Malta Institute of Taxation

Annual Report

and Financial Statements

For the year ended 31 December 2025

Malta Institute of Taxation

Annual Report and Financial Statements
For the year ended 31 December 2025

Contents

Malta Institute of Taxation

General information

Registration

Malta Institute of Taxation is registered in Malta as a Legal Person under the Second Schedule of the Civil Code, Chapter 16 of the Laws of Malta. The Institute's registration number is LPA-66.

Malta Institute of Taxation is also registered as a voluntary organization under Chapter 492, Voluntary Organisations Act. The registration number is VO/2143.

Council Members

The Council members since the beginning of the year up to the date to this report were:

President	Dr. Conrad Cassar Torregiani
Vice-President	Ms. Geraldine Schembri
Secretary	Dr. Robert Taylor East
Vice-Secretary	Dr. Rachel Zarb Cousin
Treasurer	Mr. Christian Vella
Vice-Treasurer	Ms. Louise Grima
Council Member	Dr. Edward Attard
Council Member	Dr. Ramona Cassar
Council Member	Dr. John Ellul Sullivan
Council Member	Mr. Matthew Zampa

Registered Office

Level 2, Quantum House
75, Abate Rigord House Street
Ta' Xbiex
Malta

Auditor

Christienne Spiteri, F.I.A., C.P.A.
Hardrocks Business Park
The Fort, Level 2, Office 4
Burmarrad Road
Naxxar
Malta.

Malta Institute of Taxation

Council's report

The Council is hereby presenting its annual report together with the audited financial statements of the Institute for the year ended 31 December 2025.

Principal Activity

The principal activity of the Institute is to promote public education and the study of the principles, administration and practice of taxation by organising courses, seminars, conferences and workshops.

Performance Review

During the year ended 31 December 2025, the Institute generated a surplus after tax of *Eur40,679* compared to a surplus after tax of *Eur72,003* generated in the prior year.

Future Developments

The Council expects to improve the Institute's present level of revenue and continue to register positive results in the future years.

Auditor

A resolution to re-appoint Christienne Spiteri, F.I.A., C.P.A. as auditor of the Institute will be proposed at the forthcoming annual general meeting. Christienne Spiteri, F.I.A., C.P.A. has expressed her willingness to continue in office.

Approved by and signed on behalf of the Institute on 2 June 2026.

Dr. Conrad Cassar Torregiani
President

Mr. Christian Vella
Treasurer

Malta Institute of Taxation

Statement of Management Council's responsibilities
For the year ended 31 December 2025

The Management Council is required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Institute and of the income and expenditure of the Institute for that period. In preparing these financial statements, the Management Council should:

- adopt the going concern basis unless it is inappropriate to presume that the Institute will continue in its operations;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of preceding accounting period.

The Management Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute. This responsibility includes designing, implementing and maintaining such internal control as the Management Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Management Council is also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Malta Institute of Taxation

Statement of Income and Expenditure
For the year ended 31 December 2025

	Note	2025 Eur	2024 Eur
Revenue		**207,317**	232,854
Administrative expenses		**(176,893)**	(173,742)
Other operating income		**7,306**	2,682
Investment income		**8,501**	6,058
Operating surplus		**46,231**	67,852
Unrealised (loss) / gain on financial assets		**(4,577)**	5,059
Surplus for the year before tax	*3*	**41,654**	72,911
Income tax expense	*4*	**(975)**	(908)
Surplus for the year after tax		**40,679**	72,003

Malta Institute of Taxation

Statement of Affairs
As at 31 December 2025

	Note	2025 Eur	2024 Eur
ASSETS			
Non-current assets			
Intangible assets	*5*	**9,412**	18,825
Available-for-sale financial assets	*6*	**272,937**	177,514
		282,349	196,339
Current assets			
Trade and other receivables	*7*	**39,060**	84,299
Bank balances		**299,642**	414,481
		338,702	498,780
Total assets		**621,051**	695,119
FUNDS AND LIABILITIES			
Funds			
Accumulated funds		**504,211**	463,532
Liabilities			
Current liabilities			
Trade and other payables	*8*	**116,840**	231,587
Total funds and liabilities		**621,051**	695,119

The financial statements set out on pages 4 to 11 were approved and authorised for issue by the Management Council on 2 June 2026 and signed on its behalf by:

Dr. Conrad Cassar Torregiani
President

Mr. Christian Vella
Treasurer

1. Basis of preparation

1.1 Basis of measurement and statement of compliance

The financial statements of Malta Institute of Taxation ("the Institute") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets, which are stated at their fair value, as disclosed in the accounting policies below.

1.2 Functional and presentation currency

The financial statements are presented in Euro (*Eur*), which is the Institute's functional currency.

2. Significant accounting policies

2.1 Intangible assets

Acquired intangible assets – computer software

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised.

The amortisation of computer software is based on a useful life of 4 years and is charged to profit or loss.

Amortisation method, useful life and residual value

The amortisation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

2. Significant accounting policies (continued)

2.2 Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Institute's balance sheet when the Institute becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Institute after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

(i) Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

(ii) Investments

Available-for-sale (the 'AFSs') financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held to maturity or held for trading investments. After initial recognition, the Institute carries its AFS investments under the fair value model, which is the market price as quoted on the Malta Stock Exchange. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in the Statement of Income and Expenditure in the period in which they arise and included within the line item "Unrealised (loss) / gain on financial assets".

(iii) Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which trade and other payables are measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.3 Impairment

The Institute's intangible assets and financial assets are tested for impairment.

(i) Intangible assets

The carrying amounts of the Institute's intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Institute's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

(ii) Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. Significant accounting policies (continued)

2.3 Impairment (continued)

(ii) Financial assets (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2.4 Cash and cash equivalents

Cash comprise demand deposits.

2.5 Income

Membership fees

Income from membership fees is recognised when the outcome of the transaction can be estimated reliably.

Rendering of services

Income from the rendering of seminars and tax law courses is recognised when the services are rendered.

2.6 Employee benefits

The Institute contributes towards the state pension in accordance with local legislation. The only obligation of the Institute is to make the required contributions. Costs are expensed in the period in which they are incurred.

3. Surplus for the year

3.1 Total remuneration paid to the Institute's auditor during the year amounts to:

	2025	2024
	Eur	Eur
Audit fee	**1,320**	1,200

3.2 The average number of persons employed by the Institute during the year was 3 (2024: 4).

4. Income tax expense

Malta Institute of Taxation is exempt from tax on its principal income by virtue of an exemption in accordance with Section 4(4) of the Income Tax Act, Cap 123. The Malta Institute of Taxation is subject to tax on passive income.

5. Intangible assets

	Computer software Eur
Cost	
At 01.01.2025 / 31.12.2025	37,650
Accumulated amortisation	
At 01.01.2025	18,825
Provision for the year	9,413
At 31.12.2025	28,238
Net book value	
At 31.12.2024	18,825
At 31.12.2025	**9,412**

6. Available-for-sale financial assets

	2025 Eur	2024 Eur
Cost		
At the beginning of the year	**178,188**	178,188
Additions	**100,000**	-
At the end of the year	**278,188**	178,188
Unrealised movement on market value		
At the beginning of the year	**(674)**	(5,733)
Movement for the year	**(4,577)**	5,059
At the end of the year	**(5,251)**	(674)
Carrying amount at year end	**272,937**	177,514

7. Trade and other receivables

	2025 Eur	2024 Eur
Trade receivables	**13,935**	79,366
Other receivables	**19,284**	-
Prepayments	**5,803**	4,865
Indirect taxes	**38**	68
	39,060	84,299

8. Trade and other payables

	2025 Eur	2024 Eur
Trade payables	**8,866**	31,497
Other payables	**11,617**	15,438
Accrued expenses	**5,483**	7,537
Deferred income	**90,874**	177,115
	116,840	231,587

Christienne Spiteri, F.I.A., C.P.A.
Hardrocks Business Park, The Fort, Level 2, Office 4, Burmarrad Road, Naxxar, Malta.

INDEPENDENT AUDITOR'S REPORT

To the Members of Malta Institute of Taxation

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Malta Institute of Taxation (the Institute), set out on pages 4 to 11, which comprise the statement of affairs as at 31 December 2025, the statement of income and expenditure, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view the statement of affairs of the Institute as at 31 December 2025, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME").

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibility under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Institute in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281)* in Malta, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Management Council is responsible for the other information. The other information comprises the information included in the general information on page 1, the Council's report on page 2 and Management Council's responsibilities on page 3, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Management Council

The Management Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the Management Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Council.

- Conclude on the appropriateness of the Management Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Management Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

I also have the responsibilities to report to you if, in my opinion:

- The information given is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for my audit.

I have nothing to report to you in respect of these responsibilities.

Christienne Spiteri

Christienne Spiteri
Registered Auditor

Hardrocks Business Park
The Fort, Level 2, Office 4
Burmarrad Road
Naxxar, Malta.

Date: 2 June 2026

The Schedule on the page that follows does not form part of the financial statements

Malta Institute of Taxation

Schedule – Administrative expenses
For the year ended 31 December 2025

	2025	2024
	Eur	Eur
Accountancy fees	**7,500**	7,260
Advertising costs	**-**	80
Amortisation	**9,413**	8,963
Audit fee	**1,320**	1,200
Attendance at CFE conferences	**1,800**	2,487
Bank charges	**3,454**	3,449
Computer expenses	**11,256**	10,304
Depreciation	**-**	566
General expenses	**11,144**	8,225
Insurance costs	**601**	601
Printing and stationery	**443**	276
Professional fees	**4,900**	5,597
Rental expense	**13,310**	11,913
Staff training	**190**	-
Subscription fees	**2,617**	2,554
Telecommunication expenses	**937**	907
Wages and salaries	**108,008**	109,069
Water and electricity	**-**	291
	176,893	173,742