Insolvency Practitioners Association

2022/23

ANNUAL REPORT

CONTENTS

Insolvency Practitioners Association

ABOUT THE IPA

The IPA is the UK's largest insolvency regulator by insolvencies covered and the only body solely dedicated to the field in the UK.

The IPA is also a membership organisation for Insolvency Practitioners and those in insolvency-related work, offering a suite of professional training and development for professionals at all levels of their career, highly respected qualifications, sought-after publications, best practice sharing, networking and other engagement opportunities.

IPA members have the opportunity to work with us to help shape the insolvency profession through membership of one or more of the IPA's Committees or the Board.

Our core responsibility is maintaining excellence in professional insolvency and Anti-Money Laundering standards.

OUR PEOPLE

The Board

The Board is responsible for the management of the IPA, including determining policy and strategy, and business and financial plans. The Board appoints Committees, through which the detailed work of developing and putting forward proposals and implementing Board decisions is undertaken. The Board usually meets four to six times a year. The Board is independent of decision-making relating to individual Insolvency Practitioner regulation. The President, Vice-President and Deputy Vice-President are chosen by the Board from its elected Board members. The President usually serves for one year. Along with the Immediate Past President, this group within the Board are known as Office Holders.

Office Holders

Samantha Keen
IPA President
UK&I Legal Entity Rationalisation Leader and UK&I Strategy and Transactions COO, EY

Paul Davis
IPA Vice-President
Partner, Opus Restructuring & Insolvency

Yin Lee
IPA Deputy Vice-President
Director, Restructuring & Recovery Services, Evelyn Partners

Kevin Hellard
IPA Immediate Past President
Partner and Practice Leader, Insolvency and Asset Recovery, Grant Thornton

Board members

John Newgas
Neil Bennett
Ken Marland
Simon Underwood
Eileen Maclean
Sean Croston
Joe Colley
Adrian Hyde
Hayley Maddison
Louise Brittain
Maurice Moses
Lloyd Hinton
Derek Hyslop
Carrie James

Committees

The IPA's six Committees are one of the key ways in which the IPA manages regulatory and policy activity. Committee members are comprised of our members, subject matter and legal experts, and lay member volunteers.

Dedicated Sub-Committees can be created as and when required to consider specific matters.

The IPA's Committees are:

- Regulation & Conduct
- Disciplinary & Appeals
- Anti-Money Laundering
- Standards, Ethics & Regulatory Liaison
- Finance & Risk
- External Affairs & Member Services

The Regulation & Conduct and Disciplinary & Appeals Committees are responsible for decision-making on matters relating to Insolvency Practitioners' conduct, including disciplinary action.

The Regulation & Conduct Committee operates with a lay majority at meetings, and tribunals (undertaken by the Disciplinary & Appeals Committee) are carried out with two IPA members and one lay member. An independent legal assessor, who takes no part in the decision-making, is also present at a tribunal.

Secretariat

Led by the CEO, the Secretariat works in partnership with the Board and Committees to carry out the IPA's work across finance, regulation, administration, external affairs and member services.

WHO WE WORK WITH

INSOLVENCY SERVICE

The Insolvency Service is the UK Government agency responsible for oversight of the insolvency profession and the supervision of the IPA and the other Recognised Professional Bodies (RPBs). The IPA works with the Insolvency Service to help ensure confidence in the work of Insolvency Practitioners and the regulatory regime.

FINANCIAL CONDUCT AUTHORITY

The Financial Conduct Authority (FCA) regulates advertising for most financial services, as well as the debt advice sector, with the IPA and FCA therefore working together on areas of shared interest. We collaborate through sharing intelligence and areas of concern in order to help improve the standard and consistency of advice given to people in debt, prior to their referral to an Insolvency Practitioner.

OFFICE FOR PROFESSIONAL BODY ANTI-MONEY LAUNDERING SUPERVISION

The IPA is a Professional Body Supervisor (PBS), responsible for monitoring its members' compliance with the Money Laundering Regulations. The Office for Professional Body Anti-Money Laundering Supervision (OPBAS) is part of the FCA and is responsible for supervising the IPA and the other PBSs.

ADVERTISING STANDARDS AUTHORITY

The Advertising Standards Authority (ASA) is the UK's independent advertising regulator, and its jurisdiction covers all advertising in UK media. It makes sure that advertisements conform to the advertising rules (the Advertising Codes). The IPA has been made aware of a number of scam and copycat websites, and any intelligence is referred to the ASA.

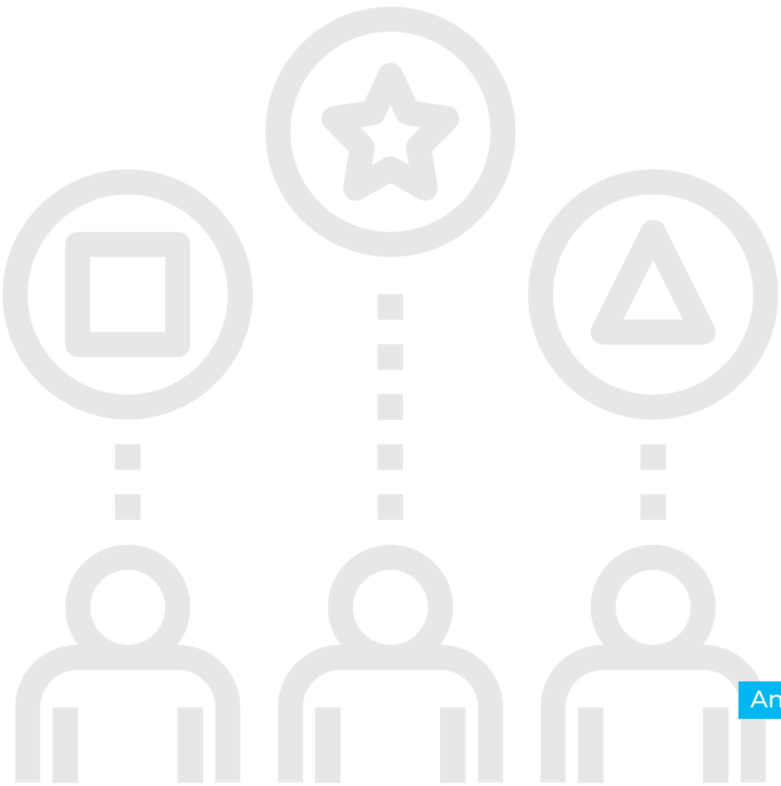
DIVERSITY AND INCLUSION

The IPA is committed to ensuring that everyone in the organisation feels empowered to come to work as their authentic self, recognise the value to the IPA that this can bring, and know that this view is shared by all.

The IPA assumes an active role in promoting diversity and inclusion in our membership and in the insolvency profession. We do all that we can, in our role as an insolvency regulator and professional body, to ensure equal opportunities for all.

To carry out our work effectively in this area, the IPA has a dedicated working group and a diversity and inclusion policy that is under continual review.

The IPA's first live event of 2023 was on the topic of diversity in the insolvency profession and how we can unlock talent in the sector. Following the afternoon in the company of many talented, dedicated people striving for meaningful change, we are optimistic for what the future holds for our profession and the wider business landscape.



THE IPA IN 2022

620 Insolvency Practitioners licensed

278 Inspections carried out

1318 Event and training attendees

4th Year of the IPA VPR Scheme

4 Key reports published

162 Complaints concluded

410 Student members

43.5 CPD hours provided

MESSAGE FROM THE PRESIDENT

Samantha Keen, UK&I Legal Entity Rationalisation Leader and UK&I Strategy and Transactions COO, EY

"It is my pleasure to present the IPA Annual Report 2022/23. Over the last year, I am honoured to have led the UK's sole body dedicated to promoting excellence and professionalism in the field of insolvency.

During the past year, society has faced challenges on many fronts due to the uncertain political and economic headwinds that have had a significant impact on individuals' lives and businesses.

The role of an Insolvency Practitioner has come increasingly to the fore, helping people to navigate these difficult times amid a parallel increase in insolvencies.

The IPA has remained committed to leading the way for our members, providing regulatory support where necessary and an expanded range of training and education on matters including AML, Russian sanctions, changes to the technical framework and new requirements on insolvency marketing and advertising.

I am particularly proud of the IPA's Diversity, Equity and Inclusion (DE&I) work, with the recent launch of the Diversity Forum event which saw experts in the field come together to educate Insolvency Practitioners on effective DE&I strategies and how to implement them. Better DE&I is required across many, if not all, professional services, but there is a particular need in insolvency and achieving this is a passion of mine. There is much more collective work to do in order to realise what is currently being discussed, but I am optimistic for what the future holds for the profession.

In this year's Annual Report, you will find detailed information on our activity over the past year, including our approach to inspection, monitoring and investigations, as well as the Volume Provider Regulation Scheme, the good work of our Committees, training and engagement opportunities for members and the vital Anti-Money Laundering work that we carry out.

I would like to thank all of our members for their continued dedication to the IPA and to championing a robust insolvency sector in the UK."

MESSAGE FROM THE CEO

Paul Smith

A healthy and respected insolvency sector is vital in these challenging times. We recognise that the IPA has a key role to play in this, directly as a regulator, and indirectly where our collective knowledge and expertise can help influence positive change. In this regard, the IPA is committed to being a progressive regulator that is modern, robust and responsible, acting in the best interests of all parties and, very importantly, in the public interest.

Early 2022 saw us engage heavily with our members on the Government consultation on the future of insolvency regulation. This was an essential step to take to ensure that the view of the IPA and our members was fairly represented, and our work continues to ensure that the regulatory expertise that we possess is leveraged to inform and guide any new development in regulation.

In these challenging economic times, our work in the personal insolvency sector through the Volume Provider Regulation (VPR) Scheme has been of particular importance. Providers of Individual Voluntary Arrangements (IVAs) and Protected Trust Deeds (PTDs) face close scrutiny by many parties. Aided by the knowledge generated through the Scheme, we are working hard to change perceptions, improve standards where necessary and demonstrate the value that debt solutions can bring to personal finances. In this latter respect, our latest VPR Scheme Benchmark Report reflects that, across our Scheme members, 2022 saw a total of over 27,000 IVAs and PTDs successfully completed at the same time as over £238m of dividends were paid to creditors.

We have seen the recent introduction of the new Statement of Insolvency Practice 3.1, to which the IPA was a leading contributor, placing more emphasis on the Insolvency Practitioner's responsibility to ensure a debtor makes a completely informed decision on debt solutions before entering an IVA. We continue to work with the Financial Conduct Authority, Advertising Standards Authority and the Insolvency Service to highlight irresponsible and fraudulent advertising by entities which affect consumers' ability to seek accurate and balanced advice.

Thank you to Samantha Keen, our 2022/23 President, our Office Holders, Board, Committees, Secretariat and of course our members for all that you do to champion a healthy and respected insolvency sector.

CHAMPIONING REGULATORY STANDARDS

We have added enhanced capability within Regulation during 2022. This includes the onboarding of a JIEB qualified Regulatory Solicitor to fulfil the role of Regulation Officer, while also providing support to the IPA's Senior Legal Counsel and other senior staff. The Head of Process continues to meet with each of the Regulation Officers, Regulatory Solicitor and Regulatory Administrator individually on a weekly basis to ensure complaints are being progressed effectively and in a timely manner. In addition to this oversight, group meetings continue to be held on a monthly basis to knowledge share and communicate best practice.

The IPA also continues to hold monthly catch-ups with the Insolvency Service and every other month, or as relevant, with the Accountant in Bankruptcy (AiB).

In 2022, we received complaints concerning the following matters:

- Communication issues (inaccurate information, delays and/or failures to respond) continue to be a significant feature of complaints. Insolvency Practitioners are encouraged to ensure that they provide a prompt, comprehensive response to all communications, particularly in cases where stakeholders disagree or have a query.
- Breaches of Statement of Insolvency Practice (SIP) 3.1
- Initial advice and mis-sold Individual Voluntary Arrangements (IVAs)
- Breaches of advertising rules (i.e. the inclusion of misleading statements on websites and in online advertisements)
- Claims in relation to mis-sold Payment Protection Insurance (PPI)
- Drawing excessive/unauthorised remuneration: one sanction
- Failure to progress cases - In IVAs, this is also reflected in complaints about post IVA trusts
- Conflict of interest
- Failure to identify and realise assets
- Failure to verify claims in relation to RP14a submissions: one sanction
- Closure delays
- Annual and other reporting (timing and quality)
- Failure to carry out SIP 2 investigations (investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders)
- Concerns about the creditor meeting process

Aged complaints

While the majority of complaints are resolved in 3-6 months, occasionally some complaints will be more complex or require a greater level of communication with the parties and therefore may take longer to conclude. Very occasionally, disciplinary matters may escalate to tribunal level and may take longer to resolve.

There continues to be a focus on efforts to finalise complaints that are over 12 months old, ensuring that complaints only remain open for extended periods where there are valid procedural reasons. As at 1 January 2023, there were 12 complaints open for 12 months or more, as opposed to 19 as at 1 January 2022.

Further changes planned for 2023

The IPA has concluded its review of its various rules. However, further steps are currently on hold pending the outcome of the Insolvency Service's consultation on Insolvency Practitioner regulation.

2022 complaints statistics

Complaints and disciplinary matters in hand at 1 January 2022:	*90*
New complaints and disciplinary matters received during the year:	*149*
Total concluded during the year:	*162*
Complaints and disciplinary matters carried forward at 1 January 2023:	*77*
Number of warnings issued during 2022:	*2*
Number of undertakings, consent orders, reprimands and fines issued during 2022:	*7*
Number of ongoing complaints and disciplinary matters currently being considered by Regulation & Conduct or Disciplinary & Appeals Committees:	*5*
Number of complaints and disciplinary matters referred to the independent reviewer/assessor in 2022:	*0*
Number of appeals made by Insolvency Practitioners in 2022:	*0*

Developing Risk-Based Monitoring to Achieve Objectives

The IPA's core monitoring function has long been based around a team of inspectors focusing on a singular function of ensuring compliance with legal and regulatory requirements in insolvency proceedings. It was on 20 August 2019 that a notice to all members outlined the move to a risk-based system for monitoring. We have continued to develop this system and are taking a wider, more holistic approach and incorporating governance, risk, and compliance (GRC) into our inspections. This leads to better outcomes for all stakeholders involved, including creditors, shareholders, employees and the wider public. It also helps the IPA to achieve the regulatory objectives outlined in the UK Government's legislation for insolvency regulation.

By incorporating GRC principles into its monitoring, the IPA can ensure that there is effective oversight and decision-making at all levels. This can lead to a wider understanding of insolvency proceedings, outcomes and limitations of various insolvency proceedings.

Incorporating risk into its monitoring helps the IPA identify and mitigate potential compliance and reputational risks to the insolvency profession. This includes reviewing policies and procedures, assessing the adequacy of controls and identifying any potential risks.

Finally, by incorporating compliance into inspections, the IPA can ensure that Insolvency Practitioners are adhering to all legal and regulatory requirements. Overall, by the IPA adopting the GRC approach, this has shown to help achieve the main regulatory objectives of fair treatment and encouraging an independent and competitive profession that maximises value and returns to creditors.

The monitoring of members continues to be carried out on a risk-based approach. Monitoring focuses on inherent risks identified from appointment profiles, prior monitoring, complaints and other intelligence. The monitoring cycle can be extended up to six years for low risk practitioners, but in the intervening periods, they are subject to other forms of monitoring such as ARC (Analysis of Risk and Compliance) submissions, remote focused inspections and desktop monitoring.

The appointments which are included within the IPA's Volume Provider Regulation (VPR) Scheme cover 63% of the Individual Voluntary Arrangement (IVA) Market and 75% of the Protected Trust Deed (PTD) market. Rather than one visit per year, VPR Scheme members are continuously monitored through monthly data returns as well as being subject to one full visit and further focused reviews during the year. In addition, the members are also subject to regular call monitoring.

Monitoring visits carried out in 2022

IVA Volume Provider figures shown in brackets

Routine visits completed/finalised in 2022:	*201 (81)*
Targeted visits completed/finalised in 2022:	*1 (0)*
Total completed/finalised in 2022:	*202 (81)*
Visits still ongoing and expected to continue:	*131 (70)*

Actions following routine visits

Satisfactory report:	*164 (51)*
Further visit required:	*3 (0)*
Licence restrictions:	*3 (0)*
Licence withdrawals:	*2 (0)*
Warnings:	*1 (0)*
Advisory Notices:	*91 (37)*

Action following targeted visit

Satisfactory report:	*1 (0)*

Risk areas and findings from monitoring activity

Statement of Insolvency Practice 1

There continues to be a prevalence of a lack of file notes for strategies and decisions taken by Insolvency Practitioners, that materially affect the case. Case files should contain sufficient records to show and explain the administration of the case.

Statement of Insolvency Practice 2

Monitoring activities during 2022 have identified a number of instances where an Insolvency Practitioner's investigations into a company's affairs has fallen short of the required standard. Insolvency Practitioners are reminded of their duty to investigate and to document, at the time, initial assessments, investigations and conclusions. We have also seen instances where an Insolvency Practitioner's efforts to locate the company's books and records (in whatever form), and ensure that they are secured, and listed, as appropriate, have also fallen short of the expected standards. With the publicised issues with regard to Redundancy Payments Service (RPS) fraud and also the suspected level of abuse of the Covid financial support packages, Insolvency Practitioners need to ensure that robust investigations are undertaken, appropriately documented and, where appropriate, reported to the appropriate authorities.

Statement of Insolvency Practice 11 and Client Money Regulations

It is an integral part of an Insolvency Practitioner's responsibility that they have appropriate safeguards in place when handling funds. Any deficiencies identified by not ensuring appropriate safeguards are in place, or tested, is a risk area for Insolvency Practitioners. Where Insolvency Practitioners are employees and not principals of the business, they should ensure that they are satisfied with the firm's policies and procedures, and that they have appropriate control and oversight of estate and client monies. Where Insolvency Practitioners are employees, they are reminded of requirements in the Code of Ethics (R380).

Customer Due Diligence and risk assessments

Understanding your obligations under Money Laundering Regulations (MLR17) and the risks to your practice is paramount. If your firm's Regulation 18 Risk Assessment has not appropriately considered the risks of your work, and is not properly communicated to staff, you increase your risk of potentially assisting money laundering. Within the Anti-Money Laundering (AML) section of the IPA website, there are details of what are considered high risk indicators, and member updates are sent with details of any emerging risks.

We have seen a number of instances where Insolvency Practitioners are not considering the case risk or undertaking Customer Due Diligence (CDD) in line with the requirements of Regulation 30, MLR17. Insolvency Practitioners are reminded that to comply with the requirements of Regulation 30 (2), they are required to verify the identity of the customer, or any person purporting to act on behalf of the customer, and any beneficial owner of the customer before the establishment of a business relationship.

Ethical considerations and control of cases

With the increase in firms moving to a hybrid approach with varying degrees of working from home, Insolvency Practitioners are reminded of the Insolvency Guidance Paper – Control of Cases. Insolvency appointments are personal to an individual Insolvency Practitioner who has an obligation to ensure cases are properly controlled and administered at all times. Insolvency Practitioners may be required to justify their decisions and demonstrate that appropriate levels of control have been established. Procedures and guidance should be recorded in writing.

Monitoring at Scale and Driving Up Standards in Personal Insolvency

The IPA's Volume Provider Regulation (VPR) Scheme was finalised in late 2018 and came into effect on 1 January 2019. It was created as a direct response to the rapid development of the Individual Voluntary Arrangement (IVA) market. The new approach to regulation was designed to provide assurance that the market was functioning correctly. We implemented the Scheme with the co-operation of volume

IVA providers (those who conduct more than 2% of the IVA market – entry level for 2022 was 7,300 IVAs) and following additional conversations with Insolvency Practitioners, government, debt charities, creditors and other stakeholders.

In July 2019, the Scheme was extended to include Scottish Protected Trust Deeds (PTDs) administered at volume (defined as controlling more than 10% of the PTD market – entry level for 2022 was 3,000 PTDs).

In January 2023, the definition of Volume Providers was reviewed with a view to moving away from a percentage basis to a risk-based approach. We are currently liaising with other Recognised Professional Bodies (RPBs) to define the criteria.

During 2022, 63% of the IVA market and 75% of the PTD market was covered by the VPR Scheme. The VPR Scheme is voluntary, but the IPA expects all of its eligible members to join.

The VPR Scheme is the only example of continuous monitoring within insolvency regulation.

Under the VPR Scheme, the IPA provides additional monitoring services to members. The additional monitoring is designed by the IPA with reference to the principles outlined in the published guidance. Scheme members are subject to one full visit every 12 months, regular call monitoring and further focused reviews each year. Continuous monitoring is also conducted in conjunction with the Monthly Data Returns supplied and regular meetings with Scheme members and Scheme member representative groups.

Anti-Money Laundering

The IPA is a Professional Body Supervisor (PBS) and is responsible for supervising compliance with the 2017 Money Laundering Regulations (MLR17). The IPA is the PBS for 268 Insolvency Practitioners across 182 firms. The IPA's aim as a PBS is to raise awareness of Anti-Money Laundering (AML) and improve standards of robust and effective compliance with MLR17. The risk landscape is ever changing – in 2022 guidance has been issued to members on the current risk areas around fraud relating to Covid loans and other Covid support schemes and the ongoing impact of Russian sanctions. The IPA works on a continuous risk-based approach in relation to AML monitoring and compliance considerations. AML visits and reviews consider the content of and effectiveness of policies and procedures.

In addition to the guidance on Covid loan frauds and Russian sanctions, the IPA has issued nine guidance updates on various matters such as missing trader fraud, impersonation fraud and human trafficking. A free AML lunchtime briefing for members was provided in September 2022 and over 150 members attended the session. AML also features in all Roadshows and conferences, and AML articles are included in each edition of the newsletter. The first edition of the AML Digest newsletter was issued in November 2022 and is published three times a year. On 26 January 2022, the IPA launched the new AML page of our website.

We have dealt with 35 specific queries into our dedicated AML email address (aml@ipa.uk.com). Oversight of our role as an AML PBS is carried out by a Committee which since the beginning of the 2022 is now a full Committee of the IPA, as opposed to a Sub-Committee. The IPA is an active member of external committees on AML and works closely with the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) on our ongoing supervisory and regulatory role. The IPA was subject to an oversight visit by OPBAS in November 2022.

In 2022, the IPA carried out:

- *30 full inspections where the IPA is the AML Supervisor for the Insolvency Practitioner/firm and where AML policies and procedures were subject to review*
- *4 visits specifically to review AML policies and procedures and consider effectiveness of procedures with staff and senior management*
- *10 AML compliance reviews to review policies and procedures – compliance reviews are carried out off-site*

The visits and reviews resulted in a formal allegation on breaches of MLR17 and 19 Advisory Notices being issued to members.

The Advisory Notices covered the following (number issued and themes in brackets):

- *Reg 18 firm risk assessment (3; amendment to make Reg 18 more specific to business)*
- *Reg 19: policies (3; policies need to cover all areas required under Reg 19 and be circulated to staff and subject to regular review to test effectiveness)*
- *Suspicious Activity Reports (SARs) policy (1; ensuring reports are sent to the Money Laundering Reporting Officer (MLRO) when there is a suspicion – members do not need to 'prove' a case before reporting – an initial suspicion is the requirement and further reports can be made)*
- *Customer Due Diligence (CDD) /case risk/reviews (4; evidencing CDD/Enhanced Due Diligence (EDD) checks on file including considering the worth of an entity and keeping the due diligence under review)*

IPA Committees, Regulatory Powers and Operations

The IPA's Articles of Association set out the way in which the IPA is organised to achieve its purposes. Article 52 of the Articles gives the Board the power to establish Committees and delegate some of its powers and responsibilities to the Committees for increased efficiency.

The IPA's Committees cover all aspects of our business and play a vital part in ensuring continued high standards of services to our members, as well as promoting high professional standards.

The IPA’s six Committees are:

- Regulation & Conduct Committee (R&CC)
- Disciplinary & Appeals Committee (D&AC)
- Finance & Risk Committee (FRC)
- Standards, Ethics & Regulatory Liaison Committee (SERL)
- Anti-Money Laundering Committee
- External Affairs & Member Services Committee (includes Examinations Sub-Committee and Early Career Professionals Sub-Committee)

The total number of Committee members is 86, a small proportion of whom are members of more than one Committee. 44 Committee meetings were held in 2022.

The terms of reference for the Committees detail the scope of their responsibilities and sanctioning powers, and this is reflected in any appropriate by-law change and shared with the Insolvency Service. Committee membership is refreshed annually, and five-year term limits apply to every Committee member.

Regulatory Committee and decision-making

It is vital that regulation is robust and efficient to be effective. R&CC considers ongoing fitness to practise issues and liability to disciplinary action which arises from complaints, industry intelligence or monitoring visits. The Committee is formed of members who are insolvency professionals, as well as lay members from outside the profession. For balance, R&CC conducts its meetings with a lay majority.

R&CC meetings are usually held monthly. There is a pool of no less than 23 Committee members, and smaller groups are selected depending on specialisms and experience to consider disciplinary and regulatory reports for consideration.

The total number of R&CC meetings in 2022 was 16.

For more serious matters, or if the R&CC and the Insolvency Practitioner(s) do not mutually agree the proposed sanction, the matter is referred to the D&AC in order for a tribunal to determine the outcome.

During 2022, a continued focus on improving reports submitted to the Committee was maintained, to ensure clarity and focus on the relevant issues. The need for a comprehensive note of Committee decisions and follow up actions taken is vital, and therefore the IPA has a thorough process for agreeing minutes.

The main issues sanctioned concerned failures to comply with Statement of Insolvency Practice (SIP) 3.1; statutory breaches and breaches of the fundamental principles.

Developing the Insolvency Framework

Statements of Insolvency Practice

2022 was a relatively quiet year compared to 2021 when three revised Statements of Insolvency Practice (SIPs): 3.2 (Company Voluntary Arrangements); 7 (Presentation of Financial Information in Insolvency Proceedings); and 9 (Payments to Insolvency Office Holders and their Associates from an Estate) were introduced.

The year concluded with the final approval by all the Recognised Professional Bodies (RPBs) and Joint Insolvency Committee (JIC) of the revised SIP 3.1 (Individual Voluntary Arrangements (IVAs)). The new SIP came into force for IVAs where the Nominee appointment is on or after 1 March 2023.

Insolvency Service Consultation: The Future of Insolvency Regulation

The major consultation in the first quarter of 2022 was the Insolvency Service's follow up to their Call for Evidence made in 2019.

The IPA submitted a comprehensive response to the Consultation. The IPA did not accept the underlying assertion of the Consultation document that the existing insolvency regulatory system is dysfunctional and no longer provides a framework for effective regulation, nor did it accept that the outcome of the Government's Call for Evidence in 2019 supports that view. The IPA also rejected the central proposition that any new Single Regulator should be part of the Insolvency Service because it considers that would give rise to insurmountable conflicts of interest.

The Government is currently reconsidering its proposals in the light of the responses it received and it is expected that an alternative proposal will be put forward in 2023.

Statutory Debt Repayment Plans: Consultation by HM Treasury

The IPA submitted a detailed but critical response to the Proposals put forward by HM Treasury to introduce a scheme for debtors wishing to repay their debts in full over an extended period to do so with statutory protection during that period.

Together with a number of the other respondents, we considered the proposed scheme was too restrictive and inflexible to be attractive to users. The Treasury has decided not to proceed with the proposal as put forward but will await the outcome of the Government's review of the personal insolvency framework.

Standards, Ethics & Regulatory Liaison work in 2022

Other key issues dealt with by the Standards, Ethics & Regulatory Liaison (SERL) Committee in 2022 were the introduction of the revised SIP 3.1, the Insolvency Service Consultation on the Implementation of two United Nations Commission on International Trade Law (UNCITRAL) Model Laws on Insolvency, the Model Law on Recognition and Enforcement of Insolvency-Related Judgments and the Model Law on Enterprise Group Insolvency.

In being involved with regulatory change, the IPA liaises with the Insolvency Service, other government departments and Parliament (including the gathering and consideration of our members' views), as well as our participation in the JIC.

The JIC is formed of the UK's four insolvency Recognised Professional Bodies (RPBs), plus lay members from the business world and representatives from the Insolvency Service and HMRC. It develops, improves and maintains insolvency standards from a regulatory, ethical and best practice perspective.

Registered Property Receivers Scheme: A Distinguished Mark of Accreditation

The Registered Property Receivers (RPR) Scheme originated in 1999 with the objective of accrediting professionals who carry out fixed charge or Law of Property Act receivership work, in order to offer reassurance on the standard of that work to those making such appointments, creditors and the wider public.

Registered Property Receivers Scheme

A partnership between

RICS | Insolvency Practitioners Association | nara

Membership of the Scheme is voluntary and can only be achieved by those who have proven they have the required skills, knowledge and experience. In addition, members are subject to an ongoing risk-based monitoring regime and continuing professional development requirements. Indications are that a number of leading banks will now only consider appointing those who are Registered Property Receivers.

EVENTS, TRAINING AND PROFESSIONAL DEVELOPMENT

To support our members through every stage of their career and to help them maintain the highest of professional standards in their day-to-day work, the IPA is committed to providing best-in-class programmes of live events, online training and professional qualifications with a focus on future business and developing sustainable cohorts of professional leaders in insolvency.

REGIONAL ROADSHOWS

ROADSHOW SERIES

INSOLVENCY PRACTITIONERS ASSOCIATION

As a UK-wide regulator, it is important that we inform and connect with all of our members, and the regional Roadshows offer the perfect opportunity to do so. They are a series of seven live and online events offering 3-4 hours of CPD delivered by expert speakers and senior members of the IPA.

The 2022 Roadshows were well-attended, with a 14.5% uplift on 2021. Programmes were tailored to the region, ensuring attendees received information and learning relevant to their location. Feedback shows the majority of attendees would recommend the Roadshows to their colleagues, and speaker ratings were generally very good to excellent.

2022 locations: Glasgow, Northern Ireland (online), Manchester (online), Cardiff, Birmingham, Leeds, London

ANNUAL CONFERENCE

The flagship event in the events calendar, traditionally held in London, the Annual Conference brings together expert speakers to examine the latest developments in the insolvency profession as well as external matters affecting the sector. The 2022 conference theme was operating in the face of disruption from the consultation on the future of the profession; the emergence from the pandemic; Brexit; and the war in Ukraine. 200 delegates attended the event, held at the Royal College of Physicians in Regent's Park, London. Post-event feedback surveys showed that 100% of delegates rated the conference as good to excellent and were likely or very likely to recommend this event to others.

PERSONAL INSOLVENCY CONFERENCE

Firmly established as the key event in the calendar for personal Insolvency Practitioners since 2008, this yearly conference is traditionally held in Manchester and designed to address the most pressing issues for the personal insolvency sector. The 2022 conference focused on the cost-of-living crisis, exploring both the economic and political implications, as well as the effects of the unprecedented situation on the most vulnerable in our society. We saw a 61% increase in delegate numbers in 2021, with post-event feedback surveys indicating that 80% of attendees rated the conference as good to excellent, and 100% of attendees were likely or very likely to recommend it to others.

IPA AWARDS 2022

The highly respected IPA Awards returned for 2022, with the ceremony taking place at the prestigious National Theatre on London's South Bank.

The event is designed to recognise and celebrate the insolvency sector's most outstanding achievements of the year and was very well received across the profession.

2022 WINNERS

Insolvency Professional of the Year (SME, Less than 250 Employees)

Allister Manson, Partner, Opus Business Advisory Group

Insolvency Professional of the Year (Large Firm, More than 250 Employees)

Louise Brittain, Head of Contentious Insolvency, Azets

Innovation in Practise

David McAlinden, Director, MKB Law

Diversity & Inclusion Champion

Francesca Tackie, Director, Mercury Corporate Recovery Solutions

Rising Star of the Year

Arabella Ranby-Gorwood, Corporate Insolvency Practitioner, CRG Financial Recovery

Outstanding Contribution to the Profession

Frances Coulson, Head of Insolvency & Restructuring, Wedlake Bell

COMMUNICATIONS AND PUBLICATIONS

Regular communications are key to keeping members informed on important matters. We do this through a mix of digital and printed publications.

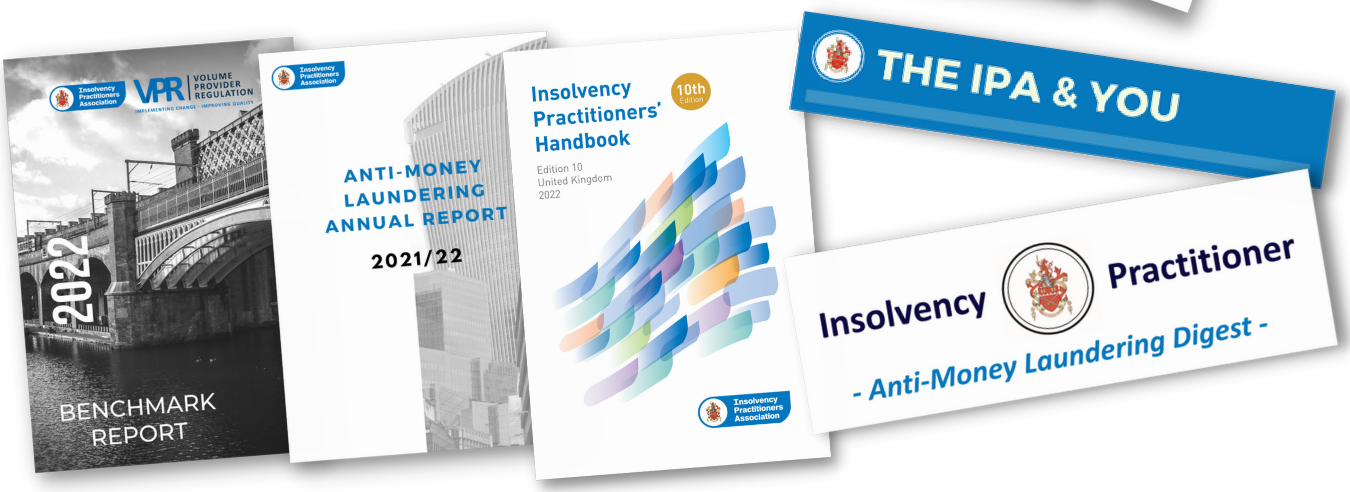
Digital publications

The IPA publishes a monthly Insolvency Practitioner e-newsletter and ad hoc regulatory updates and alerts. We also publish a triannual Anti-Money Laundering (AML) Digest and a monthly internal staff newsletter, The IPA & You.

Print publications

The IPA publishes an annual Insolvency Practitioners' Handbook which draws together the Ethics Code, Statements of Insolvency Practice (SIPs) and other regulatory guidance to which our Insolvency Practitioners are expected to adhere, into one convenient volume. The IPA publishes three printed reports annually: the Volume Provider Regulation (VPR) Scheme Benchmark Report, the Annual Report and the Anti-Money Laundering (AML) Annual Report.

The IPA also publishes regular updates on our LinkedIn and Twitter social media channels.



LinkedIn	Twitter
Total followers: 8,511*	Total followers: 2,072*
22% Increase from January 22	6% Increase from January 22

*at the time of publishing

IPA LEARNING

IPA Learning is a programme of online lunchtime workshops delivering targeted training on key topics. Matters covered in 2022 included a practical approach to AML; employees in insolvency; the ethics of giving advice and avoiding conflicts of interest; and a 2022 corporate insolvency review. 2022 saw over 500 attendees across six webinars.

WORLD-LEADING QUALIFICATIONS

In 1995, the IPA launched the Certificate of Proficiency in Insolvency (CPI) examination, one of the most respected qualifications in insolvency and recognised as a principal route to qualification as an Insolvency Practitioner through successful completion of the Joint Insolvency Examination (JIE).

The IPA later developed the Certificate of Proficiency in Personal Insolvency (CPPI) examination to test candidates in greater detail on personal insolvency.

EXAMINATION RESULTS AND PRIZE WINNERS

CPI	CPPI
Passed: 85	Passed: 4
Failed: 86	Failed: 7

CPI prize winners (June)

Leah Bartlett (1st Place)
Ben Cheshire (2nd Place)

CPI prize winners (November)

Qiongzi Hu (1st Place)
Andrew Sidaway (2nd Place)

FINANCIAL PERFORMANCE AND SUSTAINABILITY

The detailed figures for the year ended 31 December 2022 are set out in the financial statements within the appendix to this report.

The IPA's principal sources of funding are membership, events, training and professional accreditation, licence fees, monitoring and sponsorship. Income for the year totalled £3,304,068 (2021: £3,493,511).

Even though income reduced overall in 2022, certain areas exceeded income expectations compared to previous years. Event income increased in 2022 due to more webinars taking place throughout the year which turned out to be successful. The Annual Conference and Personal Insolvency Conference were also well attended in 2022, with members enjoying being back to the full 'in person' experience. The IPA also welcomed some new sponsors in 2022 which in turn generated more income.

Membership income, however, decreased slightly in the year due to some of our members retiring from the profession. Volume Provider Regulation (VPR) Scheme income also decreased slightly due to the number of the firms' cases reducing in the year (VPR Scheme fees are based on the number of cases held by each firm at a particular moment in time). Income received from fines reduced significantly in 2022 due to fewer complaints being referred to the IPA's Regulation and Conduct Committee.

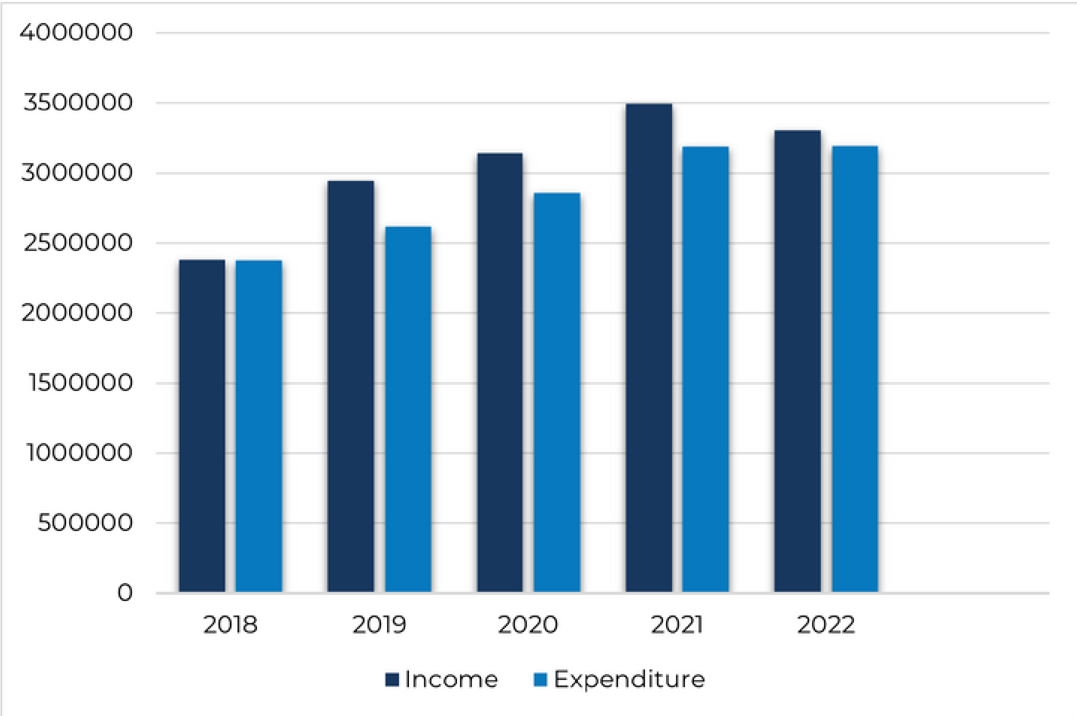
Total expenditure increased slightly in 2022, being £3,191,325 (2021: £3,188,800), an increase of 1%. One of the main reasons for the slight increase in expenditure was due to the implementation of a staff retention strategy in response to the Insolvency Service Consultation which has thus far been successful. Legal fees reduced significantly in the year due to fewer complaints being referred to the Committees (hence the reduction in income mentioned above relating to fines). The IPA will continue to seek to make cost savings in 2023, obtaining best value for money whilst not compromising the quality of its services.

The IPA's investment portfolio valuation reduced significantly in the year by circa £176k due to external economic factors. As the change in valuation figure has to be recognised in the profit and loss account, this then caused the IPA to make a loss in 2022. If the investment portfolio valuation was disregarded, the IPA would have made a surplus in 2022 of £160k. The Board will continue to regularly review and monitor the position of the investment portfolio throughout 2023 and adjust the strategy of the portfolio if need be. Overall, including the investment portfolio revaluation, the IPA accounts for 2022 resulted in a loss of £16,074 (2021: Surplus £437,594) for the year ended 31 December 2022. The IPA's total net assets as at 31 December 2022 are £2,113,112, which includes cash balances of £4,142,461.

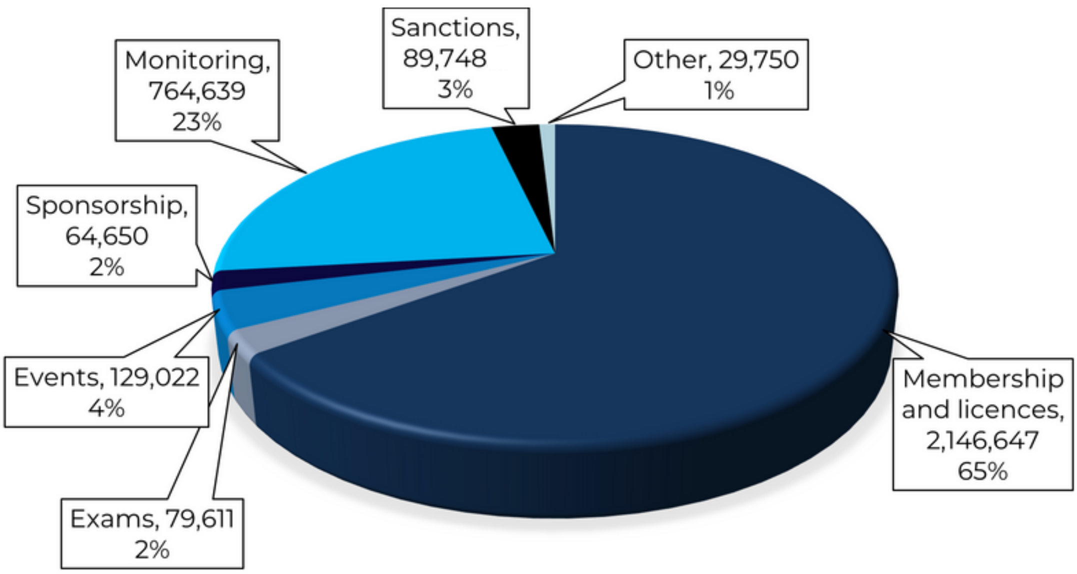
Operations

As in previous years, the IPA has again improved its IT infrastructure, particularly around the membership renewal process. This was to make the renewals process more user friendly and streamlined from an internal and external perspective. We will continue to improve the process even further in 2023 if need be, as well as looking to streamline other business processes across the teams.

IPA income and expenditure - five years



IPA 2022 income split



Appendix

Statutory Annual Report and Financial Statements

Registration number: 01151132

Insolvency Practitioners Association

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Insolvency Practitioners Association

Contents

Insolvency Practitioners Association

Company Information

Directors	N A Bennett
	L Brittain
	J Colley
	S Croston
	P Davis
	K J Hellard
	L E Hinton
	A Hyde
	D Hyslop
	C A James
	S J Keen
	Y L Lee
	E Maclean
	H Maddison
	K Marland
	M Moses
	J R Newgas
	S J Underwood
	A Wade
Company secretary	P Smith
Registered office	114 St Martin's Lane Covent Garden London WC2N 4BE
Auditors	Bourner Bullock Chartered Accountants 114 St Martin's Lane Covent Garden London WC2N 4BE

Insolvency Practitioners Association

Notice of Annual General Meeting

Notice is hereby given that the forty seventh Annual General Meeting of the Insolvency Practitioners Association ("the Association") will be held at 30 Euston Square, London, NW1 2FB on 27 April 2023 for the following purposes:

1. To receive and adopt the Report of the Board and the Financial Statements of the Association for the year ended 31 December 2022.

2. To receive the result of the ballot for the election of members of the Board.

3. To re-appoint auditors.

4. To transact any other business, which may properly be transacted at an Annual General Meeting, including co-option of members to Board.

By order of the Board

A Wade

114 St Martin's Lane
Covent Garden
London
WC2N 4BE

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and to speak and to vote instead of him. A proxy must be an individual member. Proxy forms are available from the Secretary on request and must be returned to the registered office (above) 48 hours before the meeting.

Insolvency Practitioners Association

Report of the Board for the Year Ended 31 December 2022

The Board members, who are also Directors for the purpose of company law, have pleasure in submitting its Report and the Financial Statements of the Association for the year ended 31 December 2022. This also represents the Directors' Report under the Companies Act 2006.

Further details can be found in the Annual Members Report which can be found at https://www.insolvency-practitioners.org.uk/.

Directors of the Company

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

N A Bennett

L Brittain

J Colley

S Croston

P Davis

K J Hellard

L E Hinton

A Hyde

D Hyslop (appointed 28 April 2022)

C A James

S J Keen

Y L Lee

E Maclean (appointed 20 September 2022)

H Maddison

K Marland

M Moses

J R Newgas

S J Underwood

A Wade (appointed 28 April 2022)

Insolvency Practitioners Association

Report of the Board for the Year Ended 31 December 2022

Reappointment of auditors

The auditors Bourner Bullock are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on ...28.03.2023... and signed on its behalf by:

....

A Wade

Director

Insolvency Practitioners Association

Statement of Directors' Responsibilities

The Board members, who are also the directors for the purpose of company law, are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law requires the Board members to prepare financial statements for each financial year. Under that law Board members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the Board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements the Board is required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures there from being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

So far as each of the Board members is aware at the time this report is approved:

• there is no relevant audit information of which the company's auditors are unaware; and
• the Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Independent Auditor's Report to the Members of Insolvency Practitioners Association

Opinion

We have audited the financial statements of Insolvency Practitioners Association (the 'Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Insolvency Practitioners Association

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemptions in preparing the directors’ report and from the requirement to prepare a strategic report.

Independent Auditor's Report to the Members of Insolvency Practitioners Association

Responsibilities of directors

As explained more fully in the Statement of Coucil Members' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

• Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Company Law, Tax and Pensions legislation, and distributable profits legislation.

• Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include Insolvency Service regulations and Insolvency Act 1986.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non- compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

Independent Auditor's Report to the Members of Insolvency Practitioners Association

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

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

Bourner Bullock
....
Russell Joseph (Senior Statutory Auditor)
For and on behalf of Bourner Bullock, Statutory Auditor

Chartered Accountants
114 St Martin's Lane
Covent Garden
London
WC2N 4BE

Date: 28.03.2023

Insolvency Practitioners Association

Profit and Loss Account for the Year Ended 31 December 2022

	Notes	2022 £	2021 £
Turnover		3,304,068	3,493,511
Administrative expenses		(3,191,325)	(3,188,800)
Other operating income	5	36,930	52,433
Operating surplus		149,673	357,144
Investment revaluations (loss)/gain	5	(176,422)	76,195
Other interest receivable and similar income		10,675	5,253
(Deficit)/surplus before tax		(16,074)	438,592
Taxation		(5,775)	(998)
(Deficit)/surplus for the financial year		(21,849)	437,594

The notes on pages 14 to 22 form an integral part of these financial statements.

Insolvency Practitioners Association

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £	2021 £
(Deficit)/surplus for the year	(21,849)	437,594
Total comprehensive income for the year	(21,849)	437,594

The notes on pages 14 to 22 form an integral part of these financial statements.

Insolvency Practitioners Association

(Registration number: 01151132)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	6	19,567	17,875
Tangible assets	7	6,503	8,774
Other financial assets	8	1,223,448	1,375,998
		1,249,518	1,402,647
Current assets			
Debtors	9	82,633	173,403
Cash at bank and in hand		4,142,461	3,741,576
		4,225,094	3,914,979
Creditors: Amounts falling due within one year	10	(3,288,418)	(3,103,483)
Net current assets		936,676	811,496
Total assets less current liabilities		2,186,194	2,214,143
Provisions for liabilities		(78,858)	(84,958)
Net assets		2,107,336	2,129,185
Capital and reserves			
Profit and loss account		2,107,336	2,129,185
Total equity		2,107,336	2,129,185

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on ..28.03.2023.... and signed on its behalf by:

....

A Wade
Director

The notes on pages 14 to 22 form an integral part of these financial statements.

Insolvency Practitioners Association

Statement of Changes in Equity for the Year Ended 31 December 2022

	Retained earnings £	Total £
At 1 January 2022	2,129,185	2,129,185
Deficit for the year	(21,849)	(21,849)
Total comprehensive income	(21,849)	(21,849)
At 31 December 2022	2,107,336	2,107,336

	Retained earnings £	Total £
At 1 January 2021	1,691,591	1,691,591
Surplus for the year	437,594	437,594
Total comprehensive income	437,594	437,594
At 31 December 2021	2,129,185	2,129,185

The notes on pages 14 to 22 form an integral part of these financial statements.

1 General information

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

The address of its registered office is:
114 St Martin's Lane
Covent Garden
London
WC2N 4BE

Principal activity

The Association is a Recognised Professional Body (RPB) under the Insolvency Act 1986 and empowered to grant and renew insolvency authorisations (licences). The principal objects of the Association are: to encourage the recruitment of a body of persons skilled in insolvency administration; to maintain and improve standards of performance and conduct of Insolvency Practitioners (IPs) and their staff; and to regulate and monitor its licensed IPs' practices and where appropriate to discipline those members who bring discredit upon themselves, the Association or the profession by way of misconduct.

The principal place of business is:
46 New Broad Street
London
EC2M 1JH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Insolvency Practitioners Association

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

Going concern

The financial statements have been prepared on a going concern basis. Boardl Members make every effort to ensure reserves held are at an appropriate level.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Subscriptions

Annual memberships, which are due on 1 January, are included in income in the year to which the subscription relates. Any amounts received in advance are credited to prepaid subscriptions and fees.

Disciplinary and Investigation Costs Recoveries

Costs recovered from members subject to investigation or disciplinary action, are accounted for in the year in which they are due.

Tax

The Association is only liable to tax on its investment income and any profits earned from non-members.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as shown below. A full year's worth of depreciation is charged in the year in which the asset is purchased.

Asset class	**Depreciation method and rate**
Computer equipment	3 years straight line
Furniture and fittings	3 years straight line

Intangible assets

Intangible assets are recognised from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate that the asset will generate probable future economic benefits and can be reliably measured.

Amortisation

Intangible assets are amortised on a straight line basis over their estimated useful lives at the rates shown below. A full year's worth of amortisation is charged in the year in which the asset is purchased.

Asset class	**Amortisation method and rate**
Computer software	3 years straight line
Website development and E-Learning development	3 years straight line

Investments

Fixed asset investments are revalued at market value at the balance sheet date on an individual basis. Gains and losses on revaluation are recognised in the Profit and Loss Account.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Trade debtors are amounts due from members for services performed in the ordinary course of business.

Subscription debtors become due from 1 January when the subscription period commences.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash held in investment portfolios which is not for the company's operational management is included within fixed asset investments.

Creditors

Basic financial liabilities, including trade and other creditors, loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

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

Provisions

Provisions represent a liability of uncertain timing or amount. Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Significant judgements and estimation uncertainty

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

Depreciation:
The annual depreciation charge for any fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually. The carrying amount of tangible fixed assets at the year end is £6,503 (2021: £8,774).

Amortisation:
The company amortises its intangible assets over their estimated useful economic life. The useful lives and residual values are re-assessed annually. The carrying amount of intangible fixed assets at the year end is £19,567 (2021: £17,875).

4 Staff numbers

The average number of persons employed by the company during the year was 35 (2021 - 32).

5 Investment income and revaluations

	2022	2021
	£	£
Dividend income	36,930	52,433
(Loss)/gain on investments	(176,422)	76,195
	(139,492)	128,628

6 Intangible assets

	Website and E-Learning development £	Computer software £	Total £
Cost or valuation			
At 1 January 2022	26,466	37,875	64,341
Additions acquired separately	-	22,350	22,350
Disposals	(26,466)	-	(26,466)
At 31 December 2022	-	60,225	60,225
Amortisation			
At 1 January 2022	26,466	20,658	47,124
Amortisation charge	-	20,000	20,000
Amortisation eliminated on disposals	(26,466)	-	(26,466)
At 31 December 2022	-	40,658	40,658
Carrying amount			
At 31 December 2022	-	19,567	19,567
At 31 December 2021	-	17,875	17,875

7 Tangible assets

	Computer equipment £	Fixtures and Fittings £	Total £
Cost or valuation			
At 1 January 2022	24,656	698	25,354
Additions	3,098	1,014	4,112
Disposals	(4,553)	-	(4,553)
At 31 December 2022	23,201	1,712	24,913
Depreciation			
At 1 January 2022	15,886	698	16,584
Charge for the year	6,042	-	6,042
Eliminated on disposal	(4,553)	337	(4,216)
At 31 December 2022	17,375	1,035	18,410
Carrying amount			
At 31 December 2022	5,826	677	6,503
At 31 December 2021	8,774	-	8,774

8 Listed investments

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Cost or valuation		
At 1 January 2022	1,321,008	1,321,008
Additions	172,113	172,113
Disposals	(183,526)	(183,526)
Fair value adjustments	(176,422)	(176,422)
At 31 December 2022	1,133,173	1,133,173
Cash	90,275	90,275
At 31 December 2022	1,223,448	1,223,448

	2022		2021	
	Cost	Market value	Cost	Market value
	£	£	£	£
UK listed	470,889	488,667	513,746	626,553
Europe	39,306	49,763	39,306	57,642
Rest of world	588,036	594,743	552,780	636,813
	1,098,231	1,133,173	1,105,832	1,321,008

There has continued to be considerable volatility in markets throughout 2022, and also into 2023. In response to the ongoing Russia/Ukraine conflict, and broader world events and taking advice from the IPA's investment managers, the board has continued to regularly review and adjust its investment strategy throughout the year

9 Debtors

Current	2022 £	2021 £
Trade debtors	37,759	122,398
Prepayments	25,422	18,601
Other debtors	19,452	32,404
	82,633	173,403

10 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Due within one year		
Trade creditors	29,957	57,725
Taxation and social security	70,049	63,015
Other creditors	3,188,412	2,982,743
	3,288,418	3,103,483

Other creditors include deferred income of £2,232,803 (2021: £2,018,139) relating to prepaid subscriptions and other fees.

11 Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	7,871	99,455
Later than one year and not later than five years	-	5,005
	7,871	104,460

Insolvency Practitioners Association

Detailed Profit and Loss Account for the Year Ended 31 December 2022

	2022	2021
	£	£
Turnover	3,304,068	3,493,511
Administrative expenses		
Employment costs	(2,340,137)	(2,149,149)
Establishment costs	(108,564)	(87,184)
General administrative expenses	(697,727)	(918,801)
Finance charges	(17,859)	(15,819)
Depreciation costs	(27,038)	(17,847)
	(3,191,325)	(3,188,800)
Investment income and revaluations	(139,492)	128,628
Operating (deficit)/surplus	(26,749)	433,339
Other interest receivable and similar income	10,675	5,253
(Deficit)/surplus before tax	(16,074)	438,592

Insolvency Practitioners Association

Detailed Profit and Loss Account for the Year Ended 31 December 2022

	2022 £	2021 £
Turnover		
Income	3,304,068	3,493,511
Employment costs		
Wages and salaries	1,988,813	1,831,732
Staff NIC (employers)	243,090	203,974
Staff pensions (defined contribution)	106,292	103,269
Private health insurance	(2,662)	7,813
Other staff costs	3,570	1,802
Employee Recruitment & HR	1,034	559
	2,340,137	2,149,149
Establishment costs		
Rent and Rates	108,564	87,375
Light, heat and power	-	(191)
	108,564	87,184
General administrative expenses		
Examination costs	65,375	44,390
Insurance	51,433	29,787
Conferences and events	60,711	26,527
Telephone and fax	5,420	9,296
Office expenses	17,570	10,749
Computer and software and maintenance costs	48,142	34,836
Printing & postage	5,641	947
Charitable donations	-	10,140
Sundry expenses	16,455	23,865
Cleaning	-	(411)
Travel and subsistence	78,703	40,172
Advertising	8,125	17,882
Staff entertaining	2,847	3,054
Accountancy fees	90	76
Auditor's remuneration - The audit of the company's annual accounts	7,500	6,000
Auditors' remuneration - non audit work	3,286	3,610

Insolvency Practitioners Association

Detailed Profit and Loss Account for the Year Ended 31 December 2022

	2022	2021
	£	£
Legal and other regulatory costs	13,332	398,668
Consultancy fees	105,727	119,740
Legal and professional fees	137,724	67,395
Board and committee expenses	31,427	32,181
Bad debts written off	31,817	8,315
Unrecoverable VAT	6,402	31,582
	697,727	918,801
Finance charges		
Credit card charges	17,859	15,819
Depreciation costs		
Depreciation of website	20,658	12,625
Depreciation of fixtures and fittings	6,380	5,222
	27,038	17,847
Investment income and revaluations		
Dividend income	36,930	52,433
(Loss)/gain on investments	(176,422)	76,195
	(139,492)	128,628
Other interest receivable and similar income		
Bank interest received	10,675	5,253

This page does not form part of the statutory financial statements.

Insolvency Practitioners Association

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