

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2015**

**Company Registration Number: 1151132**

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

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**PRESIDENT**

M R Sands

**VICE-PRESIDENT**

M E Leslie

**SECRETARY**

D A Kerr

**REGISTERED OFFICE**

Valiant House  
4 – 10 Heneage Lane  
London  
EC3A 5DQ

**REGISTERED NUMBER**

1151132

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Notice of Annual General Meeting**

Notice is hereby given that the thirty eighth Annual General Meeting of the Insolvency Practitioners Association will be held at The Royal Institute of British Architects (RIBA), 66 Portland Place, London, W1B 1AD on 21 April 2016 at 1.30 pm, for the following purposes:

1. To receive and adopt the Report of the Council and the Financial Statements of the Association for the year ended 31 December 2015.
2. To receive the result of the ballot for the election of members of the Council.
3. To re-appoint auditors.
4. To transact any other business, which may properly be transacted at an Annual General Meeting.

By order of the Council

D A Kerr  
Secretary

4 April 2016

Valiant House  
4 – 10 Heneage Lane  
London  
EC3A 5DQ

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**  
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**REPORT OF THE COUNCIL**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The Council has pleasure in submitting its Report and the Financial Statements of the Association for the year ended 31 December 2015.

**PRINCIPAL OBJECTS**

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.

**COUNCIL**

The following have been members of the Council of the Association during the year ended 31 December 2015.

**President**

M R Sands

**Vice-President**

M E Leslie

**Deputy Vice-President**

R E Duncan

**Immediate Past President**

M R Fry

**Elected members**

C H Turner (retired 29 April 2015)

B A Guilfoyle (retired 29 April 2015)

S S Goderski (retired January 2015)

K Hellard

C James (Appointed 29 April 2015)

P Brazzill (Appointed 29 April 2015)

N J Fisher (Appointed 29 April 2015)

P M Peel (formerly Bird) (Appointed 29 April 2015)

R E Duncan

C M Polwin

J S Wright

C G Wiseman

D J Manzoori

D J Standish

S Underwood

L Hinton

**Co-opted members to  
AGM 2016**

C D Faulds (retired 29 April 2015)

L Pagden (retired 29 April 2015)

M Moses

**ELECTIONS TO THE COUNCIL**

The following Council Members will retire at the forthcoming Annual General Meeting: M R Fry, C M Polwin, J S Wright and C G Wiseman. M R Fry and C M Polwin are not eligible for re-election.

**COUNCIL AND COMMITTEE MEETINGS**

During the year there were five meetings of the Council and some fifty meetings of Committees and Sub-Committees of the Council. There were also five meetings around the UK with the Membership.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
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**REPORT OF THE COUNCIL (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**SUMMARY OF ACTIVITIES DURING THE YEAR**

**MEMBERSHIP**

At 31 December 2015, the Association had approximately 1,700 Individual Members, Affiliates, and Student Members. It had in issue at that date 591 insolvency authorisations granted to insolvency practitioners (IPs) of whom 497 were appointment-takers.

The Association is subject to the general equality duty under the Equality Act 2010 and the President and Chief Executive welcome offers from members to serve on committees.

**STANDARDS**

The Association continues to play an active part in the work of the Joint Insolvency Committee (JIC), comprising representatives of the Recognised Professional Bodies (RPBs) and the government's Insolvency Service (part of the Department for Business, Innovation & Skills (BIS)). The JIC is responsible for the development of insolvency standards, and professional and ethical guidance. This is an area in which the Association has played and continues to play a significant role on behalf of IPs to ensure that standards-setting in the profession is practical and relevant to IPs' work; in 2015 we played a leading part in the development of the Pre-Pack Pool, which was launched on 2 November 2015. The Association was also active in engaging with members and others, contributing to roadshows and other events across the country, including two conferences. The Practice Guidance, Ethics & Standards Committee, through its secretariat support, continues to handle a significant number of requests from the Association's IPs and other members on regulatory and ethical issues, and provides a valuable service to members. We produced the third edition of our now annual handbook containing the code of ethics, practice statements, guidance and regulations for members, with both England & Wales and Scotland versions in publication, in hard copy and on-line, and we have undertaken regional regulation introduction sessions for new practitioners.

**PUTTING BETTER REGULATION INTO PRACTICE**

The Association's approach to monitoring, combining an appropriate degree of robustness and an outcome-focused method of review incorporating constructive dialogue with IPs, has proved to be a winning formula. Practitioners value the practical and constructive review process and the value it can add to their practices.

**REGULATORY OVERSIGHT AND RELATED MATTERS**

The Association is accountable to the Secretary of State for BIS and to the Department of Enterprise, Trade & Investment in Northern Ireland by whom it is recognised as a professional body for the purposes of authorising and regulating IPs.

The Association has responded to a number of regulatory reviews by BIS, as well as contributing to the development of guidance on the regulatory objectives and other measures contained in the legislation introduced in October 2015.

The Association also had briefing meetings and exchanges with the Association of Business Recovery Professionals (R3), a representative body of IPs, and with other organisations.

The Association continued its monitoring of property receivers under a scheme operated jointly with the Royal Institution of Chartered Surveyors, and of debt management companies for the Debt Resolution Forum, and continued its monitoring of IPs licensed by the Law Society/Solicitors Regulation Authority until its withdrawal from insolvency regulation in late 2015. The Association has also undertaken complaints handling in respect of solicitor IPs' conduct of insolvency assignments.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
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**REPORT OF THE COUNCIL (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**EDUCATION**

The Association's established and well recognised Certificate of Proficiency in Insolvency (CPI) and Certificate of Proficiency in Personal Insolvency (CPPI) examinations had solid support in 2015, albeit in a declining market, as fewer students are studying for and entering insolvency exams at all levels. The new December sitting for CPI has proved popular. An examination for the new Certificate of Proficiency in Corporate Insolvency (CPCI) was first held in 2014, and is expected to develop further with the introduction of partial licensing in 2016.

Prizes were presented to the top candidates at events throughout the year, including the annual dinner in September 2015. The Association also sponsors the overall first-placed JIE candidate; this prestigious prize is given at the JIE presentation ceremony in June each year.

**CONSUMER DEBT SOLUTIONS**

Throughout 2015 the Association participated in the IVA Standing Committee chaired by BIS and worked on enhancements to the Protocol for straightforward (or Protocol compliant) Individual Voluntary Arrangement (IVA) cases (PCIVAs), which are designed to improve processes, efficiency and transparency, acceptability and returns to creditors. The Association also issued guidance to IPs on the scope of the IP exclusion from FCA authorisation of consumer credit activities.

**COMMUNICATIONS**

During the year, the Association published three issues of *Insolvency Practitioner* magazine covering a range of technical, practice and ethical and regulatory issues.

The Association's annual lecture and insolvency conference were held in January and April 2015 respectively. The conference was well attended and addressed a number of topical issues with contributions from guest speakers and delegates. A successful series of regional roadshows were held in five locations throughout the UK in 2015 with over 250 attendees, and a sixth Personal Insolvency Conference was held successfully in Manchester, maintaining strong attendance. The Practical Insolvency Course, aimed at those who had passed CPI or CPPI in recent years, was held in London and Manchester and we ran our inaugural Scottish Practices Conference in Sterling. Meetings in the IP Introduction Programme continued to be held, and took place in three locations during 2015, and we initiated a well-received Refresher course which covered ethics and SIPs.

**OTHER MATTERS**

The Association continues to provide secretariat services to the Insolvency Lawyers Association.

**ROYAL CHARTER**

The Association took steps in 2015 to advance its application for a Royal Charter. Discussions were held with the Privy Council, and soundings taken from other bodies. The President informed members at the annual conference and through the regional roadshows, as well as by letter. Members approved the approach at an Extraordinary General Meeting in March, at which all but one of those voting approved the resolutions put to members to give effect to the Charter application. The latest indications from the Privy Council are not favourable, but a reasoned decision is awaited.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**REPORT OF THE COUNCIL (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**FINANCIAL RESULTS**

The Association's activities have resulted in an operating surplus of £35,829 after tax for the year ended 31 December 2015 (2014: loss of £35,041). It is the policy of the Association that there should be sufficient reserves to cover all reasonably foreseeable eventualities, particularly relating to any adverse costs that might be incurred in relation to disciplinary and regulatory matters (backed up by appropriate insurance). The Association aims to budget for modest surpluses to maintain the value of its reserves.

Variances in key income and expenditure areas between 2014 and 2015 include:

- An anticipated decrease in membership subscription which reflected a drop in membership in 2015. There was no significant change in authorisation fee income, which increased slightly.
- Examinations income and expenditure were lower due to fewer entrants to the June 2015 examination sitting.
- Income from events has increased in line with the number of events arranged by the Association and the number of attendees. There was an overall decrease in the expenditure relating to events during 2015 compared to 2014.
- Regulatory fines and cost recoveries increased due to the Investigations Committee issuing a number of significant fines accompanied by costs orders.
- A decrease in the finalised property dilapidation costs, as a result of the break in the lease on the third floor suite at Valiant House, contributed towards the surplus for the year, when that liability crystallised on the termination of that lease in December.
- Staff costs increased marginally as monitoring and regulation activities have expanded in line with increases in the number of licensed Insolvency Practitioners.
- A decrease in consultants and bookkeeping expenses as a result of several changes to the finance function.
- Legal and other regulatory costs were lower in 2015, partly as a result of the reduced utilisation of the Reviewers of Complaints and outsourced legal services.
- Printing costs have decreased due to more careful monitoring of suppliers and better use of electronically submitted documents. There was a small increase in IT expenses.
- Inspection costs were lower in 2015 due to the retirement of an inspector.
- Irrecoverable VAT fell marginally but remained high in line with applicable expenditure – a significant proportion related to the landlord's decision to exercise its option to charge VAT on rent and service charges.

The Association's aim in the medium term remains one of budgeting for modest surpluses.

The Association would once more like to acknowledge the financial contribution made by sponsors, as well as the considerable time and effort expended by members volunteering to assist through committee work and by the secretariat team.



**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**REPORT OF THE COUNCIL (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Council members are responsible for preparing the report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the Council members to prepare financial statements for each financial year. Under that law Council members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council 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 Council 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 Council 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 Council 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 Council 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 council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**AUDITORS**

PKF Littlejohn LLP has signified its willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Signed by Order of the Council

M R Sands, President

R Duncan, Chairman of Finance Committee

1 April 2016

Valiant House, 4-10 Heneage Lane  
London EC3A 5DQ

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE INSOLVENCY PRACTITIONERS ASSOCIATION  
(A company limited by guarantee)**

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We have audited the financial statements of Insolvency Practitioners Association for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association'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 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 the Council and Auditor**

As explained more fully in the Councils' responsibilities statement, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Councils' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on Financial Statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Councils' report for the financial year for which the Financial Statements are prepared is consistent with the financial statements.

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

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 by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council was not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Councils' report.

**Alastair Duke (Senior Statutory Auditor)**  
**For and on behalf of**  
**PKF Littlejohn LLP**  
April 2016

**1 Westferry Circus**  
**Canary Wharf**  
**London**  
**E14 4HD**

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
<b>TURNOVER</b>	3		
Subscription income and fees from members and students		634,490	666,083
Insolvency Authorisation fees		1,109,464	1,106,728
Other income	4	571,443	556,288
		<u>2,315,397</u>	<u>2,329,099</u>
<b>ADMINISTRATIVE EXPENSES</b>			
Administration		(1,548,142)	(1,554,100)
Other		(759,106)	(823,598)
		<u></u>	<u></u>
<b>OPERATING SURPLUS/(DEFICIT)</b>	5	8,149	(48,599)
Realised gains on sale of listed investments		4,715	5,387
(Increase) in provision for diminution in value of investments	8	(14,476)	(1,659)
Movement in bad debt provision		(2,500)	(3,702)
Property dilapidation provision		25,545	0
Income from fixed asset investments		16,862	15,018
Bank interest receivable		5,812	5,847
		<u></u>	<u></u>
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		44,107	(27,708)
<b>TAXATION</b>	6	(8,278)	(7,333)
		<u></u>	<u></u>
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>£35,829</u>	<u>£(35,041)</u>

The Association has no recognised gains and losses other than the deficit/surplus for the above financial years.

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee; company registration number 1151132)**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	7	94,444	119,005
Listed investments	8	514,914	510,009
		<u>609,358</u>	<u>629,014</u>
<b>CURRENT ASSETS</b>			
Debtors	9	116,334	134,599
Cash and bank balances		263,045	952,806
Treasury deposit		2,000,000	1,300,000
		<u>2,379,379</u>	<u>2,387,405</u>
<b>CREDITORS: amounts falling due within one year</b>			
Corporation tax		8,486	5,330
Prepaid subscriptions and fees		1,718,483	1,705,363
Other creditors	10	232,782	306,219
		<u>1,959,751</u>	<u>2,016,912</u>
<b>NET CURRENT ASSETS</b>		<u>419,628</u>	<u>370,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,028,986	999,507
<b>CREDITORS: amounts falling due after more than one year</b>	11	(31,750)	(38,100)
<b>TOTAL NET ASSETS</b>		<u>£997,236</u>	<u>£961,407</u>
<b>RESERVES</b>			
Balance brought forward		961,407	996,448
Surplus/(Loss) for the year		35,829	(35,041)
Balance carried forward		<u>£997,236</u>	<u>£961,407</u>

These financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006.

The financial statements were approved and authorised for issue by the Council on 1 April 2016 and signed on its behalf by

M R Sands, President

R Duncan, Chairman of Finance Committee

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES**

A summary of the more important accounting policies is set out below.

**a) Basis of Accounting**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**b) Cash Flow Statement**

The Association meets the Companies Act 2006 definition of a small company. It has therefore claimed the exemption available under Financial Reporting Standard 1 "Cash Flow Statements" from preparing a cash flow statement.

**c) Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets after they have been brought into use, over the lower of the period to a lease break option or their estimated useful lives at the following rates:

Leasehold improvements	To lease break option (3 years)
Website, office and computer equipment	10% - 33 <sup>1</sup> / <sub>3</sub> % straight line basis

**d) Taxation**

The Association is a mutual company for taxation purposes and is only liable to tax on its investment income and any profits earned from non-members.

**e) VAT**

The Association registered for VAT on a partial recovery basis with effect from 1 January 2009 and consequently any VAT incurred on administration or other expenses which had in prior years been included under the respective heading, is now taken to debtors and subsequently written off as irrecoverable VAT to the extent to which it is not recoverable.

**f) 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.

**g) 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.

**h) Leasing Transactions**

Rentals payable under operating leases are charged to the Income and Expenditure Account in the period in which they fall due.

**i) Fixed Asset Investments**

Fixed asset investments are valued at the lower of cost and market value at the balance sheet date on an individual basis. Impairment adjustments are taken to the Income and Expenditure Account.

**j) Barbican Grants**

Income from grants is recognised upon entitlement to the income. This is achieved by the Association's expenditure on projects for which related grants have been approved.

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**2. CONSTITUTION**

The Association is a company limited by guarantee. The liability of members in the event of a winding up is £1 per member. There were 1,712 members as at 31 December 2015.

**3. TURNOVER**

Turnover represents subscription income from members, authorisation fees, Fixed Charge Receiver scheme fees, students' examination fees, and income received from bodies for which we provide a service. Included within turnover is an amount of £223,200 (2014 £218,120) which represents levies collected from members to meet the IPA's fee due to the Insolvency Service, which is included within expenditure.

<b>4. OTHER INCOME</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Grant income	31,421	43,504
Events	132,834	123,137
Services to other bodies	102,984	102,391
Regulatory fines and cost recoveries	79,112	68,410
Levies collected and paid to Insolvency Service	223,200	218,120
Sundry income	1,892	726
	<u>£571,443</u>	<u>£556,288</u>
<b>5. OPERATING DEFICIT/SURPLUS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating deficit/surplus is stated after charging:		
Auditors' remuneration – audit	6,850	6,850
Auditors' remuneration – other	1,930	-
Depreciation	37,895	41,326
	<u></u>	<u></u>
<b>6. TAXATION</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
UK Corporation tax payable for the year	8,278	7,333
	<u>£8,278</u>	<u>£7,333</u>
The tax assessed in the year is lower than the small companies rate of tax in the UK of 20% (2014: 20%). The differences are explained below:		
Surplus/(deficit) on ordinary activities before tax	44,107	(£27,708)
Surplus/(deficit) on ordinary activities before tax multiplied by the small companies rate of tax in the UK of 20% (2014:20%)	£8,821	(£5,542)
Effects of:		
Expenses not deductible for tax purposes	(543)	10,872
Under/(over) provision in prior year	-	2,003
UK Corporation tax payable for the year	<u>£8,278</u>	<u>£7,333</u>

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**7. TANGIBLE ASSETS**

	<b>Fixtures, Fittings &amp; Equipment £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>			
As at 1 January 2015	162,224	244,641	406,865
Additions	552	12,783	13,335
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	162,776	257,424	420,200
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
As at 1 January 2015	161,717	126,143	287,860
Charge for the year	564	37,332	37,896
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	162,281	163,475	325,756
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2015	£495	£93,949	£94,444
	<hr/>	<hr/>	<hr/>
At 31 December 2014	£507	£118,498	£119,005
	<hr/>	<hr/>	<hr/>

**8. LISTED INVESTMENTS**

Fixed asset investments comprise the following at the lower of cost and market value at the balance sheet date on an individual basis.

	<b>£</b>
<b>COST</b>	
As at 1 January 2015	520,975
Additions	146,845
Disposals	(127,572)
	<hr/>
As at 31 December 2015	540,248
	<hr/>
<b>DIMINUTION/APPRECIATION IN VALUE</b>	
As at 1 January 2015	10,966
Eliminated on disposals	(108)
Unrealised movement in the year	14,476
	<hr/>
As at 31 December 2015	25,334
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2015	£514,914
	<hr/>
At 31 December 2014	£510,009
	<hr/>

**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**8. LISTED INVESTMENTS (continued)**

	<b>2015</b>		<b>2014</b>	
	<b>Cost £</b>	<b>Market Value £</b>	<b>Cost £</b>	<b>Market Value £</b>
UK Listed	£379,208	£360,816	£417,619	£431,537
Europe	39,621	39,621	£33,479	£33,559
Rest of the world	121,419	114,477	£69,877	£77,756
	<u>£540,248</u>	<u>£514,914</u>	<u>£520,975</u>	<u>£542,852</u>

**9. DEBTORS**

	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	76,320	21,936
Other debtors	5,187	5,098
Prepayments and accrued income	34,827	107,565
	<u>£116,334</u>	<u>£134,599</u>

**10. CREDITORS DUE WITHIN ONE YEAR**

	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	39,966	81,695
Other creditors	10,061	8,163
Social security and other taxation	56,365	51,997
Accruals and deferred income	111,390	108,066
Provisions (including rent-free period)	15,000	56,298
	<u>£232,782</u>	<u>£306,219</u>

**11. CREDITORS DUE AFTER MORE THAN ONE YEAR**

	<b>2015 £</b>	<b>2014 £</b>
Accruals and deferred income	31,750	38,100
	<u>£31,750</u>	<u>£38,100</u>

Deferred income relates to Barbican funding for the new membership database, which will be released over 10 years to match the depreciation expense; and for the new website, which will be released over 3 years to match the depreciation expense.



**INSOLVENCY PRACTITIONERS ASSOCIATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>12. SALARIES</b>	<b>2015 £</b>	<b>2014 £</b>
Gross salaries	1,147,192	1,121,993
Social security costs	130,214	130,850
Pension costs	44,379	46,900
Private medical insurance	14,020	14,766
	<u>£1,335,805</u>	<u>£1,314,509</u>

Pension costs comprise defined contributions to a group stakeholder and other individual pension policies.

The average number of employees during the year was 24 (2014: 24).

No member of the Council received any remuneration during the year for acting as a member of the Council. In 2015 no (2014: one) member of Council, and three employees of firms in which one Council member is a partner, received properly authorised fees for work undertaken in connection with IPA examinations.

**13. OPERATING LEASES**

The following represents annual commitments held under operating leases expiring as follows:

	<b>2015</b>		<b>2014</b>	
	<b>Land &amp; Buildings £</b>	<b>Other £</b>	<b>Land &amp; Buildings £</b>	<b>Other £</b>
< 1 year		-	73,282	-
2 – 5 years	58,077	34,177		29,762
> 5 years	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**14. CAPITAL COMMITMENTS**

At the year-end capital commitments of £55,305 (2014: £Nil) had been contracted for.

**INSOLVENCY PRACTITIONERS ASSOCIATION (A company limited by guarantee)**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

INCOME	2015		2014	
	£	£	£	£
Subscription income and fees from members and students		634,490		666,083
Insolvency authorisation fees		1,109,464		1,106,728
		<hr/>		<hr/>
		1,743,954		1,772,811
<b>Other</b>				
Grant income	31,421		43,504	
Events	132,834		123,137	
Services to other bodies	102,984		102,391	
Regulatory fines and cost recoveries	79,112		68,410	
Levies collected and paid to Insolvency Service	223,200		218,120	
Sundry income	1,892		726	
		<hr/>		<hr/>
		571,443		556,288
		<hr/>		<hr/>
		£2,315,397		£2,329,099
		<hr/>		<hr/>
<b>EXPENDITURE</b>				
<b>Administration etc</b>				
Salaries		1,335,805		1,314,509
Consultants		9,802		20,442
Printing, postages, binders and other office expenses		95,848		107,199
Insurance		21,160		18,504
Council and committee expenses		45,306		47,708
Public relations and press cuttings		2,326		4,412
Depreciation		37,895		41,326
		<hr/>		<hr/>
		1,548,142		1,554,100
<b>Direct costs of events</b>		62,743		74,362
<b>Other expenses</b>				
Levies collected and paid to Insolvency Service	223,200		218,120	
Legal and other Regulatory costs	39,556		72,057	
Audit, accountancy and book-keeping fees	16,445		23,737	
Other professional fees	11,796		6,300	
Unrecoverable VAT	59,284		66,347	
Examination costs	23,016		39,493	
Inspection expenses	64,415		68,218	
Rent, service charge and rates	174,856		170,066	
IT expenses	30,485		26,773	
Website	2,845		2,931	
Staff travel costs	528		882	
Sundry expenses	19,551		17,784	
Entertainment, subscriptions, training and payroll	24,429		26,120	
Grant related expenditure	5,957		10,408	
		<hr/>		<hr/>
		696,363		749,236
		<hr/>		<hr/>
		2,307,248		2,377,698
		<hr/>		<hr/>
Operating surplus/(deficit) for the year before tax		8,149		(48,599)
Realised surplus on sale of listed investments		4,715		5,387
Net movement in diminution in value of investments		(14,476)		(1,659)
Movement in bad debt provision & debt written off		(2,500)		(3,702)
Property dilapidation provision		25,545		
Bank interest		5,812		5,847
Income from listed securities		16,862		15,018
		<hr/>		<hr/>
Surplus/(Deficit) on ordinary activities before tax		44,107		(27,708)
Corporation tax		(8,278)		(7,333)
		<hr/>		<hr/>
Surplus/(Deficit) for the year after tax		£35,829		£(35,041)
		<hr/>		<hr/>

(These figures do not form part of the statutory accounts.)