

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

Company Registration Number: 1151132

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

PRESIDENT

M R Fry

VICE-PRESIDENT

M R Sands

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 2014

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INSOLVENCY PRACTITIONERS ASSOCIATION
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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 Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ on 29 April 2015 at 5.30 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 2014.
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

7 April 2015

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
(A company limited by guarantee)

REPORT OF THE COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2014

The Council have pleasure in submitting their Report and the Financial Statements of the Association for the year ended 31 December 2014.

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 and their staff; and to regulate and monitor its members' 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 2014.

President

M R Fry

Vice-President

M R Sands

Deputy Vice-President

M E Leslie

Immediate Past President

C H Turner

Elected members

C E B Bible (retired 29 April 2014)

M G Ellis (retired 29 April 2014)

S I Gaillie (retired 29 April 2014)

B A Guilfoyle

L Hinton (appointed 29 April 2014)

P M Peel (formerly Bird)

S Underwood (appointed 29 April 2014)

J S Wright

R E Duncan

N J Fisher

S S Goderski

K Hellard (appointed 29 April 2014)

D J Manzoori

C M Polwin

C G Wiseman

**Co-opted members to
AGM 2015**

C D Faulds

M Moses

L Pagden

D J Standish

ELECTIONS TO THE COUNCIL

S S Goderski resigned from Council in January 2015. The following Council Members will retire at the forthcoming Annual General Meeting: N J Fisher, B A Guilfoyle, P M Peel, C H Turner. Mr Turner is not eligible for re-election.

COUNCIL AND COMMITTEE MEETINGS

During the year there were five meetings of the Council and some sixty-one meetings of Committees and Sub-Committees of the Council. There were also seven 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 2014

SUMMARY OF ACTIVITIES DURING THE YEAR

MEMBERSHIP

At 31 December 2014, the Association had approximately 1,800 Individual Members, Affiliates, and Student Members. It had in issue at that date 546 insolvency authorisations granted to insolvency practitioners (IPs) of whom 458 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. 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, including The Red Tape Challenge and the revision of the Insolvency Rules, as well as contributing to the development of guidance on the regulatory objectives and other measures contained in the draft legislation currently before Parliament.

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. 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 2014

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 2014, with 80% passing CPI and 72% passing CPPI. This includes sittings in June and December for both examinations. An examination for the new Certificate of Proficiency in Corporate Insolvency (CPCI) was held in June, with 100% passing.

Prizes were presented to the top candidates at events throughout the year, including the annual dinner in September 2014. 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 2014 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 May 2014 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 seven locations throughout the UK in 2014, including Scotland and Northern Ireland, with around 300 attendees, and a fifth Personal Insolvency Conference was held successfully in Manchester, maintaining strong attendance. CPI+ (practical skills) sessions, aimed at those who had passed CPI or CPPI in recent years, were held in London, Manchester and Glasgow, attracting 149 delegates. Meetings in the IP Introduction Programme continued to be held, and took place in three locations during 2014.

OTHER MATTERS

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

ROYAL CHARTER

The Association took steps in 2014 to initiate an 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. Subsequent to the year end, an Extraordinary General Meeting has been held and members' approval of the formal petition and other constitutional documents has been obtained.

INSOLVENCY PRACTITIONERS ASSOCIATION
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REPORT OF THE COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL RESULTS

The Association's activities have resulted in an operating loss of £35,041 after tax for the year ended 31 December 2014 (2013: surplus of £27,954). 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 2013 and 2014 include:

- An increase in authorisation fee income which reflects the record number of Insolvency Practitioners who wished to be authorised by the Association. There was a marginal decline in membership subscription.
- Grant income has increased as grant-funded activities have increased in 2014.
- Income from services provided to other bodies was lower in 2014 as a result of the Association undertaking slightly less regulatory contract work.
- Legal and other regulatory costs were higher in 2014, partly as a result of the increased utilisation of the Reviewers of Complaints.
- Income from events has increased in line with the number of events arranged by the Association and the number of attendees.
- Staff costs have increased as monitoring and regulation activities have expanded in line with increases in the number of licensed Insolvency Practitioners and increases in complaint volumes.
- Printing costs have decreased due to more careful monitoring of suppliers and better use of electronically submitted documents.
- Inspection costs were lower in 2014 due to cost efficiencies.
- Irrecoverable VAT has increased in line with applicable expenditure – a significant proportion related to the landlord's decision to exercise their option to charge VAT on rent and service charges.
- Service charges increased in 2014.

Despite making cost savings in various areas during the year, the net effect of these variances was a loss in 2014, as opposed to a budgeted surplus. 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 and by way of grants by the Trustees of the Barbican Settlement towards the costs of certain projects during the year.

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

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 therefrom 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.

This report is prepared in accordance with the small companies regime under 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 Fry, President

L Pagden, Chairman of Finance Committee

2 April 2015

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)

We have audited the financial statements of The Insolvency Practitioners Association for the year ended 31 December 2014 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Council Members and auditors

As explained more fully in the Statement of Council Members' Responsibilities on page 6, the Council members are 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its deficit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council 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 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.

Paul Hopper (Senior Statutory Auditor)
For and on behalf of
PKF Littlejohn LLP
April 2015

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 2014

	Notes	2014 £	2013 £
TURNOVER	3		
Subscription income and fees from members and students		666,083	679,438
Insolvency Authorisation fees		1,106,728	1,066,193
Other income	4	556,288	527,932
		<u>2,329,099</u>	<u>2,273,563</u>
ADMINISTRATIVE EXPENSES			
Administration		(1,554,100)	(1,515,272)
Other		(823,598)	(752,940)
		<u>(2,377,698)</u>	<u>(1,268,212)</u>
OPERATING (DEFICIT)/SURPLUS	5	(48,599)	5,351
Realised gains on sale of listed investments		5,387	8,690
(Increase) in provision for diminution in value of investments	8	(1,659)	(5,766)
Movement in bad debt provision		(3,702)	638
Income from fixed asset investments		15,018	13,465
Bank interest receivable		5,847	7,772
		<u>5,891</u>	<u>13,799</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(27,708)	30,150
TAXATION	6	(7,333)	(2,196)
		<u>(7,333)</u>	<u>(2,196)</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£(35,041)</u>	<u>£27,954</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 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		119,005		138,803
Listed investments	8		510,009		397,101
			<u>629,014</u>		<u>535,904</u>
CURRENT ASSETS					
Debtors	9	134,599		148,893	
Cash and bank balances		952,806		563,884	
Treasury deposit		1,300,000		1,800,000	
		<u>2,387,405</u>		<u>2,512,777</u>	
CREDITORS: amounts falling due within one year					
Corporation tax		5,330		2,705	
Prepaid subscriptions and fees		1,705,363		1,741,537	
Other creditors	10	306,219		206,329	
		<u>2,016,912</u>		<u>1,950,571</u>	
NET CURRENT ASSETS			<u>370,493</u>		<u>562,206</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			999,507		1,098,110
CREDITORS: amounts falling due after more than one year	11		(38,100)		(101,663)
TOTAL NET ASSETS			<u>£961,407</u>		<u>£996,447</u>
RESERVES					
Balance brought forward			996,448		968,493
(Loss)/Surplus for the year			(35,041)		27,954
Balance carried forward			<u>£961,407</u>		<u>£996,447</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 2 April 2015 and signed on its behalf by

M R Fry, President

L Pagden, 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 2014

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.

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 ¹ / ₃ % 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 2014

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 1,754 members as at 31 December 2014.

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 £218,120 (2013 £203,167) which represents levies collected from members to meet the IPA's fee due to the Insolvency Service, which is included within expenditure.

4. OTHER INCOME	2014	2013
	£	£
Grant income	43,504	17,388
Events	123,137	106,704
Services to other bodies	102,391	114,883
Regulatory fines and cost recoveries	68,410	78,425
Levies collected and paid to Insolvency Service	218,120	203,167
Sundry income	726	7,365
	<u>£556,288</u>	<u>£527,932</u>

5. OPERATING DEFICIT/SURPLUS	2014	2013
	£	£
Operating deficit/surplus is stated after charging:		
Auditors' remuneration – audit	6,850	6,700
Auditors' remuneration – other	-	-
Depreciation	41,326	40,232
	<u></u>	<u></u>

6. TAXATION	2014	2013
	£	£
UK Corporation tax payable for the year	7,333	2,196
	<u>£7,333</u>	<u>£2,196</u>

The tax assessed in the year is higher than the small companies rate of tax in the UK of 20% (2013: 20%). The differences are explained below:

(Deficit)/surplus on ordinary activities before tax	<u>(£27,708)</u>	<u>£30,150</u>
(Deficit)/surplus on ordinary activities before tax multiplied by the small companies rate of tax in the UK of 20% (2013:20%)	<u>(£5,542)</u>	<u>£6,030</u>
Effects of:		
Expenses not deductible for tax purposes	10,872	(3,325)
Under/(over) provision in prior year	2,003	(509)
UK Corporation tax payable for the year	<u>£7,333</u>	<u>£2,196</u>

INSOLVENCY PRACTITIONERS ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE ASSETS

	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
COST			
As at 1 January 2014	161,843	224,205	386,048
Additions	381	21,147	21,528
Disposals	-	(711)	(711)
As at 31 December 2014	162,224	244,641	406,865
DEPRECIATION			
As at 1 January 2014	156,937	90,308	247,245
Charge for the year	4,780	36,546	41,326
Eliminated on disposal	-	(711)	(711)
As at 31 December 2014	161,717	126,143	287,860
NET BOOK VALUE			
At 31 December 2014	£507	£118,498	£119,005
At 31 December 2013	£4,906	£133,897	£138,803

Included within Computer Equipment are assets under construction with an undepreciated value at the year-end of £9,367 (2013: £Nil).

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.

	£
COST	
As at 1 January 2014	406,408
Additions	288,020
Disposals	(173,453)
As at 31 December 2014	520,975
DIMINUTION/APPRECIATION IN VALUE	
As at 1 January 2014	9,307
Eliminated on disposals	-
Unrealised movement in the year	1,659
As at 31 December 2014	10,966
NET BOOK VALUE	
At 31 December 2014	£510,009
At 31 December 2013	£397,101

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

8. LISTED INVESTMENTS (continued)

	2014		2013	
	Cost £	Market Value £	Cost £	Market Value £
UK Listed	£417,619	£431,537	£406,408	£418,274
Europe	£33,479	£33,559	-	-
Rest of the world	£69,877	£77,756	-	-
	<u>£520,975</u>	<u>£542,852</u>	<u>£406,408</u>	<u>£418,274</u>

9. DEBTORS

	2014 £	2013 £
Trade debtors	21,936	57,252
Other debtors	5,098	1,821
Prepayments and accrued income	107,565	89,820
	<u>£134,599</u>	<u>£148,893</u>

10. CREDITORS DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	81,695	19,987
Other creditors	8,163	5,949
Social security and other taxation	51,997	51,532
Accruals and deferred income	108,066	112,489
Provisions (including rent-free period)	56,298	16,372
	<u>£306,219</u>	<u>£206,329</u>

11. CREDITORS DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Accruals and deferred income	38,100	45,366
Provisions (including rent-free period)	-	56,297
	<u>£38,100</u>	<u>£101,663</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 2014

12. SALARIES	2014	2013
	£	£
Gross salaries	1,121,993	1,076,377
Social security costs	130,850	122,918
Pension costs	46,900	44,978
Private medical insurance	14,766	10,137
	<u>£1,314,509</u>	<u>£1,254,410</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 (2013: 22).

No member of the Council received any remuneration during the year for acting as a member of the Council. In 2014 one (2013: two) members of Council, and three employees of firms in which two Council members are partners, 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:

	2014		2013	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
< 1 year	73,282	-	-	-
2 – 5 years	-	29,762	73,282	29,762
> 5 years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. CAPITAL COMMITMENTS

At the year-end capital commitments of £Nil (2013: £Nil) had been contracted for.

INSOLVENCY PRACTITIONERS ASSOCIATION (A company limited by guarantee)
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

INCOME	2014		2013	
	£	£	£	£
Subscription income and fees from members and students		666,083		679,438
Insolvency authorisation fees		1,106,728		1,066,193
		<hr/>		<hr/>
		1,772,811		1,745,631
Other				
Grant income	43,504		17,388	
Events	123,137		106,704	
Services to other bodies	102,391		114,883	
Regulatory fines and cost recoveries	68,410		78,425	
Levies collected and paid to Insolvency Service	218,120		203,167	
Sundry income	726		7,365	
	<hr/>		<hr/>	
		556,288		527,932
		<hr/>		<hr/>
		£2,329,099		£2,273,563
		<hr/>		<hr/>
EXPENDITURE				
Administration etc				
Salaries		1,314,509		1,254,410
Consultants		20,442		25,586
Printing, postages, binders and other office expenses		107,199		116,163
Insurance		18,504		20,362
Council and committee expenses		47,708		52,241
Public relations and press cuttings		4,412		6,278
Depreciation		41,326		40,232
		<hr/>		<hr/>
		1,554,100		1,515,272
Direct costs of events		74,362		58,946
Other expenses				
Levies collected and paid to Insolvency Service	218,120		203,167	
Legal and other Regulatory costs	72,057		38,011	
Audit, accountancy and book-keeping fees	23,737		22,850	
Other professional fees	6,300		6,591	
Unrecoverable VAT	66,347		43,769	
Examination costs	39,493		39,754	
Inspection expenses	68,218		86,448	
Rent, service charge and rates	170,066		155,986	
IT expenses	26,773		30,733	
Website	2,931		6,060	
Staff travel costs	882		1,341	
Sundry expenses	17,784		21,116	
Entertainment, subscriptions, training and payroll	26,120		25,333	
Grant related expenditure	10,408		12,835	
	<hr/>		<hr/>	
		749,236		693,994
		<hr/>		<hr/>
		2,377,698		2,268,212
		<hr/>		<hr/>
Operating (deficit)/surplus for the year before tax		(48,599)		5,351
Realised surplus on sale of listed investments		5,387		8,690
Net movement in diminution in value of investments		(1,659)		(5,766)
Movement in bad debt provision & debt written off		(3,702)		638
Bank interest		5,847		7,772
Income from listed securities		15,018		13,465
		<hr/>		<hr/>
(Deficit)/Surplus on ordinary activities before tax		(27,708)		30,150
Corporation tax		(7,333)		(2,196)
		<hr/>		<hr/>
(Deficit)/Surplus for the year after tax		£(35,041)		£27,954
		<hr/>		<hr/>

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