



The Association of Taxation Technicians

**QUALITY**

**COMPETENCE**

**EXCELLENCE**

The cover depicts the Arms granted to the Association in 1990 with Supporters granted in 1997. The shield shows a gold cross, the Roman X, indicating the tithe or tenth paid in former times. The wheatsheaves represent produce or income and the sword of the Crown's officer is matched by the sword of the taxpayer's adviser. The chequered surround signifies the Court of the Exchequer which used counters on a chequered table-cloth to check calculations. Above the helm is a closed book representing abstruse written law, surmounted by an owl of wisdom. The Arms are supported by a pair of mute Swans, representing constancy, while the plant thrift grows from the banks on which they stand.

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# The Association of Taxation Technicians



## **Vision**

The vision of the Association of Taxation Technicians is to be the leading educational body in the field of compliance tax law and practice.

## **Mission statement**

The Association's mission is to advance public education in and promote the study of the administration and practice of taxation.

To do this it:

- provides through examination a qualification "Taxation Technician" for persons engaged in tax compliance work;
- runs residential courses and one-day conferences;
- publishes (jointly with the CIOT) the monthly journal *Tax Adviser*;
- issues annotated copies of Finance Acts and other technical material;
- liaises with and makes submissions to the Revenue authorities and government on the improvement and simplification of taxation compliance issues and relevant tax legislation;
- maintains standards of professional conduct for members;
- provides eligibility to take the examination of the Chartered Institute of Taxation.

# President's statement

I am pleased to report that 2006 has been another successful year for the Association. The number of students registering to take the examinations continues to increase, and a record number of students passed the examinations in 2006. In conjunction with the new examination structure which comes into force in May 2007 we anticipate a further increase in new members in 2007. Our finances have been boosted by the further rise in the value of our investments and further details are to be found in the Treasurer's report on page 18 and the financial statements on pages 22-24.

The first of our five key objectives for 2006 was the implementation of the new examination structure and the raising of awareness of the new examination syllabus.

Following the launch of the new examination structure in 2005, we focussed our endeavours during 2006 on marketing the new syllabus, not only to our 'traditional'

## WE ANTICIPATE A FURTHER INCREASE IN NEW MEMBERS IN 2007

constituency but also to those who would not in the past have taken professional examinations – because they considered much of the required learning to be irrelevant to their work. Indications are that the new modular system is proving of interest to such individuals, and we anticipate the number of candidates for the first sitting in May 2007 to be in line with previous numbers.

Our second key objective was to further increase the profile of the Association with HMRC and HM Treasury. 2006 saw the issue by HM Treasury of a consultation document concerning the Implementation of the 3rd EU Money Laundering Directive. Our Standards Committee (a joint committee with the Chartered Institute of Taxation) held discussions with HM Treasury, and also surveyed our members. Subsequently both the ATT and CIOT have been included on the list of professional bodies which can regulate their members for these purposes, rather than being regulated by HMRC.

The regulations and practice guidelines which our members are required to follow entail, of necessity, a robust disciplinary process. The wholly independent Taxation Disciplinary Board undertakes this function, and in January 2007 the Board appointed its first Executive Director who will help the Board maintain and develop its regulatory role efficiently and effectively. A thorough review of the disciplinary process is being undertaken and should be finalised during 2007.

Members of our Technical Committee have continued to represent our members' interests on various consultation bodies, and further details of the work of the Committee can be found on page 17. One major area of concern to our members was 'UITF40' and, jointly with the Association of Accounting Technicians, we first issued guidance on this subject in February 2006. Subsequently, working with the other accountancy and tax bodies, we produced guidance which was restricted to the taxation aspects of Application Note G as interpreted by UITF 40. Further guidance was issued by the two Associations in December 2006, dealing in more detail with accounting practice and seeking to eliminate the confusion and misunderstandings surrounding this topic.

On a lighter note, in July the Association awarded Honorary Membership to Roy Jennings, our Founder President, in recognition of Roy's enormous contribution to the Association over the years. A small reception was held after the AGM to mark the occasion.

Meeting new members at our Admission Ceremonies is one of the most enjoyable aspects of being President of the Association, and is certainly one of the highlights of the Presidential Calendar. We are indebted to Lord Howe of Aberavon for sponsoring both events at the House of Lords during 2006, thus permitting us to hold the receptions in such prestigious surroundings.

Our other receptions in 2006 were also held in superb surroundings. Our Annual Lunch in September was held at Stationers' Hall, where, as well as Presidents and representatives of other professional bodies, we welcomed several senior members of HMRC. Our evening reception was once again held on HQS Wellington, the floating livery hall of the Honourable Company of Master Mariners, where we were able to extend hospitality to those who have assisted the Association in many ways.

Although such high profile events serve to strengthen the presence and reputation of the Association in the professional world (the third of our key objectives for the year), the Association would not thrive without the support of the members

**STRENGTHEN THE PRESENCE AND REPUTATION OF THE ASSOCIATION IN THE PROFESSIONAL WORLD**

**Annie Bailey, Vice-President and Richard Geldard,  
Deputy President**

**Guests Lord Howe, Phil Hunt and Rod Craig, Clerk,  
Honorable Company of Master Mariners at the  
President's Reception 2006 on HQS Wellington**

**Annie Bailey, Vice-President, Natalie Miller,  
Council member, and Sue Short, Chief Examiner,  
at the Annual Lunch in September 2006**

**Roy Jennings being presented with his Certificate of  
Honorary Membership**

**Jean Jesty with the prizewinners from the November 2005  
examination and the new members at the April 2006  
admission ceremony**

# President's statement continued

themselves. I have greatly enjoyed meeting the members at our conferences, seminars and at the various Branch events to which I have been invited. I hope that many of you reading this Annual Report will be inspired to become involved in Association activities, both locally and nationally, in order to provide valuable input from our grass roots.

Some of our members are also involved individually with the 'not for profit' sector, in particular giving their services free to TaxHelp for Older People, a charity which provides free professional advice on personal tax to older people who could not otherwise afford to pay for it. Our fourth key objective for 2006 was to identify opportunities for additional involvement with this sector, and, in addition to financial sponsorship of TaxHelp for Older people, the Low Incomes Tax Reform Group and TaxAid, we are considering proposals for additional support which the Association hopes to provide in future.

Our fifth key objective concerned Regulation and Corporate Governance which continue to be at the forefront of Council's thoughts, and during the year work started on a complete revision of our Regulations. A 'skills audit' of Council was also initiated, to ensure that the expertise of Council members represents the wide range of skills nowadays required by trustees. All Council members undergo trustee training, and a further trustee training session is planned for autumn 2007.

The Annual report of the Council on page 7 gives details of the Council members who served during the

year. As President, I have been fortunate to have had tremendous support from my Council colleagues and in particular from Richard Geldard, Deputy President and Annie Bailey, Vice-President.

Council works as a team, and

my thanks go to them all for their unstinting service to the Association, as well as to the many volunteers who serve on the various Committees. In addition, I would like to thank their employers for permitting, and even encouraging, their participation in the affairs of the Association.

I would also like to thank the staff at Upper Belgrave Street. The small secretariat, headed by Andy Pickering, keeps the organisation running smoothly and efficiently, and I thank them for their assistance.

Jean Jesty, *President*

FREE PROFESSIONAL  
ADVICE ON PERSONAL  
TAX TO OLDER PEOPLE

**Past Presidents Roy Jennings, Anthony Thomas, John Kimmer and Trevor Johnson at the Annual Lunch in September 2006**

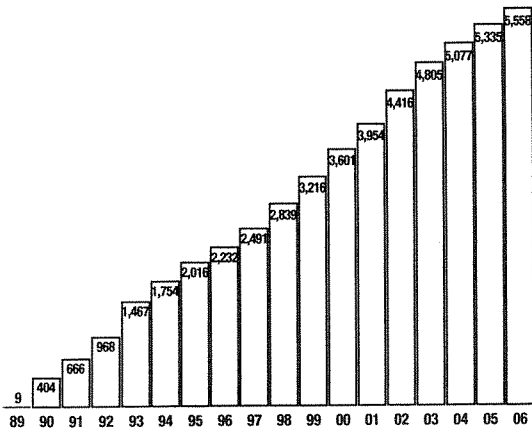
**At the joint Presidents' Northern Luncheon held in Manchester.  
From left to right: Christine Sandiford, The Lady Mayoress of Manchester; John Cullinane, CIOT President; Jean Jesty and Councillor David Sandiford, The Right Worshipful the Lord Mayor of the City of Manchester**

**Jean Jesty delivering her speech at the Reception on HQS Wellington in March 2007**

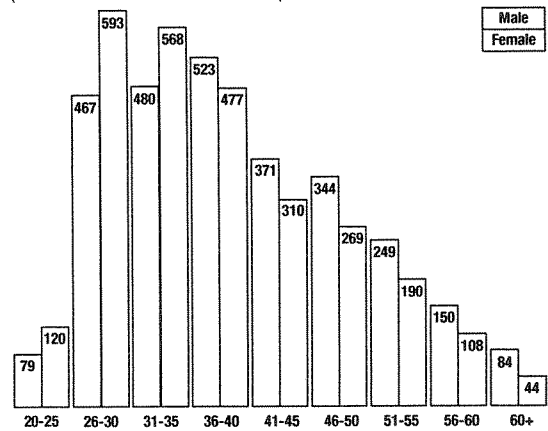
**Jean Jesty with the prizewinners from the May 2006 examination and the new members at the November 2006 admission ceremony**

# Key figures

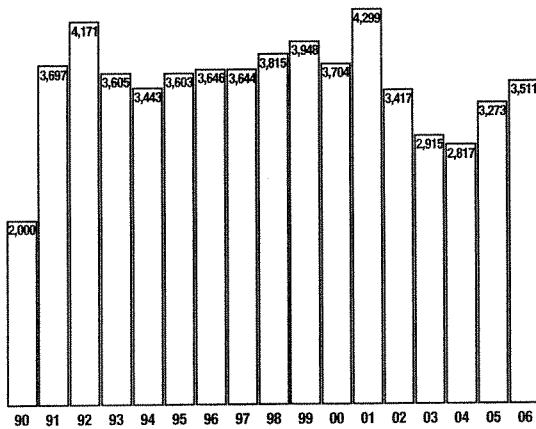
Number of Association Members



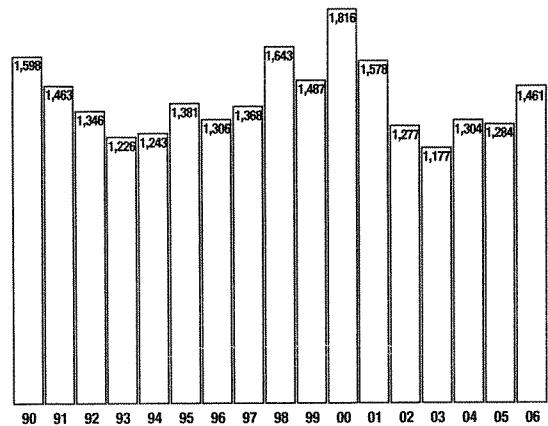
Age range of Association members (as at 31 December 2006)



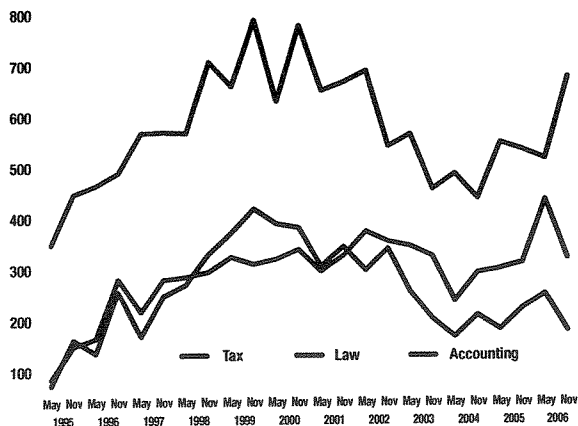
Number of students



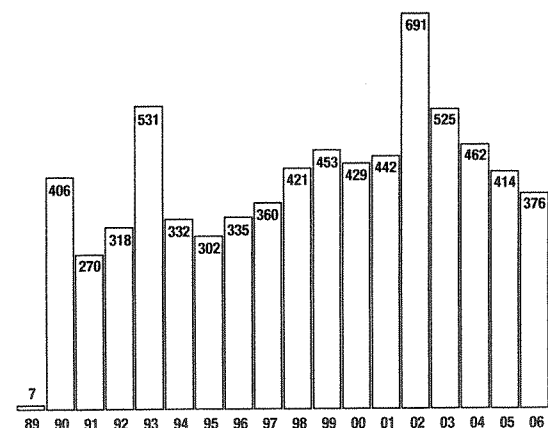
Student registrations



Number of students sitting Tax, Law and Accounting papers since 1995



Number of new members admitted each year





# Annual report of the Council

The Council members (Trustees) present their annual report to the members on the affairs of the Association together with the audited financial statements for the year ended 31 December 2006.

## Reference and administrative details

The Association of Taxation Technicians is a registered charity in England and Wales, number 803480, and a company limited by guarantee, number 02418331. Its registered office is 12 Upper Belgrave Street, London SW1X 8BB.

The names of all the Trustees, Secretary and professional advisers and their addresses are listed on page 10.

## Structure, Governance and Management

The Association's governing document is its Memorandum and Articles of Association.

A Governance statement which includes details of compliance, organisation, trustee elections and training, audit committee, internal controls and risk assessment is set out on pages 19 and 20.

## Volunteers and staff

It is the Association's policy to train, develop and motivate volunteers and staff, ensuring equal opportunities for all.

Members are encouraged to become involved in our activities and there are 42 unpaid volunteers on Council, committees, subcommittees and working parties. The Association is grateful not only for their generous input at meetings and other activities, but also to their firms who ultimately bear the financial cost. It is estimated that about 4,000 volunteer hours were provided during the year at meetings alone. The value to be placed on this resource cannot be readily calculated and is not therefore recognised in the Statement of Financial Activities.

Association staff are responsible for providing efficient and effective support to all committees. All staff are jointly employed by the Association and the Chartered Institute of Taxation and the average number of employees in the year was 50 (2005 – 50).

The nature of the Association's activities means that employees and volunteers do not encounter many hazards in the work place. However, safety receives constant management attention and a general policy statement on health and safety at work is included in the staff handbook. Risks are regularly assessed and include independent checks on electrical and mechanical equipment and water quality.

## Officers and Council members

In accordance with Article 64, the Chartered Institute of Taxation is entitled to nominate up to four members of Council. Under Article 65, up to 20 members of Council shall be elected by the members. Article 70 allows the Chartered Institute of Taxation to appoint an ex-officio member of Council.

During 2006 the following changes took place:  
Natalie Miller BA(Hons) ATT CTA (Fellow) (N) joined on 10 January  
Robert Ellerby MA CTA (Fellow) ACA (Exo) left on 9 May  
Nick Goulding BSc CTA (Fellow) FCA (Exo) joined on 9 May  
Peter Horsman ATT CTA (Fellow) FCA (N) left on 6 July  
Andrew Hubbard BMus PhD ATT CTA (Fellow) (E) left on 6 July  
Anthony Thomas ATT CTA (Fellow) FCCA (E) left on 6 July  
Susan Johnson BA(Hons) ATT CTA Solicitor (E) left on 6 July  
Bernard Critchley BSc ATT CTA AIIT (E) joined on 6 July  
Chris Jones BA(Hons) ATT CTA (Fellow) (N) joined on 6 July  
Ralph Pettengell ATT FSCA ACII (E) joined on 6 July

The other members listed on page 10 served throughout the year.

The Officers appointed to serve for a period of one year from the close of the Annual General Meeting held on 6 July 2006 were Jean Jesty as President, Richard Geldard as Deputy President and Annie Bailey as Vice-President.

The Officers appointed to serve for a period of one year from the close of the Annual General Meeting to be held on 4 July 2007 are Richard Geldard as President, Annie Bailey as Deputy President and David Stedman as Vice-President.

Bernard Critchley and Ralph Pettengell, Elected Members of Council, retire under Article 67 and offer themselves for re-election.

Jane Ashton, Annie Bailey, Louise Duffy, Jean Jesty and Julian Nelberg, Elected Members of Council, retire under Article 76 and offer themselves for re-election.

## Objectives and Activities

The Association's objects are set out in its memorandum. They are to advance public education in, and promote the study of, the administration and practice of taxation and the principles of economic and political science in relation to taxation and public finance. Its main aim is to achieve improvements in and the simplification of the administration and practice of taxation in the UK.

# Annual report of the Council continued

The Association had five key objectives for the year:

- Implementation of the new examination structure and raising awareness of the new examination syllabus.

Progress with the implementation of the new examination structure continued during the year. A Chief Examiner and twenty examiners were appointed. Members and students and their employers have been kept up to date with progress. The number of students registering with the Association and indicating that they will be attempting the new examination structure suggests that the new structure has been accepted and embraced by the profession.

Further work needs to be undertaken to raise awareness of the new syllabus amongst those who work in a narrow field of taxation and Council has set aside a provision to start this process during 2007.

- Further increase the profile of the Association with HMRC and the Treasury.

The Technical Committee continues its work of making submissions on consultation documents. Details of the Committee's work are set in the report on page 17.

Following representations made to HM Treasury, the Association has been included in the draft Money Laundering Regulations as a Designated Professional Body for regulating its members under those Regulations. For the Association to be recognised as a body that can supervise its members under government legislation is further evidence that HM Treasury, and government, recognises the standing of the Association.

- Increase the profile of the Association within the tax and related professions.

Through their attendance at meetings and conferences organised by other professional bodies, the Officers continue to raise the Association's profile. This is demonstrated by the Officers having to give more time to the Association to better foster the growing links within the professional world.

- Identify opportunities for involvement with the not for profit sector in relation to tax matters.

Discussions continue with the relevant bodies and a proposal is expected during 2007. Any proposal must, of course, be within our charitable objects and the ideas considered so far all meet that criterion.

- To update the regulations, particularly in respect of the new examination structure

Revised Regulations were completed and approved by Council towards the end of the year. The updated regulations have been reviewed by our legal advisers

and their suggestions to improve the structure have been incorporated.

## Achievements and Performance

Full assessments of the Association's achievements and performance against objectives are given in the following reports:

● President's Statement	Page 2
● Member and Student Services Committee	Page 12
● Examination Committee	Page 14
● Technical Committee	Page 17

## Financial Review

The net incoming resources before revaluations of investments for the year ended 31 December 2006 of £110,535 are shown in the Statement of Financial Activities on page 22. Gains on revaluations of investment assets amounted to £44,793. A review of the Association's financial position is given on page 18.

During 2006 our investments increased in value by 5.87% This compares most favourably with the movement in the index used as a benchmark for our investments which rose by 4.72%. The Association has not placed any social, environmental or ethical restrictions on our investment advisers.

## Donations, legacies and other incoming resources

The Association is solely supported by subscriptions and fees from members, affiliates, students and the public.

## Grant-making policy

The Association does not make donations to funds of political parties. Grants can be made only to organisations with common, parallel or related objectives and activities.

## Reserves policy

The Council has assessed the risks involved in the activities of the Association and has agreed the following reserves policy:

- To retain a sufficient level of reserves in order to provide financial stability and the means for the development of the Association's principal activity. The sum required is equivalent to one year's budgeted income;
- To set aside designated sums to be used for future expenditure but retain the power to reallocate these funds within unrestricted funds unless and until expended. Unrestricted funds have been designated for the following purposes:

### ***Disciplinary procedures***

To cover the unpredictable future costs of investigation and disciplinary hearings. By their nature, the timing is uncertain but there are currently no cases where we expect to need to use the reserve.

### ***New premises***

To provide for the cost of relocating Head Office and back office accommodation on or before the expiry of the existing lease on 12 Upper Belgrave Street. Expenditure is expected during 2009 to meet the costs of moving to new premises.

### ***Information technology***

To fund expenditure on information technology and the use of the Internet to provide services to members and students. This is to cover the major upgrades to our IT systems and is likely to be used in the next five years.

### ***Publications***

To fund the provision to members of the Income Tax Act 2007 publication. This will be used in 2007 to meet the cost of a publication that we committed to providing members during 2006.

### ***Regulation***

To meet the costs of the Association becoming a supervisory body under the 3rd EU Directive on Money Laundering. This will be used during 2007 and, possibly, 2008 to meet the costs of the Association becoming a supervisory body.

### ***Investment policy***

The Association's powers of investment are set out in the Memorandum of Association which states that monies of the Association not immediately required for any of its objects may be invested.

The Council has assessed the risks involved in the activities of the Association and agreed the following investment policy:

- To take independent investment advice on all longer-term investments;
- To regularly review the value of funds the Association requires to be held in investment, short-term deposits and cash, to ensure that they are adequate to meet its obligations;
- To review regularly with its investment advisers the performance of longer-term investments; and
- To invest liquid assets in short-term low-risk investments.

### ***Payment of suppliers***

The Association is committed to paying suppliers promptly and aims to pay within 30 days of receiving a valid invoice, unless other specific arrangements apply.

### ***Major plans for the next three years***

Council approved a strategy plan in 1999 for the ten years to 2009, which was reviewed during 2005. The main objectives for the next three years include:

#### ***Education***

- To implement the new examination structure
- To raise awareness of the new structure

The new examination structure is a modular one with Certificates of Competency being awarded for each paper. Membership will be available to those who hold or are entitled to hold four Certificates of Competency.

A benefit of the new structure will be that those who work in a narrow field of taxation will be encouraged to obtain a recognised qualification in their field of experience. This will provide a more knowledgeable body of individuals who provide tax compliance services and will also increase the Association's profile.

#### ***Technical***

- To further increase the profile of the Association within HMRC and HM Treasury
- To raise the profile of the Association within the tax and related professions

In working more closely with the tax authorities the Association will be seeking to improve the implementation (compliance) of tax legislation for the benefit of the general public. In working with related professions, our voice on tax issues will have a greater impact on the tax authorities.

#### ***Not for profit sector***

- To increase the Association's involvement with the not for profit sector in relation to tax matters

An increasing number of not for profit bodies (eg Citizens Advice) are becoming involved with compliance tax issues as more tax credits are being introduced. Our aim will be to provide the sector with the support it may need in terms of education.

#### ***Standards***

- To keep under constant review the professional rules and practice guidelines for members and students
- The professionalism and integrity of members and

# Annual report of the Council continued

students is vital if the general public is to have confidence in the advice given by those governed by the Association. It is therefore essential that the rules and guidance provided are appropriate, particularly if regulation of the tax profession is introduced.

## **Premises**

### ● Strategic aspects

The lease on Head Office comes to an end on 24 December 2009. The Association and the Institute will work together to ensure that suitable working facilities are available from 2010.

## **Statement as to Disclosure of Information to Auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

### **President**

Jean Jesty BA(Hons) ATT CTA (Fellow) (1996) (E)

### **Deputy President**

Richard Geldard MA (Oxon) ATT CTA FCA (2001) (E)

### **Vice-President**

Annie Bailey BA(Hons) ATT CTA FCA (1997) (E)

### **Honorary Treasurer**

Philip Waller ATT CTA FCA (2004) (E)

### **Council**

Jane Ashton ATT (2005) (E)

\*Les Beckett ATT CTA (Fellow) (2000) (E)

Simon Braidley BA(Hons) ATT (2003) (E)

Bernard Critchley BSc ATT CTA AIIT (2006) (E)

Louise Duffy BA(Hons) ATT CTA (2004) (E)

Nick Coulding BSc CTA (Fellow) FCA (2006) (Exo)

Simon Groom BSc ATT CTA FCA (2003) (E)

Chris Jones BA(Hons) ATT CTA (Fellow) (2006) (N)

Stuart McKinnon ATT CTA (1999) (E)

Natalie Miller BA(Hons) ATT CTA (Fellow) (2006) (N)

Julian Nelberg BA(Hons) ATT CTA (2004) (E)

Peter Newsam ATT CTA FCA (1996) (E)

Patricia Nown BA(Hons) ATT CTA ACA (1995) (E)

Yvette Nunn ATT CTA (Fellow) MAAT (2000) (E)

Ralph Pettengell ATT FSCA ACII (2006) (E)

David Stedman ATT (2001) (E)

Carol Wells BA(Hons) ATT CTA (2004) (E)

N – Nominated Member E – Elected Member

Exo – Ex-officio member

## **Auditors**

Baker Tilly have expressed their willingness to continue in office. A resolution proposing the reappointment of Baker Tilly as auditors of the Association will be put to the Annual General Meeting on 4 July 2007.

## **Annual General Meeting**

A separate notice on page 34 of this report explains the business to be considered at the Annual General Meeting on 4 July 2007.

This report was approved by the Council on 22 March 2007.

By order of the Council

Andrew R Pickering

Secretary

22 March 2007

## **Secretary**

Andrew R Pickering

### *Registered Office:*

12 Upper Belgrave Street, London SW1X 8BB

Tel. 020 7235 2544

Fax. 020 7235 4571

### *Connected Charity:*

The Chartered Institute of Taxation,

12 Upper Belgrave Street, London SW1X 8BB

### *Bankers:*

HSBC Plc

19 Grosvenor Place, Hyde Park Corner, London SW1X 7HT

### *Registered Auditor:*

Baker Tilly Chartered Accountants

1st Floor. 46 Clarendon Road, Watford, Herts WD17 1JJ

### *Investment Advisers:*

Deloitte PCS Ltd

180 Strand, London WC2R 1BL

### *Solicitors*

Allen & Overy

One Bishops Square, London E1 6AO

\* Indicates Past President

The year of appointment to Council is shown in brackets.

## ENFORCEMENT OF STANDARDS

In 2001 the Chartered Institute of Taxation (the Institute) and the Association of Taxation Technicians (the Association) established an independent body, the Taxation Disciplinary Board (the Board), to ensure compliance with the joint professional standards. The Board runs the Taxation Disciplinary Scheme (the Scheme) which handles complaints about alleged breaches of professional rules of conduct by members and students of the two bodies. One of the objectives of the Scheme is to ensure that there is a common approach to handling disciplinary matters and to comply with the Human Rights Act 1998 which requires disciplinary hearings to be conducted by a tribunal that is impartial and independent of the body establishing the rules.

Overall responsibility for the Scheme rests with the Directors of the Board. The Chairman of the Board, Dr. Vicki Harris is a joint appointee of both bodies. The other two Directors, John Clark and Peter Gravestock are individual appointments of the two participating bodies. The committees set up by the Board comprise lay persons including lawyers (who are not tax professionals) and members of both the Institute and Association who have no current involvement with the professional standards setting of the two bodies. Although the arrangement currently applies only to the Institute and the Association, it is structured so that other tax bodies may join at a later stage if they so wish.

When a complaint is received by the Board it is reviewed to see whether it involves a potential breach of the professional standards. Some complaints, such as fee disputes, are not within the ambit of the Scheme and are therefore referred to the appropriate body to resolve. If professional standards are involved the matter is considered by the Investigation Committee whose role is to determine whether or not there is a prima facie case of misconduct that the member or student should answer. In less serious cases, the Committee has power to impose a minor sanction. However, it is open to the member or student to ask for the matter to be considered by a Disciplinary tribunal instead of accepting the sanction.

Where there is a more serious prima facie case to answer, the matter is referred to the Disciplinary Committee. This Committee, normally sitting as a panel of three members, is chaired by an experienced lawyer and will include a lay member and a member of the same professional body as the member or student who is the subject of a complaint. The Committee hears all the evidence and if the allegations of a breach of professional standards are proved, imposes a relevant sanction; generally awards costs against the member or student; and orders that the findings are published. In those circumstances, the member or student has a right to appeal to an Appeal Committee which also meets in a panel chaired by a lawyer.

One of the many responsibilities of the Board is to appoint the members of the three Committees which is done in accordance with the framework governing public appointments with selection based on merit. The Scheme requires a balance between tax professionals and other members to ensure that there is appropriate review of the issues from both a technical and practical viewpoint. The lawyers and other lay members ensure that the proceedings are conducted fairly and that the public interest is properly safeguarded.

Now that the Scheme has been operating for five years the Board has commenced a review to confirm that it continues to accord with best regulatory practice and complies with the Human Rights Act. In order to ensure that the Scheme operates independently of the Institute and Association, the Board has recently appointed Neville Nagler as its first Executive Director. He will have day to day responsibility for the smooth operation of the Scheme.

The successful operation of the Scheme has been a major step forward for the Institute and the Association. It endeavours to provide the right level of discipline over members as tax practice continues to play an increasingly important role in fiscal affairs and at the same time operates fairly for members and respects their rights. If other tax bodies join the Scheme at some later date, it may provide a model for the whole of the tax profession. Website: [www.tax-board.org.uk](http://www.tax-board.org.uk)

# Member and Student Services Committee

## Introduction

Yet again, it has been a busy year for Member and Student Services Committee. I took over as Chairman of the Committee in July 2006 and would like to thank my predecessor, Susan Johnson, for her work in leading the Committee through the previous year.

We held a major review of our action plan during the year, with the following areas being identified as issues to focus on during 2007: communication with members and students, a review of the ATT website and marketing of the new examination.

## Membership

Membership of any professional body requires both an academic and experience requirement. The Association is aware that some individuals who are working part-time, or working in an area which involves only a small proportion of taxation, have difficulty in achieving the two year's practical experience required for full membership. Following much debate it was agreed that the practical experience requirement for membership should remain as two years but that this may be gained by either part-time or full-time working in tax or in any other occupation which entails an element of UK taxation. We believe that this change will reflect the changing work patterns and that it will encourage more individuals to consider sitting the Association's examinations and progressing to membership.

We continue to review the benefits of membership: during 2006 all members received, for the first time, a copy of Hardman's Tax Tables. Feedback from this was very positive and we are delighted to announce that we will be providing this benefit again in 2007.

Two admission ceremonies were held at the House of Lords during 2006, at which we welcomed the examination prizewinners from the November 2005 and May 2006 examination diets, as well as new members and their guests. We are indebted to Lord Howe for graciously hosting both events. Each ceremony ended with guided tours of both Houses, which gave a fascinating insight into the working of Parliament.

## New Examination

2007 sees the introduction of the new examination structure. This is covered in more detail in the Examination Committee Report on page 14. Member and Student Services Committee has been involved with looking at a number of issues arising from the new examination and, as a result, the Association's

prospectus 'Choices' has been updated. It has been agreed that, with the new modular structure, the current minimum registration period as a student before sitting the examinations should be reduced to six months, although those taking more than one paper are strongly advised to follow a recognised study course before attempting to sit the examination papers. Various issues relating to certificate holders and time limits for applying for certificates and membership under the new structure have been finalised. It has also been agreed that a deadline of 31 December 2012 should be imposed for those holding passes under the outgoing examination system to apply for membership.

A Working Party, chaired by Stuart McKinnon, has been established to promote and market the new examination and contacts with new stakeholders have been made.

## Continuing Professional Development

This year, in response to new guidelines from the Joint Standards Committee, the Association significantly increased the number of members monitored for CPD. In future, 5% of the membership will be monitored annually. With the increasing likelihood of external regulation of the tax profession, it is important that the Association has effective systems in place to monitor CPD, not only to be prepared for the introduction of such regulation but also as a matter of best practice. We are pleased to report that of the 300 members selected for inclusion in the 2006 survey, only five needed to be reported to the Taxation Disciplinary Board for failure to submit their CPD records.

## Registration Scheme

The registration scheme continues to prove popular with self-employed members. We started 2006 with 157 members and 15 joined during the year. The registration panel (David Stedman, Simon Braidley and Bernard Critchley) continue to meet at regular intervals to approve new applicants to the scheme, and to look at the benefits of membership of the scheme.

## Conferences

The Members' Conferences, held in the early part of the year, continue to attract good attendance. This year, we held conferences in Belfast, Birmingham, Bristol, Haydock, London, Newcastle-upon-Tyne, Penrith and Stirling. This year's conference 'Compliance Update for the Small Practitioner' covered topics such as PAYE, NIC, Pensions, VAT, Sub-contracting and CGT. We are indebted to our team of

five speakers: Chris Brum, Andrew Burgess, Marion Hodgkiss, Andrew Meeson and Phil Williams who spoke knowledgably and entertainingly at the eight venues.

In May we held our first joint seminar with the Institute of Legal Executives. Mike Steed spoke on Property Issues, addressing topics such as Income Tax, IHT, CGT and SDLT. Following the success of this seminar, we hope to continue such ventures with other professional bodies.

The Association continues to run two residential weekend conferences for students in advance of the examinations. In 2006, the spring conference was held at the University of Warwick and the autumn conference at the University of York. In addition to providing excellent tuition, these offer delegates the opportunity to meet other students, the Officers and other members of Council in an informal atmosphere.

#### **Communication with Members and Students**

I would like to thank Simon Braidley for his lively and informative editorials which appear every month in Tax Adviser. Although Simon always finds plenty to fill his pages, we welcome feedback from members as well as suggestions for future articles.

Karen Bullen and Helen Burgess have continued to produce the ATT student newsletter three times a year. I would like to thank them for their hard work and wish Helen success in her new role with the Institute.

Communications with members and students has been identified by the Committee as one for major discussion during 2007. To this end, a working party, chaired by Louise Duffy, has been set up to look at issues such as Tax Adviser, the Student Newsletter and the Website. We look forward to some exciting new developments in these areas during 2007.

And finally, I would like to thank the members of the Committee for providing thoughtful insight and lively debate throughout the year, and Sue Fraser, the Committee's secretary, for her support and efficient organisation of the Committee's workload.

Annie Bailey, *Chairman*

# Examination Committee

## Examination Committee

With an increasing burden of tax compliance requirements falling on individuals and businesses, our examinations aim to provide a qualification enabling Taxation Technicians to have the skills to provide full professional assistance in the area to all who require it.

In 2006, the format for the examination was two taxation papers, one concerned with personal and the other with business taxation, and a law and an accounting paper which test knowledge relevant to that needed by a Taxation Technician engaged in taxation work. The detailed syllabus for each paper was reviewed to ensure that we were testing the up-to-date knowledge expected of a successful candidate and to take account of taxation compliance issues relevant to modern practice.

## Increasing student numbers

It is pleasing to note that the pattern of increase in the number of candidates sitting the Association's examinations in 2005 continued in 2006 with a total of 1,217 candidates sitting the taxation papers, an increase of 10% over the previous year. The year has also seen an increase in new student registrations, which gives assurance that the knowledge required for success in the examinations is valued by employers of those engaged in tax compliance work, and the examinations continue to meet employers needs, as well as providing a basis for a career as a tax adviser.

The main work of the Examination Committee is to maintain quality and standards in the production of examination papers and ensure that the timetable for the marking of scripts and the publication of results is adhered to. In overseeing the administration of the examinations, I am assisted by other committee members and members of the Examination Sub-Committee of the Institute, who all have considerable expertise in different aspects of setting and training for examinations and who provide valuable input to the examination process. During the year I was pleased to welcome Geoff Fraser to the Committee, and sad to lose Simon Groom, who has been a member of the Committee since 2000. Thanks to all for their support and assistance.

As well as committee members, I thank, as always, all the examiners, invigilators, and the team in the Education Department at Head Office who deal with the day-to-day administration of the examinations, for all their hard work in the preparation and running of the exams, and ensuring that the results are always delivered on time.

In July, the Committee, together with the Institute's Examination Sub-Committee, held its annual meeting with representatives of student tutorial bodies and employers of ATT students. This meeting is extremely helpful to us and we greatly value our relationships with these organisations.

## 2006 examination results

	Number of candidates	Number passing	Percentage passing
<b>May 2006</b>			
– Taxation papers	528	314	59%
– Principles of Law	447	252	56%
– Principles of Accounting	262	205	78%
<b>November 2006</b>			
– Taxation papers	689	499	72%
– Principles of Law	332	195	59%
– Principles of Accounting	190	128	67%

Prizes and medals were awarded as follows

	May	November
<b>Association Medal (best overall performance)</b>	Kate Bethan Rees	Gareth Kingsley Hill
<b>Ivison Medal (personal taxation paper)</b>	Simon Paul Boxall	Gordon Douglas Foster
<b>Jennings Medal (business taxation paper)</b>	Christopher Richard Garraway	Thomas Michael Bootman
<b>LexisNexis Prize (highest overall marks)</b>	Christopher Richard Garraway	Gareth Kingsley Hill

It is also a pleasure to announce that, in addition to the exceptional papers produced by the prize winners, additional awards of the President's Medal were made for the November examination to Louise May Ansell and to Sara Angharad Lathwood. This is a discretionary award to an outstanding candidate who because of the criteria for the above prizes would not otherwise be eligible for a prize.



Distinctions for other excellent performance in the Taxation papers were also awarded to the following:

**May**

Simon Paul Boxall  
Michael Bernard Doran  
Elisa Michelle East  
Adam James Evans  
Seonaid Ferry  
Christopher Richard Garraway  
Anna Erika Halvarsson  
Kathryn Margaret Knox  
Sam Philip Gavourin Leacock  
Joan McElduff  
Joseph Tari McGarry  
Samantha Moreton  
William John Payne  
Sarah Marie Peskett  
Nathan-John Junior Peterson  
Sarah Rauch  
Kate Bethan Rees  
Mohamed-Ali Sidat  
Carnegie Edward Smyth  
Aman Sood  
Adam Graeme Wesbroom  
Gareth James Williams

**November**

Bijal Ambani  
Louise May Ansell  
James Bassan  
Clive John Beesley  
Thomas Paul Blessington  
Thomas Michael Bootman  
Chris Cusack  
Daniel William Elliot  
Kate Helena Eriksson  
Claire Louise Eyles  
Sarah Jane Fisher  
Gordon Douglas Foster  
Edward Kenwyn Furse  
James Peter Hanser  
Joanne Hepburn  
Gareth Kingsley Hill  
Susanne Hogg  
Frederick George Jones  
Megan Louise Jones  
Sara Angharad Lathwood  
Karmjit Kaur Mader  
Sarah Jayne McSmythurs  
Paul Francis Murphy  
Purni Rajendra Patel  
Gillian Catherine Pooler  
Rebecca Potter  
Corrina Dawn Savage  
Adrian Kin-Wah Sham  
Matthew Sinclair Stephen  
Katie Louise Smith  
Helen Elizabeth Throp  
Sarah Jane Traill  
Marta Walewska  
Xiaojie Wiseman  
Emma Wissett  
Rebecca Erin Young

**A New Examination Structure**

One of the goals of the Association is to act as an umbrella organisation for all those involved in tax compliance activities. In 2005, after a detailed review of

Commendations for excellent performance in the Principles of Law and Principles of Accounting papers were also awarded to the following:

**May**

**Law**  
Louise May Ansell

**Accounting**

Julia Anne Ferguson  
Seonaid Ferry  
Sarah-Jane Grace  
Raghav Kapur  
James Robert Kipping  
Elaine Mun Yee Lai  
Dominic Mackey  
Kate Bethan Rees  
Sarah Anne Whalley  
Xiaojie Wiseman

**November**

**Law**  
Bijal Ambani

**Accounting**

Michael Nicholas Cooper  
Christopher Julian Charles Harrison  
Zivile Kersyte  
Denise Helen Montes  
Rachel Parker  
Sheyma Raja

our examinations, we were pleased to announce the launch of a new examination structure from 2007, whereby the current structure will be replaced by a modular one offering a choice from seven freestanding Certificates of Competency. In 2006, work has been completed on the detail of the new examination, which will enable more individuals to obtain a professional qualification in their area of expertise. The Certificate papers will be:

- Personal Taxation
- Business Taxation and Accounting Principles
- Business Taxation: Higher Skills
- IHT, Trusts and Estates
- VAT
- Business Compliance
- Practice Administration and Ethics

Relevant law and accounting issues will be examined in each paper.

An individual working wholly in personal tax compliance, for example, will be able to take an examination in that topic only and, if successful, apply for a Certificate in the subject which will be valid for three years, renewable on evidence of CPD in the relevant area. Membership will be granted to those who have passed four Certificates, which must include Personal Taxation, Business Taxation and Accounting Principles, and Practice Administration and Ethics, and who, as now, can demonstrate at least two years' practical experience in UK taxation.

The new structure will be examined from the May 2007 sitting, with transitional provisions for candidates with passes under the old structure. Further details, including sample examination papers, are available on the Association's website.

Annie Bailey, *Chairman*

# Standards Committee

I would like to start this year's report by thanking everyone on the joint Standards Committee for their efforts in what has to have been one of the busiest years on record for this Committee, with several new challenges thrown our way.

## **Role of the joint Standards Committee**

Standards Committee contributes to the achievement of the Association and Institute's charitable aim of producing tax advisers of the best quality for the general public by providing a forum of members from both bodies for the development of guidance for members and to set professional standards to which members must adhere. Specific projects in the year have included:

### ● **Increased Regulation**

Last year it was recognised that increasing regulation around the world necessitated the strengthening of our regulatory arm and accordingly this strategic initiative for the Standards Committee was included in the Association and Institute's strategic development plans. The first stage in implementing this initiative was to increase the monitoring of members' compliance with PII and CPD regulations by the membership committees.

One aspect of increasing regulation came very much to the forefront this summer with the 3rd EU Money Laundering Directive and its transposition in UK law. HM Treasury proposed in a consultation document that tax advisers who were not members of recognised professional bodies should be regulated by HM Revenue and Customs (HMRC) from December 2007 onwards. The Association and Institute were not included in the initial list of recognised professional bodies. This raised the concern that if HMRC were given the opportunity to regulate our members on at least one aspect, it could lead onto regulation in other areas. Standards Committee consulted with Members by on-line survey and held meetings with HM Treasury followed by the preparation of the formal applications to HM Treasury for both the Association and Institute. I am delighted to say that the Association and the Institute have been included in the list of professional bodies in the draft legislation published in January 2007.

### ● **Privilege for POCA purposes**

The introduction of Statutory Instrument 2006 No 308 on 21 February 2006 into Section 330 (6b) of the Proceeds of Crime Act 2002 provides that a person does not commit the offence of failing to disclose where he is a professional legal adviser or other relevant professional adviser where the information is gained in privileged circumstances.

Standards Committee is currently taking legal advice on the implications of this exemption for members and will be publishing a summary of the advice obtained shortly, as this could have significant implications for members who obtain such information in the course of giving advice to clients on their tax position.

### ● **Professional Conduct in Relation to Taxation**

An updated version of this 2004 guidance produced in collaboration with other professional bodies in the UK concerned with taxation, will be issued in 2007.

### ● **Engagement letters working party**

The joint engagement letters working party comprising members of ATT, CIOT, ICAEW, ACCA, ICAS, and IIT and ICAI is continuing to work on the updates to the pro-forma engagement letters. It had been hoped that this project would be completed by mid 2006, but unfortunately, owing to the difficulties in co-ordinating the efforts of several bodies, this has been slightly delayed and will hopefully be completed shortly.

### ● **Working with other bodies**

Standards Committee continues to maintain good links and working relationships with other professional bodies, HMRC and other government departments and attends Professional Affairs Committee meetings of the Confédération Fiscale Européenne.

## **Conclusion**

There has been no reduction in the pace of change and introduction of new government and European initiatives. Unfortunately the time available for consultation and implementation of these new initiatives gets shorter and shorter. Consequently, Standards Committee has worked to a full agenda again in 2006 and looks set to do the same in 2007. Our work would not be possible without the hard work of the committee members, the various working party teams and the secretariat, all of whom I would like to thank for their support.

I will be retiring as Chairman of Standards in 2007, handing over to Vice-Chairman David Stedman in the Spring. David, I am sure will be an excellent Chairman and will take forward the various ongoing initiatives in which the committee are currently involved.

Finally, I must especially thank Heather Brehcist and Jonathan Crump for their support, their experience and knowledge which undoubtedly enables the Committee to meet the challenges it faces in an effective way.

Carol Wells, *Chairman*

# Technical Committee

## Technical Committee

2006 has been another active year for Technical committee. Our work covers preparing formal responses to HMRC consultations, acting as a conduit through which we can raise anomalies identified by members with the appropriate part of HMRC and working with HMRC via various consultation groups.

## HMRC consultations

The Association does not have the resources to respond to the vast range of consultations which are issued each year. We try to identify those which we think will be of most relevance to our members. During the year most of our time has been involved in discussions on the proposed changes to the filing deadlines for personal tax returns and in attempting to establish the precise impact of UITF 40.

The proposed changes to personal tax filing deadlines introduced in the Budget came as a surprise to virtually all tax practitioners as this had not formed part of the Carter report consultation. The Association joined with other professional bodies to explain that the changes were not practical. Our arguments were considerably reinforced by the feedback from our members. I am sure that all members recognise that the revised filing dates represent a realistic solution. Of perhaps more long term importance is the acceptance by HMRC of the Carter principle that any changes to IT systems must be fully tested before being introduced. We continue to mention this aspect in any discussions where it is at all relevant.

UITF 40 is an accounting statement and thus, at first glance, of little interest to our members. However as the calculation of taxable profits starts with the profits shown by the accounts, then it is clear that we need to understand the effect of statements such as UITF 40. During the year we attempted to issue guidance to members on its practical implementation. This was an area where coordination between the various tax bodies was not as successful as in the case of the filing position. However we have been able to issue relevant guidance jointly with the Association of Accounting Technicians which should help our members to calculate the impact, if any. Thanks to the continuing efforts of John Kimmer, Trevor Johnson and Peter Gravestock in this area.

We have responded to draft legislation on the taxation of trusts, made a submission on the Powers of HMRC and submitted a paper to the Tax Reform Commission. We also made another visit to the House

of Lords to give evidence to the Finance Bill Sub-Committee of their Select Committee on Economic Affairs on trust aspects of the Finance Bill and Missing Trader Intra-Community Fraud.

## Tax anomalies

We are all aware that the tax system is not a comprehensive system of law. There are many areas where different parts of the legislation do not fit well together. We are grateful to members who point out anomalies. We can then bring these to the attention of HMRC. In many cases, there is nothing which can be done immediately but if enough people point out problem areas, then eventually HMRC will have to do something, even if this is only to issue a concession.

## Working with HMRC

We remain a firm supporter of Working Together, both at national and local levels. The aim of Working Together is to identify the "grit in the system" which is impeding the efficient operation of the tax system. In view of some concerns about the future of Working Together during the year, it was reassuring to see all the major players, including HMRC, reaffirm their support in a meeting of Presidents towards the end of the year.

Members of Technical Committee continue to represent the Association on many consultative committees as follows:

- John Kimmer Working Together, National Steering Group
- Paul Hill Operations Consultative Committee
- Peter Gravestock Tax Credits Group
- Steve Botham Joint VAT Consultative Committee

My thanks to all for their efforts, particularly Steve, who had to step down as our VAT representative this year due to pressure of work. Thanks also to all other members of Technical Committee for the time and enthusiasm which they display, both in our formal meetings and in responding to requests to attend various ad hoc meetings arranged by HMRC.

Finally I must say a big thank you to Sue Fraser for managing to keep the committee on the straight and narrow and ensuring that we meet all relevant deadlines.

Richard Geldard, *Chairman*

# Treasurer's report

My first task in this report must be to express the Association's thanks to Richard Geldard for all his work in acting as Treasurer for the last five years and for the help and support that he has given to me in taking over the role. Following on from Richard's stewardship, I am happy to report that the Association has had another encouraging year financially in 2006, continuing on from the results for 2005.

Student registrations have continued to rise following the trend in 2005 and this has filtered through to the number of examination candidates. Indeed, the examination entries for 2006 are one of the significant factors that have contributed to our financial stability. This is reported more fully elsewhere in our report. In addition the value of our investments continued to rise.

The accounts have been prepared using SORP 2005.

## **Investments**

Our investments increased in value by £44,793 during the year. As members will be aware, the investments are held primarily to provide funds to cover any necessary expenditure in 2009 when the lease on 12 Upper Belgrave Street expires. The working party set up jointly with the Institute last year to consider the options available to us continues with its work. We hope that the working party will report formally during 2007 and we will be able to provide you with more information next year. Our investment advisers, Deloitte, continue to monitor our portfolio in view of our requirements in 2009. The investments realised in the year have helped to increase our investment income.

## **Review of results**

The net incoming resources for 2006, before other gains and losses, were £110,535 (2005 £96,541). We have made two transfers totalling £73,000 to our reserves for increased regulation and provision of publications to members.

## **Income**

Our membership numbers continued to increase and this has allowed us to sustain our subscription income. Our other major source of income – examination fees – has shown another welcome increase, and there has been only a small reduction in our student registration fees. With the introduction of our new examination syllabus, there was an increase in the numbers of candidates sitting papers under the old examination, which had its final sitting in November. However, indications are that student registrations and examination candidate numbers are continuing on an upward trend and we look forward to the successful implementation of the new examination structure.

## **Expenditure**

The bulk of our expenditure is paid to the Chartered Institute of Taxation for the provision of services at 12 Upper Belgrave Street. We reviewed the level of service charge during the year and have concluded a revised agreement with the Institute which will run until 2009. The new agreement is broadly in line with those of earlier years.

Our healthy financial position means that we have been able to increase our grants to other charitable bodies such as the Low Incomes Tax Reform Group (LITRG) and Tax

Volunteers. Total grants for the year are £10,500 and our commitments at the end of the year are £10,500 for next year. Your Council continue to review applications made by charitable bodies that we feel able to support within our aims and objectives.

In addition, Council decided that rather than spend funds on sending Christmas cards this year, we would make a donation to TaxAid of the monies saved.

The Association continues to provide members with a range of benefits including Tolley's Tax Guide, Tax Adviser – a monthly journal with specific pages devoted to matters of interest to Association members, an annotated copy of the Finance Act and a mouse mat. In addition, we provided a copy of Hardman's tax tables published by CCH in 2006 for the first time. We intend to continue to provide this publication in 2007. In addition, for 2007, we propose to provide to members copies of the annotated version of the Income Tax Act 2007 when it is published in the summer of 2007. We have made a provision in our reserves for this publication.

## **Taxation Disciplinary Board**

The Taxation Disciplinary Board Limited continues to administer the Taxation Disciplinary Scheme. Expenditure of £28,183 (2005 £26,542) incurred on behalf of the Taxation Disciplinary Board Limited is included under Members' Services in these financial statements. This cost has increased over recent years and this trend is likely to continue. We have a designated reserve to provide some cover in case we have particularly expensive cases. In addition, the Taxation Disciplinary Board Limited has recently recruited an Executive Director to ensure its full independence from the Association and the Institute. The funding of this post will be borne by our two bodies and will increase our costs in this area. We must recognise that maintaining an effective disciplinary scheme, and bearing the related costs, is part of being a well-run professional body.

## **Increased Regulation**

You will have seen recently that the 3rd Directive on Money Laundering, which will be implemented in the UK in December 2007 by the Money Laundering Regulations 2007, has caused us to review our position and for us to become a regulatory body. This will inevitably involve increased costs and we have therefore made a transfer of £30,000 to a designated reserve to cover the set up costs of becoming a regulator for our members.

## **Thank you**

I would like to thank Jean Jesty, Richard Geldard, Ralph Pettengell and Carol Wells, who served on the Finance Advisory Group during the year, for their help and Andy Pickering for his constant support and advice. Finally particular thanks must go to Sandra Stone-Waugh, our accountant, for her continued hard work and dedication. She always ensures that I have appropriate information at the right time, which without doubt makes the role of Treasurer so much easier.

Phil Waller, *Treasurer*

# Association governance

## Compliance statement

The Association is committed to business integrity and high ethical values in all its activities and the Council has overall responsibility for the Association's internal controls. The Council seeks to observe the principles set out in the Combined Code of the Financial Reporting Council (the Code) in so far as these are consistent with the Association's charitable status. In managing the Association's affairs the Council also takes into account the Code of Governance for the Voluntary and Community Sector published by the National Governance Hub in June 2005.

## Council

The Council comprises 21 Trustees who provide a wide range of skills and experience. The roles of the President, Deputy President, Vice-President and Secretary are separate and clearly defined. The Council considers that its non-Council Committee members are independent. The majority are tax advisers working in the accountancy and legal professions.

The Council met four times during the year at which there were formal agendas of matters specifically reserved to it for decision. Council papers, including an agenda, Council and Committee minutes and briefing papers, are sent to Council members in advance of each meeting. Council members achieved an overall attendance rate of 83% (2005 84%) at Council meetings. Council and Committee members are required to make declarations of interest at meetings whenever appropriate in compliance with the Regulations. Members of Council have access to the advice and services of Association staff and may take independent professional advice at the expense of the Association. There are a number of Standing Committees of Council to which implementation of the Association's strategy has been delegated. Standing Committees adopt the same approach to the preparation and distribution of papers for meetings. Membership of the Committees is set out on page 31.

## Election to Council

Election of up to 20 members of Council is by the Members of the Association at the Annual General Meeting. Council is responsible for processing nominations under Article 77 (Nominations for election to Council). Council is responsible for the election of the honorary officers.

New Council Members, who must also be Members of the Association, are selected for what they can contribute to the Association and they must sign a

declaration that they are not disqualified from acting as a Trustee as detailed in Section 72 (1) of the Charities Act 1993. Trustee training is provided each year for new and existing Trustees and a Trustees Handbook has been issued to all Trustees.

## Audit Committee

The Audit Committee, a joint committee of the Association and the Institute, is composed of members of the Association and Institute. Members of the Committee receive no remuneration for their services, act independently of the Council, have both accountancy and taxation qualifications and recent and relevant experience. The Committee acts as a catalyst in relation to matters that affect the Association's financial controls, reporting requirements and risk management. In this role it reviews: financial control policies and their practical implementation; the changes in the external environment and the procedures used to respond to them; and the management of any prospective risk. It has primary responsibility for making a recommendation to Council on the appointment and removal of the external auditors. It met three times during the year, and requests and receives reports from management and from the external auditors on the audit. It meets privately with the auditors and its Chairman or his deputy attends the external audit scope and audit closure meetings. It considers annually a wide range of audit-related subjects. It regularly reviews its terms of reference and its own effectiveness. It reports directly to the two Councils and comments on perceived weaknesses. No major weaknesses in internal control systems have been identified.

## Council member remuneration

Council members receive no remuneration for their services as trustees. Their expenses incurred on Association business are reimbursed.

## Accounting and audit

The respective responsibilities of the Council and auditors in connection with the financial statements are explained on page 21. The Council's statement on going concern is set out below. There were no non-audit services provided by Baker Tilly during the year.

The Council is responsible for the Association's system of internal control and for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities. The Code refers to internal controls in the widest sense, including operational and

# Association governance continued

compliance controls and risk management as well as internal financial controls.

Responsibility for managing the business of the Association rests, ultimately, with Council. However management of the day-to-day activity is delegated to the Secretary and the Officers. Certain powers of the Council are delegated to Committees and to the Secretary who are also entrusted with carrying out appropriate aspects of the Association's strategy.

Key financial and operational measures are reported on a three-monthly basis and are measured against both budget and interim forecasts that have been approved and reviewed by the Council. The Council has established a clear organisational structure with defined authority levels.

The Council acknowledges that it is responsible for the Association's system of internal control and for reviewing its effectiveness. As with all such systems, internal control is designed to manage rather than eliminate the risk of failure to achieve strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Council reviews the effectiveness of the Association's system of internal control on a regular basis by monitoring the reports from external auditors, the Audit Committee and other Committees.

The Council keeps under review the need for internal audit at the Association. The Council's current view is that a separate function is not required given the size and nature of the Association, the close management supervision exercised and the increased attention paid to the adequacy of financial and operational controls.

## **Risk management**

Council has delegated the responsibility for the maintenance of the Association's Risk Register to the Standing Committees. A review was carried out during the year with the objectives of increasing stakeholders' confidence in the integrity of the Association, strengthening the ongoing process of risk assessment of uncertainty throughout the Association, and providing a valuable management tool or framework for mitigating risks which might otherwise prevent the Association from achieving its charitable objectives.

The development and maintenance of the Association's Risk Register is a continuing process of refinement and integration into the management process.

## **Going concern**

The Council has reviewed the Association's budget for 2007 and the timing of expenditure on the strategy to 2009 and is satisfied that it is appropriate to prepare the financial statements on the going concern basis.

# Statement of directors' responsibilities

The directors, who are members of Council and also the trustees of the Association, are responsible 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the profit or loss of the Association for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditors' report

to the Members of the Association of Taxation Technicians

We have audited the financial statements on pages 22 to 29.

This report is made solely to the Association's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The Association of Taxation Technicians for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the President's Statement, the Annual Report of the Council, Reports from the Member and Student Services Committee, Examination Committee, Standards Committee and Technical Committee, the Treasurer's Report and the Corporate Governance Statement. We consider the implications for our

report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

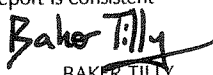
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Annual Report is consistent with the financial statements.

1st Floor  
46 Clarendon Road  
Watford  
Hertfordshire WD17 1JJ  
23 March 2007

  
BAKER TILLY  
Registered Auditor  
Chartered Accountants

# Statement of financial activities (including income and expenditure account) for the year ended 31 December 2006

	Notes	Unrestricted Funds 2006 £	Unrestricted Funds 2005 £
<b>Incoming resources</b>			
<b>Incoming resources from generated funds:</b>			
Activities for generating funds		24,975	34,857
Investment Income	2b	54,941	38,205
Incoming resources from charitable activities	2a	1,154,991	1,107,644
<b>Total Incoming Resources</b>		<b>1,234,907</b>	<b>1,180,706</b>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Investment Management Costs		2,937	2,820
Charitable Activities	2c	1,012,693	961,056
Governance Costs	2e	108,742	120,289
<b>Total Resources Expended</b>		<b>1,124,372</b>	<b>1,084,165</b>
<b>Net Incoming Resources before Other Recognised Gains and Losses</b>		<b>110,535</b>	<b>96,541</b>
Net Income for the year		110,535	96,541
<b>Other recognised gains and losses</b>			
Gain on investment assets		44,793	90,152
<b>Net movement in funds</b>		<b>155,328</b>	<b>186,693</b>
<b>Reconciliation of Funds</b>			
Total funds brought forward		903,516	716,823
<b>Total Funds Carried Forward</b>	9	<b>1,058,844</b>	<b>903,516</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.




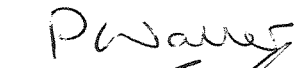

# Balance sheet

as at 31 December 2006

	Notes	2006 £	2005 £
<b>Fixed Assets – Investments</b>	7	<b>619,709</b>	763,132
<b>Current Assets</b>			
Stock	3	35,318	21,562
Debtors	4	29,280	45,008
Cash on short-term deposit and at bank	10	757,578	402,528
		<b>822,176</b>	469,098
<b>Less: Creditors</b>			
Amounts falling due within one year	5	(318,311)	(296,818)
		<b>503,865</b>	172,280
		<b>1,123,574</b>	935,412
<b>Creditors: Amounts falling due after one year</b>	6	<b>(64,730)</b>	(31,896)
<b>Net Assets</b>		<b>1,058,844</b>	903,516
<b>Income Funds</b>			
Unrestricted	9	1,058,844	903,516

Approved by the Council and authorised for issue on 22 March 2007 and signed on its behalf by:

J Jesty *President*  
P Waller *Treasurer*  
A R Pickering *Secretary*

# Cash flow statement

for the year ended 31 December 2006

	Notes	2006 £	2005 £
Net cash inflow from operating activities		300,109	102,666
Return on investments and servicing of finance:			
Fixed Asset Investment		14,595	13,531
Short term deposits		40,346	24,674
Management of Liquid Resources			
Cash (placed on)/withdrawn from short term deposit		(359,194)	(152,803)
Decrease in cash	10	(4,144)	(11,932)
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
Net movement in funds		110,535	96,541
Interest and dividend received		(54,941)	(38,205)
Gain before other income		55,594	58,336
Increase in stocks		(13,756)	(35)
Decrease/(Increase) in debtors		15,728	(13,143)
Proceeds – Sale of Investments		188,216	–
Increase in creditors and deferred income		54,327	57,508
Net cash inflow from operating activities		300,109	102,666

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006	2005
Decrease in cash in the year	(4,144)	(11,932)
Cash outflow from decrease in liquid resources	359,194	152,803
Change in net debt resulting from cash flows	355,050	140,871
Net funds at 1 January 2006	402,528	261,657
Net funds at 31 December 2006	757,578	402,528

# Notes to the financial statements

31 December 2006

## 1. Accounting Policies

### (a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets investments and in accordance with applicable accounting standards.

The provisions of Accounting and Reporting by Charities – Statement of Recommended Practice 2005 and the Charities Act 1993 have been adopted in these financial statements. The Chartered Institute of Taxation is a connected charity as defined in the SORP, but the Association is not subordinate to it.

### (b) Incoming Resources Policy Note

#### Income Recognition

Income is included in the statement on a receivable basis except for student registration fees which are deferred and credited to income over the registration period. From 2006 onwards, the registration period is 5 years. Previously it was 3 years.

### (c) Donated Services and Facilities

The income value placed on donated facilities is the estimated price that would be paid on the open market for that facility.

### (d) Apportionment of Incoming Resources

Incoming resources from charitable activities is payment for goods and services provided for the benefit of members and students. This income is allocated to member services and student services respectively.

Activities for generating funds is payments for goods and services provided for the purpose of generating funds for use in charitable activities.

### (e) Resources Expended

Charitable expenditure consists of all expenditure directly related to charitable objectives. Charitable expenditure includes the salary costs of staff providing services to members, the salary costs of staff providing services to students and the salary costs of staff providing services in relation to publicity or promotional events attended by members and the public.

Governance costs include the cost of governance arrangements in relation to the general running of the Association and includes a proportion of the salary costs of the management board. Accommodation costs are allocated to charitable costs and governance costs based on the office space occupied by staff involved in delivering services and staff involved in the general running of the Association.

### (f) Grants

The general policy is that; multi year grants are conditional on an annual review and the Association maintains the discretion to terminate the grant. However, some multi year grants are unconditional.

### (g) Valuation of Donated and Volunteered Services

The Association receives assistance in the form of donated services from volunteers who are Council and Committee members. The value of their contribution is excluded from the Statement of Financial Activities as the value of their contribution is not quantifiable in financial terms.

### (h) Asset Policy Note

#### Investments

Investments held as fixed assets are valued at mid market value at the balance sheet date except for Glanmore Property Fund and Open Ended Investment Companies which have been valued at their net asset value at the balance sheet date. The gain or loss on investments is taken to the Statement of Financial Activities.

### (i) Stock

Stock is valued at the lower of cost and net realisable value.

### (j) Funds Structure Note

#### Designated Funds

Designated Funds are unrestricted funds earmarked by Council for particular purposes.

### (k) Pension Costs Policy Note

Members of staff are eligible to join the Association's defined contribution scheme after a qualifying period of service.

### (l) Treatment of Irrecoverable VAT Policy Note

Irrecoverable VAT is attributed to revenue and capital expenditure as appropriate.

# Notes to the financial statements

31 December 2006

## 2. Income and Expenditure

### 2a. Breakdown of Incoming Resources from Charitable Activities

Activity or programme	2006 £	2005 £
Subscription Fees	616,408	574,276
Entrance Fees	10,128	9,708
Student Registration Fees	123,134	125,579
Examination Fees	314,521	304,950
Conference Fees	70,670	75,802
Sales of Books and Merchandise	20,130	15,029
Notional Income	–	2,300
<b>Total Incoming Resources from Charitable Activities</b>	<b>1,154,991</b>	<b>1,107,644</b>

### 2b. Investment Income

	2006 £	2005 £
Dividends	14,595	13,531
Interest	40,346	24,674
	<b>54,941</b>	<b>38,205</b>

### 2c. Breakdown of Costs of Charitable Activity

Activity or programme	Activities Undertaken Directly £	Grant Funding of activities £	Support Costs £	Total £
Membership Services	246,896	10,500	292,752	550,148
Student Services	178,059		208,979	387,038
New Syllabus	24,724			24,724
Promotion	22,441		28,342	50,783
<b>Total Cost of Charitable Activities</b>	<b>472,120</b>	<b>10,500</b>	<b>530,073</b>	<b>1,012,693</b>

### 2d. Support Costs Breakdown by Activity

Support Costs	Member Services	Student Services	Publicity Costs	Governance Costs	Total	Basis of Allocation
Accommodation	25,806	18,768	2,346	4,080	51,000	Allocation between charitable 92% and governance 8%.
Service Charge – Office Services Costs	41,800	30,400	3,800		76,000	Allocation between charitable activities in line with direct costs
Salary Costs	213,586	151,404	21,145	42,865	429,000	Based on the costs of employee working within the activity
<b>Sub-total</b>					<b>556,000</b>	<b>Annual Service Charge for 2006</b>
Other Office Service Costs	11,560	8,407	1,051		21,018	Allocation between charitable activities in line with direct costs
<b>Total Support Costs (inclusive of Support costs allocated to governance costs)</b>	<b>292,752</b>	<b>208,979</b>	<b>28,342</b>	<b>46,945</b>	<b>577,018</b>	

All members of staff are jointly employed by the Chartered Institute of Taxation and the Association. Costs actually disbursed by the Institute have been attributed to the Association at an agreed proportion. These costs include staff time on conferences and examinations. The average number of jointly employed staff in the year was 50 (2005 – 50). There is no employee working solely for the Association whose annual remuneration exceeded £60,000 (2005 – none).

**2e. Governance costs comprises the following**

	2006	2005
Annual Report	11,256	12,342
Legal and Professional Fees	10,986	9,087
Council and Committees	32,636	29,631
Staff Costs	42,865	42,061
Auditors Remuneration	6,550	6,963
Accounting Consultancy	–	1,569
Miscellaneous Expenses	369	8,247
Accommodation	4,080	3,920
IT Consultancy Costs	–	6,469
	<b>108,742</b>	<b>120,289</b>

**2f. Council Expenses**

The Association maintained liability insurance throughout the year to pay on behalf of the Association, its Council, committee members and staff, any claims for wrongful acts arising out of the conduct of the Association's business or committed in their capacity of officers. The premium payable by the Association was £663 per annum. Directors receive no remuneration for their services as such.

Travel expenses are reimbursed in respect of expenditure incurred on the Association's business. In the year 18 directors claimed reimbursement for travelling expenses totalling £25,315 (2005 – 20 claimed £21,776.) Payments totalling £4,171 (2005 – £3,726) were made to 2 directors for services as an examiner and conference speaker. Council members pay subscriptions on the same basis as other members.

**2g. Grants Payable in Furtherance of the charity's objects**

This year the Association had grants payable of £10,500 (2005 – £10,000). Most grants are paid over a 3 year period and reassessed on an annual basis. Grants payable are charged in the year in which they are due to be paid. Tax Volunteers was the major recipient of grants paid by the Association in 2006. The aims of Tax Volunteers include provision of tax advice to the public and engaging in taxation research. This coincides with the objectives of the Association to provide opportunities for the acquisition and dissemination of useful information concerning tax and promoting the technical competence of persons engaged with tax.

**3. Stock**

	2006 £	2005 £
Publications, Stationery, Merchandise and Medals	35,318	21,562

**4. Debtors**

	2006 £	2005 £
Prepayments	13,627	11,333
Accrued Income	6,665	5,245
Taxation Disciplinary Board	1,277	1,192
Other Debtors	7,711	27,238
	<b>29,280</b>	<b>45,008</b>

**5. Creditors: Amounts falling due within one year**

	2006 £	2005 £
Creditors and accruals	36,895	37,709
The Chartered Institute of Taxation	99,910	92,266
Fees and Subscriptions in advance	181,506	166,843
	<b>318,311</b>	<b>296,818</b>

# Notes to the financial statements

31 December 2006

	2006 £	2005 £
<b>6. Deferred Income</b>		
Student registration fees		
Balance at 1 January	97,450	95,444
Fees received	143,845	127,585
Transfer to income	(123,091)	(125,579)
Balance at 31 December	118,204	97,450
Subscriptions and other fees	128,032	101,289
	246,236	198,739
Fees and Subscriptions in advance	(181,506)	(166,843)
	<b>64,730</b>	<b>31,896</b>

	2006 £	2005 £
<b>7. Fixed Asset – Investments</b>		
Market value at 1 January	763,132	672,980
Disposals	(188,216)	–
Unrealised Gain	44,994	90,152
Realised Loss	(201)	–
Market Value at 31 December	<b>619,709</b>	<b>763,132</b>
Historical Cost at 31 December	<b>545,000</b>	<b>725,000</b>

The following investments represent a holding with a market value at 31 December 2006 in excess of 5% of the portfolio

	2006 %	2005 %
UK Fixed Interest:		
Merrill Lynch Charinco Fund – income shares	10.68%	9.18%
COIF Charities Fixed Interest Fund – income shares	11.28%	9.61%
New Star Preference Fund – Distribution Units	–	10.67%
Schroders Charity Equity Fund – income funds	16.62%	12.21%
Merrill Lynch Charishare – income shares	21.09%	15.15%
Property:		
Glanmore Property Fund	11.01%	7.67%
Managed:		
Baillie Gifford Managed Fund	11.57%	8.62%
Cazenove Portfolio Fund Accumulation units	17.75%	12.86%
Aberdeen Managed Portfolio Fund Accumulation Units	–	14.03%
	<b>100.00%</b>	<b>100.00%</b>

## 8a. Capital Commitments

Capital commitments authorised but not contracted for at 31 December 2006 £nil (2005 – £nil).

## 8b. Contingent Liabilities

The Association has made obligations which are reviewed annually as part of the budget process to pay amounts not shown in the primary statements. These amounts relate to grants of £20,000, payable within 1 year of the balance sheet at 31 December 2006 (2005 – £10,500).

## 9. Income Funds – Unrestricted

	At 1 January 2006 £	New Designations £	Net Movement in Funds £	At 31 December 2006 £
General	363,516	(77,000)	155,328	441,844
Designated:				
Disciplinary hearings	120,000	–	–	120,000
Property	350,000	–	–	350,000
Information Technology	70,000	–	–	70,000
Publications	–	47,000	–	47,000
Regulation	–	30,000	–	30,000
	903,516	–	155,328	1,058,844

## 10. Analysis of changes in net funds

	At 1 January 2006 £	Cash Flows £	At 31 December 2006 £
Balance at bank	4,725	(4,144)	581
Cash on short term deposit	397,803	359,194	756,997
	402,528	355,050	757,578

## 11. The Chartered Institute of Taxation

The Institute is a connected charity in that it has common, parallel or related objects and activities and unity of administration with the Association. All employees are jointly employed by the Association and the Institute. Labour, operating and overhead costs borne by the Institute on behalf of the Association are charged to the Association on a quarterly basis using a simple and equitable formula agreed by both parties. The current formula was applied in 2006 and a new formula for 2007 to 2009 has been agreed. The total service charge for the year of £556,000 is shown in note 2(d) to the financial statements. The amount due to the Institute at the balance sheet date totalled £99,910.

## 12. The Taxation Disciplinary Board

The Association and the Institute have a joint arrangement with the Taxation Disciplinary Board, a company limited by guarantee managed by an independent board of directors. Neither the Association nor the Institute exercise a significant influence over the operating and financial policy of the Company whose object is to administer the Taxation Disciplinary Scheme for the Institute and the Association exclusively.

# Biographies

## of Officers and Council Members

### **Jane E C Ashton**

Age 39. Joined Council in 2005. Qualified as a member of the Association in 1993 and joined the Membership Committee in 1996. Jane is Head of Performance & Development for HMRC Business Solutions, based in London.

### **Annie J Bailey**

Age 46. Joined Council in 1997 and appointed Vice President in July 2005. Qualified as a chartered accountant in 1985. Passed the ATII examinations in 1987, taking first place overall and winning the Institute Medal and the Butterworths Prize. Chairman of the Member and Student Services Committee since July 2006. Member of the Examinations Subcommittee with the Institute and Chairman of the Examinations Committee with overall responsibility for co-ordination of the Association's examinations since July 2000. Represents the Association on the Education Committee of the Institute. Senior Tax and Trust Services Manager with the Kingston upon Thames office of Menzies.

### **Leslie Beckett**

Age 66. Joined Council in 2000 and President from July 2004 to July 2005. Associate of the Institute since 1962 and a Fellow since 1992. Founder Chairman of South Wales Branch. Past Chairman of the Technical Committee. Lectures widely, including Association and Institute conferences. A former district inspector of taxes, he is now a sole practitioner providing tax consultancy services to professional firms, including representation of appellants at contentious appeal hearings.

### **Simon J Braidley**

Age 43. Joined Council in 2003. Became a member of the Association in 1998 and was co-opted onto Member and Student Services Committee in 2001. Also, became a registered member in practice in October 2001. Currently South West Regional Branches Co-ordinator and Former Chairman of Severn Valley Branch. Joined the Inland Revenue after graduating from Sheffield and, after serving with several international and then smaller accountancy firms, joined The Tax Team in 1998 and operates his own practice under that name.

### **Bernard Critchley**

Age 50. Joined Council in 2006. Became a member of the Institute in 1993. Having previously worked with national firms as well as one of the largest firms in the West Country, started his own firm of Chartered Tax Advisers in 2003. A member of the Member & Student Services Committee, and the Institute's Membership Committee. Past Chairman and Founder Member of Somerset & Dorset Branch.

### **A Louise Duffy**

Age 37. Joined Council in 2004. Qualified as a member of the Association in 1993 and as an CTA in 1995. Corporate tax compliance manager for Armstrong Watson in Carlisle. A member of the Member and Student Services Committee and a past member of the Technical Committee. Past Chairman and Founder Member of Cumbria and South West Scotland Branch.

### **J Richard Geldard**

Age 54. Joined Council in 2001 and appointed Deputy President in July 2005. Qualified as an Associate of the Institute in 1988 winning the Butterworth Prize and the John Wood Medal. Qualified as a chartered accountant in 1978. Senior tax manager with Ernst & Young, based in their Leeds office. Examiner for the Association from 1993 to 1997. Treasurer of the Association from 2002 to 2006. Chairman of the Technical committee and Association representative on the Institute's Technical committee. Past Chairman of Leeds Branch.

### **Simon J Groom**

Age 43. Joined Council in 2003. Qualified as a chartered accountant in 1987 with Arthur Young before moving to work for the Financial Training Company. Became an Associate of the Institute in 1991. Since qualifying has been involved with training in some form for the past 19 years and has lectured regularly at Association and Institute student conferences. Recently involved with the implementation of the new examination syllabus. Head of Tax Training at Tolley. Member of the Member & Student Services Committee and the Marketing working party for the New Syllabus.

### **Nick C Goulding**

Age 58. Joined Council in 2006. Senior Adviser at KPMG LLP, London. Qualified as a Chartered Accountant in 1972. Became an Associate of the Institute in 1980 and a Fellow in 2003. Appointed to the Council of the Institute in 2003, currently Vice-President of the Institute and Chairman of the Institute's Membership Committee and of its Stakeholder and Charitable Status Working Party. Past Chairman of the Wessex Branch.

### **Jean Jesty**

Age 54. Joined Council in 1996 and appointed President in July 2005. Former Chairman of the Technical Committee and of the Member and Student Services Committee; a member of the Finance Advisory Group. A former Inspector of Taxes, now a tax partner with the Yorkshire based firm of JWPCreers, Chartered Accountants. Became an Associate of the Institute in 1985 and a Fellow in 1995; elected to the Council of the Institute in 1995. Past Chairman of Leeds Branch.

### **Chris Jones**

Age 39. Joined Council in 2006. Qualified a member of the ATT in 1992 and as an Associate of the Institute in 1994. Training ATT and CTA students since 1995 and is currently Director of Tolley Tax Training. Lectures around the branches and at both ATT and CIOT conferences. Appointed to the Council of the Institute in 2003 and is chairman of its IT & Website Committee.

### **Stuart G McKinnon**

Age 49. Joined Council in 1999. Qualified as an Associate of the Institute in 1985. Tax partner in the Charlton Williamson Partnership, a firm of accountants and business advisers in Newcastle upon Tyne. Member of the joint Standards Committee and member of Member and Student Services Committee and ATT nominated member of the Institute's IT & Website Committee. Past Chairman of Newcastle and District Branch.

### **Natalie A Miller**

Age 43. Joined Council in 2005. Passed ATT examinations in 1993 and ATII in 1995. After 4 years with KPMG and 6 years with Ernst & Young, now works at PricewaterhouseCoopers in the Tax Knowledge & Innovation Group specialising in personal and trust taxation. Appointed to the Council of the Institute in 2004 and a member of its Personal Tax sub-Committee and Exam Review Working Party. Committee member and former Chairman of East Anglia Branch.

### **Julian H Nelberg**

Age 31. Joined Council in 2004. Graduated from Manchester University in 1997 and qualified as a member of the Association in 2000 and of the Institute in 2001, winning the Ronald Ison Medal. Member of the joint Standards Committee and has served previously on the Technical Committee and tutored at Training Conferences. A consultant with KPMG specialising in UK and US private client taxes.

### **Peter F Newsam**

Age 51. Joined Council in 1996. Honorary Treasurer 1997-2002. A chartered accountant, became an Associate of the Institute in 1981. Past Chairman of Sheffield Branch which he has served in various capacities since 1985. Tax partner with the Sheffield firm of chartered accountants, UHY Wingfield Slater.

### **Patricia A Nown**

Age 45. Joined Council in 1995. Qualified as a chartered accountant in 1989. Became an Associate of the Institute in 1991. Spent five years as a senior tax lecturer at the University of Derby before joining Financial Training as both a lecturer and technical writer. Now Director of Tax Courses for Birmingham FTC where specialising in delivering ATT, CTA and the advanced ACCA 3.2 tax paper. Varied experience in lecturing and writing including being the author of tax texts for accountancy students as well as lecturing for the Association and other professional bodies. Member of the Member and Student Services Committee.



**Yvette E Nunn**

Age 42. Joined Council in 2000. Became a member of the Association in 1993. Member of the Technical Committee. Chairman of Birmingham and West Midlands Branch 1997-1999. Member of the Council and Membership Committee of the Institute. Director for the Birmingham office of Berkeley Associates.

**Ralph Pettengell**

Age 46. Joined Council in 2006. Member of the Finance Advisory Group. Partner at Chambers and Newman Financial Services LLP an Independent Firm of Advisers based in Stockport for 10 years and prior to that senior management roles at the Britannia Building Society and Halifax Building Society's IFA arm. One of the first in the UK to obtain the Fellowship status by examination of the Society of Financial Advisers FSFA, now known as FPFSA. ACII qualification specialising in Pensions and a Chartered Financial Planner

**David W Stedman**

Age 56. Joined Council in 2001. Became a member of the Association in 1993 and joined the Membership Committee in 1998. Member of the joint Standards Committee since 2002, currently Vice Chairman. Registered member in practice since the scheme commenced in April 1997. Chairman of Sussex Branch for four years from 1999 to 2003. Joined the Inland Revenue after leaving school and then worked for a local accountant until establishing his own practice in 1993.

**Philip Waller**

Age 44. Joined Council in 2004. A former Chairman of Leeds Branch and Secretary to the Birmingham and West Midlands Branch. Honorary Treasurer and Chairman of the Financial Advisory Group since 2006 and a member of the Institute's Treasurer's committee. Tax partner with Mazars LLP in the Midlands and has responsibility for their Dudley, Birmingham and Nottingham offices.

**Carol A Wells**

Age 43. Joined Council in 2004. Became a member of the Institute in 1989. Chairman of the joint Standards Committee. Associate Tax Adviser with Irwin Mitchell Solicitors in Sheffield, specialising in capital taxes. Past Chairman of Sheffield Branch.

**Secretary, Andrew R Pickering**

Age 57. Joined the Association 1993 as its Deputy Secretary. Appointed Secretary 1994. Previously with the Law Society of England and Wales where, over a 25-year period, held various posts in the Legal Aid, Education and Training and Administration Divisions, gaining considerable experience in all aspects of administration. Past Secretary of the Taxation Disciplinary Board.

**President's Advisory Committee**

Jean Jesty <i>Chairman</i>	Les Beckett	Phil Waller
Annie Bailey	Richard Geldard	

**Member and Student Services Committee**

Annie Bailey <i>Chairman</i>	Louise Duffy	Diane Polson*
Anne Anderson*	Simon Groom	David Stedman
Jane Ashton	Katharine Jegham*	Allison Thomson*
Simon Braidley	Mandar Kulkarni*	Tanya Wadeson*
Karen Bullen*	Stuart McKinnon	
Bernard Critchley	Pat Nown	

**Finance Advisory Group**

Phil Waller <i>Chairman</i>	Ralph Pettengell	Carol Wells
Richard Geldard		

**Examination Committee**

Annie Bailey <i>Chairman</i>	Geoff Fraser*	Sue Short (Chief Examiner)
Karen Eckstein*	Stuart McKinnon	

**Technical Committee**

Richard Geldard <i>Chairman</i>	Margaret Ferguson*	John Kimmer*
Annie Bailey	Peter Gravestock*	Gillian McClenahan*
Graham Batty*	Paul Hill*	Andrew Meeson*
Ann Elmer*	Trevor Johnson*	Yvette Nunn

**Standards Committee (joint with the Institute)**

Carol Wells <i>Chairman</i>	Susan Johnson*	David Stedman
John Elliott*	Stuart McKinnon	
Jean Jesty	Julian Nelberg	

\* Co-opted member

**Representations on committees of the Institute****Officers Group**

Jean Jesty

**Technical Committee**

Richard Geldard

**Education Committee**

Annie Bailey

**Examinations Sub-committee**

Annie Bailey  
Karen Eckstein\*  
Geoff Fraser\*  
Stuart McKinnon

**Treasurer's Committee**

Phil Waller

**Membership Committee**

Bernard Critchley

**Tax Adviser Sub Committee**

Jean Jesty

**IT & Website Committee**

Stuart McKinnon

**Audit Committee**

Peter Gravestock\*  
Peter Newsam

# New members 2006

- Ackland Samuel John-Ross  
Alderson Iain Andrew  
Alecock Richard Alan  
Allsobrook Diane Lesley  
Andrews David Ronald  
Angell Claire Mary BSc(Hons)  
Aspinall Jonathan Robert  
Bahara Jasbinder MSc BSc  
Baker Shelley  
Banks Michelle Kathleen  
Barber Scott  
Barden Constantina CA  
Barkas Katharine Lucy  
Barnaby Mark Anthony  
Barnard Claire Louise  
Barrasin Sarah Elizabeth  
Barratt Simon John BA(Hons)  
Barrett Joseph James BA  
Bartlett-Rawlings Stephen Andrew BA(Hons)  
Bateman Ryan Stephen  
Bazley White Guy BA(Hons)  
Beard Sarah Elizabeth BA(Hons)  
Beatty Anna Caroline Jane BA(Hons)  
Beavis Steven Alexander BA(Hons)  
Beecroft Debra Clare  
Ben-Ejete Ibiala Ginikanwa  
Benham Kimberley Laura Jane  
Bennett Brett Michael  
Bentley Steven Richard FMAAT ACCA  
Beresford Carol Frances BSc ACA  
Bharti Aman  
Bi Aulfat BSc(Hons)  
Blackwood Ian Hamilton BSc  
Blatchford Myfanwy Laura  
Boddington Alexander Frazer LLP  
Bonavia Andrew Paul BSc  
Booth Richard Thomas  
Bradbury Paul Christopher Niall  
Breen Paul Martin  
Briggs Wendy CA  
Brown Jacqueline Gail BA(Hons) FCCA  
Brown Kelly Christina  
Brown Sarah Charlotte  
Brown Susan Elizabeth BA(Hons)  
Bruce Wilma Lynne ACCA  
Buck David Robert MAAT  
Burden Samantha Melanie MAAT  
Burley Michael James  
Bush David Michael  
Callaghan Karen  
Campbell Margaret LLB CA  
Castledine Dean BA  
Chapman John Stephen BSc(Hons)  
Charles Nadine BA(Hons) ACCA  
Chismon Celina Jane BSc  
Chokshi Atul Mansukhlal BA(Hons) ACA  
Chung Ching Wan Lim Shin ACCA  
Clark Jennie Elizabeth  
Clark Lynn BA  
Clarke Julie Elizabeth BSc  
Clifton Rowena Jaine BA(Hons)  
Clissold Graeme David Robert BSc FCMA  
Colbourne Amanda Frances BA(Hons)  
Conneely Rachel Mary  
Conner Hayley Elizabeth BA(Hons)  
Cooper Lisa Jane BA(Hons)  
Copperwheat David William BA(Hons)  
Corkill Josie Mary  
Cran Graeme John BA(Hons)  
Curtis Tessa Louise BSc(Hons)  
Darragh Claire Joanne MSc(Hons)  
Davidson Rosalyn BA  
D'Cruz Leanne Fiona  
De Figueiredo Julia Clare  
De Souza Demian BSc(Hons)  
Deb Jonathan Alok BSc  
Delaney Conor Michael BA(Hons) Solicitor  
Dennis Jason Andrew MAAT FCCA  
Dhaun Manisha MSc  
Dickenson Jonathan Michael Vincent BA  
Dickinson Philip Anthony  
Domoney Mary Philomena  
Donegan Melanie Jayne  
Dowbiggin Kate Amanda BA(Hons)  
Drew Emma Louise  
Duclos Julie Christine  
Duffy Thomas William  
Dumas Claire Ann BA(Hons)  
Dunlop Lorna BA  
Dunn Jillian LLB  
Easton Louise Jayne BA(Hons) ACCA  
Edoo Nasreen BA  
Eland Tracy  
Ennis Samuel John Macdonald BSc(Hons)  
Erwood Christine Margaret  
Evans Alice Henrietta BSc  
Evans Philip Robert LLB  
Farooqi Riaz Ahmad BSc  
Farrell Thomas Brian  
Fegan Kathy BSc(Hons)  
Fellows Beverley Anne BA(Hons)  
Ferguson Julia Anne BA MSci  
Ferry Seonaid  
Firrell Catherine Kesteven  
Folland Georgina Kate  
Forde Timothy ACCA  
Forrest Maria Rose  
Foster Daniel Peter RMIT  
Foster Gavin Martyn BSc(Hons)  
Foulkes Stephen John FCCA FMAAT  
Fox Garry ACMA  
French Kathlyn Mary  
Gault Linda BSc  
Gibson David John BSc(Hons)  
Giles Gary Richard  
Giles Lisa Marie  
Gilham Stuart BA  
Gleeson Jodene Cassandra  
Godwin Jacqueline Debra  
Goodrum Louise MAAT  
Gordon James Alexander  
Gosling Nina Elizabeth BSc(Hons)  
Gourley David  
Gray Simon ACA  
Green Richard Paul BA(Hons)  
Greenwood Gareth James BA(Hons)  
Griffiths Helen Rhiannon BSc(Hons)  
Gurbax Aastha BSc(Hons)  
Gwynn Sandy MAAT ACCA  
Hall David Christopher BA(Hons)  
Hall Kevin Andrew  
Hall Richard William  
Hall Sarah Louise BA(Hons)  
Hallam Lubov BA(Hons)  
Hames Adam Robert  
Hammond Tina MAAT  
Hanson Ivor William BSc  
Haresign Kerry Alexis  
Harris Joanne Elsie BA(Hons)  
Haslam Louise Clare  
Hawkins Steven  
Hawthorn Katherine Alicia BSc  
Hayes Philip Michael  
Hayward Ian James BSc(Hons)  
Heard Michael Raymond  
Heath Miranda Jane BA  
Heyes Catherine Louise MSc  
Hill John Richard BSc MAAT  
Hill Mark Richard James BA(Hons)  
Hodgson-Barker James Peter  
Holland Laura Anne Louise  
Holt Barry Edward BA(Hons) ACCA  
Horne Sophie Louise  
Howell Olenka Josephine  
Howie Susan Annette  
Howlett Allan Joseph ACMA  
Hughes Joanne Louise LLB(Hons)  
Hullait Amanprit BSc  
Jacobs Yvette Lara  
Jameson Richard BA  
Janally Zinaida Bibi  
Jeffers Lloyd George  
Jehwal Poonam BA(Hons)  
Jennings Nathan John MAAT  
Jiwani Rajesh BA(Hons)  
Johnson Clare Anne BA(Hons)  
Johnson Emily Jane BA(Hons) ACCA  
Johnston Stephen  
Jones Debbie Louise BA  
Jones Howard Glynn BA(Hons)  
Jones Tania Elaine ACCA  
Jones Wendy  
Kalia Kiran  
Kataria Kamal Mahesh BA ACCA  
Kawaguchi Junko BSc  
Kedziorek Joanna Aldona  
Keeling Lee  
Kelly Christopher Mark John Michael  
Kerr Joanne Claire LLB  
Kersey Lindsey Claire ACA  
Keylock Robert William Ivan LLB  
Khan Aftab Ahmed MAAT  
Khan Farzana Mahmood BSc  
Kidiwala Bashir  
Kiely John Anthony AKC BSc(Hons)  
Kinnerley Neil Robert  
Kipping Thomas Michael  
Knight Samantha CA  
Lakhtaria Raakhee BA  
Lambert Christopher Scott ACCA  
Lamin Alison Clare  
Land Bryan James  
Lang Giles Alexander  
Langborne Sarah Jean  
Lasi Naveed Hussain MSc  
Latham Andrew Edward Derek BA(Hons)  
Latimer Tina Louise BSc(Hons)  
Levine Alistair BA(Hons)  
Levy Sara  
Lewis Andrew David BSc(Hons)  
Liew Doreen Tho Lin BA(Hons) ACCA  
Liu Chuing-Yeun  
Lochoy Ken  
Lord Jennifer  
Luu Tung BSc(Hons) ACCA  
Ly Anh Ngoc LLB(Hons)  
Lynch Stephen William  
MacDonald Kirsty Jane  
Mace Robert Peter BA  
Mak Karen LLB  
Maley John-Joseph LLB  
Malone Gary William  
Manian Valliammai Janaki BSc  
Marshall Nicola BSc(Hons)  
Marshall Peter Robert  
Marshman Joanne Rachel  
Martin Daniel Peter BA(Hons)  
Martin Lisa Anne ACA  
Martin Rebecca MMath PhD  
Mason Suzanne Therese MAAT  
May James Michael BSc  
Maynard Tracey Dawn BSc(Hons)  
McAndrew Stephen John MSci  
McAuley Christopher Andrew BAcc ACCA  
McBride Ursula LLB  
McCaffrey Orla Marie BA MA  
McCleary Stephen William BSc  
McCrossan Emma Louise BA(Hons)  
McGinness Sean James LLB(Hons)  
McGregor Alan  
McHugh Fiona Morag BSc(Hons)  
McIver Scott  
McIvor Charlene Elaine  
McLaughlin James Edward George BA(Hons)  
McPherson Louise BA(Hons)  
Meekley James John BA(Hons)  
Memhi Sunil Kumar LLB(Hons)  
Merry Wendy Dorothy  
Miller Keith Scott MA(Hons)  
Miller Margaret Theresa ACCA  
Million Woldeamanuel Merkebu BA ACCA  
Mills Stuart John  
Mitchell Emma  
Moore Allan  
Morgan Joanne Karen Solicitor  
Morjaria Rishma Jaymin ACCA  
Morris James Alexander  
Morris Paul James BA(Hons)  
Morris Stephen John  
Morrison Jamie Stuart MA(Hons)  
Moses Julie Dawn BSc  
Nash David William  
Nasser Mohammed BSc(Hons)  
Nejat Omid BSc  
Nelder Eleanor Claire BA(Hons)  
Neubert Heather Frances BSc(Hons)  
Neuman Andrew BSc  
Newbould Tracey Elizabeth  
Newton Jonathan Andrew BSc(Hons)  
Nicholls Joanne Elizabeth  
Nicol Catriona Margaret BA  
Oakley Jane Louise BA(Hons)  
Ogunsola Oluwatobi Olukemi BA(Hons)  
O'Neill Martin Edward BComm(Hons)  
Onyekwe David Ajuluchukwu BSc MSc  
O'Shea Carl David BA Solicitor  
Owen Tristram Nicholas BCom  
Packard Edmund Arthur Joseph BA(Hons)

Palmer Victoria Louise BA  
 Parkinson David  
 Parsons Rebecca Marie  
 Patel Kamini BA  
 Patel Rakesh BSc(Hons)  
 Pearce Faith Joanna BSc  
 Pearson James Malcolm BA(Hons)  
 Perry Susan Eluned BA  
 Peters Gareth David BSc  
 Pham Fong Marcus PhD  
 Piacentini Andrea Mario BA(Hons)  
 Piper Robert Jeffrey FCCA  
 Price Nicholas Andrew BA(Hons)  
 Probert Angela Karen  
 Radcliffe Janet Louise MAAT  
 Raftery Julie Ann MAAT  
 Rahman Mumtazur RA MSc  
 Reed Nicholas Graham BA(Hons)  
 Reeve Lynsey LLB(Hons)  
 Rice Andrew Paul  
 Roberts Richard James  
 Robertson Paul Ewan CA  
 Robinson Laura Jayne CA  
 Robinson Rowan  
 Rowe Gemma Louise ACCA  
 Sallis Jeremy Heber BA(Hons)  
 Sample Joseph Michael  
 Saunders Kate  
 Searle Kristina BSc  
 Sewell Tracy Jayne  
 Shah Nimesh BA(Hons)  
 Sharman Brian James ACCA  
 Shearer David Graeme BSc(Hons)  
 Sheerin Ella Bernadette  
 Shepherd Sarah Marie BSc(Hons)  
 Sherwood Amy Jane BA  
 Shorrocks Amanda Jane  
 Silvester Anna MA  
 Simister Joanne Marie  
 Sivakumaran Shyaman BSc MSc  
 Skillcorn Nicola  
 Skrynski Phillip BSc(Hons)  
 Smith Adam Philip BSc(Hons)  
 Smith Chris  
 Smith Fraser John  
 Smith Jennifer Lisa  
 Sparks Maria Claire BA(Hons)  
 Spratt Amy Jessica MAAT  
 Stammer Sarah Ann LLB  
 Steels Naomi BA  
 Stein Jeremy Leon BA(Hons)  
 Stevens Adrian Edward  
 Stevens Krystie Lian  
 Stewart James BA(Hons)  
 Stockley Simon Derek BA  
 Strachan Nicola BA  
 Sullivan Lee Michael  
 Sutcliffe Andrew James  
 Sutherland Stephen Douglas BSc  
 Taunton Judy Pamela MAAT  
 Tennekoon Indrani Anne BA(Hons)  
 Thomas Jayne  
 Thompson Samantha  
 Timms Marina BA(Hons)  
 Tindale Peter James MSc(Hons)  
 Titterton Amy  
 Tomlinson Edward Ashley  
 Travers Michael Francis BSc  
 Trieu Tu Quyen LLB(Hons)  
 Tutty Lorna Margaret  
 Tynan Mhairi Clare BA(Hons)  
 Vanan Mathe Nagalingam  
 Verguld Rob BA(Hons)  
 Verma Sashi Lata MAAT  
 Vince-Odozi Sylvester Ehi  
 Vishnukumar Adchialingam  
 BA(Hons) CAT FMAAT ACCA  
 Vohra Navroop Singh LLB  
 Waddell Gillian Amelia BAcc(Hons)  
 Waheed Mohammed BSc(Hons)  
 Walker Craig Robert BSc  
 Walker Julie Michelle  
 Wallace Mary Ann  
 Ward Kim Hazel BSc(Hons)  
 Ward Miranda Clare BA(Hons)  
 Warsop Lee  
 Watsham Sophia Marie  
 Watson Haidee Sian  
 Watt Lynsey ACCA  
 Weaver Daniel  
 Weeks Ciaran Michael  
 Weston Simon  
 Whyton Christopher James  
 Wightman Jane BA  
 Wilcox Ivan Derek  
 Wilford Fiona Louise BSc(Hons)  
 Wilkinson Andrew BA(Hons)  
 Will Steven BSc(Hons) ACCA  
 Williams Anthonia ACCA  
 Williams Gareth James BA(Hons)  
 Williams Richard Arwel Owen  
 Williams Sian  
 Willoughby Gail LLB(Hons) MA  
 TEP  
 Winskill Donald LLB  
 Woodcock Anthony George  
 Woods Paul David  
 Young Maurice

# Notice of Annual General Meeting

Notice is hereby given that the eighteenth Annual General Meeting of members of The Association of Taxation Technicians will be held at 12 Upper Belgrave Street, London SW1 on Wednesday 4 July 2007 at 2.00 p.m.

## Ordinary Business

1. To receive and adopt the Report of the Council for 2006.
2. To receive and adopt the audited Financial Statements of the Association for the year ended 31 December 2006.
3. To re-elect as Members of Council Bernard Critchley and Ralph Pettengell who retire under Article 67.
4. To re-elect as Members of Council Jane Ashton, Annie Bailey, Louise Duffy, Jean Jesty and Julian Nelberg who retire under Article 76.
5. To reappoint Baker Tilly UK Audit LLP as auditors of the Association.

## Special Business

6. Subject to the consent of the Charity Commission under section 64 of the Charities Act 1993, to consider and if thought fit to pass the following as a Special Resolution.

1. In the Memorandum, for clause 3 substitute

"3. The Association is established

(a) to advance public education in and promote the study of the administration and practice of taxation and the principles of economic and political science in relation to taxation and public finance;

(b) (i) to prevent crime and

(ii) to promote the sound administration of the law for the public benefit

by promoting and enforcing standards of professional conduct amongst those engaged in the provision of advice and services in relation to taxation and monitoring and supervising their compliance with money laundering legislation."

2. In the Articles, in Article 1 for the definition of "a Member", substitute:

"a Member of the Association, including, for the purposes only of the disciplinary powers and procedures of the Association and of any arrangements in place under clause 4(B) of the Memorandum of Association of the Association, a firm or company containing Members of the Association which is registered with or recognised by the Association for the purposes of or in connection with any statutory or other function or status of the Association, and in particular for the purpose of any system of compliance monitoring and enforcement, whether operated by the Association alone or in conjunction with any other body, and all related regulations, rules, contracts and other requirements arising from such function or status."

## Explanatory note to Special Business

Under draft regulations recently issued by the Treasury, the Association is to be designated as a supervisory body for the purposes of ensuring that tax advisers comply with money laundering controls under a system of monitoring and enforcement.

Consultations have been conducted with the Charity Commission about whether this new activity can be undertaken in pursuance of the existing charitable objects of the Association. The position is not clear in law, and the Commission have recommended, for the avoidance of doubt, that the objects be expressly extended to include, for the public benefit, the prevention of crime and promotion of the sound administration of the law including enforcing compliance with money laundering legislation. The amendment to the Memorandum of Association gives effect to this, and is subject to the formal consent of the Charity Commission under the Charities Act 1993.

Meanwhile, as drafted, the Treasury regulations refer to supervisory bodies as having jurisdiction in relation to their "regulated members". Some bodies recognised for this purpose already give membership status to firms. There is no similar concept under the current constitution of the Association.

The Council takes the view that the powers of the Association will also require to be exercisable in relation to appropriate firms of, or including, Members. In order to enable the Association to register firms for this, and any similar purpose, in future, it is necessary to extend the definition of "Member" in the Articles of Association.

The wording being adopted is designed to bring those firms which register with the Association under the regulations, and which give the necessary undertakings, within the disciplinary jurisdiction of the Association. Under joint arrangements with the Chartered Institute of Taxation cases of non-compliance would be referred to the Taxation Disciplinary Board once the relevant scheme is extended for this purpose.

**By order of the Council**  
**Andrew R Pickering**  
**Secretary**  
**12 Upper Belgrave Street**  
**London**  
**SW1X 8BB**  
**22 March 2007**

**Notes**

(a) A person entitled to attend and vote is entitled to appoint a proxy or proxies to attend and on a poll to vote instead of him or her. A proxy must be a Member of the Association. A form of proxy is enclosed with this notice for use in connection with the meeting. To be valid a form of proxy must reach the Secretary of the Association at 12 Upper Belgrave Street, London SW1X 8BB not later than 48 hours before the time of the meeting.

(b) A person who has appointed a proxy may nevertheless attend the meeting and vote, in which case any votes cast by the proxy will be superseded.

