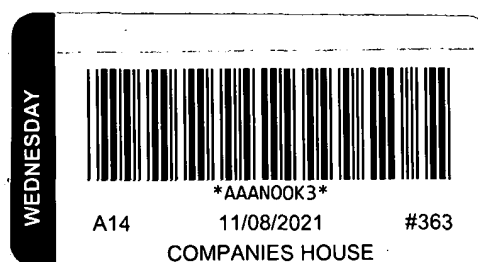


Registration number: 04210063

The Taxation Disciplinary Board Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



The Taxation Disciplinary Board Limited

Contents

| | |
|--|----------|
| Company Information | 1 |
| Strategic Report | 2 |
| Directors' Report | 3 to 8 |
| Statement of Directors' Responsibilities | 9 |
| Independent Auditor's Report | 10 to 12 |
| Profit and Loss Account and Statement of Retained Earnings | 13 |
| Balance Sheet | 14 |
| Statement of Changes in Equity | 15 |
| Statement of Cash Flows | 16 |
| Notes to the Financial Statements | 17 to 20 |

The Taxation Disciplinary Board Limited

Company Information

Directors

S J Humble (Chair)

E Fullerton-Rome

B A Palmer

D J Whiting

C Wilby

Company secretary

P A Douglas (retired 31 March 2021)

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 2020

The Directors present their strategic report for the year ended 31 December 2020. This forms part of the Company's annual accounts and reports.

Principal activity

The principal activity of the Company is that of the administration of The Taxation Disciplinary Scheme.

Fair review of the business

This is as set out in the Profit and Loss account, the Directors' Report and the Balance Sheet.

Principal financial risks and uncertainties

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

Prior to the balance sheet date, the World Health Organisation declared the COVID-19 virus to be a global pandemic and the UK Government introduced restrictions on certain activities and behaviours in an effort to prevent the virus's spread and limit its longer term impact.

Whilst these restrictions have caused the Company to assess and adapt its working practices to continue to operate without interruption, the Directors do not consider that the circumstances have caused any material change to the Company's ability to trade, or affect its status as a going concern.

Approved by the Board on 25 June 2021 and signed on its behalf by:

Electronically Signed S Humble

.....
S J Humble
Chair

The Taxation Disciplinary Board Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the company

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

S J Humble (Chair)

E Fullerton-Rome

B A Palmer

D J Whiting

C Wilby

Objects of the Company and principal activities

The Taxation Disciplinary Board Limited ("TDB" or "The Company") 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" or "CIOT") and the Association of Taxation Technicians ("the Association" or "ATT"). 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.

Governance

The Scheme is administered by the Board of Directors, which has a wide range of experience in the legal, accountancy and tax professions. Each of the member bodies appoints a Director but the majority of the Directors of the Company are appointed 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 2020

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 2020 were those made by the Board in 2014 and updated in 2016. 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 and Disciplinary Panel is 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 (which includes legally qualified) 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 Investigation and Disciplinary 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 or Appeal 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 Investigation and Disciplinary 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 censure 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) guidance on a range of topics designed to assist panel members, including Indicative Sanctions Guidance. During this year both IC meetings and DT hearings have been held virtually.

The Taxation Disciplinary Board Limited

Directors' Report for the Year Ended 31 December 2020

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 Panel who have had no previous involvement with the case.

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

| | | |
|----------------------|-----------|------------|
| B Anstice | G Hawken | T Payne |
| P Cadman | E Herlihy | M Ruffell |
| I Comfort | L Jacobs | J Stafford |
| A Gell | M Kaltz | M Uddin |
| A Granville-Stafford | L Lee | J Wilkins |
| M Grayson | I Luder | S Zouq |
| P Griffith | M Obi | |
| D Hards | J Page | |

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 three part-time personnel for their invaluable assistance during the year: Peter Douglas (Executive Director), Nigel Bremner (Clerk to the Disciplinary Tribunal), and Fiona Herson (Administrative Assistant).

Review of the year

During the year, 44 new complaints were received about members of the participating bodies (compared with 37 in the previous year). These included allegations of incompetence, 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 4 CIOT/ATT members (2019 - 35) for failing to register their Anti Money Laundering (AML) arrangements in accordance with CIOT/ATT administrative requirements, rules and procedures. These are dealt with under the Taxation Disciplinary Scheme Regulations 2014 Regulation 3.11.

Also, during the year the monies collected from members in respect of costs awarded by the Disciplinary Tribunal against members, and administrative penalties re late AML submissions amounted to £162,844. A materially increased contribution (£178,249) from CIOT produced a surplus of £42,863, against a budgeted deficit of £51,160, although this budget figure assumed a standard contribution of £86,000 from CIOT. Monies awarded to the TDB by Disciplinary Tribunals by way of costs and fines, and monies ordered to be paid as compensation to complainants, are only accounted for when received and are not shown as debtors. The TDB seeks payment of all monies due including by collection consequent on Court action where appropriate. The Courts have always enforced such Orders of TDB Disciplinary Tribunals.

The Taxation Disciplinary Board Limited

Directors' Report for the Year Ended 31 December 2020

| | Number of cases | of | Number of cases | |
|---|-----------------------|----|-----------------------|--|
| | 2020 | | 2019 | |
| Complaints received by Reviewer | | | | |
| Brought forward from previous year | 19 | | 16 | |
| New cases in year | 44 | | 37 | |
| | 63 | | 53 | |
| Cases withdrawn or not pursued by complainant | 14 | | 12 | |
| Cases determined by Reviewer (trivial, vexatious or outside TDB jurisdiction, closed under 3.9.2 etc) | 4 | | 6 | |
| Cases where fixed penalty imposed | 4 | | 1 | |
| Cases referred to Investigation Committee | 8 | | 15 | |
| Cases referred directly by Reviewer for presentation to Disciplinary Tribunal | - | | - | |
| Cases carried forward to next year | 33 | | 19 | |
| | 63 | | 53 | |
| <p>The increased number of cases carried forward at the year end is due to a combination of the volume of new cases in the latter part of the year and operational issues exacerbated by Covid factors. The increase is temporary and has reduced after the year end.</p> | | | | |
| Investigation Committee | | | | |
| No prima facie case | - | | 1 | |
| Prima facie case but no action taken | - | | - | |
| Case ordered to rest on file | - | | - | |
| Referred for presentation to the Disciplinary Tribunal | 8 | | 14 | |
| Cases adjourned pending receipt of more information | - | | - | |
| | 8 | | 15 | |
| Anti-Money Laundering Requirements | | | | |
| References made by CIOT/ATT in relation to failure to register AML arrangements and dealt with under fixed penalty procedures | 4 | | 35 | |
| | 4 | | 35 | |

The Taxation Disciplinary Board Limited

Directors' Report for the Year Ended 31 December 2020

| | 2020 | 2019 |
|--|------|------|
| Disciplinary Tribunal | | |
| Cases awaiting hearing at end of previous year | 6 | 4 |
| New cases referred by the Investigation Committee | 8 | 14 |
| New cases referred directly by the Reviewer | - | - |
| | 14 | 18 |
| | | |
| Case dismissed or no further action | - | - |
| Sanction imposed | 8 | 8 |
| Cases awaiting hearing at the year end | 6 | 10 |
| | 14 | 18 |
| | | |
| Sanctions imposed by Disciplinary Tribunals | | |
| Warning | 1 | 1 |
| Censure | 2 | 1 |
| Censure & fine or compensation | 1 | - |
| Expulsion & order to pay compensation | - | - |
| Suspension | 1 | - |
| Expulsion | 3 | 6 |
| | 8 | 8 |

Appeal Tribunal

No Appeal Tribunals were held in 2020 (2019 – 1).

Costs of hearings

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 costs and administrative penalties during 2019 and 2020, 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. 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 2020

Other developments

The Chair, Des Hudson, resigned with effect from 31 December 2019. After a competitive process, Susan Humble was appointed Chair by the participating bodies with effect from 17 February 2020.

On 9 December 2019, a Memorandum of Understanding (MOU) between the Taxation Disciplinary Board and the two sponsors, The Chartered Institute of Taxation and the Association of Taxation Technicians, was signed. The MOU sets out the expectations and undertakings of all parties and their collective GDPR compliant information sharing arrangements. It sets an explicit obligation on the TDB to apply its procedures and policies to every case, requires the TDB to consistently meet expected performance standards and requires regular and timely reporting by the TDB of its performance.

During the year the TDB undertook a major review of its Indicative Sanctions Guidance, involving two rounds of public consultation and various stakeholder discussions. The revised Indicative Sanctions Guidance was published effective 16 December 2020.

Taxation

HMRC has 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

The Directors consider that it is good practice to organise a retender process for the audit periodically and propose to do so this year. The current auditors, Manningtons Chartered Accountants, will be eligible to enter the retendering process.

Approved by the Board on 25 June 2021 and signed on its behalf by:

Electronically Signed S Humble
.....

S J Humble
Chair

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 profit or loss 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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 2020, which comprise the Profit and Loss Account and Statement of Retained Earnings, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its surplus 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 reports. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Taxation Disciplinary Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 therein. 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.

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 misstatement in the financial statements or a material misstatement of the other information, based on the work we have performed, and we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

The Taxation Disciplinary Board Limited

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

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report and the Directors' Report.

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 9), 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 misstatements, 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 it 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.

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

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.

Reporting on irregularities, including fraud

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

Enquiries have been made of management and those charged with governance of the Company, including a review of board minutes, to obtain an understanding of the entity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud, of which none were noted by management.

The Senior Statutory Auditor has assessed that the engagement team collectively have the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations within the areas that they are responsible for testing. There being no identified instances of non-compliance with laws and regulations and fraud raised to us by management; during planning the engagement team conducted an analytical review of the financial statements including calculation of key ratios, investigating any unusual variances or movements which were not in keeping with the performance of the company. In addition, the team has reviewed the future plans of the company to identify drivers and areas which may be particularly susceptible to fraud.

The impact of the COVID-19 pandemic has been considered in the undertaking of the audit, with audit teams being especially aware of the unprecedented circumstances in which companies have operated. The potential to commit a fraud, and the impact on the undertaking of the audit have been considered, with no instances of impact found. Homeworking situations, enabled due to the government mandated work-from-home order, were authorised by management and not open to irregularities.

The extent to which the audit was considered capable of detecting irregularities

The audit team utilised their analytics, their knowledge of the company's future plans, their knowledge of management and key stakeholders to design auditing procedures to increase the likelihood of detecting material frauds.

There are however inherent difficulties in detecting irregularities, particularly with qualified, knowledgeable finance personnel who have been with the company for many years, which could increase the risk of collusion and reduce the independence of key finance personnel. There are a reduced number of people who are available to review controls and postings, for this reason irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error.

There are aspects of the audit which are deliberately unpredictable to assist in the detection of irregularities, such as varying how we test items which are more susceptible to fraud, year on year and by incorporating systematic sampling over the populations tested.

We have taken no reliance on the company's controls however we have verified that controls are in place which we believe to be befitting of the scale of the company and its operations, and have brought to the attention of management those areas in which controls can be further strengthened.

Use of our report

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.

Electronically signed AEJ Staples
.....

A.E.J. Staples (Senior Statutory Auditor)

For and on behalf of Manningtons, Statutory Auditor

8 High Street
Heathfield
East Sussex
TN21 8LS

23 July 2021
.....

The Taxation Disciplinary Board Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| Turnover | 3 | 395,093 | 200,794 |
| Cost of sales | | <u>(100,122)</u> | <u>(43,131)</u> |
| Gross surplus | | 294,971 | 157,663 |
| Administrative expenses | | <u>(252,201)</u> | <u>(178,542)</u> |
| Operating surplus/(deficit) | | 42,770 | (20,879) |
| Other interest receivable and similar income | 4 | <u>93</u> | <u>277</u> |
| | | <u>93</u> | <u>277</u> |
| Surplus/(deficit) before tax | | <u>42,863</u> | <u>(20,602)</u> |
| Surplus/(deficit) | | 42,863 | (20,602) |
| Retained earnings brought forward | | <u>(42,863)</u> | <u>20,602</u> |
| Retained earnings carried forward | | <u>-</u> | <u>-</u> |

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

**(Registration number: 04210063)
Balance Sheet as at 31 December 2020**

| | Note | 2020 £ | 2019 £ |
|---|------|------------------|------------------|
| Current assets | | | |
| Debtors | 8 | 3,195 | 9,815 |
| Cash at bank and in hand | | 144,454 | 102,845 |
| | | <u>147,649</u> | <u>112,660</u> |
| Creditors: Amounts falling due within one year | 10 | <u>(147,649)</u> | <u>(112,660)</u> |
| Net assets/(liabilities) | | <u>-</u> | <u>-</u> |
| Capital and reserves | | | |
| Shareholders' funds/(deficit) | | <u>-</u> | <u>-</u> |

Approved and authorised by the Board on 25 June 2021 and signed on its behalf by:

Electronically Signed S Humble
.....

S J Humble
Chair

The Taxation Disciplinary Board Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

| | Profit and loss account £ | Total £ |
|---------------------------|--|--------------------|
| At 1 January 2020 | (42,863) | (42,863) |
| Surplus for the year | 42,863 | 42,863 |
| Allocated to contributors | 42,863 | 42,863 |
| At 31 December 2020 | - | - |
| | Profit and loss account £ | Total £ |
| At 1 January 2019 | 20,602 | 20,602 |
| Deficit for the year | (20,602) | (20,602) |
| Allocated to contributors | (20,602) | (20,602) |
| At 31 December 2019 | - | - |

The Taxation Disciplinary Board Limited

Statement of Cash Flows for the Year Ended 31 December 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | | | |
| Surplus/(deficit) for the year | | 42,863 | (20,602) |
| Adjustments to cash flows from non-cash items | | | |
| Finance income | 4 | (93) | (277) |
| | | 42,770 | (20,879) |
| Working capital adjustments | | | |
| Decrease/(increase) in trade debtors | 8 | 6,620 | (9,815) |
| Increase/(decrease) in trade creditors | 10 | 34,989 | (21,975) |
| Net cash flow from operating activities | | 84,379 | (52,669) |
| Cash flows from investing activities | | | |
| Interest received | 4 | 93 | 277 |
| Application of funds | | | |
| Allocated to contributors | | (42,863) | 20,602 |
| Net increase/(decrease) in cash and cash equivalents | | 41,608 | (31,790) |
| Cash and cash equivalents at 1 January | | 102,845 | 134,635 |
| Cash and cash equivalents at 31 December | | 144,453 | 102,845 |

The Taxation Disciplinary Board Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The Company is limited by guarantee; the guarantors are CIOT and ATT. The Board has put in place sufficient mitigating controls to ensure that the company retains ethical independence from the guarantors and can perform its function without prejudice. The company is 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:

30 Monck Street
London
SW1P 2AP
United Kingdom

These financial statements were authorised for issue by the Board on 25 June 2021.

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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2020

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 at the transaction price.

3 Revenue

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

| | 2020 | 2019 |
|--|---------|---------|
| | £ | £ |
| Contributions, fines collected and costs awarded | 395,093 | 200,794 |

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

| | 2020 | 2019 |
|----|---------|---------|
| | £ | £ |
| UK | 395,093 | 200,794 |

4 Other interest receivable and similar income

| | 2020 | 2019 |
|----------------------------------|------|------|
| | £ | £ |
| Interest income on bank deposits | 93 | 277 |

5 Staff Costs

| | 2020 | 2019 |
|-----------------------|---------|--------|
| | £ | £ |
| Wages and salaries | 160,310 | 92,505 |
| Social security costs | 13,708 | 4,878 |
| | 174,018 | 97,383 |

The total employee pay and benefits of the executive personnel of the entity were as follows:

| | | |
|--|--------|--------|
| | 76,313 | 54,555 |
|--|--------|--------|

| | 2020 | 2019 |
|--|------|------|
| | £ | £ |

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

| | | |
|----------------------------|---|---|
| Administration and support | 7 | 6 |
|----------------------------|---|---|

The Taxation Disciplinary Board Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Directors' remuneration

| | 2020 | 2019 |
|-----------------------|--------|-------|
| | £ | £ |
| Highest Paid Director | 39,321 | 9,281 |

The directors' remuneration for the year was as follows:

| | | |
|--------------|--------|--------|
| Remuneration | 71,979 | 21,895 |
|--------------|--------|--------|

7 Auditors' remuneration

| | 2020 | 2019 |
|-----------------------------------|-------|-------|
| | £ | £ |
| Audit of the financial statements | 2,400 | 2,172 |
| Accountancy | 2,400 | - |
| | 4,800 | 2,172 |

8 Debtors

| | 2020 | 2019 |
|---------------------------------------|-------|-------|
| | £ | £ |
| Other debtors | 2,445 | 9,065 |
| Prepayments | 750 | 750 |
| Total current trade and other debtors | 3,195 | 9,815 |

9 Cash and cash equivalents

| | 2020 | 2019 |
|---------------------|---------|---------|
| | £ | £ |
| Cash at bank | 109,706 | 38,190 |
| Short-term deposits | 34,748 | 64,655 |
| | 144,454 | 102,845 |

10 Creditors

| | 2020 | 2019 |
|----------------------------|---------|---------|
| | £ | £ |
| Due within one year | | |
| Other payables | 126,509 | 90,265 |
| Accruals | 21,140 | 22,395 |
| | 147,649 | 112,660 |

The Taxation Disciplinary Board Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Related party transactions

In the prior year (2019), the spouse of the Company Secretary, who is a member of key management, was commissioned to undertake work relating to the referrals of CIOT/ATT members for failing to register their Anti-Money Laundering (AML) arrangements in accordance with CIOT/ATT administrative requirements, rules and procedures, as detailed in the Directors' Report. She received £13,225 for this work in 2019. No work has been commissioned in 2020, and the Board anticipates no additional work of this nature to be commissioned in future.