

The Taxation Disciplinary Board Limited
(A company limited by guarantee)

Directors' Report and Financial Statements

For the Year Ended 31 December 2022

The Taxation Disciplinary Board Limited
(A company limited by guarantee)

Company Information

Directors	S J Humble (Chair) E R Fullerton-Rome (resigned 31 May 2023) B A Palmer D J Whiting (resigned 11 May 2023) C Wilby (resigned 29 April 2022) D Lyons (appointed 12 May 2023)
Company secretary	S J Humble (appointed 7 April 2022)
Registered number	04210063
Registered office	30 Monck Street London SW1P 2AP
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants & Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ

The Taxation Disciplinary Board Limited
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The Taxation Disciplinary Board Limited
(A company limited by guarantee)

Directors' Report
For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Directors

The directors who served during the year were:

S J Humble (Chair)
E R Fullerton-Rome (resigned 31 May 2023)
B A Palmer
D J Whiting (resigned 11 May 2023)
C Wilby (resigned 29 April 2022)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, UHY Kent LLP t/a UHY Hacker Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Taxation Disciplinary Board Limited
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Directors' Report (continued)
For the Year Ended 31 December 2022

This report was approved by the board on

and signed on its behalf.

S J Humble (Chair)
Director

The Taxation Disciplinary Board Limited
(A company limited by guarantee)

Independent Auditors' 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 2022, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, 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 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Company'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 matters 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

The Taxation Disciplinary Board Limited
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Independent Auditors' Report to the Members of The Taxation Disciplinary Board Limited (continued)

Matters on which we are required to report by exception

In the light of the 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.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

The Taxation Disciplinary Board Limited
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Independent Auditors' Report to the Members of The Taxation Disciplinary Board Limited (continued)

Auditors' 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 Auditors' 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.

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:

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

The Taxation Disciplinary Board Limited
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Independent Auditors' Report to the Members of The Taxation Disciplinary Board Limited (continued)

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 Auditors' 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.

Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of
UHY Kent LLP

Chartered Accountants
Statutory Auditors

Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ
Date:

The Taxation Disciplinary Board Limited
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Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		336,185	327,539
Cost of sales		(52,835)	(16,408)
Gross profit		<u>283,350</u>	<u>311,131</u>
Administrative expenses		(282,914)	(311,134)
Operating profit/(loss)		<u>436</u>	<u>(3)</u>
Interest receivable and similar income	5	32	3
Profit before tax		<u>468</u>	<u>-</u>
Profit for the financial year		<u><u>468</u></u>	<u><u>-</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 9 to 12 form part of these financial statements.

The Taxation Disciplinary Board Limited
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Registered number: 04210063

Balance Sheet
As at 31 December 2022

	Note		2022 £	2021 £
Current assets				
Debtors: amounts falling due within one year	6	51,483	66,154	
Cash at bank and in hand		141,043	125,098	
		<u>192,526</u>	<u>191,252</u>	
Creditors: amounts falling due within one year	7	(192,058)	(191,252)	
Net current assets			468	-
Total assets less current liabilities			<u>468</u>	<u>-</u>
Net assets			<u>468</u>	<u>-</u>
Capital and reserves				
Profit and loss account			468	-
			<u>468</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

S J Humble (Chair)
Director

The notes on pages 9 to 12 form part of these financial statements.

The Taxation Disciplinary Board Limited
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Notes to the Financial Statements
For the Year Ended 31 December 2022

1. General information

The company is limited by guarantee, the guarantors are CIOT and ATT. The Board has put into 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 registered office and principal trading address is 30 Monck Street, London, SW1P 2AP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the Board do not consider there to be any factors that would impact the company's going concern status. They confirm the company will continue to operate for the foreseeable future.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Contribution income - the scheme is financed mainly by CIOT and ATT. The investigation committee and disciplinary tribunal costs are shared between the two bodies in proportion to the number of cases dealt with from each body. All other costs are shared equally.

Fines and costs awarded - the disciplinary tribunal is empowered to make orders for payment of costs, fines and compensation to complainants. In addition, the Board is empowered to make orders for payment of Fixed Penalty charges for breaches of the participants' administrative requirements.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

During the application of the company's accounting policies, certain judgments and estimations have been applied.

Recognition of revenue in respect of fines and costs awarded

As noted in accounting policy 2.3 "Revenue", the disciplinary tribunal is empowered to make orders for payment of costs, fines and compensation to complainants. Income has been recognised in respect of those cases heard under tribunal, and concluded, and corresponding amounts included within debtors for amounts due which are yet to be received.

Probability of receipt of such monies is considered to be a key judgment and is assessed at each Balance Sheet date as to whether amounts included within debtors continue to be recoverable. Where necessary, provisions shall be set against debts and this has the potential to impact the company's Statement of Comprehensive Income in future periods.

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2021 -5).

5. Interest receivable

	2022	<i>2021</i>
	£	£
Other interest receivable	32	3

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Notes to the Financial Statements
For the Year Ended 31 December 2022

6. Debtors

	2022	<i>2021</i>
	£	£
Prepayments and accrued income	51,483	<i>66,154</i>
	<u>51,483</u>	<u><i>66,154</i></u>
	<u><u>51,483</u></u>	<u><u><i>66,154</i></u></u>

7. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Other creditors	163,028	<i>129,306</i>
Accruals and deferred income	29,030	<i>61,946</i>
	<u>192,058</u>	<u><i>191,252</i></u>
	<u><u>192,058</u></u>	<u><u><i>191,252</i></u></u>

8. Financial instruments

	2022	<i>2021</i>
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	141,043	<i>125,129</i>
	<u>141,043</u>	<u><i>125,129</i></u>
	<u><u>141,043</u></u>	<u><u><i>125,129</i></u></u>

Financial assets measured at fair value through profit or loss comprise cash held at bank and in hand.

9. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The Taxation Disciplinary Board Limited
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Notes to the Financial Statements
For the Year Ended 31 December 2022

11. Related party transactions

During the year under review, the company was primarily funded by its two members, The Chartered Institute of Taxation (CIOT) and The Association of Taxation Technicians (ATT).

Financial contributions received from CIOT during the year under review totalled £216,656. At 31 December 2022, the TDB owed CIOT £149,155 (2021: £129,306) which is included within other creditors in note 7.

Financial contributions received from ATT during the year under review totalled £54,000. At 31 December 2022 £Nil (2021: £40,500) was outstanding from ATT and included within accrued income in note 6.