



An tÚdarás Rialála
Seirbhísí Dlí

Legal Services
Regulatory Authority

FINANCIAL STATEMENTS

For the year ended
31 December 2023

Legal Services Regulatory Authority

Financial statements

For the year ended 31 December 2023

Contents	Page
General Information	3
Governance Statement and Authority Members' Report	4-10
Statement on Internal Control	11-13
Certificate of the Comptroller and Auditor General	14
Statement of Income and Expenditure and Retained Revenue Reserves	15
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Financial Statements	19-35

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

General Information

Composition of the Authority

Don Thornhill (Chair)

Angela Black

Dermott Jewell

Eileen Barrington SC

Geraldine Clarke SC

Joan Crawford

Sara Moorhead SC

Shane Galligan

Simon Murphy

Síona Ryan

Deirdre Malone (resigned 9 August 2023)

Chief Executive Officer

Brian Doherty

Head Office

Units 1-3

Manor Street Business Park

Shea's Lane, Stoneybatter

Dublin 7

Telephone: 01-859 2902

Web Site: www.lsr.ie

Email: lsra-inbox@lsra.ie

Bankers

Bank of Ireland

St. Stephen's Green

Dublin 2

Auditors

The Comptroller and Auditor General

3A Mayor Street Upper

Dublin 1

Ireland

Solicitors

Fieldfisher LLP

The Capel Building,

Mary's Abbey,

Dublin 7

Accountants

Crowleys DFK

16/17 College Green

Dublin 2

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Members' Report

Governance

Legal Services Regulatory Authority (LSRA) was established under the Legal Services Regulation Act 2015 (the 2015 Act). The objectives of the Authority are set out in section 13(4) of the 2015 Act. The Authority is accountable to the Minister for Justice and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Legal Services Regulatory Authority are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Authority, and must ensure that all Authority members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO is accountable for the management of the senior management and staff of the LSRA in line with the Legal Services Regulation Act 2015 and the strategic and policy decisions of the Authority.

Authority's Responsibilities

The work and responsibilities of the Authority are set out in Terms of Reference, which also contain the matters specifically reserved for Authority decision. Standing items considered by the Authority include:

- declaration of interests,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 28 of the Legal Services Regulation Act 2015 requires the Legal Services Regulatory Authority to keep, in such form as may be approved by the Minister for Justice with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Legal Services Regulatory Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Members' Report (Continued...)

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 28 of the Legal Services Regulation Act 2015. The maintenance and integrity of the corporate and financial information on the Legal Services Regulatory Authority website (www.lsr.ie) is the responsibility of the Authority.

The Authority is responsible for approving the annual plan and budget. An evaluation of the performance of the Legal Services Regulatory Authority by reference to the annual plan and budget is carried out at every Authority meeting.

The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers that the financial statements of the Legal Services Regulatory Authority give a true and fair view of the financial performance and the financial position of the Legal Services Regulatory Authority at 31 December 2023.

Authority Structure

The Authority consists of a Chairperson and ten ordinary members, all of whom are appointed by the Minister for Justice. The members of the Authority were appointed for a period of three to four years and meet at least once every three months. The table below details the appointment period for current members and includes those who were members in 2023:

Authority Member	Role	Term (Years)	Date Appointed / Reappointed
Don Thornhill (Chair)	Chair	4	01/10/2020
Siona Ryan	Member	3	01/10/2022
Dermott Jewell	Member	2	01/10/2022
Joan Crawford	Member	4	01/10/2020
Geraldine Clarke SC	Member	2	01/10/2022
Angela Black	Member	4	01/10/2020
Eileen Barrington SC	Member	4	01/10/2020
Sara Moorhead SC	Member	3	01/10/2022
Simon Murphy	Member	4	01/10/2020
Shane Galligan	Member	3	01/10/2022
Deirdre Malone*	Member	4	23/02/2021

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Members' Report (Continued...)

*Deirdre Malone, nominee of the Irish Human Rights and Equality Commission (IHREC) resigned from the Authority with effect from 9 August 2023. This vacancy was not filled in 2023.

Finance, Audit & Risk Committee

The LSRA's Finance, Audit and Risk (FAR) Committee is Chaired by Authority member, Angela Black. Authority member Geraldine Clarke SC also sits on the committee along with the independent external members of the committee who are Peter O'Brien and Claire Byrne. The Secretary to the Authority is also Secretary to the FAR Committee.

The FAR Committee met four times in 2023. At each meeting, the FAR Committee receives a briefing from the Chief Executive Officer and formally reviews the LSRA Risk Register, examining all steps taken by the LSRA executive to mitigate those risks. The FAR Committee reviews up-to-date management accounts and associated financial information at each meeting. The FAR Committee also reviews audit reports, both internal and external for the LSRA. The oversight remit of the FAR Committee has extended to the Legal Practitioners Disciplinary Tribunal (LPDT) which is funded by the LSRA and included in its accounts. The LSRA Risk Register, audit reports, budget and financial statements are also considered and evaluated at Authority meetings.

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Members' Report (Continued...)

Schedule of Attendance, Fees and Expenses

The Authority met on 5 occasions in 2023. A schedule of attendance at the Authority and FAR Committee meetings is set out below:

	Authority	FAR	Fees 2023 €	Expenses 2023 €
	5	4		
Don Thornhill (Chair)	5	-	11,970	69
Sóna Ryan	5	-	-	-
Dermott Jewell	5	-	7,695	-
Joan Crawford	4	-	-	-
Geraldine Clarke	4	3	7,695	-
Angela Black	5	4	7,695	-
Eileen Barrington	5	-	-	-
Sara Moorhead	5	-	-	-
Simon Murphy	5	-	7,695	-
Shane Galligan	4	-	7,695	-
Deirdre Malone	3	-	4,861	-
Claire Byrne	-	4	-	-
Peter O'Brien	-	3	-	-
			55,306	69

Two members, Sóna Ryan and Joan Crawford, did not receive a fee under the One Person One Salary (OPOS). One member, Deirdre Malone, did not receive a fee with effect from 19 May 2023 when she was employed as a public servant and the OPOS rule applied until her resignation on 9 August 2023. Members Sara Moorhead and Eileen Barrington waived their fees.

Key Personnel Changes

Deirdre Malone resigned as a member of the Authority with effect from 9 August 2023. That vacancy was not filled in 2023.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Authority is responsible for ensuring that the Legal Services Regulatory Authority has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Members' Report (Continued...)

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range From	To	No. of employees 2023	No. of employees 2022
€ 60,000	- € 69,999	-	1
€ 70,000	- € 79,999	3	9
€ 80,000	- € 89,999	5	2
€ 90,000	- € 99,999	2	-
€ 100,000	- € 109,999	-	-
€ 110,000	- € 119,999	1	1
€ 120,000	- € 129,999	-	-
€ 130,000	- €139,999	-	-
€ 140,000	- €149,999	-	-
€ 150,000	- €159,999	-	-
€ 160,000	- €169,999	-	-
€ 170,000	- €179,999	1	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2023 €	2022 €
Legal advice	447,036	206,610
Levy Process Review	16,925	5,092
Complaint Process Audit	-	42,804
Data Protection supports	32,307	8,598
Ergonomic Assessment	1,107	-
Total consultancy costs	497,375	263,104
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	497,375	263,104
Total	497,375	263,104

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Member's Report (Continued...)

Legal Costs and Settlements

The Legal Services Regulatory Authority did not incur expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2023	2022
	€	€
Domestic		
- Authority Members	69	55
- Employees	10,591	5,930
International		
- Authority Members	-	-
- Employees	1,857	6,036
Total	<u>12,517</u>	<u>12,021</u>

Hospitality Expenditure

Hospitality expenditure of €0 was incurred by the LSRA in 2023 (2022: €1,300).

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Governance Statement and Authority Member's Report (Continued...)

Statement of Compliance

The Legal Services Regulatory Authority was established on 1 October 2016 under the Legal Services Regulation Act 2015. The Legal Services Regulatory Authority has complied with the requirements of the Code of Practice for the Governance of State Bodies as published by the Department of Public Expenditure and Reform in August 2016, except in respect of the following sections of the code:

- Section 4.6 - Performance Review, while the Authority did undertake a self-assessment in 2023, the self-assessment was not finalised at end 2023.
- Section 4.6 - Performance Review, the self-assessment will be followed by an external assessment of effectiveness in 2023.
- Section 8.14, 8.15 - Periodic Critical Review, will be undertaken following the assessments under 4.6. PCR is also referred to in the Corporate Governance Assurance Agreement between the LSRA and the Department of Justice.
- Section 8.16 - Contracts Database, will be completed in 2024.
- Section 8.20 - Corporate Procurement Plan, to be in place in 2024.



Shane Galligan
Authority Member on behalf of the Authority



Brian Doherty
Chief Executive Officer

Date: 9 December 2024

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement on Internal Control

Responsibility for system of Internal Control

On behalf of the Legal Services Regulatory Authority, I hereby acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated.

The system of internal control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material error or other irregularities are either prevented or would be detected on a timely basis. We are satisfied that the systems, which the Authority has in place, are reasonable and appropriate for the Authority's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations.

Control Environment

The following steps have been taken to ensure an appropriate control environment

- ❖ Decisions on expenditure rest with the Chief Executive Officer and the members of the Authority in line with approved expenditure thresholds;
- ❖ Management responsibilities are clearly assigned and communicated between the Chief Executive Officer and all members of staff;
- ❖ Internal reporting relationships are clearly assigned;
- ❖ The Department of Justice provides internal audit services to the Legal Services Regulatory Authority. An audit of 2023 internal controls was conducted in Quarter 1 2024 and the IAU Report signed off by the CEO on 19 April 2024;
- ❖ The Legal Services Regulatory Authority has in place robust financial procedures and in addition engaged the services of an external accounting firm.

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement on Internal Control (Continued...)

Risk Assessment

The Authority has established processes to identify and evaluate business and financial risks by:

- ❖ Identifying the nature and extent of financial risks facing the office;
- ❖ Assessing the potential of identified risks occurring;
- ❖ Evaluating and assessing the internal capacity of the office to manage the risks that do occur;
- ❖ Examining financial risks in the context of strategic goals.

Control Mechanism

The system of internal control is based on internal management of information, administrative procedures and a system of delegation and accountability. In particular, this involves:

- ❖ Regular review by the Authority and senior management of financial reports provided by the external accounting firm;
- ❖ Comprehensive budgeting system with an annual budget which is reviewed regularly by senior management.

Mechanisms have been established for ensuring the adequacy of the security of the Authority's information (internally within the Legal Services Regulatory Authority) and communication technology systems.

Compliance with Public Spending Code

The Legal Services Regulatory Authority is in compliance with current procurement rules and guidelines as set out by the Office of Government Procurement. The LSRA did not have any non-compliant procurement in 2023.

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement on Internal Control (Continued...)

Disclosure of Details Regarding Issues

No issues reported during the year.

Review of Effectiveness of Internal Controls

The Statement on System of Internal controls has been reviewed by the Authority to ensure it accurately reflects the control system in operation during the reporting period.

A review of internal controls in respect of 2023 was carried out by Internal Audit Unit at the Department of Justice and a review completed by the Authority at its meeting of 20 June 2024.

The Authority is reasonably assured that the systems of internal control instituted and implemented in the Legal Services Regulatory Authority for the financial period ended 31st December 2023 are effective.



Shane Galligan
Authority Member on behalf of the Authority

Date: 9 December 2024

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Certificate of the Comptroller and Auditor General



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

Legal Services Regulatory Authority

Opinion on financial statements

I have audited the financial statements of the Legal Services Regulatory Authority for the year ended 31 December 2023 as required under the provisions of section 28 of Legal Services Regulation Act 2015. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Legal Services Regulatory Authority at 31 December 2023 and of its income and expenditure for 2023 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Legal Services Regulatory Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Legal Services Regulatory Authority has presented certain other information together with the financial statements. This comprises the governance statement and Authority members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Paul Southern
For and on behalf of the
Comptroller and Auditor General

13 December 2024

Appendix to the report

Responsibilities of Authority members

The governance statement and Authority members' report sets out the Authority members' responsibilities. The Authority members are responsible for

- the preparation of annual financial statements in the form prescribed under section 28 of the Legal Services Regulation Act 2015
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 28 of the Act to audit the financial statements of the Legal Services Regulatory Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I 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.
- I 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 internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Legal Services Regulatory Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 report. However, future events or conditions may cause the Legal Services Regulatory Authority to cease to continue as a going concern.
- I 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 those charged with governance 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.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

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

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it 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.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement of Income and Expenditure and Retained Revenue Reserves

	Notes	2023 €	2022 €
Income			
Income	2	5,997,489	3,579,006
Net Deferred Funding for Pensions	12	615,000	772,000
Total Income		<u>6,612,489</u>	<u>4,351,006</u>
Expenditure			
Staff Costs	3	3,667,668	3,237,244
Retirement Benefit Costs	12	615,000	772,000
Staff Related Expenses	4	43,320	49,108
Authority Members Costs	5	55,306	43,605
Accommodation Costs	6	344,283	271,263
Office Administration Expenses	7	1,177,493	726,657
Seminars and Publications	8	54,670	4,891
Communications	9	4,061	3,763
ICT	10	291,646	191,897
Depreciation	14	28,621	27,922
Total Expenditure		<u>6,282,068</u>	<u>5,328,350</u>
Surplus / (Deficit) for the period		330,421	(977,344)
Balance brought forward at 1 January		(2,007,303)	(1,029,959)
Balance carried forward at 31 December		<u>(1,676,882)</u>	<u>(2,007,303)</u>

The Statement of Cash Flows and notes 1-21 form part of these financial statements.



Shane Galligan
Authority Member on behalf of the Authority



Brian Doherty
Chief Executive Officer

Date 9 December 2024

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement of Comprehensive Income

	Notes	2023 €	2022 €
Surplus / (Deficit) For The Financial Year		330,421	(977,344)
Experience (loss)/gain) on retirement benefit obligations	12iii	(553,000)	129,000
Changes in assumptions underlying the present value of retirement benefit obligations	12iii	(7,000)	2,128,000
Total actuarial (losses)/gain in the year		<u>(560,000)</u>	<u>2,257,000</u>
Adjustment to deferred retirement benefits funding		560,000	(2,257,000)
Total Comprehensive Income for the year		<u>330,421</u>	<u>(977,344)</u>

Legal Services Regulatory Authority

For the year ended 31 December 2023

Statement of Financial Position

	Notes	2023 €	2022 €
<u>Fixed Assets</u>			
Property, plant and equipment	14	139,985	164,541
<u>Current Assets</u>			
Receivables and prepayments	13	796,056	80,851
Cash and cash equivalents		<u>551,283</u>	<u>1,070,092</u>
		1,347,339	1,150,943
<u>Current Liabilities</u>			
<u>(Amounts falling due within 1 year)</u>			
Payables and accruals	15	<u>(464,206)</u>	<u>(422,785)</u>
Total Assets Less Current Liabilities		1,023,118	892,697
Advance of funding	16	(2,700,000)	(2,900,000)
Retirement benefit obligations	12iii	(5,117,000)	(3,942,000)
Deferred retirement benefit funding asset	12iv	5,117,000	3,942,000
Total Net Liabilities		<u>(1,676,882)</u>	<u>(2,007,303)</u>
<u>Representing</u>			
Retained revenue reserve		<u>(1,676,882)</u>	<u>(2,007,303)</u>
		<u>(1,676,882)</u>	<u>(2,007,303)</u>

The Statement of Cash Flows and notes 1-21 form part of these financial statements.



Shane Galligan
Authority Member on behalf of the Authority



Brian Doherty
Chief Executive Officer

Date 9 December 2024

Legal Services Regulatory Authority

Financial Statements

For the year ended 31 December 2023

Statement of Cash Flows

	Note	2023 €	2022 €
Net cash flows from operating activities			
Surplus / (Deficit) for the period		330,421	(977,344)
Depreciation charge		28,621	27,923
(Increase) / Decrease in Receivables	13	(715,205)	385,342
Increase in Payables	15	41,419	104,818
Net Cash Inflow / (Outflow) from Operating Activities		<u>(314,744)</u>	<u>(459,261)</u>
Investing Activities			
Payments to acquire Property, Plant and Equipment		<u>(4,065)</u>	<u>(8,217)</u>
Net Cash Flow from Investing Activities		<u>(4,065)</u>	<u>(8,217)</u>
Financing Activities			
Advance of funding from Department of Justice	16	1,000,000	1,000,000
Repayment of advance		<u>(1,200,000)</u>	<u>-</u>
Net Cash Flow from Financing Activities		<u>(200,000)</u>	<u>1,000,000</u>
(Decrease) / Increase in Cash and Cash Equivalents		<u>(518,809)</u>	<u>532,522</u>
Cash and Cash equivalents at 1 January		1,070,092	537,570
Cash and Cash Equivalents at the end of the period		<u>551,283</u>	<u>1,070,092</u>

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the Legal Services Regulatory Authority are set out below. They have been applied consistently throughout the period.

General Information

The Legal Services Regulatory Authority was set up under the Legal Services Regulatory Act 2015, with a head office at Units 1-3, Manor Street Business Park, Shea's Lane, Stoneybatter, Dublin 7. The Legal Services Regulatory Authority's primary functions as set out in Section 13(4) of the Legal Services Regulatory Act 2015 are as follows:

- Regulate the provision of legal services by legal practitioners and shall ensure the maintenance and improvement of standards in the provision of such services in the State;
- The Authority may, and where required by this Act shall keep under review, and make recommendations to the Minister in respect of the following:
 - a. the admission requirements of the Law Society relating to the solicitors' profession and of the Bar Council and the Honorable Society of King's Inns relating to the barristers' profession;
 - b. the availability and quality of the education and training for the solicitors' and barristers' professions;
 - c. the policies of the Law Society in relation to the admission of persons as solicitors in the State, and of the Bar Council and the Honorable Society of King's Inns in relation to persons becoming entitled to practise as barristers in the State.
- Disseminate information in respect of the education and accreditation requirements to such extent and in such manner as it thinks fit;
- Specify the nature and minimum levels of professional indemnity insurance;
- Establish and administer a system of inspection of legal practitioners for such purposes as are provided for in this Act;
- Receive and investigate complaints
- Maintain the roll of practising barristers
- Promote public awareness and disseminate information to the public in respect of legal services, including the cost of such services;
- Keep the Minister informed of developments in respect of the provision of legal services by legal practitioners and make recommendations to assist the Minister in co-ordinating and developing policy in that regard;

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

General Information (Continued...)

- Undertake, commission or assist in research projects and other activities in respect of the provision of legal services, which in the opinion of the Authority may promote an improvement in standards for the provision of those services and public awareness of them, and make recommendations to the Minister arising from those projects or activities; and
- Perform any other functions conferred on it by the Act or by regulations made under it.

The Legal Services Regulatory Authority is a Public Benefit Entity (PBE).

Statement of Compliance

The financial statements of the Legal Services Regulatory Authority for the period ended 31 December 2023 have been prepared in compliance with the applicable legislation, and with FRS 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council in the UK.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Justice under the Legal Services Regulatory Authority Act 2015.

The financial statements are prepared in Euro which is the functional currency of the Legal Services Regulatory Authority. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Legal Services Regulatory Authority's financial statements.

The Authority have concluded that there is no material uncertainty regarding the Authority's ability to meet its liabilities as they fall due and continue as a going concern.. However, given the continued support via grant funding from the Department of Justice, the Authority has a reasonable expectation that The Legal Services Regulatory Authority will have adequate resources for the foreseeable future. On this basis the Authority consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Authority was unable to continue as a going concern.

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

Levy Income

The LSRA is funded primarily by way of a levy on the legal profession. To that end, each year the LSRA issues levy notices under Part 7 of the 2015 Act to the Law Society, the Bar of Ireland and to a number of practising barristers who are not members of the Law Library.

On 31 July 2023, Part 10, with the exception of Section 67, of the Courts and Civil Law (Miscellaneous Provisions) Act 2023 (the 2023 Act) came in to operation. Sections 59 to 63 of the 2023 Act relate to the calculation of the levy and so this year the calculation process was adapted to comply with these sections of the 2023 Act.

Under the new methodology, the LSRA must calculate the ‘expenses of the Authority’ and the ‘expenses of the Disciplinary Tribunal’, which consist of:

- a) the net expenditure of the body i.e. the operating costs and administrative expenses of the body less the amount of a surplus, or a portion thereof, plus the amount of a deficit, or a portion thereof, and
- b) the amount by which the budgeted net expenditure of the body in the financial year exceeds the operating costs and administrative expenses in respect of the levy year.

The LSRA must also determine, with the Minister’s consent, the amount of the advances made under section 32 of the 2015 Act to be repaid to the Department in the financial year.

The levy assessment notices for the levy for the 2022 levy year were issued on 2 November 2023.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Statement of Financial Position date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions. Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable are dealt with in the Income and Expenditure Account.

Tangible Assets and Depreciation

Tangible assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure and Retained Revenue Reserves on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, per their expected useful lives as follows:

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

Tangible Assets and Depreciation (Continued...)

IT Equipment	Straight-line over 5 years
Office Equipment	Straight-line over 5 years
Furniture and Fittings	Straight-line over 10 years

The residual value and useful lives of fixed assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation methods and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred.

Employee Benefits

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

The employees of the Legal Services Regulatory Authority are public servants and are members of a defined benefit scheme which is unfunded.

The Legal Services Regulatory Authority also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. All pensions deductions made under the Single Scheme are remitted to the Department of Public Expenditure and Reform. The pension liabilities for the single scheme rest with the Authority.

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Legal Services Regulatory Authority will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

Payables

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

2. Income

The Legal Services Regulatory Authority was established on 1 October 2016. During the period from the date of establishment to 6 November 2019, the Authority was not in receipt of any non-grant income. Under Section 32 of the Legal Services Regulatory Authority Act 2015, the Minister shall advance to the Authority out of moneys provided by the Oireachtas such amount or amounts as the Minister may, with the consent of the Minister for Public Expenditure and Reform, determine for the purposes of expenditure by the Authority in the performance of its functions.

	2023	2022
	€	€
Levy Income	5,664,367	3,450,659
Administration Fees	16,675	20,163
Other income – Salary Recoupment	229,616	105,834
Other Income - Penalties	15,955	2,350
Other Income – Conference Fees Income	70,777	-
Other Income – Tribunal Transcripts Income	99	-
	<u>5,997,489</u>	<u>3,579,006</u>

Levy Assessment Notices totalling €5,664,367 were issued on 2 November 2023 as provided for in the Legal Services Regulation Act 2015 (Levy) Regulations 2019 (S.I. 463 of 2019). An amount of €729,035 (2022: €6,429) remained to be collected at year end.

For the 12 months period from the 1st of January 2023 to 31st December 2023, the Authority was in receipt of €1,000,000 (2022: €1,000,000) as an advance from the Department of Justice. In January 2023, the Authority paid a recoupment amount of €200,000 to the Department of Justice in line with the terms of the Ministerial consent for issuing the Levy in 2022. In December 2023, the Authority paid a recoupment amount of €1,000,000 to the Department of Justice in line with the terms of the Advance Funding Statement for the advance received in 2023.

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

3. Staff Costs and Employee Information

	2023	2022
	€	€
Staff costs	2,876,374	2,480,154
Employer PRSI	293,219	256,476
Employer Pension Contribution	331,899	280,947
Seconded staff	166,176	219,667
Total Staff Costs	<u>3,667,668</u>	<u>3,237,244</u>

3a. Employee Numbers

	2023	2022
The number of employees at year end was made up as follows:		
Chief Executive Officer	1	1
Staff Members *	<u>60</u>	<u>52</u>
	<u>61</u>	<u>53</u>

*Includes secondment staff from the Department of Justice.

3b. Chief Executive Officer's Remuneration

The Chief Executive Officer was appointed on 14th September 2017. The Chief Executive Officer received €175,704 in 2023 (2022: €170,271).

Pension entitlements of the Chief Executive do not extend beyond the model public sector superannuation scheme. The Chief Executive did not receive any performance related payments or any other benefit in kind during the year.

3c. Key Management Remuneration

Key management personnel in Legal Services Regulatory Authority consist of the Chief Executive Officer, Senior Management Team and Authority member fees. Total compensation paid to key management personnel amounted to €661,419 (2022: €544,233).

3d. Additional Superannuation Contributions

Additional Superannuation Contributions (ASC) of staff directly employed by the Authority were made in line with statutory requirements. €54,242 of ASC were made in 2023 (2022: €47,827).

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

4. Staff Related Expenses	2023	2022
	€	€
Domestic Travel and Subsistence	10,660	5,985
Foreign Travel and Subsistence	1,857	6,036
Recruitment Expenses	431	250
Staff Training	30,372	36,837
	43,320	49,108
5. Authority Members Costs	2023	2022
	€	€
Don Thornhill	11,970	8,979
Angela Black	7,695	5,771
Geraldine Clarke	7,695	5,771
Dermott Jewell	7,695	5,771
Simon Murphy	7,695	5,771
Deirdre Malone	4,861	5,771
Shane Galligan	7,695	5,771
	55,306	43,605
6. Accommodation Expenses	2023	2022
	€	€
Rent	237,645	201,868
Service charges	10,148	10,631
General Rates	37,198	10,423
Premises Expenses	17,872	17,890
Light and heat	12,734	9,329
Office Machine Maintenance	261	204
Cleaning	28,425	20,918
	344,283	271,263

Legal Services Regulatory Authority

Notes to the financial statements For the year ended to 31 December 2023

7. Office Administration Expenses	2023	2022
	€	€
Accountancy and payroll	107,204	103,038
Printing, postage and stationery	42,804	25,287
Meeting expenses	7,510	7,678
Legal services	447,036	206,610
Public consultation, research and reporting	6,516	95,556
Other Consultancy	59,691	13,690
Professional fees	82,734	75,479
Complaints Committee Members Fees	67,504	67,802
Review Committee Members Fees	13,490	-
Tribunal Committee Members Fees	127,710	16,400
Pension and Human Resources	3,321	16,052
Research projects	128,027	13,914
Audit fees	12,300	12,300
Translation costs	4,512	6,634
Membership Subscriptions	66,543	65,422
Bank charges	591	795
	<u>1,177,493</u>	<u>726,657</u>

8. Seminars and Publications	2023	2022
	€	€
Conference and seminar expenses	54,486	4,621
Books and journals	184	270
	<u>54,670</u>	<u>4,891</u>

9. Communications	2023	2022
	€	€
General Advertising	4,061	3,763
	<u>4,061</u>	<u>3,763</u>

10. ICT	2023	2022
	€	€
IT Technical support (Including telephone)	213,813	122,482
IT Licenses	54,017	65,647
IT Consumables	241	3,768
IT Website Development	23,575	-
	<u>291,646</u>	<u>191,897</u>

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

11. Legal Practitioners Disciplinary Tribunal (LPDT)

Included in Note 3 to 10 are the following expenses for the Legal Practitioners Disciplinary Tribunal (LPDT) related function. The LDPT was established on 23rd November 2020 and is in operation for 2023.

	2023	2022
	€	€
<u>Pay</u>		
Gross Pay (incl. ER PRSI)	98,746	171,393
Training and Development	6,318	12,750
Total Pay	105,064	184,143
<u>Non-Pay</u>		
Catering General	171	1,950
Travel and Subsistence	5,240	847
Postage	-	2,400
Print Design	250	-
Printing	-	601
IT Maintenance	-	46
Sundry Expenses	-	131
Legal Fees	85,123	7,323
Professional Fees - Members	35,028	12,166
Other Consultancy	2,330	-
Tribunal Committee Members Fees	127,710	16,400
Society Solicitors PC fees	13,052	5,000
Legal Assessor	26,291	-
Rent	117,645	81,868
Rates/Service Charges	14,913	-
Cleaning Contractors	5,356	-
Security Contractors	2,882	-
Security Equipment and Supplies	-	421
R&R Contractors	-	4,060
Office Machine Maintenance	51	-
Insurance	46	-
Printing/Postage/Stationery	8,599	-
Membership/Subscriptions	938	-
Conference and seminar expenses and Hotels	-	2,586
Furniture and Fixtures	3,167	-
Total Non-Pay	448,792	135,799
Total LPDT related expenditure	553,856	319,942

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

12. Retirement Benefit Costs

i. Authority Staffing

In accordance with Section 27 of the Legal Services Regulatory Act 2015, the Authority may prepare and submit to the Minister for his approval a scheme for the granting of superannuation benefits to these staff members and in respect of such members of the staff of the Authority as it may think fit. The LSRA is not intending to prepare such a scheme at this time.

In 2023, some staff joined the LSRA where their (non-Single Pension Scheme) legacy pension transferred over to the LSRA. These staff members are members of a defined benefit scheme which is unfunded. Discussions are ongoing with the Department of Public Expenditure and Reform in relation to the treatment of those pensions.

New entrant staff, employed by the Authority after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions from staff salaries are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Act.

ii. Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	31 December 2023	31 December 2022
	€	€
Current service cost	463,000	683,000
Interest on retirement benefit scheme liabilities	152,000	89,000
Less Benefits Paid	-	-
	615,000	772,000

*The current service cost includes employee contributions totaling €121,000 in 2023. (2022: €113,000)

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

12. Retirement Benefit Costs (Continued...)

iii. Movement in net retirement benefit obligations during the financial year

	31 December 2023	31 December 2022
	€	€
Net retirement benefit obligation at 1 January	3,942,000	5,427,000
Current service costs	342,000	570,000
Employee Contributions	121,000	113,000
Interest costs	152,000	89,000
Benefits paid in period	-	-
Experience loss/(gain) on liabilities	553,000	(129,000)
Changes in actuarial assumptions	7,000	(2,128,000)
	<hr/>	<hr/>
Net retirement benefit obligations at 31 December	5,117,000	3,942,000

iv. Deferred funding asset for retirement benefits

The Authority recognises amounts owing from the State for the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves is as follows:

	31 December 2023	31 December 2022
	€	€
Funding recoverable in respect of current year retirement	615,000	772,000
Benefits paid in year	-	-
	<hr/>	<hr/>
	615,000	772,000

The deferred funding liability for retirement benefit as at 31 December 2023 amounted to €5,117,000 (2022: €3,942,000).

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

12. Retirement Benefit Costs (Continued...)

iv. History of defined benefit obligations

	2023	2022
	€	€
Defined benefit obligations	5,117,000	3,942,000
Experience (gains)/loss on defined benefit scheme liabilities	553,000	(129,000)
Employee Contributions	121,000	113,000

v. Description of scheme

Non-Single Pension Scheme:

While the majority of LSRA staff are members of the Single Scheme, some staff joined the LSRA where their (non-Single Pension Scheme) legacy pension transferred over to the LSRA.

These staff transferred as members of a pension scheme which is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public-sector salary inflation.

The LSRA is remitting pension deductions to DPER and have recognised a pension liability and deferred asset in their financial statements for 2023 on the assumption that funding will be met. The LSRA is engaging with both the Department of Justice and the Department of Public Expenditure and Reform to resolve the position in respect of those pensions.

Single Scheme

The Single Scheme is the occupational pension scheme for public servants hired since 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

12. Retirement Benefit Costs (Continued...)

Valuation

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2023.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2023 were as follows:

	31 December 2023	31 December 2022
Discount rate	3.35%	3.65%
Inflation rate	2.35%	2.65%
Salary increases	3.60%	3.90%
Pension increases	3.10%	3.40%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	31 December 2023 Years	31 December 2022 Years
Male aged 65	22.1	22.1
Female aged 65	24.4	24.4

13. Receivables and Prepayments

	2023 €	2022 €
Prepayments	66,887	74,287
Other Debtors	134	135
Levy Debtors	729,035	6,429
	<u>796,056</u>	<u>80,851</u>

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

14. Fixed Assets

	IT/ Office Equipment €	Furniture & Fixtures €	Leasehold Improvement €	Total €
Cost				
At 1 January 2023	44,873	32,894	160,514	238,281
Additions	898	3,167	-	4,065
At 31 December 2023	45,771	36,061	160,514	242,346
Accumulated Depreciation				
At 1 January 2023	21,215	7,647	44,878	73,740
Charged in the year	9,079	3,491	16,051	28,621
At 31 December 2023	30,294	11,138	60,929	102,361
Net Book Value				
At 31 December 2023	15,477	24,923	99,585	139,985
At 31 December 2022	23,658	25,247	115,636	164,541

Certain IT assets owned by the Department of Justice are used by the LSRA as part of an ICT shared service provided by the Department. The value of these assets at 31st December 2023 was €0 (2022: €0) and no depreciation is charged on these assets.

15. Payables and Accruals

	2023 €	2022 €
Amounts falling due within one year:		
Creditors	6,840	125
PAYE/PRSI	(659)	107,908
Additional Superannuation Contributions	4,616	6,008
Single Scheme Pensions	38,186	45,446
Legacy Pension	1,468	2,371
Other Creditors	6,559	6,036
Accruals	407,196	254,889
	464,206	422,785

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

16. Advance of Funding	2023	2022
	€	€
Amounts at beginning of the period	2,900,000	1,900,000
Amounts advanced during the period	1,000,000	1,000,000
Amounts repaid during the period	(1,200,000)	-
Amounts at the end of the period	<u>2,700,000</u>	<u>2,900,000</u>

Pursuant to section 32 of the Legal Services Regulation Act 2015, the Minister for Justice (the Minister) shall advance to the Authority out of moneys provided by the Oireachtas such amount or amounts as the Minister may, with the consent of the Minister for Public Expenditure and Reform, determine for the purposes of expenditure by the Authority in the performance of its functions.

In this context, the Authority has received the following advances under section 32:

2016 - €1 million (30 December 2016)
2017 - €1 million (22 December 2017)
2018 - €1 million (19 December 2018)
2019 - €1 million (26 July 2019)
2020 - €1 million (€250,000 on 29 July 2020, €750,000 on 23 December 2020)
2021 - €1 million (€500,000 on 25 June 2021, €500,000 on 25 August 2021)
2022 - €1 million (26 January 2022)
2023 - €1 million (29 July 2023)

On 21st June 2022, the Department of Justice sanctioned the designation of the €3 million of funding provided from 2016 to 2018 as establishment funding support which is not subject to recoupment to the Justice Vote.

The balance shown at note 16 reflects the receipt of €5 million (€8 million less €3 million establishment funding) minus recoupment of €2,300,000, giving a total of €2,700,000.

Following initial meetings between the CEO of the LSRA and both the Law Society of Ireland and the Bar of Ireland, it has been agreed to enter into discussions on agreeing a repayment plan and schedule for the outstanding recoupable amounts of advance funding received by the LSRA from the Minister for Justice. It has been agreed to undertake these discussions from the beginning of 2024 following the completion of the Levy cycle in 2023. It will remain a matter for the Minister for Justice to set the final amount of recoupment in each year as part of the process for the Minister to provide consent to the Authority to determine the Levy for the relevant year pursuant to section 95(2) of the Legal Services Regulation Act 2015 (the 2015 Act).

Legal Services Regulatory Authority

Notes to the financial statements

For the year ended to 31 December 2023

17. Capital and Other Commitments

There were no capital commitments at 31st December 2023.

18. Lease Commitments

The Authority entered a lease on 2nd August 2019 with a four month rent free period. It is a ten-year lease with annual rent of €120,000 and an annual service charge of €8,062. The authority also entered a lease on 21 April 2022 in respect of the Legal Practitioners Disciplinary Tribunal (LPDT), it is a 10 year lease with a 5 year break with an annual rent of €117,645 and an annual service charge of €4,087.

Lease Commitment	2023	2022
	€	€
Payable within one year	249,794	249,794
Payable within two or five years	999,174	999,174
Payable after five years	493,257	743,050
	1,742,225	1,992,018

19. Related Party Transactions / Disclosure of Interests

The Legal Services Regulatory Authority complies with the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by the Chief Executive Officer and members/staff of the Authority. Formal procedures exist to ensure adherence with the requirements of the Code.

20. Events After Reporting Period

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

21. Approval of Financial Statements

The financial statements were approved by the Authority at its meeting of 21 March 2024.