

Registration number: 04210063

The Taxation Disciplinary Board Limited  
Annual Report and Financial Statements  
for the Year Ended 31 December 2017

Manningtons  
8 High Street  
Heathfield  
East Sussex  
TN21 8LS

# The Taxation Disciplinary Board Limited

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# **The Taxation Disciplinary Board Limited**

## **Company Information**

### **Chairman**

D G Hudson

### **Directors**

D G Hudson

D J Whiting

F L Darby

E Fullerton-Rome

C Wilby

### **Company secretary**

P A Douglas

### **Registered office**

8 High Street  
Heathfield  
East Sussex  
TN21 8LS

### **Auditors**

Manningtons  
8 High Street  
Heathfield  
East Sussex  
TN21 8LS

**The Taxation Disciplinary Board Limited**  
**Strategic Report for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

**Principal activity**

The principal activity of the company is that of the administration of The Taxation Disciplinary Scheme

**Fair review of the business**

Set out in the profit and loss account and the directors report

**Principal risks and uncertainties**

There are no derivatives or loan finance so there are no cashflow, going concern or other financial risks. Six months funding is retained in the bank accounts

Approved by the Board on 15 June 2018 and signed on its behalf by:

.....  
P A Douglas  
Company secretary

# **The Taxation Disciplinary Board Limited**

## **Directors Report for the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

### **Directors of the company**

The directors who held office during the year were as follows:

D G Hudson - Chairman

D J Whiting (appointed 13 May 2017)

F L Darby

E Fullerton-Rome (appointed 1 June 2017)

C Wilby (appointed 1 June 2017)

J R Dewhurst (Resigned 12 May 2017)

### **Objects of the Company and principal activities**

The Taxation Disciplinary Board Limited (TDB) was incorporated on 2 May 2001 as a company limited by guarantee, with the primary objective of operating the Taxation Disciplinary Scheme (the Scheme) established by the participating bodies: the Chartered Institute of Taxation (the Institute) and the Association of Taxation Technicians (the Association). The Company's governing documents are its Memorandum and Articles of Association and there is provision within its statutes to act for other tax bodies that wish to adopt similar schemes. Each participating body agrees to contribute £1 in the event of the Company's insolvency. Currently the Institute and the Association are equal members of the Company.

The Scheme, which deals with complaints against members or students of the participating bodies, is administered by TDB on an independent and impartial basis. Its objectives are to conduct the investigative, disciplinary and appeals process in an efficient and effective manner and to ensure that the standards of professional conduct set by the participating bodies for their members are followed; that the reputation of those bodies and their members is maintained; and that the public may have confidence in the standard of service provided to them.

Following an extensive review of the original Scheme during 2007, a new Taxation Disciplinary Scheme was approved by the Councils of the Institute and the Association and came into effect on 9 January 2008. The new Scheme reflects advances in regulatory practice and recent court judgements, and gives the TDB greater independence from the participants. Amendments to the Scheme were approved by the participants during 2012 in order to enable the TDB to introduce new arrangements for interim orders (described more fully below). Further changes to the Scheme have been approved during 2016 to enable the present independent chairman to have his term of office extended by up to a further four years, and to provide for the appointment of two additional lay directors, to further enhance the independence of the TDB.

### **Governance**

The Scheme is administered by the Board of Directors, which has a wide range of experience in the legal, accountancy and tax professions. They are appointed by agreement between the participating bodies, following a process of advertising and open competition.

The Directors meet regularly to deal with executive business in accordance with the policies and priorities of the Company. The Directors have identified the principal risk areas, and the process of risk assessment is an integral part of the management function.

# **The Taxation Disciplinary Board Limited**

## **Directors Report for the Year Ended 31 December 2017**

### **The Disciplinary Process**

Under the Scheme, all the procedural arrangements are set out in Regulations, which the Board has the power to amend on its own authority. The Regulations which were operative during 2017 were those made by the Board in 2012. The Scheme itself, which is confined to principles, jurisdiction and powers, can be amended only with the approval of the participant bodies. The TDB's jurisdiction covers inadequate professional service and conduct unbecoming a professional, in addition to breaches of the participants' Professional Rules and Practice Guidelines. In order to comply with current anti-money laundering regulations, the TDB is able to discipline firms, as well as individual members, students and associates of the participating bodies. Under the Scheme, an Investigation Panel and a Disciplinary Panel are appointed by the Board, with members selected as a result of advertising and open competition. To ensure a balanced, independent process, lay persons participate in all stages of the disciplinary process, together with members of the Institute and Association and individuals with a legal qualification. Lay members form a majority at meetings of the Investigation Committee, the Disciplinary and the Appeal Tribunals.

Under the Board's Regulations, all complaints are examined by a Reviewer (currently the Executive Director) to ensure that they come within the terms of the Scheme. The Reviewer may reject trivial, vexatious or out-of-time complaints, subject to a right of appeal to an independent Assessor. Minor complaints which do not appear to involve misconduct may be referred to the participants for conciliation. The Reviewer also has powers to impose a fixed penalty for a breach of the participants' administrative requirements, subject to a right of appeal to a Disciplinary Tribunal. In all other cases, the Reviewer will correspond with both the complainant and the member, with a view to submitting a report to the Investigation Committee (IC).

The IC, which meets at regular intervals, consists of five members selected from the Disciplinary and Investigation Panel. Its role is to examine the case papers in order to determine whether or not there is a prima facie case of professional misconduct, conduct unbecoming or inadequate professional service against the member. If it so determines, the IC may decide that the complaint is too minor or that there is insufficient evidence to warrant referring the matter to a Disciplinary Tribunal. In such cases, the IC has the option of ordering the case to rest on file for three years, during which time it may be revisited if another complaint is made against the member. All other complaints in which the IC finds a prima facie case must be referred to a Disciplinary Tribunal. There is no power to offer the member a consent order; instead, all significant cases will go to a Disciplinary Tribunal. In cases where the IC decides that no further action is warranted, the complainant has a right of appeal to an Investigatory Assessor.

Members of the Board of Directors do not participate in meetings of the Investigation Committee or the Disciplinary Tribunal.

Where a case is referred to a Disciplinary Tribunal, a presenter (usually a barrister) is appointed to prepare the charges against the member and to present the case on behalf of the TDB. The Disciplinary Tribunal consists of three members selected from the membership of the Disciplinary and Investigation Panel. It is chaired by a legally qualified chairman, and includes another lay member and a member of one of the participating bodies. The Tribunal conducts a formal hearing, in the light of which it must make a finding and, in proven cases, impose an appropriate sanction, which can range from a warning or admonition through to exclusion from membership. In the event of a finding of misconduct, conduct unbecoming or inadequate professional service, costs are normally awarded against the member, and the Tribunal's findings are published. There is also power to award compensation for quantifiable losses incurred by the complainant in cases where inadequate professional service is proved. The TDB has issued and published on its website ([www.tax-board.org.uk](http://www.tax-board.org.uk)) guidance on a range of topics designed to assist panel members, including Indicative Sanctions Guidance.

Both the TDB and the member have a right of appeal against an order made by the Disciplinary Tribunal, but any application for an appeal hearing will first be examined by a Disciplinary Assessor in order to ensure that it meets the grounds specified in the Regulations. If the appeal is allowed to go ahead, it will be heard by an Appeal Tribunal consisting of three members drawn from the Disciplinary and Investigation Panel who have had no previous involvement with the case.

## **The Taxation Disciplinary Board Limited**

### **Directors Report for the Year Ended 31 December 2017**

Membership of the TDB Disciplinary and Investigation Panel during the year was:

B Anstice	S Brown
J Stafford	P Cadman
G Fisher	V Charbit
A Gell	E Herlihy
L Jacobs	P Griffith
I Luder	M Kaltz
M Uddin	L Lee
M Obi	R Lucking
B Palmer	J Page
J Wilkins	T Payne
P Reid	M Ruffell

The Directors thank all the members of the Panel for their willingness to perform the roles assigned to them. They also wish to record their thanks to the Board's two part-time members of staff for their invaluable assistance during the year: Peter Douglas (Executive Director) and Nigel Bremner (Clerk to the Disciplinary Tribunal).

#### **Review of the year**

During the year 30 new complaints were received about members of the participating bodies (compared with 26 in the previous year). These included allegations of incompetence or lack of care, inadequate professional service, failure to respond promptly to correspondence and adverse findings at disciplinary hearings of other professional bodies. The participants also referred a number of members for failing to register their Anti-Money Laundering arrangements. A summary of case progress is set out below:

## The Taxation Disciplinary Board Limited

### Directors Report for the Year Ended 31 December 2017

	Number of cases <b>2017</b>	Number of cases <b>2016</b>
<b>Complaints received by Reviewer</b>		
Brought forward from previous year	12	9
New cases in year	30	26
	42	35
Cases withdrawn or not pursued by complainant	18	10
Cases rejected by Reviewer (trivial, vexatious or outside TDB jurisdiction)	2	4
Cases where fixed penalty imposed	2	1
Cases referred to Investigation Committee	5	8
Cases referred directly by Reviewer for presentation to Disciplinary Tribunal	-	-
Cases carried forward to next year	15	12
	42	35
<b>Investigation Committee</b>		
No prima facie case	1	-
Prima facie case but no action taken	1	-
Case ordered to rest on file	-	-
Referred for presentation to the Disciplinary Tribunal	2	8
Cases adjourned pending receipt of more information	1	-
	5	8



# The Taxation Disciplinary Board Limited

## Directors Report for the Year Ended 31 December 2017

	2017	2016
<b>Disciplinary Tribunal</b>		
Cases awaiting hearing at end of previous year	3	7
New cases referred by the Investigation Committee	2	8
New cases referred directly by the Reviewer	-	-
	<hr/>	<hr/>
	5	15
	<hr/>	<hr/>
Case dismissed	-	1
Sanction imposed	2	11
Cases awaiting hearing at the year end	3	3
	<hr/>	<hr/>
	5	15
	<hr/>	<hr/>
<b>Sanctions imposed by Disciplinary Tribunals</b>		
Warning	-	1
Censure	1	2
Censure & fine or compensation	-	2
Expulsion & order to pay compensation	-	1
Suspension	-	-
Expulsion	1	5
	<hr/>	<hr/>
	2	11
	<hr/>	<hr/>

### Appeal Tribunal

No Appeal Tribunals were held in 2016 or 2017.

In accordance with the Board's policy, all those against whom the charges were found to be proved were ordered to pay the costs incurred by the TDB in pursuing the case. Whilst the Board recovered a significant amount in fines and costs during 2016 and 2017, a number of defendants continue to ignore the orders made by the Disciplinary Tribunal, with the result that the Board had to spend time and resources in applying for court orders for the sums due. Whilst the Board will treat sympathetically genuine cases of ill-health or misfortune, it is a matter of concern that few defendants raise with the Disciplinary Tribunal their inability to pay the costs due. During 2014 the Board updated its guidance to defendants to encourage them to inform the Board as soon as possible of such matters to ensure that they are considered in determining the outcome of their case. Where the Board has applied for a court order for the resulting debt, this has invariably been granted by the courts. In a few cases where the member has failed to comply with the court order, the Board has obtained a charging order on the member's property, so that the debt becomes payable once the property is sold.

# **The Taxation Disciplinary Board Limited**

## **Directors Report for the Year Ended 31 December 2017**

### **Other developments**

During 2012 the Councils of the participants approved amendments to the Scheme in order to permit the introduction of interim orders in cases where the public may be at risk, particularly where a case alleges improper behaviour, dishonesty or incompetence but the complexity of the case requires a full and lengthy investigation of all the issues. Under new Regulations which took effect from January 2013, once the Investigation Committee has found that there is a prima facie case and decided to refer this to a Disciplinary Tribunal, it may then consider whether it appears to be in the public interest or necessary for the protection of the public for the member to be referred to an Interim Orders Panel. If so, the panel will be convened as quickly as possible in order to decide whether to impose an interim order. Such an order will normally entail the suspension of the member pending the Disciplinary Tribunal hearing. Interim orders are unlikely to be made very often: no such cases have yet arisen.

In January 2014 the Board introduced additional Regulations which provide for:

- (i) A simplified procedure for presenting cases to a Disciplinary Tribunal where the defendant has accepted all the charges, thereby reducing costs;
- (ii) A power to enable an Interim Orders Panel to make an interim costs order in cases which are likely to be complex and incur substantial costs; and
- (iii) New arrangements to allow the TDB to publish the full written decisions of Tribunals, redacting the names of complainants and other third parties.

During 2016, effective from 1 January 2017, a small change was made to the Taxation Disciplinary Scheme Regulations wherein the time in which a complaint has to be lodged with TDB has been extended from 12 to 24 months from when the incident became known to the complainant. The TDB has also entered into an MOU with HMRC whereby clarity has been achieved with HMRC as to the methods of working of the TDB such that HMRC may in the future feel enabled to make complaints to TDB on exactly the same footing as every other category of complaint. HMRC has not as yet referred any complaints.

### **Taxation**

In a letter sent to the Board in May 2010, HMRC confirmed that Panel members would not need to be covered by PAYE arrangements in respect of their fees. HMRC also confirmed that, on the basis of its current financial arrangements, the TDB would not be liable for Corporation Tax.

### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

### **Reappointment of auditors**

Consequent on the retirement of the Auditors A-spire Business Partners Ltd in November 2015, a resolution for the appointment of Manningtons Chartered Accountants as auditors of the company was approved by the directors in December 2016 and a resolution for their re-appointment was proposed and approved at the subsequent Annual General Meeting on 16 June 2017.

**The Taxation Disciplinary Board Limited**  
**Directors Report for the Year Ended 31 December 2017**

Approved by the Board on 15 June 2018 and signed on its behalf by:

.....  
P A Douglas  
Company secretary

## **The Taxation Disciplinary Board Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **The Taxation Disciplinary Board Limited**

## **Independent Auditor's Report to the Members of The Taxation Disciplinary Board Limited**

### **Opinion**

We have audited the financial statements of The Taxation Disciplinary Board Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **The Taxation Disciplinary Board Limited**

### **Independent Auditor's Report to the Members of The Taxation Disciplinary Board Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors Report and for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report and .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 10], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## **The Taxation Disciplinary Board Limited**

### **Independent Auditor's Report to the Members of The Taxation Disciplinary Board Limited**

- 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 our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

.....  
A.E.J. Staples (Senior Statutory Auditor)  
For and on behalf of Manningtons, Statutory Auditor

8 High Street  
Heathfield  
East Sussex  
TN21 8LS

15 June 2018

## The Taxation Disciplinary Board Limited

### Profit and Loss Account for the Year Ended 31 December 2017

	Note	Total 31 December 2017 £	Total 31 December 2016 £
Income	3	163,042	156,101
Direct Costs		(12,228)	(41,334)
Gross surplus		150,814	114,767
Administrative expenses		(125,602)	(148,772)
Operating surplus/(deficit)		25,212	(34,005)
Other interest receivable and similar income	4	111	154
		111	154
Surplus/(deficit) before tax		25,323	(33,851)
Surplus/(deficit) for the financial year		25,323	(33,851)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.



## The Taxation Disciplinary Board Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Surplus/(deficit) for the year		25,323	(33,851)
Total comprehensive income for the year		25,323	(33,851)

The notes on pages 19 to 21 form an integral part of these financial statements.

# The Taxation Disciplinary Board Limited

(Registration number: 04210063)

## Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors	8	3,817	6,407
Cash at bank and in hand		100,122	88,601
		<u>103,939</u>	<u>95,008</u>
<b>Creditors:</b> Amounts falling due within one year	10	<u>(103,939)</u>	<u>(95,008)</u>
<b>Net assets/(liabilities)</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Total equity		<u>-</u>	<u>-</u>

Approved and authorised by the Board on 15 June 2018 and signed on its behalf by:

.....

D G Hudson

Chairman

.....

F L Darby

Director

The notes on pages 19 to 21 form an integral part of these financial statements.

## The Taxation Disciplinary Board Limited

### Statement of Changes in Reserves for the Year Ended 31 December 2017

	<b>Profit and loss account £</b>
At 1 January 2017	<u>(25,323)</u>
Surplus for the year	<u>25,323</u>
Total comprehensive income	<u>25,323</u>
At 31 December 2017	<u>-</u>
	<b>Profit and loss account £</b>
At 1 January 2016	<u>33,851</u>
Deficit for the year	<u>(33,851)</u>
Total comprehensive income	<u>(33,851)</u>
At 31 December 2016	<u>-</u>

The notes on pages 19 to 21 form an integral part of these financial statements.

## The Taxation Disciplinary Board Limited

### Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		25,323	(33,851)
Adjustments to cash flows from non-cash items			
Finance income	4	(111)	(154)
		<hr/>	<hr/>
		25,212	(34,005)
Working capital adjustments			
Decrease/(increase) in trade debtors	8	2,590	(6,407)
Increase/(decrease) in trade creditors	10	8,931	(28,075)
		<hr/>	<hr/>
Net cash flow from operating activities		36,733	(68,487)
<b>Cash flows from investing activities</b>			
Interest received	4	111	154
<b>Application of funds</b>			
Allocated to contributors		(25,323)	33,851
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		11,521	(34,482)
Cash and cash equivalents at 1 January		88,601	123,083
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		100,122	88,601

The notes on pages 19 to 21 form an integral part of these financial statements.

# **The Taxation Disciplinary Board Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

The company is a company limited by guarantee incorporated in England and Wales.

The address of its registered office is:

8 High Street  
Heathfield  
East Sussex  
TN21 8LS  
United Kingdom

The principal place of business is:

Po Box 224  
Rushlake Green  
Heathfield  
East Sussex  
TN21 1DQ

These financial statements were authorised for issue by the Board on 15 June 2018.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

The Scheme is financed mainly by the Chartered Institute of Taxation and the Association of Taxation Technicians. The Investigation Committee and Disciplinary Tribunal costs are shared between the two bodies in proportion to the numbers of cases dealt with from each body. All other costs are shared equally.

The Disciplinary Tribunal is empowered to make orders for the payment of costs, fines and compensation to complainants. In addition, the Board is empowered to make orders for the payment of Fixed Penalty charges for breaches of the participants' administrative requirements. Credit is taken on receipt, sums outstanding are not included in the accounts.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# The Taxation Disciplinary Board Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rendering of services	163,042	156,101

The analysis of the company's turnover for the year by class of business is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Class 2	163,042	156,101

The analysis of the company's turnover for the year by market is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
UK	163,042	156,101

### 4 Other interest receivable and similar income

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	111	154

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	88,871	92,771
Social security costs	3,370	2,417
	92,241	95,188

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Administration and support	6	4

## The Taxation Disciplinary Board Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration	30,419	27,054

#### 7 Auditors' remuneration

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	2,470	2,000

#### 8 Debtors

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other debtors	3,817	6,407
Total current trade and other debtors	3,817	6,407

#### 9 Cash and cash equivalents

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank	35,971	24,561
Short-term deposits	64,151	64,040
	<u>100,122</u>	<u>88,601</u>

#### 10 Creditors

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Due within one year</b>			
Other payables		89,150	71,433
Accrued expenses		14,789	23,575
		<u>103,939</u>	<u>95,008</u>

## The Taxation Disciplinary Board Limited

### Detailed Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
Income (analysed below)	163,042	156,101
Direct Costs (analysed below)	(12,228)	(41,334)
Gross surplus	150,814	114,767
Gross surplus (%)	92.5%	73.52%
<b>Administrative expenses</b>		
Employment costs (analysed below)	(92,241)	(95,188)
Establishment costs (analysed below)	(1,195)	(1,226)
General administrative expenses (analysed below)	(32,136)	(52,358)
Finance charges (analysed below)	(30)	-
	(125,602)	(148,772)
Operating surplus/(deficit)	25,212	(34,005)
Other interest receivable and similar income (analysed below)	111	154
Surplus/(deficit) before tax	25,323	(33,851)



## The Taxation Disciplinary Board Limited

### Detailed Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
<b>Turnover</b>		
Contributions, fines collected and costs awarded	163,042	156,101
	<hr/>	<hr/>
<b>Cost of sales</b>		
Compensation ordered by tribunals	-	1,757
Legal Costs	11,841	35,984
Transcripts for tribunals	387	3,593
	<hr/>	<hr/>
	12,228	41,334
	<hr/>	<hr/>
<b>Employment costs</b>		
Wages and salaries	(58,452)	(65,717)
Staff NIC (Employers)	(2,236)	(2,417)
Directors NIC (Employers)	(1,134)	-
Directors fees	(30,419)	(27,054)
	<hr/>	<hr/>
	(92,241)	(95,188)
	<hr/>	<hr/>
<b>Establishment costs</b>		
Insurance	(1,195)	(1,226)
	<hr/>	<hr/>
<b>General administrative expenses</b>		
Telephone and fax	(725)	(634)
Computer software and maintenance costs	-	(756)
Printing, postage and stationery	(2,271)	(2,976)
Training for panels	(13,092)	(9,207)
Recruitment	(1,303)	(460)
Costs relating to panel members	(7,480)	(25,580)
Sundry expenses	(1,517)	(2,244)
Travel and subsistence	(3,278)	(6,873)
Auditor's remuneration - The audit of the company's annual accounts	(2,470)	(2,000)
Regulations review	-	(1,628)
	<hr/>	<hr/>
	(32,136)	(52,358)
	<hr/>	<hr/>
<b>Finance charges</b>		
Bank charges	(30)	-
	<hr/>	<hr/>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	111	154
Surplus/(deficit) before tax	<hr/>	<hr/>
	25,323	(33,851)
	<hr/>	<hr/>