

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

Company Registration Number: 1151132

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

PRESIDENT

C H Turner

VICE-PRESIDENT

M R Fry

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 2013

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INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

Notice of Annual General Meeting

Notice is hereby given that the thirty seventh Annual General Meeting of the Insolvency Practitioners Association will be held at Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ on 29 April 2014 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 2013.
2. To receive the result of the ballot for the election of members of the Council.
3. To confirm the co-option to Council of Carl Faulds, Maurice Moses, Laurence Pagden and David Standish to the Annual General Meeting 2015.
4. To re-appoint auditors.
5. To transact any other business which may properly be transacted at an annual general meeting.
6. To consider and if thought fit to pass the following proposed Special Resolution of the Association:

“THAT Article 45.1.1 be deleted and replaced by the following:

“In addition to those individuals elected pursuant to Articles 42 and 43, Council may from time to time appoint not more than four individuals who are in good standing to act as Co-opted Members.””

By order of the Council

D A Kerr
Secretary

7 April 2014

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 2013

The Council have pleasure in submitting their Report and the Financial Statements of the Association for the year ended 31 December 2013.

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 2013.

President

C H Turner

Vice-President

M R Fry

Deputy Vice-President

M R Sands

Immediate Past President

C E B Bible

Elected members

**Co-opted members to
AGM 2015**

P M Bird

P J Brazzill (retired 17 April 2013)

C D Faulds (appointed 11
July 2013)

R E Duncan (appointed 17 April 2013)

M G Ellis

N J Fisher

S I Gaillie

M Moses

S S Goderski (appointed 17 April 2013)

B A Guilfoyle

L Pagden

M E Leslie

D J Manzoori

D J Standish (appointed 11
July 2013)

S J Paterson (retired 17 April 2013)

C M Polwin

R Smith (retired 17 April 2013)

C G Wiseman (appointed 17 April
2013)

J S Wright (appointed 17 April 2013)

ELECTIONS TO THE COUNCIL

The following Council Members will retire at the forthcoming Annual General Meeting: C E B Bible, M G Ellis, S I Gaillie, D J Manzoori. Mr Bible is not eligible for re-election.

COUNCIL AND COMMITTEE MEETINGS

During the year there were six meetings of the Council and some fifty-four 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 2013

SUMMARY OF ACTIVITIES DURING THE YEAR

MEMBERSHIP

At 31 December 2013, the Association had more than 2,000 Individual Members, Affiliates, and Student Members. It had in issue at that date 541 insolvency authorisations granted to insolvency practitioners (IPs) of whom 460 were appointment-takers. The number of IPs now stands at the highest in the Association's history.

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 briefings across the country. 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 second edition of our now annual handbook containing practice statements, guidance and regulations for members, with both England and Wales and Scotland versions in publication, in hard copy and on-line, and we have undertaken regional introduction to regulation 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.

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 public consultations on Transparency & Trust, The Red Tape Challenge and the revision of the Insolvency Rules.

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. Following terms being agreed between the Association and the 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 2013

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 2013, with 71% passing CPI and 83% passing CPPI. This includes for the first time a sitting in December for both examinations. A pilot paper for a new Certificate of Proficiency in Corporate Insolvency (CPCI) was held in December.

Prizes were presented to the top three CPI (England and Wales) candidates and the top CPPI (England and Wales) candidate at the Presidential Students' Luncheon in September 2013. The Association's prizes for its top three JIE candidates will be awarded at the IPA's annual conference in May 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 2013 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 played an active part in issuing guidance to IPs on VAT issues in IVAs.

The Association also participated in the Debt Management Protocol Governance Group.

The Association also engaged with government on issues related to consumer credit licensing and helped to secure for IPs an exclusion from the FCA regime in respect of advice given in anticipation of an insolvency appointment.

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 2013 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 2013, with over 300 attendees, and a fourth Personal Insolvency Conference was held successfully in Manchester, with record attendance. CPI+ sessions, aimed at those who had passed CPI or CPPI in recent years, were held in London, Manchester and Glasgow, attracting 140 delegates. Meetings in the IP Introduction Programme continued to be held, and took place in three locations during 2013.

OTHER MATTERS

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

INSOLVENCY PRACTITIONERS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL RESULTS

The Association's activities have resulted in an operating surplus of £5,351 (2012: deficit of £5,413) and an overall surplus of £27,954 after tax for the year ended 31 December 2013 (2012: £18,597). 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 a surplus each year.

Variances in key income and expenditure areas between 2012 and 2013 include:

- An increase in membership subscription and authorisation fee income which reflects the record number of Insolvency Practitioners who wished to be authorised by the Association.
- Grant income (and expenditure) has fallen as grant-funded activities have reduced.
- Income from services provided to other bodies has increased as a result of the Association taking on additional responsibilities
- 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.
- Printing costs have increased proportionate to the increase in events and the production of the members' handbook.
- Committee costs have increased as the work of committees has expanded.
- IT costs have increased due to the membership database being enhanced and supported.
- Unrecoverable VAT has decreased in line with applicable expenditure.
- Depreciation has increased as a result of assets under construction at the end of 2012 being completed and brought into use and therefore being depreciated.

The net effect of these variances was a slightly higher than budgeted surplus in 2013.

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 2013

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 (formerly 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

C H Turner, President

L Pagden, Chairman of Finance Committee

7 April 2014

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 2013 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 2013 and of its surplus 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
7 April 2014

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 2013

	Notes	2013 £	2012 £
TURNOVER	3		
Subscription income and fees from members and students		679,438	668,780
Insolvency Authorisation fees		1,066,193	1,045,807
Other income	4	324,765	323,528
		<u>2,070,396</u>	<u>2,038,115</u>
ADMINISTRATIVE EXPENSES			
Administration		(1,515,272)	(1,417,473)
Other		(549,773)	(626,055)
		<u>(2,065,045)</u>	<u>(2,043,528)</u>
OPERATING SURPLUS/(DEFICIT)	5	5,351	(5,413)
Realised gains/(losses) on sale of listed investments		8,690	(1,277)
(Increase)/reduction in provision for diminution in value of investments	8	(5,766)	4,705
Movement in bad debt provision		638	1,477
Income from fixed asset investments		13,465	14,676
Bank interest receivable		7,772	11,368
		<u>13,600</u>	<u>15,543</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		30,150	25,536
TAXATION	6	(2,196)	(6,939)
		<u>(2,196)</u>	<u>(6,939)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£27,954</u>	<u>£18,597</u>

The Association has no recognised gains and losses other than the 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 2013

		2013		2012	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		138,803		159,547
Listed investments	8		397,101		393,824
			<u>535,904</u>		<u>553,371</u>
CURRENT ASSETS					
Debtors	9	148,893		98,427	
Cash and bank balances		193		136	
Treasury deposit		2,363,691		2,341,060	
		<u>2,512,777</u>		<u>2,439,623</u>	
CREDITORS: amounts falling due within one year					
Corporation tax		2,705		7,045	
Prepaid subscriptions and fees		1,741,537		1,670,231	
Other creditors	10	206,329		220,732	
		<u>1,950,571</u>		<u>1,898,008</u>	
NET CURRENT ASSETS			<u>562,206</u>		<u>541,615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,098,110		1,094,986
CREDITORS: amounts falling due after more than one year	11		(101,663)		(126,493)
TOTAL NET ASSETS			<u>£996,447</u>		<u>£968,493</u>
RESERVES					
Balance brought forward			968,493		949,896
Surplus for the year			27,954		18,597
Balance carried forward			<u>£996,447</u>		<u>£968,493</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 7 April 2014 and signed on its behalf by

C H Turner, 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 2013

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 2013

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 2,103 members as at 31 December 2013.

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.

4. OTHER INCOME	2013	2012
	£	£
Grant income	17,388	76,465
Events	106,704	96,268
Services to other bodies	114,883	97,147
Regulatory fines and cost recoveries	78,425	47,835
Sundry income	7,365	5,813
	<u>£324,765</u>	<u>£323,528</u>

5. OPERATING SURPLUS/DEFICIT	2013	2012
	£	£
Operating surplus/deficit is stated after charging:		
Auditors' remuneration – audit	6,700	6,500
Auditors' remuneration – other	-	250
Depreciation	40,232	34,840
	<u>46,932</u>	<u>37,590</u>

6. TAXATION	2013	2012
	£	£
UK Corporation tax payable for the year	2,196	6,939
	<u>£2,196</u>	<u>£6,939</u>

The tax assessed in the year is lower than the small companies rate of tax in the UK of 20% (2012: 20%). The differences are explained below:

Surplus on ordinary activities before tax	£30,150	£25,536
Surplus on ordinary activities before tax multiplied by the small companies rate of tax in the UK of 20% (2012:20%)	£6,030	£5,107
Effects of:		
Expenses not deductible for tax purposes	(3,325)	1,939
Over provision in prior year	(509)	(107)
UK Corporation tax payable for the year	<u>£2,196</u>	<u>£6,939</u>

INSOLVENCY PRACTITIONERS ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

7. TANGIBLE ASSETS

	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
COST			
As at 1 January 2013	161,083	205,477	366,560
Additions	760	18,728	19,488
As at 31 December 2013	161,843	224,205	386,048
DEPRECIATION			
As at 1 January 2013	151,794	55,219	207,013
Charge for the year	5,143	35,089	40,232
As at 31 December 2013	156,937	90,308	247,245
NET BOOK VALUE			
At 31 December 2013	£4,906	£133,897	£138,803
At 31 December 2012	£9,289	£150,258	£159,547

Included within Computer Equipment are assets under construction with an undepreciated value at the year-end of £Nil (2012: £10,580).

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 2013	397,365
Additions	67,593
Disposals	(58,550)
As at 31 December 2013	406,408
DIMINUTION/APPRECIATION IN VALUE	
As at 1 January 2013	3,541
Eliminated on disposals	-
Unrealised movement in the year	5,766
As at 31 December 2013	9,307
NET BOOK VALUE	
At 31 December 2013	£397,101
At 31 December 2012	£393,824

INSOLVENCY PRACTITIONERS ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

8. LISTED INVESTMENTS (continued)

	2013		2012	
	Cost £	Market Value £	Cost £	Market Value £
UK Listed	£406,408	£418,274	£397,365	£435,428

9. DEBTORS

	2013 £	2012 £
Trade debtors	57,252	21,786
Other debtors	1,821	7,058
Prepayments and accrued income	89,820	69,583
	<u>£148,893</u>	<u>£98,427</u>

10. CREDITORS DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	19,987	78,426
Other creditors	5,949	3,566
Social security and other taxation	51,532	41,111
Accruals and deferred income	112,489	86,944
Provisions (including rent-free period)	16,372	10,685
	<u>£206,329</u>	<u>£220,732</u>

11. CREDITORS DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Accruals and deferred income	45,366	51,716
Provisions (including rent-free period)	56,297	74,777
	<u>£101,663</u>	<u>£126,493</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 2013

12. SALARIES	2013 £	2012 £
Gross salaries	1,076,377	1,027,209
Social security costs	122,918	123,204
Pension costs	44,978	39,238
Private medical insurance	10,137	10,548
	<u>£1,254,410</u>	<u>£1,200,199</u>

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

The average number of employees during the year was 22 (2012: 21).

No member of the Council received any remuneration during the year for acting as a member of the Council. In 2013 two (2012: two) members of Council, and four 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:

	2013		2012	
	Land & Buildings £	Other £	Land & Buildings £	Other £
< 1 year	-	-	-	-
2 – 5 years	73,282	29,762	73,282	22,382
> 5 years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. CAPITAL COMMITMENTS

At the year-end capital commitments of £Nil (2012: £Nil) had been contracted for.

INSOLVENCY PRACTITIONERS ASSOCIATION (A company limited by guarantee)
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

INCOME	2013		2012	
	£	£	£	£
Subscription income and fees from members and students		679,438		668,780
Insolvency authorisation fees		1,066,193		1,045,807
		<hr/>		<hr/>
		1,745,631		1,714,587
Other				
Grant income	17,388		76,465	
Events	106,704		96,268	
Services to other bodies	114,883		97,147	
Regulatory fines and cost recoveries	78,425		47,835	
Sundry income	7,365		5,813	
	<hr/>		<hr/>	
		324,765		323,528
		<hr/>		<hr/>
		£2,070,396		£2,038,115
		<hr/>		<hr/>
EXPENDITURE				
Administration etc				
Salaries		1,254,410		1,200,199
Consultants		25,586		24,529
Printing, postages, binders and other office expenses		116,163		92,491
Insurance		20,362		17,654
Council and committee expenses		52,241		43,446
Public relations and press cuttings		6,278		4,313
Depreciation		40,232		34,841
		<hr/>		<hr/>
		1,515,272		1,417,473
Direct costs of events		58,946		68,393
Other expenses				
Legal and other Regulatory costs	38,011		85,153	
Audit, accountancy and book-keeping fees	22,850		22,470	
Other professional fees	6,591		4,622	
Unrecoverable VAT	43,769		72,347	
Examination costs	39,754		35,546	
Inspection expenses	86,448		76,139	
Rent, service charge and rates	155,986		159,844	
IT expenses	30,733		13,675	
Website	6,060		7,235	
Staff travel costs	1,341		5,338	
Sundry expenses	21,116		11,391	
Entertainment, subscriptions, training and payroll	25,333		31,476	
Grant related expenditure	12,835		32,426	
	<hr/>		<hr/>	
		490,827		557,662
		<hr/>		<hr/>
		2,065,045		2,043,528
		<hr/>		<hr/>
Operating surplus/(loss) for the year before tax		5,351		(5,413)
Realised surplus/(loss) on sale of listed investments		8,690		(1,277)
Net movement in diminution in value of investments		(5,766)		4,705
Movement in bad debt provision & debt written off		638		1,477
Bank interest		7,772		11,368
Income from listed securities		13,465		14,676
		<hr/>		<hr/>
Surplus on ordinary activities before tax		30,150		25,536
Corporation tax		(2,196)		(6,939)
		<hr/>		<hr/>
Surplus for the year after tax		£27,954		£18,597
		<hr/>		<hr/>

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