabus review has been initiated, led by the DITT Committee in consultation with the tuition material providers, Coefficient and Tolley, and incorporating feedback collected from key DITT employers. The material and assessments will be updated in April 2024.

The Tax Advisers' Benevolent Fund has agreed to offer an annual bursary, covering the cost of DITT registration, training and certification to three DITT candidates who are CTA members returning to the tax profession following a career break.

Chair of Education Committee

Jane Frecknall-Hughes

Director of Education

Rosalind Baxter

Head of Qualifications Development

Andy Brodrick (until February 2024)



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 Council requirements. This ensures exams are set to the correct standard, are conducted in an environment that ensures fairness and demonstrate the quality of the education provided. 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 2023, 3,889 CTA tax exams were taken across the May and November exam sessions.

576 students successfully completed the exam requirements for membership of CIOT in 2023. This includes those on the CTA Direct route, the ATT CTA Tax Pathway, the ACA CTA Joint Programme, the CA CTA Joint Programme and via the Advanced Diploma in International Taxation (ADIT) route. The committee hopes 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 2023

The same exam software (used remotely) was used and pre-loaded onto devices at test centres. Exams were invigilated by test centre staff and candidates had access to their own pre-purchased exam permitted tax legislation, with online search facilities, providing a consistent environment for all candidates. The test centres are able to accommodate the vast majority of candidates who require additional time for their exams or who have alternative arrangements. Extensive testing at the centres was carried out to ensure the exams ran as smoothly as possible.

Overall, the first sitting in the new format in May 2023 was a success, but some access issues did occur with some of the pre-purchased tax legislation (though these were outside CIOT's control). Enhanced testing and improvements were carried out over the summer and the situation did not reoccur during the November 2023 exam session. On the whole the first two sessions back in a test centre environment have been successful and there are learnings from each that will help us to enhance the exam experience in the future.

CTA qualification review

In late 2023, the employers who provide the most CTA and Tax Pathway students were contacted to inform them that the process of reviewing the CTA qualification to ensure it continues to remain fit for purpose would begin in early 2024. An Employer Forum will be held in February 2024 to discuss this and the Exam Committee will form a working party to lead this review.

Smaller firms will also be encouraged to give their feedback and tutorial bodies and existing members and students will be invited to share their views.

Any major qualification review will take time so that all relevant matters can be considered and conclusions reached. A further period of time will be needed to communicate changes and for these to take effect. It is expected that the committee's working party will provide a progress report to Council in autumn 2024.

ICAEW/ICAS Joint Programmes

In 2023, 212 students completed both qualifications and thus successfully completed the ACA CTA and CA CTA joint programmes. This includes 54 who completed the qualification via 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) on Principles of Accounting, Law, and Professional Responsibilities & Ethics. These examinations are available year round at test centres across the UK. Students not wishing to sit in a test centre can choose to sit these exams in a suitable location of their choice using a remote invigilation package and with a live invigilator. This remote option gives students choice, increases accessibility and reduces travel time. The latest edition of the Professional Responsibilities & Ethics manual (6th edition) will become examinable from 1 March 2024.

ATT CTA Tax Pathway

In 2023, 141 students completed the route to qualification via the ATT CTA Tax Pathway. This route 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 onto the ATT CTA Tax Pathway from the traditional CTA and ATT routes, provided they meet the requirements.

ADIT

Approximately 3,800 students from around 120 countries are currently pursuing our ADIT qualification. 1,911 individuals have now achieved the qualification, 362 of whom have subscribed as International Tax Affiliates.

2023 saw approximately 900 new students registering onto the ADIT qualification. Online exams took place in June and December 2023. Approximately 2,300 exam entries were received for the two exam sessions and students sat these in their homes and offices across 72 countries. 233 candidates completed the ADIT qualification in 2023.

Level 7 Apprenticeship

In 2023, 64 apprentices successfully completed all elements of the End-Point Assessment (the Project Report and the Application and Professional Skills exam), achieving their Level 7 Apprenticeship in Tax.

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 2023

We are pleased to celebrate the achievements of those students who successfully achieved a qualification with us in 2023, including our medal and prize winners listed below.



CIOT President Gary Ashford is pictured with prize winners from the November 2021, May 2022, November 2022, May 2023 and November 2023 sittings for the Chartered Tax Adviser (CTA) examination, at the CIOT Admissions Ceremony held at Drapers' Hall, in the City of London, in March 2024.

Each of our prize winners from the May and November 2023 CTA examinations can be found listed below.

May 2023 CTA examinations

Owen Apedaile, Institute Medal; **Samantha Townsend**, Gilbert Burr Medal; **Jessica Heinen**, Victor Durkacz Medal; **Hollie Parker**, Spofforth Medal & Croner-i Prize; **Mandar Bhusari**, John Beattie Medal; **Thomas Andrews-Faulkner**, Ronald Ison Medal; **Andrew Bywaters**, John Tiley Medal; **Cameron Murgatroyd**, Wreford Voge Medal; **Zoe Dixon**, Ian Walker Medal; **Jordan Kelly**, Avery Jones Medal; **George Apps**, Chris Jones Prize.

November 2023 CTA examinations

Nicholas Skidmore, Institute Medal; **Jack Saunders**, Gilbert Burr Medal; **Alex Gear**, Victor Durkacz Medal; **Isobel Kimber**, Spofforth Medal; **Zoe Dixon**, John Beattie Medal; **Paul Moth**, Ronald Ison Medal; **Shannon Goodwin**, John Tiley Medal; **Jessica Heinen**, Wreford Voge Medal; **William House**, Ian Walker Medal; **Shona Barker**, Avery Jones Medal; **Matthew Poole**, Chris Jones Prize; **Jack Saunders**, Croner-i Prize.



June 2023 ADIT examinations

Ben Campbell, Heather Self Medal; **Sarah Lancaster**, Raymond Kelly Medal; **Hannah Holubnycha**, Tom O’Shea Prize; **Maciej Bonk**, Croner-i Prize; **Tracy Akello**, Wood Mackenzie Prize; **Kerry Smith**, Worshipful Company of Tax Advisers Prize.

December 2023 ADIT examinations

Ross Hickey, Heather Self Medal; **Corrinna Loveless**, Raymond Kelly Medal; **Scott McCartney**, Tom O’Shea Prize; **Laura Grant** and **Jamie Roberts**, Croner-i Prize (joint); **Vongai Ziyambi**, Wood Mackenzie Prize; **Ioannis Protopapas**, 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.

Building our community, supporting our members

Report from the Membership and Branches Committee and the Branch network

Members

The Institute's total membership at the end of 2023 was 19,924 (2022: 19,681). We welcomed 699 new members to the CIOT over the course of the year.

Just over 90% of qualified students join within two years of passing their exams and we continue to enjoy the benefits of an enviable membership retention rate, which reached 96% in 2023.

The Membership & Branches Committee approved a reduction in the age retired members can receive free Life Associate membership (80). Last year, we were pleased to welcome 132 members as Life Associates. 27 members reached the 50 year membership milestone and eight joined us in May at the Admission Ceremony at Drapers Hall in the City of London. They joined 119 new associate members, 15 prize winners and a new Fellow to celebrate their successes.



Then CIOT President Susan Ball pictured with new Life Associates.

We are improving resources for our members and last year launched new guidance for those returning to work after a career break. The CTA Practicemark continues to prove a valuable recognition for members to use in their marketing and correspondence. Nearly 500 firms have signed up for this.

Branch network

The branch network is supported by over 200 volunteers. We welcomed 30 new branch committee members and eight new branch chairs to the network in 2023.

We would like to extend our thanks to the 30 branch volunteers who stepped down over the course of 2023, in some cases to take up other roles within the Institute and in others, to make way for new volunteers in the interests of good governance and succession. Our thanks also go to those who have now fully retired from their branch roles and we thank them for their contributions.

Branch volunteers met three times in 2023 to discuss resetting and refreshing the network. This included consideration of ways to encourage greater attendance at in-person events. The Joint Branches Sub-Committee, chaired by Lynne Poyser, produced a Branches Governance Framework to help branches operate more effectively and efficiently.

Branch events

The branch network community delivered 89 events on topics including:

- Alternative Dispute Resolution
- Basis Period Reform
- IHT and main residence planning
- Pillar 2 Global Minimum Tax
- Register of Overseas Entities and HMRC

Our online branch works closely with our existing branches to deliver a series of events with a diverse range of speakers, complementing our existing Continuing Professional Development (CPD) programme. Attendance at virtual events has been steady, attracting around 8,600 CIOT members, 1,400 CIOT students and 1,100 non-members.

We brought the branch network community together through a year-on-year increase in the number of in-person events across the network. Although attendance remains below pre-pandemic levels, feedback has been encouraging, with delegates valuing the chance to meet in person. We welcomed just under 900 people, a mix of members, students and non-members, to 38 in-person events across the UK in 2023.

“

Speakers were clear, confident and knowledgeable. Smaller group meant more opportunity for questions and discussion. Content was comprehensive but clearly explained.

Very warm and welcoming.

Quotes from branch event attendees

”

Anniversaries

2023 was a big year for branch anniversaries. Below are highlights of the celebrations:

Manchester



Chaired by Paul Davies, Manchester is CIOT's oldest branch and it celebrated its 90th anniversary with a networking event on 4 July.

East Midlands



Chaired by Dipti Takrar, the East Midlands branch celebrated its 40th anniversary with a conference and dinner in Leicester on 12 June.

Northern Ireland



CIOT's Northern Ireland branch also celebrated 40 years. Chaired by Peter Blakeman, the branch held an anniversary dinner on 17 November.

North East England



North East England branch, chaired by Alice Clewes, held a networking event at Newcastle Keep on 6 July to celebrate its 40th year.

Severn Valley



Severn Valley branch, chaired by Gina Gardner, celebrated its 40th anniversary with a networking event in Cheltenham on 9 November.

South London and Surrey



South London & Surrey, chaired by Raja Sengupta, celebrated its 40th anniversary with a lecture and networking in Croydon on 15 November.

Chair of Membership and Branches Committee

Sarah Hewson

Chair of the Branch Network

Lynne Poyser

Head of Member Services

Emma Barklamb

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)

Updated PII regulations and guidance came into force from 1 January 2023. These bring clarity to the requirements for firms based overseas, the retired and those undertaking pro-bono work.

Continuing Professional Development (CPD)

Updated and slimmed down CPD regulations and guidance were introduced from 1 January 2023. They clarify exemptions from CPD requirements.

The Institute of Chartered Accountants in England and Wales (ICAEW) updated their CPD rules. We worked on a set of frequently asked questions to help joint CIOT/ICAEW members understand the requirements of both bodies. The CPD working party kept regulations under review and is considering how professional standards training can be provided to all members.

Member support

We provide support to members through our helpline standards@ciot.org.uk. Queries covered issues including PII, CPD requirements, client handovers, and reporting suspicious activity.

Work with HMRC

We continued to engage HMRC on raising agent standards at various meetings in 2023. Regulation of the tax profession continued to be discussed, but no consultations materialised. Further discussions with HMRC about problems which need to be addressed and possible solutions will be progressed in the coming year.

The Standard for Agents was updated by HMRC in early 2023. We worked with other author bodies of Professional Conduct in Relation to Taxation (PCRT) to agree subsequent changes to the Standard.

Work with Tax Tribunal Judges

We provided a presentation at a conference for Tax Tribunal Judges on raising issues with the Taxation Disciplinary Board where Judges are aware of poor standards of behaviour from members in Tribunal. A helpsheet was provided.

Professional Conduct in Relation to Taxation

PCRT remained under review given the work undertaken by the International Ethics Standards Board for Accountants to introduce an ethical framework on tax planning.

Compliance

The CIOT does not simply set standards but also monitors compliance and follow up where non-compliance is identified, including referral to the Taxation Disciplinary Board (TDB). 27 members were referred to the TDB in 2023.

Annual Return

The Annual Return is a key element in checking member compliance. Members must self-certify compliance with CPD, PII and Anti-Money Laundering (AML) obligations and respond to conduct questions such as criminal convictions and disciplinary action by another professional body. Members failing to complete a return risk referral to the TDB, and we have stepped up enforcement activity in this area.

CPD audit

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

Taxation Disciplinary Board (TDB)

Work was undertaken with the TDB on operational changes and updates to the Taxation Disciplinary Scheme Regulations. These changes came into force on 1 September 2023 and the new regulations from 1 January 2024.

Chair of CIOT/ATT Professional Standards Committee

Tracy Easman

Director of Public Policy

Ellen Milner

Head of Professional Standards

Jane Mellor

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 2023, over 860 firms were registered for AML supervision with CIOT.

Supervision and inspection visits

Supervision and inspection visits increased during 2023. Staff changes mean that it has taken time to train new members of the team. As a result, we expect further increases in visit numbers in 2024.

Enforcement

Historically, we have only referred members to the TDB for failure to complete renewal forms. However, in line with requirements placed on us by the Money Laundering Regulations and the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), we have taken a firmer line in 2023 and referred a number of members for late AML supervision registration and failure to fulfil AML requirements.

Communication

In addition to regular AML newsletters, articles in the Weekly News email and Tax Adviser magazine, we covered AML in our Professional Standards webinar in April 2023 and a further AML update in November 2023. The November webinar included guidance on the new SARs portal by the National Crime Agency. We also provided AML training as part of the TDB training day.

Our annual report on our activities as an AML supervisor was titled 'Making AML Supervision work in a world of change'. 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

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

The OPBAS Sourcebook was updated in 2023 and we have been working through our internal policies and procedures to review them in light of the updated requirements.

We are accountable to OPBAS for the standard of our supervision. Our expected review did not take place in 2023 and is scheduled for Spring 2024.

The future of AML supervision

The CIOT responded to the HM Treasury consultation on the reform of the anti-money laundering and counterterrorism financing supervisory system which proposed four potential models for future supervision.

The CIOT considered that strengthening the current system of oversight by the OPBAS was the most feasible and cost-effective solution.

Chair of CIOT/ATT Professional Standards Committee

Tracy Easman

Director of Public Policy

Ellen Milner

Head of Professional Standards

Jane Mellor

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 underlying 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

Overall responsibility for the TDB's administration lies with the TDB's Board of Directors. Susan Humble's final term as chair ended in February 2024 and Tom Hayhoe was appointed as the new Chair. The chair is currently supported by 2 directors, Brian Palmer (ATT nominated) and Daniel Lyons (CIOT nominated). In addition, the Board is recruiting an independent (lay) Non-Executive Director who will be in place to attend their first TDB Board meeting in March 2024.

The committees and tribunals appointed by the TDB are drawn from a panel of legally qualified professionals, tax professionals, and lay persons. Panel members do not have involvement with the standards setting of the two participant bodies.

During 2023 the TDB employed two members of staff responsible for the management of complaints: Sarah Gardiner as Interim Head of Operations (until November 2023) and Avni Varsani as Case Manager. Nigel Bremner acts as Clerk to the Disciplinary Tribunal, responsible for the organisation and conduct of disciplinary hearings.

Developments in 2023

In September 2023, TDB staff were transferred to the CIOT/ATT Professional Standards team to work under the supervision of the Head of Professional Standards. TDB staff operate in a firewalled area of the team, maintaining the integrity and independence of the TDB Process, which was paramount in the discussions surrounding and planning the move. The Board believes that moving case management to be part of a larger infrastructure will increase the efficiency and effectiveness of the management of complaints.

In November 2023 Sarah Gardner was appointed the Board's Executive and Strategy Officer.

In 2023 TDB welcomed 24 new panel members, bringing the total panel to 36 members. Several panel members completed their two terms in 2022, which gave 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.

TDB has continued to operate a hybrid of remote working with some in-person meetings at the office in Monck Street. A successful training day was held in November 2023 with most attendees attending in person and several joining virtually. It was a wonderful opportunity to come together again, to learn and share good practice. Presentations were received from Sarah Ellson, Partner at Fieldfisher solicitors on subjects including dishonesty and recent case law.

Sarah Ellson also facilitated a discussion on the TDB's Indicative Sanctions Guidance (ISG) which will feed into the annual review. 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 into day-to-day operations.

2024 will see the introduction of the new regulations. The revisions have been thoroughly reviewed and reflect the move of case management to within CIOT/ATT Professional Standards. The regulations seek to improve the administration of complaints with, for example, the introduction of consent orders and service by email. Fines for administrative breaches will now be administered by Professional Standards, with referrals to TDB for non-payment.

Complaint cases dealt with in 2023

TDB still maintains a backlog of cases, including some predating the pandemic. Progress is good, however the year-on-year increase in referrals has been a struggle for a small team. Complaints brought by members of the public make up the majority of complaints. These are particularly time-consuming as they generally involve voluminous paperwork, can be difficult to follow and are demanding in terms of communication levels.

The TDB received 89 referrals between January and November 2023. 27 of these were made by CIOT and 12 by ATT. The remainder were made by other professional bodies, government, clients, members of the public and the organisations Tax Watch and Tax Policy Associates.

65 cases are at the Pre-Investigation Committee stage, of which 17 are awaiting outcomes either from other regulatory bodies or criminal proceedings. Those 17 cases cannot be progressed pending conclusion of the other investigations/proceedings.

Nine cases have concluded, of which four were by payment of a fixed penalty. One complaint was withdrawn and in four cases no further action was taken, either 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. 12 cases have been dealt with by a fixed penalty which has not been paid and these will be referred to a Disciplinary Tribunal (DT). One case has been referred to DT and two are awaiting a decision of the Investigatory Committee. There have been seven investigations into complaints related to Anti-Money Laundering.

During 2023 the Interim Order Panel met to consider one CIOT member, who was suspended from membership.

The Investigation Committee met 10 times and considered 13 complaints about members of CIOT. One complaint was adjourned for further investigation and the remainder referred to the Disciplinary Tribunal.

The Disciplinary Tribunal met six times and considered complaints made against six CIOT members. This has resulted in four members being censured and two being expelled from membership.

Chair of the Taxation Disciplinary Board

Susan Humble

Bridge the Gap

The tax profession's safety net

**bridge
thegap**

 **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

Nominations Committee

Report from the Nominations Committee

The Nominations Committee oversees the selection and recommendation of members and Lay Representatives to serve on Council as trustees. It is also responsible for identifying skills and expertise gaps and developing a Council succession plan.

Revised focus and composition

In February 2023, Council assessed the performance of the Nominations Committee and concluded that the committee was performing well. Council approved updated terms of reference expanding the committee's scope and modified its composition. The changes mean:

- The chair serves for three years and must be a Council member.
- The committee includes three Council members, two CIOT (non-Council) and one independent member.
- At least one Equality, Diversity and Inclusion (EDI) Committee member must be on the committee to promote diversity.
- The President, Deputy and Immediate Past President cannot be members.
- The chair must prepare an annual report for Council detailing the committee's composition and activities. They may also make recommendations to Council on the committee's remit.

Chair

The new rules meant Charlotte Barbour stepped down as chair following the May 2023 CIOT AGM, when she assumed the role of CIOT Deputy President. Penelope Tuck was elected as the new chair for a three-year term.

Planning

The committee developed and agreed a three-year plan that provides a roadmap for its future activities. This includes timeframes for Council member recruitment, the recruitment of the Lay Representative (due for reappointment in 2025), as well as business as usual activities.

Skills and demographics assessment

An audit of Council's skills is crucial to implementing the Charity Governance Code principles. They highlight the importance of a balanced board with diverse skills, experience and knowledge to help make informed decisions. The Code recommends regular skills audits, training and development opportunities for trustees and recruitment to fill any competency gaps.

In 2023, an audit of existing skills and knowledge and a review of Council's demographics was undertaken. The committee sought candidates with the following specific skills and areas of expertise in its 2023 recruitment round:

- External relations, public affairs, marketing or public policy.
- Education (assessment, delivery and evaluation).
- Charity law and administration.
- Information technology and cybersecurity.
- Human resources and EDI.

Recruitment

The Nominations Committee documented the recruitment process. Applications were redacted at the sifting stage and EDI data monitored to ensure a fair and impartial selection process. 12 applications were received. Six applicants were selected for interview, with a lesser number submitted for formal approval.

Chair of Nominations Committee

Professor Penelope Tuck

Institute Secretary and Director of Education

Rosalind Baxter

Governance Officer

Mark Stratton

Managing our resources

Finance Committee report

The Finance Committee (FC) oversees the financial activities of the Institute and provides information and recommendations on financial matters to Council.

2023 results

The Institute made an operating gain (before gains or losses on investments) of £622,000 for the year (2022: £801,000).

The Institute benefitted from increased income from membership subscriptions, student registrations and examinations, and investments in the year. Whilst there was a small reduction in income from conferences & events, overall income was substantially up on 2022. Staff costs increased in the year in response to the high inflationary background and the need to attract and retain our staff. Education and examination costs increased as a result of the return to examination centres (in 2022, examinations were taken remotely). IT expenditure increased in the year on CRM and website improvements and there was also increased expenditure on legal & professional fees and administrative expenses.

After the net gain on investments of £421,000 (2022: net loss £69,000), the net income for the year is £1,043,000 (2022: £732,000).

Total income for the year was £10,683,000 which is an increase of £801,000 over last year (2022: £9,882,000). The increase in income came primarily from membership subscriptions, student registration and examination fees and investment income. Membership income was £6,822,000 (2022: £6,277,000), income from student registrations & examination fees was £2,750,000 (2022: £2,572,000) and investment income was £219,000 (2022: £151,000). Conferences and event income was £285,000 (2022: £333,000).

Expenditure for the year amounted to £10,061,000 (2022: £9,081,000), an increase of £980,000 compared to 2022. This includes increased staff costs of £847,000, education and examinations costs of £405,000, IT expenditure of £225,000, administrative expenses of £196,000 and legal & professional fees of £101,000. Depreciation and amortisation costs were £322,000 lower than 2022 and the impairment review write-down conducted in 2022, which resulted in a £456,000 charge to expenditure in that year, was not repeated in 2023.

The value of investments at the end of 2023 increased, providing realised gains £1,000, unrealised gains £463,000 and realised losses £43,000, the gains and losses netting to £421,000 (2022: realised gains of £194,000 and realised losses of £7,000 offset by unrealised losses £256,000, netting to losses of £69,000).

General Funds at the end of the year amount to £9,537,000 (2022: £8,512,000). Total funds at the end of 2023 amount to £9,855,000 (2022: £8,812,000).

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 conducts 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. However, in 2023 the Institute returned to delivering examinations at examination centres, having previously been taken remotely during the pandemic period.

Membership numbers increased during the year to 19,924 at the end of 2023 (2022: 19,681).

The CIOT has reserves standing at £9,855,000 at 31 December 2023. These reserves have been built-up over the years to provide financial stability for the Chartered Institute to continue its charitable purposes in adverse circumstances and to support the Trustees' strategic objectives. 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 valuations of CIOT investments increased over the year with net gains of £421,000 (2022: net losses of £69,000).

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.

The Finance Committee 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 has not placed any specific ethical restrictions on investments but requires that its investment managers have comprehensive and integrated environmental, social and governance screening processes as a fundamental part of their investment decision-making, and that these are acceptable to Council. We have made it clear to our investment managers that we take any risk to the CIOT's reputation very seriously and that this should always inform their investment decisions.

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 the targets for the three categories of reserves for 2023 should be:

- i) The Working Capital Reserve: equal to two months of the Institute's budgeted annual operating expenditure, providing a target of £1,739,000;
- ii) The Specific Reserve for future funding of the Taxation Disciplinary Board: £300,000;

- iii) The general Strategic Reserve: equal to 75% of the budgeted 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 £7,170,000.

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 2023 was £9,208,000. The actual reserves at the year-end amounted to £9,855,000. This is a surplus of £647,000 representing 7.0% of the Reserves target.

Branches

The CIOT/ATT branches have a consolidated deficit of £73,000 (2022: surplus of £109,000) before central costs. The delay in the launch of the new online branch, together with the loss of sponsorship income contributed to the deficit in the year. Branches have continued their important role for members, and 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 best practice are achieved.

IT

We have made significant strides in enhancing the efficiency and effectiveness of our business operations through strategic investments in our IT infrastructure. Notably, in our increase use of the Microsoft suite of applications across all ATT/CIOT teams.

Our unwavering commitment to IT security remains paramount, with continued investments in cutting-edge technologies to ensure resilience and adherence to high industry standards.

One significant aspect of our security enhancement efforts has been the comprehensive overhaul of our endpoint security measures. We have replaced all user laptops with state-of-the-art, future-proofed antivirus solutions.

Among these, the implementation of WatchGuard EPDR stands out as a major improvement. This advanced application offers a robust shield against a wide spectrum of threats, ranging from conventional malware to sophisticated fileless and malwareless attacks. Its proactive approach not only prevents potential threats but also swiftly detects and responds to any suspicious activity, ensuring minimal disruption to our operations and bolstering our overall cybersecurity posture.

As we continue to navigate the complex landscape of digital transformation, our commitment to staying ahead of emerging threats remains steadfast. By leveraging the latest technologies and best practices, we are confident in our ability to not only adapt but thrive in an ever-evolving digital ecosystem.

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 Finance Committee considers the implications for CIOT of new recommendations and guidance issued by the Charity Commission.

Chair of Finance Committee

Tracy Easman

Chief Operating Officer

Andrew Burnett

Chief Finance Officer

Karl Cerski (retired 31 March 2024)

Victoria Hilpert (from 4 March 2024)

Financial Controller

Linda Mensah

Head of Human Resources

Annette Hutchinson

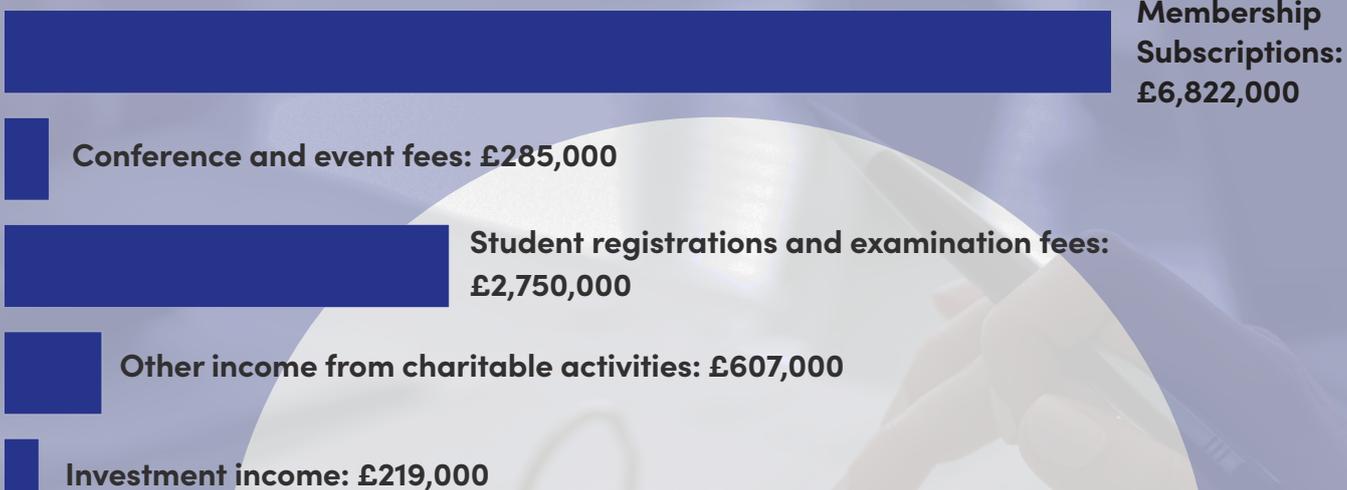
Senior Systems Manager

Nick Pope

Income

2023: £10,683,000

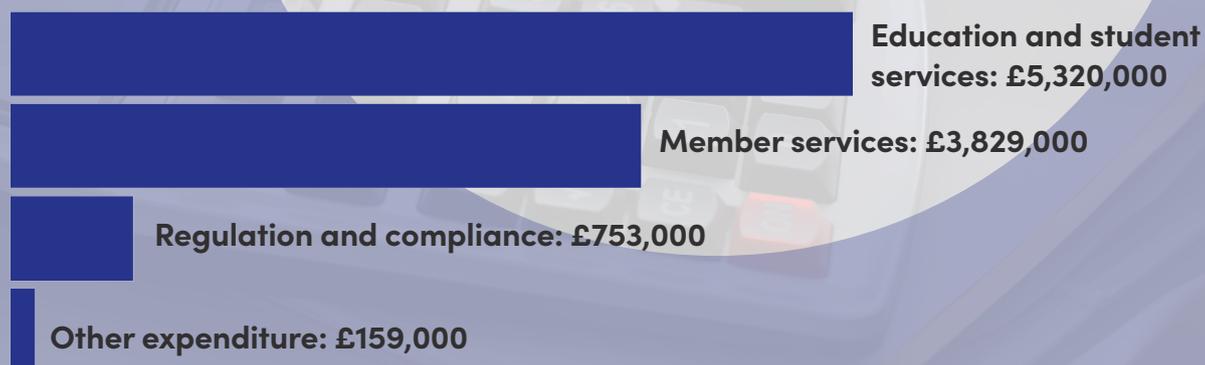
2022: £9,882,000



Expenditure

2023: £10,061,000

2022: £9,081,000



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

CIOT and ATT continued work on its Equality, Diversity and Inclusion (EDI) strategy and accompanying action plan. The EDI Committee assists in ensuring CIOT/ATT have clear EDI values that can be demonstrated through our behaviours, actions and operations.

The work of the EDI Committee is overseen by its independent Chair, Olayinka Iwu. It aims to:

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

Developing an inclusive environment

The committee helped promote members and students from diverse backgrounds, such as Tax Adviser magazine's 'Spotlight' articles, and supported EDI education and training for Council members. The committee also produced information and events on areas including neurodiversity, menopause, and mental health, and promoting selected 'flag' days such as International Women's Day.

A working group helped establish support for members returning to work after a career break, including a dedicated page on the CIOT website. A process has been put in place to contact students who have passed their exams but not applied for membership so we can offer support where possible. We welcome member feedback and will be commissioning a further member and student survey in 2025.

The redesign of the Tax Adviser website provided an opportunity to update font sizes and colours appropriate for the partially sighted. Further adaptations will be considered to increase the usability of our websites to make them accessible to people with disabilities. We are reviewing an option to use specialist software to carry out regular reviews of our websites against updates in accessibility guidelines, with the help of Artificial Intelligence (AI).

Embedding EDI values

The committee produced an inclusive language guide and via our Council Champion, Nik Mehta, worked with the Technical Team to identify EDI impacts in consultation responses. The committee received updates on EDI issues across the Institute's teams and LITRG. CIOT has also aimed to increase the accessibility of our events by providing a mix of in-person, online and hybrid events, assessing venues for accessibility and drawing panel members from a diverse talent pool. The CIOT's corporate calendar now includes dates for key holidays and festivals so meetings and events can be timed to avoid these. The committee also helped to ensure marketing and communications materials reflect EDI values and appeal to a wide range of individuals considering a career in taxation.

Working with others

The committee discussed broader EDI issues affecting the profession, referencing cases and decisions made by tax tribunals involving taxpayers with protected characteristics. We invited HMRC's EDI Lead to present at a meeting, where they provided with insights into their work.

The committee has reviewed its activity to identify actions to be taken forward into 2024. Similar reviews will be undertaken on an annual basis.

Chair of CIOT/ATT EDI Committee

Olayinka Iwu

CIOT Chief Executive

Helen Whiteman

Reference and administrative information

(as at 24 April 2024)

President

Gary Ashford CTA (Fellow) ATT (2011)

Deputy President

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

Vice-President

Nichola Ross Martin CTA (Fellow) FCA (2017)

Immediate Past President

Susan Ball CTA (Fellow) ATT (2017)

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)
Ian Hayes BA FIIT CTA (Fellow) FCA FRSA (2013)
Sarah Hewson LLB CTA (Fellow) ATT (2021)
Mobeen Ismail BSc CA CTA (Fellow) (2021)
Ashley Makoni BSc Exec MBA 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)
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)

Senior Management Team

Chief Executive

Helen Whiteman BA, MSc, PGDip

Secretary and Director of Education

Rosalind Baxter BA ACIS

Chief Operating Officer

Andrew Burnett BEng MBA CEng CMgr

Chief Finance Officer

Karl Cerski BA ACMA (retired 31 March 2024)
Victoria Hilpert ACMA (from 4 March 2024)

Director of Public Policy

Ellen Milner BA PGCert



Gary Ashford



Charlotte Barbour



Nichola Ross Martin

Registered office

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

Committees of Council

Officers Group

Chair | Gary Ashford
Deputy Chair | Charlotte Barbour

Audit & Risk Committee (Joint CIOT/ATT)

Chair | Laura Kaye Tomlinson

Diploma in Tax Technology Committee

Chair | Paul Aplin

Education Committee

Chair | Jane Frecknall Hughes
Vice-Chair | Chris Shrubsole

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

Chair | Olayinka Iwu
Vice-Chair | Reshma Johar

Examination Committee

Chair | Jo Bello
Vice-Chair | Mike Thexton

Finance Committee

Chair | Tracy Easman

Membership & Branches Committee

Chair | Sarah Hewson

Nominations Committee

Chair | Penelope Tuck

Professional Standards Committee (Joint CIOT/ATT)

Chair | Tracy Easman
Vice-Chair | Dhruvi Shah

Technical Committees

Technical Policy and Oversight Committee

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

Scottish Technical

Chair | Sean Cockburn
Vice-Chair | Melanie Wilson

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

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 | Leigh Sayliss
Vice-Chair | Caroline Fleet

Indirect Taxes

Chair | Gabby Donald
Vice-Chair | Nick March

Digitalisation and Agent Services

Chair | Alison Kerrey
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 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. All Council members are trustees of the Institute.

Council formally resolved in July 2021 to adopt the Charity Governance Code for Larger 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 18, in excess of the suggested limit of 12 members recommended in the Code. Council's size will be considered during discussions in 2024.
- 5.7.4 Following the AGM two Council members will 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.

Council regularly evaluates its performance through a self-assessment survey of its members. Council also commissioned its first external board review (a requirement every three years in line with the Code) by contracting with an organisation called Leading Governance. The resulting report and recommendations were positive in their assessment of the Institute's governance and direction. The report and recommendations highlighted Council members' commitment, dedication to governance and individual capabilities as positives.

The report made broader recommendations to enhance and optimise the Institute's governance structures and practices to strengthen its overall governance framework. In 2024, Council will conduct a thorough evaluation of recommendations, making necessary changes to its governance structures and processes on the Code's 'apply or explain' basis.

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 and Officers Group

Council comprised 18 trustees at the end of 2023 (2022: 21), providing a wide range of skills and experience. The members of staff who attend all Council meetings are the Chief Executive, Secretary and Director of Education, Director of Public Policy, Chief Finance Officer, Chief Operating Officer and Governance Officer. All their roles are separate and clearly defined. Other staff members attend for specific items when required.

Council considers that its members are independent and that no individual, or small group of individuals, can dominate Council decisions. Council met five times in 2023 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 84% (2022: 79%). An attendance rate of 80% and above is considered best practice.

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 Chief Finance Officer.

The Officers Group met five times in 2023 to deal with day-to-day executive matters including reports from Institute executives. Overall attendance was 82% (2022: 87%).

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 member to help and assist as required.

The Council Lay Representative attended all Council meetings in 2023. This role provides an independent voice contributing to the decisions of Council, governance and boardroom best practice.

Election to Council

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

Potential new Council members, who must also be Institute members (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 is by members of the Institute at the Annual General Meeting. Council deals with nominations under Members Regulation 19 (Nominations for Election to Council) and is also responsible for the election of its Honorary Officers.

Audit & Risk Committee

The Audit & Risk Committee is an independent joint committee of the Councils of CIOT and ATT. Members are appointed by both Councils and comprise a serving member of each, a nominee from each of CIOT/ATT and two other independent members. The Chief Finance Officer, Chair of CIOT Finance Committee, ATT Honorary Treasurer, CIOT Chief Executive, ATT Chief Executive, Secretary and Director of Education, Director of Public Policy and 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 budgets and management accounts.
- considers 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, ensuring all recommendations made by the auditors by way of their management letter receive attention and action. It met four times in 2023, requesting and receiving reports from management and the external auditor. It considers a wide range of audit-related subjects, reports directly to Council and comments on perceived weaknesses. No major weaknesses in internal control systems have been identified. Areas for discussion and review in 2023 included reserve policies, litigation in India and the Taxation Disciplinary Board.

Risk Management

It is Institute policy for staff and volunteers with a detailed knowledge of CIOT 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 regular meetings with the largest employers and trainers of students and periodic reviews of the exam structure. In 2023 it was agreed to start a review of the whole CTA qualification to ensure it remains fit for purpose and attractive to students and employers. We recognise we might need to adjust the qualification to ensure it tests the skills that the tax advisers of the future need. The review will engage all relevant stakeholders and take some months to complete.

- 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, engaging with government, holding each other to account for compliance with our professional rules (including the anti-money laundering scheme), and 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 2023 (or in 2022).

Internal Controls

The respective responsibilities of the Council and Auditor in connection with the financial statements are explained on pages 50–53. The Council Statement on going concern is set out on page 57. 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 financial controls, performance reporting, and policies and procedures, with 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. Council keeps under review the need for internal audit at the Institute.

Data Protection

The Institute complies with data protection legislation, using 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

Council recognises building and developing skills, competencies, teamwork and employee motivation is key to achieving CIOT's charitable aims.

CIOT employees are responsible for operational matters, supporting the CEO in 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 CIOT 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 88.75. At 31 December 2023, the total number of employees was 89, with 28 part-time and 61 full-time (2022, 85 employees). 56 staff members are female (63%) and 23 (26%) come from an ethnic minority background. We are committed to promoting diversity and inclusiveness within CIOT.

During 2023 we continued our focus on employee wellbeing with quarterly all staff events including wellbeing and learning days. Employees continue to find our wellbeing and learning resources useful. Our employee engagement survey showed staff continue to enjoy working with us.

Institute members and students are encouraged to become involved in Institute activities. There are over 750 volunteers on Council, standing committees, technical committees, sub-committees, branches and working parties (2022: 700). 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 18,350 volunteer hours were provided during the year (2022: 17,975). A member of staff seconded to the Institute from HMRC contributed an estimated 1,610 hours in 2023.

Health and Safety

The nature of CIOT's activities means employees and volunteers do not encounter many workplace hazards. As a responsible employer the health, safety and wellbeing of 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, organisational and remote workers' risk assessments, first aid, issuing and displaying statutory information and increasing employee awareness of their role maintaining a safe environment.

During 2023 we continued to support staff through continued access to counselling and private GP services, as well as access to a wide range of wellbeing online resources and seminars. Our in-person all-employee meetings in London enabled our homeworkers to network with all colleagues.

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, ethnicity, religion or belief or disability. The Institute seeks to conduct 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. All new employees undergo diversity and unconscious bias training as part of their induction.

Environment

The Institute continues to take steps to assess and address its carbon footprint, with the aim of achieving a 50% reduction in emissions by 2030 (based on a 2019 baseline).

The most recent emissions data (from 2021) indicated a carbon footprint of 54 metric tonnes of carbon dioxide equivalent (tCO₂e). This is the standard definition used to communicate the total greenhouse gas emissions of an organisation.

The figure is down on the 2019 level of 95 tCO₂e, driven by the impact of the coronavirus pandemic and shift to remote working. Although the Institute is a low polluter, it is nevertheless committed to taking steps to reduce its carbon emissions.

In December 2023, Council adopted a sustainability policy incorporating this work. In line with this policy, the Institute will continue to disclose its emissions data, as well as making additional information available on its website, demonstrating its commitment to monitoring progress and maintaining accountability en-route to 2030.

Safeguarding

The Safeguarding Focus Group members are now all Mental Health First Aiders. The focus of their work in 2023 was an examination of how best to use our existing systems to ensure the consistent and discrete support of vulnerable students and members.

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.
- 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 24 April 2024.

By order of the Council.

Rosalind Baxter
Secretary

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 2023 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 2023 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.

Auditors' 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 Hacker Young

UHY Hacker Young
Thames House
Roman Square
Sittingbourne
Kent ME10 4BJ

25 April 2024

Financial statements

Statement of Financial Activities for the year ended 31 December 2023

	Note	Restricted Funds 2023 £'000	Unrestricted Funds 2023 £'000	Total Funds 2023 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000
Income from:						
Donations and legacies	3a	20	55	75	35	35
Charitable activities	3b	0	10,351	10,351	9,619	9,619
Other trading activities	3c	0	38	38	77	77
Investments	3d	0	219	219	151	151
Total income		20	10,663	10,683	9,882	9,882
Expenditure on:						
Raising funds	3e	0	39	39	22	22
Charitable activities	3e	2	10,020	10,022	9,059	9,059
Total expenditure		2	10,059	10,061	9,081	9,081
Operating gain		18	604	622	801	801
Net gain/(loss) on investments	7	0	421	421	(69)	(69)
Net income and net movement in funds		18	1,025	1,043	732	732
Reconciliation of funds						
Total funds brought forward at 1 January	14	0	8,812	8,812	8,080	8,080
Total funds carried forward 31 December	14	18	9,837	9,855	8,812	8,812

The above results are derived from continuing activities and all gains and losses recognised in the year are included above. The notes on pages 57-69 form part of these financial statements.

Balance Sheet as at 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Tangible assets	5	372	432
Intangible Assets	6	887	975
Investments	7	6,358	3,993
Total Fixed Assets		7,617	5,400
Current Assets:			
Stock	8	63	71
Debtors	9	2,516	1,874
Cash at bank and in hand	10	3,714	5,516
Total Current Assets		6,293	7,461
Liabilities			
Creditors falling due within one year	11	(3,819)	(3,835)
Net Current Assets/(Liabilities)		2,474	3,626
Total assets less current liabilities		10,091	9,026
Creditors			
Amounts falling due after more than one year	12	(236)	(214)
Net Assets		9,855	8,812
Funds of the charity			
Restricted	14	18	0
Unrestricted	14	9,837	8,812
Total Funds		9,855	8,812

Approved and authorised for issue by the Council on 24 April 2024 and signed on its behalf by:

Gary Ashford

President

Victoria Hilpert

Chief Finance Officer

Helen Whiteman

Chief Executive

The notes on pages 57-69 form part of these financial statements.

Financial statements

Statement of Cash Flows for the year ended 31 December 2023

	2023 £'000	2022 £'000	
Net cash provided by operating activities (Table A)	249	1,826	
Cashflow from investing activities			
Dividend and interest from investments	219	151	
Movement on term deposits	258	0	
Purchase of tangible fixed assets	(43)	(61)	
Purchase of intangible fixed assets	(283)	(243)	
Proceeds from sale of investments	1,205	2,284	
Purchase of investments	(3,407)	(2,455)	
Net cash (used in)/provided by investing activities	(2,051)	(324)	
(Decrease)/Increase in cash and cash equivalents in the year	(1,802)	1,502	
Cash and cash equivalents at 1 January	5,516	4,014	
Cash and cash equivalents at 31 December (Table B)	3,714	5,516	
Table A			
Reconciliation of net income to net cashflow from operating activities			
Net income as per Statement of Financial Activities	1,043	732	
Adjustments for:			
Depreciation charge for the year	103	183	
Amortisation charge for the year	371	613	
Intangible asset write-down	0	456	
Dividends and interest from investments	(219)	(151)	
(Gain)/loss on investments	(421)	69	
Decrease in stock	8	20	
Increase in debtors	(642)	(298)	
(Decrease)/increase in creditors	(16)	193	
Increase in creditors (long term)	22	9	
Net cash provided by operating activities	249	1,826	
Table B			
Analysis of cash and cash equivalents			
Cash at bank	17	461	
Notice deposits (less than 3 months)	3,697	5,055	
Total cash and cash equivalents	3,714	5,516	
Analysis of changes in net debt	At 1 January 2023 £'000	Cash flows £'000	At 31 December 2023 £'000
Cash	5,516	(1,802)	3,714
Total	5,516	(1,802)	3,714

The notes on pages 57-69 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 2023 include the results of its Branches, which are not separate legal entities, for the 12 months ended 31 December 2023 (2022: 12 months ended 31 December 2022).

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 69.

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, where the value of the gift can be measured reliably. Corresponding amounts are recognised as income and expenditure in the period.

CIOT is occasionally provided with the use of meeting rooms for Committee meetings by accountancy and taxation firms, where their employee is a Committee member. As the Institute would not normally purchase the use of meeting rooms for this purpose, and the value of the donated facilities cannot be measured reliably, these instances have not been recognised as income and expenditure in the accounts.

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.

Notes on 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%.

Fixed Asset Investments

Investments have been valued at fair value at 31 December 2023. 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

	2023 £'000	2022 £'000
Grants receivable	75	35
Total income from donations and legacies	75	35

Government grants received in the year amounted to £54,563 (2022: £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 (2022: £nil).

Other grants received in the year amounted to £20,000 (2022: £nil).

3b. Income from Charitable Activities

	2023 £'000	Restated 2022 £'000
Membership Subscriptions	6,822	6,277
Chartered Tax Adviser registration fees and entrance fees	48	39
Student registrations and examination fees	2,750	2,572
Conference and Event fees	285	333
Sale of books and journals	138	116
Anti Money Laundering Fees	308	282
Total Income from Charitable Activities	10,351	9,619

3c. Income from Other Trading Activities

	2023 £'000	2022 £'000
Sponsorship	8	60
Letting office space to other charitable organisations	30	17
Total income from other trading activities	38	77

3d. Investment Income

	2023 £'000	2022 £'000
Dividend income	103	84
Other interest receivable	116	67
Investment Income	219	151

3e. Breakdown of expenditure

	Activities undertaken directly £'000	Support costs £'000	Grant making activities £'000	Total 2023 £'000
Charitable activities				
Grants payable	0	0	72	72
Education and student services	1,681	3,639	0	5,320
Members Services	1,210	2,619	0	3,829
Regulation and Compliance	238	515	0	753
Consultation and representation	9	18	0	27
LITRG costs	7	14	0	21
Total expenditure on charitable activities	3,145	6,805	72	10,022
Raising funds				
Investment management costs	39	0	0	39
2023	3,184	6,805	72	10,061

	Activities undertaken directly £'000	Support costs £'000	Grant making 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

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 2023 £'000	Total 2022 £'000
<u>Support costs:</u>		
Information technology	1,030	805
Staff costs	4,073	3,245
Operating costs	568	394
Depreciation	103	183
Amortisation	371	613
Intangible asset write-down (note 6)	0	456
Property	461	456
Legal and professional fees	171	72
<u>Governance costs:</u>		
Auditors' remuneration	19	17
Council meetings (inc. Council member's expenses)	9	23
	6,805	6,264

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 2023 £'000	Total 2022 £'000
Tax Advisers Benevolent Fund (registered Charity no. 1049658)	15	15
Tax Aid (registered Charity no. 10622852)	30	30
Tax Volunteers (registered Charity no. 1102276)	30	30
Grants payable to University Students for original tax research	(18)	29
Grant for Journal of Tax Administration	15	8
	72	112

The negative balance for grants payable to university students relates to commitments not fully utilised that have been written back.

4. Net income/(expenditure) for the year

	2023 £'000	2022 £'000
This is stated after charging/(crediting):		
Depreciation	103	183
Amortisation	371	613
Impairment of intangible assets	0	456
Fair value (gains)/losses on investments	(421)	69
Operating lease rentals	343	343
Auditors' remuneration:		
- Statutory audit	19	17
- Taxation advisory services	0	2

5. Tangible Fixed Assets

	Leasehold Improvements	Office equipment	Total Tangible Fixed Assets
	£'000	£'000	£'000
Cost at 1 January 2023	528	974	1,502
Additions	0	43	43
Disposals	0	(144)	(144)
Cost at 31 December 2023	528	873	1,401
Depreciation at 1 January 2023	212	858	1,070
Change for the year	52	51	103
Disposals	(0)	(144)	(144)
Depreciation at 31 December 2023	264	765	1,029
Net book value at 31 December 2023	264	108	372
Net book value at 31 December 2022	316	116	432

6. Intangible Assets

	£'000
Cost at 1 January 2023	3,376
Additions	283
Cost at 31 December 2023	3,659
Amortisation at 1 January 2023	2,401
Charge for the year	371
Amortisation at 31 December 2023	2,772
Net book value at 31 December 2023	887
Net book value at 31 December 2022	975

Notes on financial statements

7. Fixed Asset Investments

	2023 £'000	2022 £'000
Fair value at 1 January	3,993	3,891
Additions at cost	3,407	2,455
Disposal proceeds	(1,205)	(2,284)
Net gains/(losses) on listed investments	463	(256)
Net gains on gilts	1	194
Realised (loss) on sale of investments	(43)	(7)
Movement on cash/deposits	(258)	0
Fair value at 31 December	6,358	3,993
Historical cost	5,878	6,207

Listed investments held at 31 December 2023 comprised of the following:		
Fixed interest	470	406
Listed UK equities	803	655
Listed International equities	4,276	1,664
Other Assets	324	527
Gilts	485	484
Term deposits and cash	0	257
	6,358	3,993

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. Stock

	2023 £'000	2022 £'000
Publications and merchandise	63	71

9. Debtors

	2023 £'000	2022 £'000
Trade debtors	1,104	716
Other debtors	155	152
The Association of Taxation Technicians	188	0
Taxes and social security	31	0
Prepayments and accrued income	1,038	1,006
	2,516	1,874

10. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank	17	461
Cash on short-term deposit	3,697	5,055
	3,714	5,516

11. Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	441	788
The Association of Taxation Technicians	4	262
Other creditors	83	70
Taxes and social security	176	97
Accruals	616	714
Deferred income	2,499	1,904
	3,819	3,835

Deferred income includes subscriptions, examination fees and conference fees received in 2023 but relating to income and events in 2024.

Deferred Income

	2023 £'000	2022 £'000
Amount brought forward	1,904	1,963
Released in the year	(1,900)	(1,957)
Amounts deferred in the year	2,495	1,898
Amount carried forward	2,499	1,904

Notes on financial statements

12. Creditors: Amounts falling due after one year

	2023 £'000	2022 £'000
Student registration fees:		
At 1 January	214	205
Fees received in advance	361	319
Release of income in year	(339)	(310)
At 31 December	236	214

13. Financial Instruments

The carrying amount of the charity's financial instruments at 31 December were:	2023 £'000	2022 £'000
Financial Assets		
measured at fair value through profit or loss	6,358	3,993
Total	6,358	3,993

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

14. Statement of Funds

	At 01.01.23 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfer £'000	At 31.12.23 £'000
Restricted						
LITRG Reserve	0	20	(2)	0	0	18
Unrestricted						
General:						
Working capital reserve	1,513	0	0	0	164	1,677
Strategic reserve	6,999	10,663	(10,059)	421	(164)	7,860
Designated:						
Disciplinary procedures	300	0	0	0	0	300
Total unrestricted	8,812	10,663	(10,059)	421	0	9,837
	8,812	10,683	(10,061)	421	0	9,855
	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

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.

Restricted funds

The restricted funds relate to a donated legacy. The grant has been given to the CIOT in recognition of a past employee's long service in supporting those on low incomes with tax and related welfare problems. The funds are restricted and to be only used according to the objectives set by the donor.

Designated funds

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

15. Analysis of net assets between funds

	Restricted Fund £'000	Unrestricted Fund £'000	Designated Fund £'000	2023 Total £'000
Tangible Fixed Assets	0	372	0	372
Intangible Fixed Assets	0	887	0	887
Investments	0	6,358	0	6,358
Cash on short-term deposit and at bank	18	3,396	300	3,714
Other net current (liabilities)	0	(1,240)	0	(1,240)
Creditors falling due after more than one year	0	(236)	0	(236)
Total 2023	18	9,537	300	9,855

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

Notes on financial statements

16. Analysis of Unrealised Gains

The total of unrealised gains at 31 December 2023 constitutes movements on revaluation and are as follows:

	2023 £'000	2022 £'000
Unrealised gains included above:		
On investments	759	338
Total unrealised gains at 31 December	759	338
Reconciliation of movements in unrealised gains/(losses):		
Unrealised gains at 1 January	338	407
(Less)/add in respect to disposals in year	(43)	(7)
Add/(less) gains/(losses) arising on revaluations in year	464	(62)
Total unrealised gains at 31 December	759	338

17. Financial Commitments

At 31 December 2023 the Institute had commitments to make future minimum lease payments, in respect of its office lease, under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Amounts due:		
Within one year	450	471
Between one and five years	1,479	1,612
After five years	0	316
Total commitment	1,929	2,399

18. Personnel

All members of staff, with the exception of the Chief Executive, who is employed solely 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 88.75 across the year. At 31 December 2023, the total number of employees was 89 (2022: 85), a mix of 28 (2022: 30) part-time and 61 (2022: 55) full-time employees, and the number whose salary and benefits in kind fell within the following scales is as follows:

	2023	2022
£60,001 - £70,000	14	12
£70,001 - £80,000	6	3
£80,001 - £90,000	4	8
£90,001 - £100,000	6	1
£100,001 - £110,000	3	5
£110,001 - £120,000	2	0
£120,001 - £130,000	1	0
£140,001- £150,000	0	1
£150,001 - £160,000	1	0
£180,001 - £190,000	0	1
£190,001 - £200,000	1	0
Total staff costs:	2023	2022
	£'000	£'000
Salaries	4,718	4,137
Temporary staff costs	278	41
National Insurance	513	470
Pension costs	468	417
	5,977	5,065

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, Chief Operating Officer and the Chief Finance Officer. Their aggregated remuneration in 2023 was £668,398 (2022: £563,016).

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 £17,911 (2022: £15,914).

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 £467,600 (2022: £417,092).

There was an outstanding pension contribution at 31 December 2023 of £80,694 (2022: £60,472).

19. 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 c18,350 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.

20. 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 (2022: £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 2023, 7 Council members reclaimed reimbursement of expenses totaling £6,299 (2022: 6 Council members: £2,952).

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 1 Council member received remuneration of £2,830 (2022: £4,634 to 3 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 £1,777,603 (2022: £1,484,404) and there was a balance due to the Association at the balance sheet date of £3,712 and a balance due from the Association at the balance sheet date of £188,246 (2022 amounts due to the Association to the Institute: £261,936).

The Taxation Disciplinary Board

The Institute's contribution to costs in the year was £161,776 (2022: £196,385). The amount due to the CIOT at the balance sheet date was £129,316 (2022: £129,316).

21. Contingent Liability

The Institute entered into a ten-year non-cancellable operating lease agreement for the Monck Street offices in October 2018. The agreement contains obligations to 'make good' and to reinstate any alterations. However, it is not felt that the value of these obligations can be estimated reliably at the balance sheet date. Consequently, no provision has been included.

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