Insolvency Practitioners Association

ANNUAL REPORT 2019/2020

TABLE OF CONTENTS

MESSAGE FROM THE PRESIDENT, CARRIE JAMES

Welcome to the second new-style IPA Annual Report.

Whilst I write, the UK is seeing an unprecedented change it its way of life as we are faced with the Covid-19 pandemic. I send my best wishes to you all during this difficult time.

It has been an honour to serve as IPA President in 2019, as the IPA continues embedding its far-reaching programme of change. I was delighted by the publication of the Insolvency Service's monitoring report on the IPA, in August of this year. The report was a welcome reflection of the hard work and collective drive of people from across the IPA in cementing the organisation's new, efficient processes, designed to deliver robust regulation at pace and serve all members with integrity and transparency.

As well as continuing to champion robust regulation, the year has seen other busy activity and challenges. The Insolvency Service's call for evidence on insolvency regulation against the regulatory objectives has provided an opportune time for the IPA to assess the regulatory landscape, identify areas for improvement and assist in steering the response to the question of a single insolvency regulator. IPA personnel produced a comprehensive position paper on the matter, as well as engaging with members and providing them with resource to assist with individual responses to the call for evidence. We will await further news from the Insolvency Service and hope to embrace a further strengthened regulatory regime in the near future. Many thanks indeed to those who contributed.

A great highlight of my Presidential year was introducing the IPA's Charity of the Year initiative, with the excellent Trussell Trust nationwide network of food banks being the first such charity. Over the course of the year, IPA personnel have got involved in numerous efforts to raise money for the charity, including taking part in its Step Up September challenge, with the aim of hitting 11,000 steps a day throughout September; IPA CEO Michelle Thorp volunteering at the charity's Salisbury sorting centre (where they had two tonnes of food to send out); IPA team members making donations at Christmas; and, of course, the inaugural IPA Annual Charity Dinner, held in support of the Trussell Trust.

Staying with the Annual Charity Dinner, I attended and gave the opening address at what was a fabulous event in a beautiful venue, complemented with the IPA Awards in celebration of the stars of the profession and the wider sector, which I was delighted to host.

It is a great pleasure to be a part of the UK's talented and dedicated insolvency profession, and what an honour it has been to serve as President of the UK's sole regulatory body dedicated to insolvency, covering the majority of the insolvency market. I'd like to wish Kevin Hellard, IPA President in 2020/2021, every success in the role – the start of which, in what I believe is an IPA first, will take the form of a virtual Presidency!

Carrie James

"It has been an honour to serve as IPA President in 2019, as the IPA continues embedding its far-reaching programme of change."

MESSAGE FROM THE CEO, MICHELLE THORP

Welcome to the IPA's 2019 Annual Report.

I'm writing this message to you from home, under the Covid-19 restrictions. The IPA and its members are responding to the challenge, turbulence and difficulty with pragmatism and stoicism. I am very proud of the collaboration and ingenuity that I am witnessing, and I look forward to a time when the restrictions can be lifted. I am grateful to my colleagues, the Board, our members, and stakeholder organisations for their extraordinary support.

This was an incredibly busy year for the IPA, in which we implemented a significant transformation programme on our regulatory effort. I hope this reflects our commitment to delivering a modern regulatory experience that helps Insolvency Practitioners to achieve the highest standards. Implementing these changes at pace while carrying on with business as usual was no easy endeavour, and I would like to thank the wonderful Secretariat team, our Board and committee members for their hard work and support in implementing the changes. The full benefits will take a while to really come through, though we are already noticing positive impacts.

Our industry-first scheme for regulating firms that provide Individual Voluntary Arrangements and Protected Trust Deeds at volume, the first example of continuous monitoring in insolvency regulation, is in full swing. The scheme, on which we published our first benchmark report earlier this year, has enabled us to tune up regulation for this new, fast moving area of the profession, and address concerns raised around regulation in this space. It is of course paramount to provide assurance to people in debt, creditors, the Government and other stakeholders. It takes time for definitive change to be realised, but I have confidence that we have put in place strong foundations to deliver a new standard for the sector. You can find out more and access the benchmark report later in this document.

Amongst our busy programme of activity across regulation, I'm pleased to say that over the year, we concluded 193 complaints, completed 153 inspections, undertook 38 committee meetings (including one disciplinary tribunal and one appeal tribunal) and submitted three government consultation responses – to HM Treasury's 'Protecting Your Taxes in Insolvency', the Insolvency Service's Call for Evidence on Insolvency Regulation and the consultation on Breathing Space and a Statutory Debt Repayment Scheme.

On wider monitoring activity, we have this year implemented an improved risk profiling system, which allows us to prioritise regulatory activity for those Insolvency Practitioners who require more attention based on our metrics. Parallel to this, we are increasing overall inspection team resource.

On the technical side of our work, we published the seventh edition of our Insolvency Practitioners' Handbook, in which we reordered the Statements of Insolvency Practice for easier reference. We also took a leading role in the formation of the new Insolvency Code of Ethics.

The Insolvency Service's review of the regulatory landscape was a key feature of 2019, with a multi-disciplinary team from the IPA Secretariat, Board and committees producing a comprehensive submission to the call for evidence, assisted in no small part by our members via our national consultations. We currently await confirmation of next steps from the Insolvency Service, and I am delighted by the work that was put in to assist its consideration. Thank you very much to all those who took part in the IPA's response to the review. We look forward to the results of the call for evidence and to further engagement with members.

In last year's Annual Report, I mentioned that we would keep sustainability and financial stability as key concerns for 2019/2020. I'm pleased to report that this year we have a much stronger financial position. It was important that we did this to address some less strong financial performance in the past, place the IPA in a financially resilient position for the future and invest in new technology, services and talent so that we can continue to maintain and improve our services to members and to hit the expectations that both our regulators have on the regulatory effort we oversee. It is even more prescient, given the current economic impact of Covid-19 and challenge this is likely to present financially in 2020.

I would like to finish by saying a huge thank you to our wonderful team from across the IPA for their dedication to this fantastic organisation and the world-leading insolvency profession that it serves.

Michelle Thorp

WHO WE ARE, WHAT WE DO & WHAT WE STAND FOR

The IPA is a Recognised Professional Body (RPB) for those in insolvency practice or involved in insolvency-related work – the only organisation out of the UK's four RPBs to be dedicated to insolvency practice. We're the second largest of the RPBs in the UK in terms of authorising and regulating insolvency practitioners (IPs), but the country's largest RPB in terms of insolvency market coverage.

The IPA is also an Anti-Money Laundering (AML) Professional Body Supervisor (PBS), in line with the 2017 Money Laundering Regulations. This role means that we are responsible for supervising our members on compliance with AML regulations in their insolvency and advisory work.

We participate in external committees on AML and support the Government's Flag It Up campaign to raise awareness of money laundering. Find out more about our role here: www.insolvency-practitioners.org.uk/regulation-and-guidance/anti-money-laundering-regulation.

THE IPA: A BRIEF HISTORY

The IPA was formed in 1961 as a discussion group of accountants who specialised in insolvency. The organisation quickly grew in numbers, going on to form the body for the UK's insolvency profession.

Following designation as an RPB as part of the Insolvency Act 1986, the IPA, at the time one of seven RPBs, was instrumental in forming what is now known as the Association of Business Recovery Professionals (R3), the trade association for the insolvency profession.

In 1981, the IPA first launched an insolvency examination. This became the basis in 1989 of the profession-wide Joint Insolvency Examination (JIE), which we also administer.

Over the decades, we've made significant accomplishments in shaping the UK's insolvency profession by being the first RPB to introduce Professional Conduct and Ethics Guidance, creating world-leading examinations and strengthening the regulatory framework.

Today, the IPA maintains a leading role in the development of professional insolvency standards. It's one of our principal aims to promote and maintain excellent performance and professional conduct standards across the range of insolvency services. We look to set the agenda for the future of the profession and promote its reputation among its many and diverse stakeholders.

We're proactive in our encouragement of broader insolvency knowledge within and outside the profession through access to our membership, qualifications, committees, and events.

Members can sit on our committees and influence areas such as our strategy, policy, budgets, the shape and future of our regulation and matters relating to practice, ethics and standards.

Members of the IPA can also enjoy preferential rates on employment law and health & safety law, access our panel of insolvency solicitors and claim a student discount card (for new and continuing students).

IPA YEAR IN NUMBERS

1
UK's largest insolvency regulator by market coverage

59
Years old

630
Licensed to practice

86
Committee members

13
Years as an Anti-Money Laundering supervisor

193
Complaints concluded

38
Committee meetings

305
Call reviews

IPA BOARD

The IPA Board manages the business of the association and exercises all its powers. The Board met seven times during 2019.


Carrie-Ann James
President of the IPA
Benedict Mackenzie


Kevin Hellard
Vice-President of the IPA
Grant Thornton

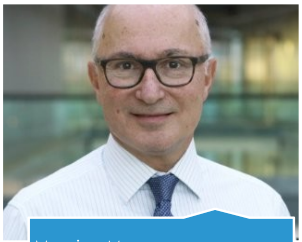

Sam Keen
Deputy Vice-President
EY


Lloyd Hinton
Immediate Past President
Insolve Plus


Caroline Clark
RMCSC


Hayely Maddison
Maidment Judd


Louise Brittain
Baldwins Holdings Ltd t/a
Wilkins Kennedy


Maurice Moses
EY


Joel Goschalk
Cavendish IP Solutions


Derek Hyslop
EY


Simon Underwood
Menzies LLP


John Newgas

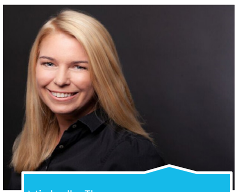

Paul Davis
MHA MacIntryre Hudson


Liz Bingham
R3


Paddy Brazzill
EY

IPA SECRETARIAT

This year, we've built capability of the Secretariat by attracting talented new people across the organisation, including new additions to the senior team.


Michelle Thorp
Chief Executive Officer


Andrew Kerr
Head of Regulatory Operations


Samar Yanni
Head of External Affairs & Member Services


Sarah Munroe
Finance and Operations Manager


Martina Panayi
Deputy Head of Reglatory Operations


Rowan Duffin-Jones
Senior Regulation Officer, Standards


Lyn Green
Deputy Chief Inspector


Saira Mirza
Senior Regulation Officer, Assessment & Concilliation


David Holland
Monitoring Manager


Caspar Wells
Senior Regulation Officer


Shanice Austin
Regulation Officer

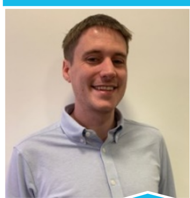

Kim Mace
Senior Regulation Assistant


Jo Burns
Professional Development Officer


Neha Kaushik
Finance Administrator


Maria Weemes
Licence Secretary & Student Officer

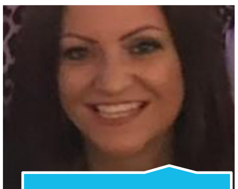

Nikki Haggis
Membership Secretary


Phil Armitage
Communications Executive


Anna Dickinson
Senior Regulation Officer


Jas Chauhan
Regulation Officer

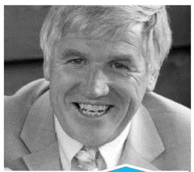

Harjeet Kalsi
Regulation Officer


Kate Blakeway
Monitoring Inspector


Lisa O'Hara
Monitoring Inspector


Matthew Peat
Monitoring Inspector


Phil Lightfoot
Monitoring Inspector


Kevin Owen
Monitoring Inspector


Stuart Jary
Monitoring Inspector


Heather Childs-Potter
Regulation Assistant


Stephanie Miles
Events & Marketing Co-ordinator

SERVING OUR MEMBERS & PROMOTING BEST PRACTICE

Membership of the IPA has many benefits, and we are proud of the services and benefits we offer. Since our inception in 1961, members have remained at the heart of what we do.

Our benefits include:

- The right to use the IPA's designatory letters after your name and in your and your firm's communications
- The opportunity to sit on our committees and influence strategy and policy
- A proactive continuing professional development (CPD) offering
- A distinguished calendar of events (with discounted rates)
- Plenty of networking opportunities
- Access to the IPA's panel of insolvency solicitors
- Preferential rates on employment and health & safety law

The IPA's **External Affairs and Member Services** Committee works in partnership with the IPA Secretariat's External Affairs and Member Services team, covering all aspects of our offerings to members and overseeing our membership strategy. Typical matters considered by the committee include content for IPA events, important matters to communicate to members via our monthly newsletter, parliamentary work and government liasion undertaken on behalf of members, member benefits and benefits for particular segments of our membership, for example students and firms.

In 2019, people from the committee and the secretariat reviewed our member services and benefits, and have drawn up plans to make improvements. New services and benefits will gain traction in 2020 for subsequent launch. Members can expect more communication on what the IPA intends to roll out. Some planned changes in development are creating online courses, holding student-only events and social gatherings, and offering firms guest article contributions in our monthly newsletter, as well as advertising opportunities at IPA events and their accompanying literature.

Student membership

Student membership is open to anyone, for example those looking to enter or advance their career in insolvency practice or related business by taking our examinations.

Affiliate membership (AIPA)

Those who have passed the IPA's Certificate of Proficiency in Insolvency (CPI), the Certificate of Proficiency in Personal Insolvency (CPPI) or the Certificate of Proficiency in Corporate Insolvency (CPCI) examinations, or are working in insolvency related fields, or who have made a significant contribution to insolvency practice and/or knowledge, are entitled to become an affiliate member.

Ordinary membership (MIPA)
Ordinary membership is available to those who have passed their CPI, CPPI, CPCI or JIE examination, have sufficient insolvency experience and are working in insolvency practice.

Fellow membership (FIPA)
Those who have been an Individual Ordinary Member of the IPA for at least five years qualify for fellow membership.

Retired membership
Retired membership is available to individuals who have retired from insolvency practice or insolvency-related work.

Honorary membership
The IPA Board awards honorary membership to individuals deemed suitable and appropriate.

Member firms
Partnerships, incorporated bodies or sole proprietorships engaged in insolvency practice can become a member firm.

Member Type	Numbers in 2019
Student	377
Affiliate	59
Ordinary	748
Fellow	148
Retired	50
Honorary	17
Firms	85
Licence	521

EDUCATION & FOSTERING ACHIEVEMENT

Education is a key component in the IPA's endeavour to help Insolvency Practitioners achieve the highest standards. The IPA offers an established intermediate examination, the Certificate of Proficiency in Insolvency (CPI) for those specialising in insolvency. It is ideal preparation for the Joint Insolvency Examination (JIE), with its combination of multiple choice and full written exam questions. The CPI is a test of competence in insolvency, and it is widely recognised by employers as an established mark of achievement. The CPI covers both personal and corporate insolvency.

CPI attainment can lead to membership of the IPA and entitlement to use its designatory letters MIPA. A separate Certificate of Proficiency in Personal Insolvency (CPPI) examination covers personal insolvency, and the additional Certificate of Proficiency in Corporate Insolvency (CPCI) covers the corporate sector.

The CPI, CPPI and CPCI are designed for individuals who are working in, or have an interest in, insolvency, whether or not they are intending to become licensed Insolvency Practitioners. The examinations are open to anyone who wishes to take them, as part of our drive to widen access to insolvency knowledge. The examinations are held in June and December each year.

Certificate of Proficiency in Insolvency
Introduced in 1995, the CPI is one of the most respected qualifications in insolvency education. The curriculum for the CPI examination tests candidates on general insolvency procedures, such as the Statements of Insolvency Practice, the Code of Ethics, insolvency legislation and Anti-Money Laundering regulations. The examination covers subjects in both personal and corporate insolvency. Over 1900 have taken the examination over its lifetime.

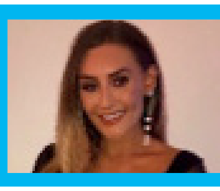
Certificate of Proficiency in Personal Insolvency
The CPPI was introduced in 2008. Its syllabus looks in greater detail at personal insolvency matters than the CPI. Areas that candidates are tested on include bankruptcy, debt management plans, debt relief orders and individual voluntary arrangements. The paper also covers general insolvency procedures. Over 350 candidates have sat the CPPI.

Certificate of Proficiency in Corporate Insolvency
Again, those sitting the CPCI, established in 2013, are tested on general insolvency procedures, as well as areas specific to corporate insolvency such as administrations, company and partnership voluntary arrangements, creditors' voluntary liquidations and members' voluntary liquidations. Around 50 people have taken this examination.

Scotland
The CPI and CPPI have separate versions dedicated to the Scottish insolvency system. The Scottish papers test candidates on insolvency procedures specific to Scotland, including sequestrations, Protected Trust Deeds and non-statutory debt solutions.

Student numbers in 2020: 362

Student	Exam	Place
Jessica Higginson	CPI November	1st Place
Charlie Trotman	CPI November	2nd Place
Shaun Rowe	CPI June	1st Place
Steven Glanvill	CPI June	2nd Place



Jessica Higginson

"I was over the moon to have come in first place! Studying for the CPI has definitely helped in my day-to-day role and also allowed me to learn the corporate side of insolvency which I have never done before. I am hopeful that I will get the opportunity to go on and study for the JIEB one day!"

Shaun Rowe

"I was delighted and overwhelmed to pass CPI and achieve first place in England and Wales. It is one of my proudest achievements and shows that hard work and determination really does pay off. "

Steven Glanvill

“Very happy coming in second place, and congratulations to all those who passed the exam.”

Charlie Trotman

“Achieving second place in the November 2019 sitting of the CPI is not only a great personal and professional accomplishment, but an excellent foundation to what I hope will be a long and successful career in Insolvency.”

CPI November 2019

20 Passed
17 Failed
6 Absent
43 Total

46% PASS RATE

CPPI June 2019

7 Passed
3 Failed
1 Absent
11 Total

63% PASS RATE

CPI June 2019

54 Passed
31 Failed
2 Absent
87 Total

62% PASS RATE

CPCI June 2019

2 Passed
2 Failed
1 Absent
5 Total

40% PASS RATE

IPA EVENTS CALENDAR
& CHARITY OF THE YEAR

The IPA held its Annual Conference in April 2019 at County Hall central London, which was once again well-attended, with delegate numbers of 150. Topics covered at the event included demergers, the financial future of the high street and insights from Parliament.

There were seven regional Roadshows (two more locations added to the programme during 2019) in Glasgow, Belfast, Cardiff, Birmingham, Leeds, Manchester and London.

In September, a wonderful evening was had by all of our guests at our first ever Annual Charity Dinner, in support of the Trussell Trust nationwide network of food banks. The charity was the IPA's Charity of the year for 2019/2020, an initiative introduced by the serving President that year, Carrie James. The evening also included another first in the IPA awards, celebrating the stars of the profession and the wider sector.

The popular **Personal Insolvency Conference** was held again in Manchester in November 2019. The conference is our flagship event and examines contemporary matters affecting the profession, both within insolvency and external issues and trends. 2019's event marked the 10-year anniversary of the conference, and the event looked at topics including Fixed Fee, insolvency innovation, advertising debt solutions and the political and economic landscape.

The IPA Charity of the Year

We were delighted by the introduction of this initiative by Carrie James, IPA President 2019/20.

The Charity of the Year 2019/2020 was the Trussell Trust nationwide network of food banks. The charity also undertakes extensive research and advocates to government in its campaign to end poverty and hunger in the UK. Find out more about the Trussell Trust at www.trusselltrust.org.

Over the year, we held a bake sale at the IPA's City of London office, attended by a great deal of staff from neighbouring offices; we took part in the charity's Step Up September challenge, with the target of achieving 11,000 steps a day for the whole of September (IPA Board member Patrick Brazzill managed an incredible 500,639 steps); our CEO Michelle Thorp volunteered at the charity's Salisbury distribution centre; the Annual Charity Dinner was of course in aid of the Charity, supported by the raffle on the evening; and staff members donated food, money and presents at Christmas.

We were bowled over by the efforts of people from across the IPA this year. We look forward to incoming President Kevin Hellard's announcement of the Charity of the Year 2020/2021.

the trussell trust
Stop UK Hunger

CHAMPIONING PROFESSIONAL STANDARDS & THE REGULATORY FRAMEWORK

The IPA Articles of Association set out the way in which the IPA is organised to achieve the purposes set out in the Memorandum of Association.

Article 52 of the Articles gives the Board the power to establish committees and delegate some, but not all, of its powers and responsibilities to the committees, for increased regulatory efficiency. Our committees cover all aspects of the IPA's business and play a vital part in ensuring continued high standards of services to our members, as well as promoting high professional standards in the profession. Our two regulatory committees, the Regulation and Conduct Committee and the Disciplinary and Appeals Committee, have lay membership as a majority to ensure that a rounded view is taken when considering matters.

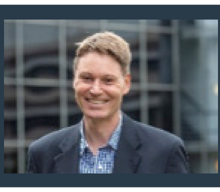
In 2019, as part of the IPA's transformation programme, we refreshed our committee structure, reducing these from in number from 14 to five. This was a key part of our drive to channel the IPA's business more effectively. Committee processes were reviewed and updated, we welcomed new committee members and we provided all committee members with training.

The IPA now has five committees. These are:

- Regulation and Conduct Committee
- Disciplinary and Appeals Committee
- Finance and Risk Committee
- Standards, Ethics and Regulatory Liaison Committee (SERL) (includes Anti-Money Laundering (AML) Sub-Committee)
- External Affairs and Member Services Committee (EA&MS) (includes Examinations Sub-Committee)

Eileen Maclean, member of the SERL Committee

"I was invited to join SERL to ensure that any particular Scottish angle on legislation, consultations and regulation was represented and considered by the committee. It's important that the IPA's committees take account of the various jurisdictions their members work in. There are often subtle but key differences in how an insolvency plays out north and south of the Scottish border, and my role on SERL is to ensure that these are reflected. My 30 odd years' experience as an IP don't go amiss either!"



Ed Bible, member of the Disciplinary and Appeals Committee

"As a solicitor, I found chairing [a] tribunal was a really helpful experience in allowing me to experience advocacy from the point of view of the tribunal, rather than as an advocate. Whilst I enjoy representing clients at hearings, I don't get to do this as much as I used to. The experience of the tribunal allowed me to give feedback to the junior solicitors whom I train."

Joe Colley, member of the External Affairs and Member Service Committee

"The EAMS is tasked with arranging many events each year, including the IPA Roadshows, Annual Conference and Annual Dinner. The feedback we receive on these events is very positive, and it is rewarding to know that as a committee we add value for our members by attracting excellent speakers and keeping the content of the events both current and informative."

The total number of committee members is 86, a small proportion of whom are members of more than one committee. The total number of committee meetings in 2019 was 38. There was also one Disciplinary Tribunal hearing and, for the first time in the IPA's history, one Appeal Tribunal hearing.

Key issues dealt with by the SERL Committee in 2019 were revisions to the Insolvency Code of Ethics; Statements of Insolvency Practice (SIPs) 3, 6, 7, 9 & 11; guidance on Anti-Money Laundering; the regulation of IVA volume providers; debtor petitions & pension funds; mental health & vulnerability; and Scottish personal insolvency matters including the Bankruptcy and Debt Advice Act (Scotland) Review and the enquiry into Protected Trust Deeds, all of which contributed to the development of professional standards on behalf of our members.

This year, the IPA responded to the Insolvency Service Call for Evidence on insolvency regulation. The IPA also responded to government consultations on Breathing Space & a Statutory Debt Repayment Scheme and 'Protecting Your Taxes in Insolvency'.

THE IPA'S RESPONSE TO THE INSOLVENCY SERVICE'S CALL FOR EVIDENCE

The IPA's response involved an unprecedented amount of activity which saw us run consultation meetings with members across the country, both in person at IPA breakfast meetings and on the phone. We listened carefully to all member feedback and ensured that this was reflected fairly in the IPA's position paper and response to the Call for Evidence. We produced a short summary of the IPA's position on our members' behalf, intended to help with individual responses to the Call for Evidence.

INSOLVENCY CODE OF ETHICS

The Insolvency Code of Ethics is adopted by all authorising bodies and ensures that all Insolvency Practitioners continue to be governed by the same high standard of professional and ethical guidance. The IPA takes a leading role in the development of the Code of Ethics, the latest version of which was issued to members on 2nd March 2020 and comes into effect on 1st May 2020.
You can access the Code of Ethics here:
www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code.

COMPLAINTS:
PROCESS & PERFORMANCE

Complaints	
Complaints in hand at 1 January 2019	215
New complaints received during the year	261
Total concluded during the year	193
Complaints carried forward at 1 January 2020	283
Number of warnings, cautions or other unplublished sanctions issued during 2019	7
Number of undertakings, consent orders, reprimands and fines issued during 2019	17
Number of ongoing complaints currently being considered by Investigation or Disciplinary Committees	32
Number of complaints referred to the independent reviewer / assessor in 2019	1
Number of appeals made by Insolvency Practitioners in 2019	1
Number of appeals successful	
Number of appeals rejected	

Complaints: Subject matter
The IPA can receive complaints about any aspect of an Insolvency Practitioner's work. During the past year, we received complaints concerning the following matters:

- Communication breakdown, failure to respond to correspondence, emails or telephone calls are often the catalyst for complaints about other matters. If we had one piece of advice for Insolvency Practitioners, it would be to ensure that they respond to all communications promptly, especially in cases where stakeholders disagree or are questioning something on a case. In 2019 there were five sanctions concerning Insolvency Practitioner communications.

- Compliance with Statement of Insolvency Practice 3.1 (IVAs)/3.3 (Protected Trust Deeds) when giving advice. In 2019 there were two sanctions that touched on the provision and documenting of advice.

- Failure to carry out Income and Expenditure reviews in IVAs.

- Failure to progress cases. In IVAs this is also reflected in complaints about post IVA trusts. In 2019 there were four sanctions relating to case progression.

- Annual and other reporting – timing and quality. In 2019 there were four sanctions in this respect.

- Failure to carry out SIP 2 investigations (investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders).

- Concerns about creditor meeting process.

- Concerns about SIP 16 breaches about pre-packaged sales. In 2019 there were two sanctions in this respect.

- Concerns about SIP 9 requirements concerning disclosures around fees. In 2019 there were four sanctions concerning fees.

Improvements implemented

During 2019, the IPA implemented a number of changes to its complaints processes and procedures to modernise, simplify and speed up the execution of this important function.

We have also had dialogues with money advice groups and creditor bodies to ensure that our complaints processes, including the extent and limitations of those, are understood. A new training leaflet was produced.

Committee decision-making

- Committee structure: the former Investigation and Membership and Authorisation Committees were amalgamated, and the new combined Regulation and Conduct Committee deals with ongoing fitness to practice issues and liability to disciplinary action from complaints or monitoring visits. This enables a more joined up approach in relation to matters that straddle the two areas and speeds up decision-making.

- Committee composition: in 2019 our rules were changed to require a lay majority for all decisions. Previously it was only permissible rather than a requirement under the old rules. Committee membership was refreshed in 2020 and 5-year term limits introduced.

- New rules: changes were implemented to facilitate the operation of the new committee structure. This was supported by a raft of committee training sessions to ensure committee members understood all new rules and how these apply.

- Report length and committee agenda: reports to committees are now shorter and more focussed, identifying key areas of concern more clearly.

- The structure for minutes and record-keeping following committee decisions has also been improved.

Secretariat processes

- The Secretariat continues to adjust and improve its internal processes to handle complaints effectively. It cannot control the rate that complaints are received and does not have unlimited resource to apply when numbers increase, but its processes will be continually reviewed to make sure they are fit for current purpose. In 2019, the Secretariat:

    - adjusted the process for acknowledging complaints centrally, to allow Regulation Officers to move straight to substantive communications with Insolvency Practitoners and complainants
    - tightened internal KPIs for dealing with initial assessments and escalation where complaints are complex and may take longer
    - started daily action logging and weekly team discussion of problem areas
    - improved tracking of complaint handling progression
    - began more active risk profiling for Insolvency Practitioners, ensuring that any complaints and findings are factored into the risk profile for a particular Insolvency Practitioner.

Further changes planned for 2020

Further plans have been devised for 2020, which will include:

- We are revisiting our case management software to further enhance the complaints handling process and are undertaking a further review of rules to ensure they are modern and clear.

- We are also establishing published process for how we handle complaints and regulatory matters where we are aware that Insolvency Practitioners themselves are vulnerable, for instance due to ill health.

Aged complaints

- Complaints should be dealt with as quickly as possible. However, in some instances, due to the complexity of issues or the circumstances specific to some complaints, they will take a long time to resolve.

- Regulation Officer attention has been focused on efforts to finalising the complaints that are over 12 months old. We had a contractor and secondee working to reduce the number of 12-month cases so that the investigations were concluded, closure letters issued or reports to the Regulation and Conduct Committee prepared. We will continue to focus our efforts in this area to ensure that complaints only remain open for extended periods where there are valid procedural reasons.

- During 2019, the number of complaints over 12 months old that are not subject to extraordinary or external circumstances preventing their progression has been reduced to nine over the period of the year.

2019 MONITORING VISITS & COMPLAINTS: RAISING STANDARDS

The IPA's core regulatory activity is through handling complaints and undertaking monitoring helping to ensure standards are met. Following the governance review and membership rules changes agreed as part of the transformation programme in April 2019, the monitoring of members has moved to a continuous risk-based approach. Further details of the monitoring changes were announced to members on 20 August 2019. This represented a significant change from the prior model of routinely visiting practitioners every three years. Monitoring now focuses on inherent risks identified from case profiles, prior monitoring, complaints and other intelligence. The monitoring cycle can be extended up to six years for low risk practitioners, but in the intervening periods, practitioners will be subject to other forms of monitoring such as self-certifications and remote monitoring.

At the start of 2019, the largest six IVA providers (accounting for 69% of the market) all signed up to the Volume Provider Regulation Scheme. Rather than one annual visit, they are now continuously reporting and are subject to between three and four visits per year, focusing on industry risk areas of reviewing advice, costs, reporting, progression and dividends.

The membership rule changes adopted in June 2019 allowed inspectors to have the ability to issue advisory notices, which will be placed on the practitioner's record. This regulatory action is being used now to draw a line and show the practitioner the IPA's expectations. For more serious regulatory breaches, monitoring reports can now also contain formal allegations relating to conduct breaches relating to the Common Sanctions Guidance. This allows for matters to be progressed more quickly through the committee process so that outcomes are consistent and are delivered in a timely manner.

Monitoring visits carried out in 2019		Total	Of which IVA volume providers
	Routine	149	49
	Targeted	4	0
	Total	153	49
Action following routine visit			
Satisfactory report - no further action		85	11
Further visit recommended - not yet done		8	0
Further visit carried out (include in targeted figure above & result in table below)		0	0
Licence restricted		4	2
Licence withdrawn		0	0
Confirmations		0	0
Formal Undertakings by practitioners		3	3
Plans for improvement (Advisory Notice/12 month follow up)		15	7
Compliance review requested		1	0
Decision not finalised		21	4
Other (please detail)	Reminders	9	0
	Warning	2	0
	Conditions	1	0
	Progress reports	4	3
	Disciplinary Referrals	12	7
	Consent orders	1	0
	IVA Volume Provider scheme additional monitoring	31	31

Action following targeted visit		
Satisfactory report - no further action		3
Further visit recommended - not yet done		
Further visit carried out (include in targeted figure above)		
Licence restricted		
Licence withdrawn		1
Confirmations		
Undertakings		
Plans for improvement		
Compliance review requested		
Decision not finalised		
Other (please detail)	Disciplinary Referrals	2

AN INDUSTRY-FIRST REGULATORY REGIME
VOLUME PROVIDER REGULATION SCHEME

At the beginning of 2019, the IPA launched a new regulatory framework, the Volume IVA Provider Regulation Scheme (the Scheme), in response to The Insolvency Service's call for more stringent monitoring of the volume Individual Voluntary Arrangement (IVA) providers. In July 2019, the Scheme was extended to also include volume Protected Trust Deed (PTD) providers.

The scheme is the first example of continuous monitoring in insolvency regulation and is, we believe, some of the closest scrutiny paid to any financial services provider.

Whilst the Scheme is not legally binding, there is an expectation that all volume providers monitored by the IPA take part. A volume provider is classified as being responsible for at least 2% of the overall IVA market (currently just over 5,545 IVA cases); or 2% of new appointments over a rolling three-month period; or 10% of the PTD market (currently 2,822 cases). The Scheme covers 69% of IVAs and 57% of PTDs registered.

Overseen by our Chief Inspector and with two dedicated Inspectors in support and an office-based Regulation Officer, the Scheme was implemented to increase the frequency of monitoring, from the historic annual visit cycle to more regular and continuous monitoring via remote reviews and focused reviews into targeted risk areas.

Under the Scheme, practitioners are subject to one full visit every 12 months, regular call centre monitoring and up to four focussed reviews per year. At the full visit, the inspection team will cover all areas of the firm's operations. The key areas of a focussed review will depend on any matters identified during routine monitoring and/or intelligence from different sources. Scheme members are required to submit monthly data returns to allow for statistical review and identification of any problem areas.

In bringing these changes into force, the IPA has more detailed and real-time insight into the operation of firms' practices. Inspection reports and visits are more focussed, targeting key areas and enabling the IPA to get to the heart of any concerns immediately, including, where necessary, issuing sanctions.

The number of individuals entering into an IVA is increasing, with the vast majority being administered by volume IVA providers. The IPA is hopeful that this new, intensive regulatory system will provide greater confidence to all stakeholders concerned, including creditors, parliament, government, press and insolvent individuals.

The key features of the Scheme are as follows:

- Continuous monitoring through monthly data returns
- One full visit and up to four focussed reviews a year
- Quarterly 'advice' call monitoring
- Bespoke investigations into identified areas of concern with deep dive case reviews
- Volume IVA providers provide annual accounts, details of their corporate structures and other data as required
- Regular meetings are held with the volume IVA providers to discuss trends and issues

Our first benchmark report on the Scheme, published on 27th February 2020, provides more detail on the operation of the Scheme and our activity in 2019.

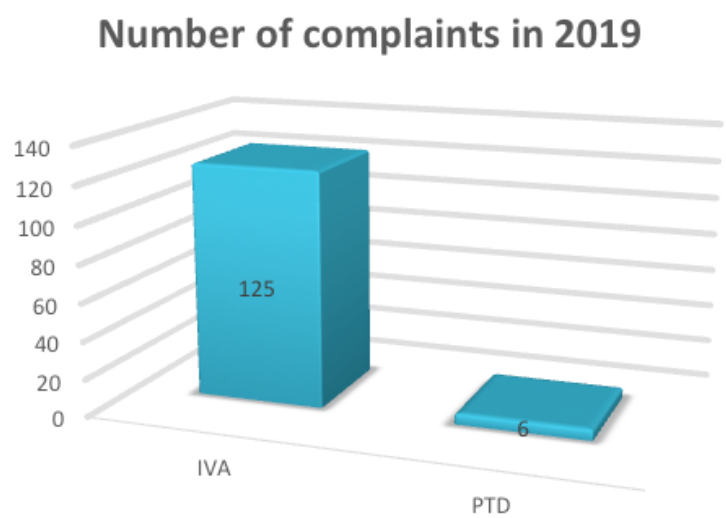
Focus areas in 2019

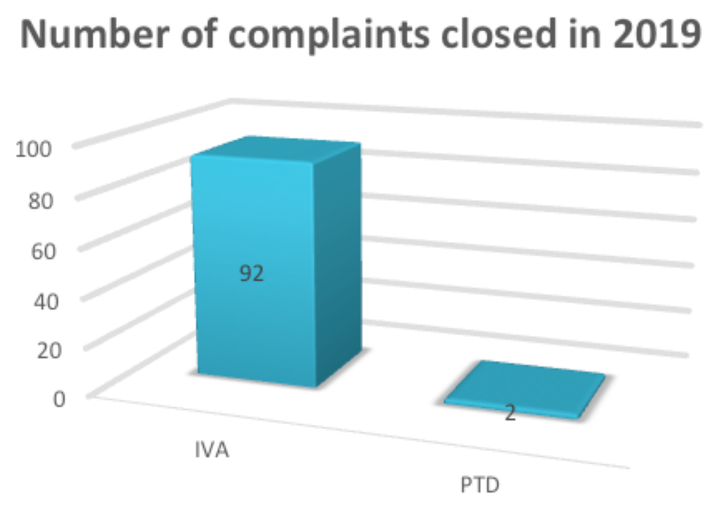
Areas of focus in 2019 were client advice, income and expenditure reviews, case progression, trust cases, annual reporting, property and month 54 review, new appointments and rejections, closures and failures, and financial distributions.

Focus areas for 2020

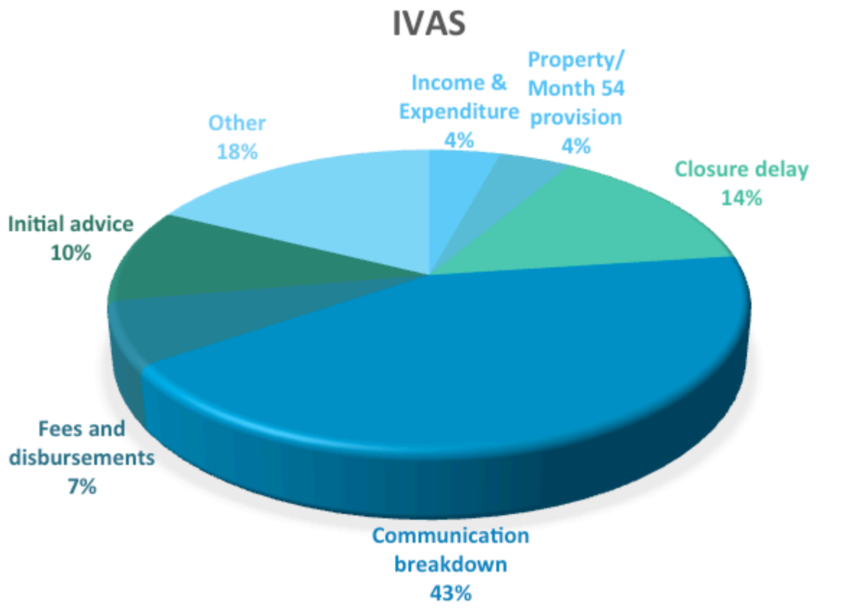
In 2020, we will be paying particular attention to failure rates, marketing and advertising (including the use of 'introducer' firms for lead generation), standards of advice based on understanding the clients and complaints – particularly any theme across complaints.

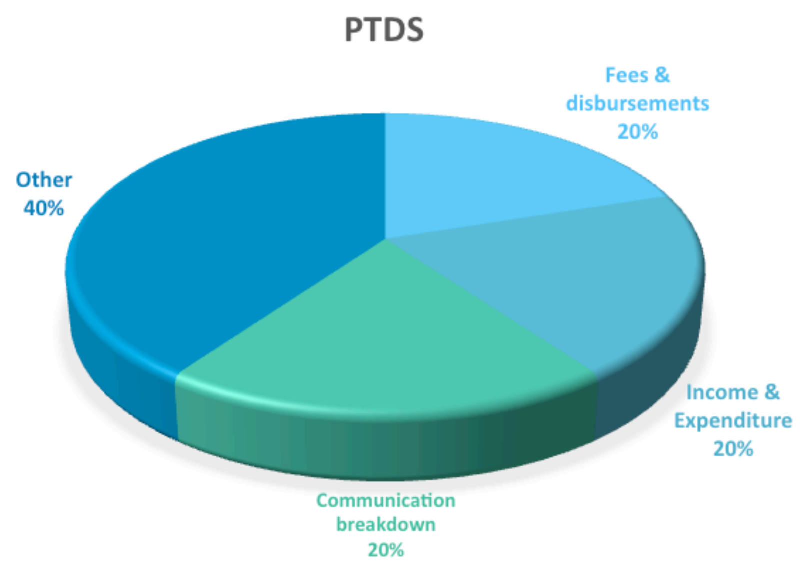
The following charts show insights gained from complaints investigations in 2019.





General themes across complaints received in 2019





Since the scheme was implemented, it now covers

159,827 IVAs and 28,226 PTDs, and has involved 5,832 figures being scrutinised; 305 call reviews; 125 complaint investigations; 16 inspections; 94 closed cases (in 2019); £141m paid in dividends; 56,312 nominees appointed; 17 Insolvency Practitioners; and 300 staff.

To find out more, you can access the benchmark report via:
www.insolvency-practitioners.org.uk/press-publications/recent-news.

OUR ANTI-MONEY LAUNDERING ROLE

The 2017 Money Laundering Regulations introduced the concept of the Professional Body Supervisor (PBS). Organisations of this status are responsible for supervising their members' compliance with the 2017 regulations. The IPA is a listed PBS and therefore is responsible for monitoring and reviewing its members' compliance with the regulations in their insolvency and advisory work.

The IPA participates in external committees on Anti-Money Laundering (AML) and supports the Government's Flag It Up campaign to raise awareness around money laundering. We have a dedicated page on our website on money laundering, which includes information and guidance to members and the public, and a helpline email where questions and concerns can be raised anonymously and in confidence.

In 2019, the IPA released its formal AML strategy, as well as a guide and compliance checklist for members. Work increased and we received recognition from our regulator, the Office for Public Body Anti-Money Laundering Supervisors in the Financial Conduct Authority.

Access the AML section of our website at
www.insolvency-practitioners.org.uk/regulation-and-guidance/anti-money-laundering-regulation.

SUPPORTING THE PROFESSION THROUGH STAKEHOLDER ENGAGEMENT

The IPA continues to monitor wider issues around the insolvency profession, for example the political landscape, for any developments that could affect our members. We work to engage with the Government on matters that could affect the profession and seek opportunities to provide comment on any issues in the media.

CEO Michelle Thorp and President Carrie James both appeared on BBC radio programmes, with Michelle discussing Individual Voluntary Arrangement regulation on Radio 4's You and Yours and Carrie providing comment on pre-pack administrations on 5 Live's Wake Up to Money. Carrie was subsequently quoted in a BBC News article on the same subject.

Michelle Thorp's appearance in early 2020 at the Scottish Parliament's Economy, Energy and Fair Work Committee to provide input on Protected Trust Deeds was televised on Scottish Parliament TV.

We continue to work with various industry media publications to provide updates on IPA work through the distribution of our press releases. Michelle Thorp additionally writes a bi-monthly article in Credit Management magazine, the official publication of the Chartered Institute of Credit Management, on subjects of importance to both the insolvency profession and the creditor community.

The IPA publishes a monthly newsletter, Insolvency Practitioner, which is distributed to the membership. The newsletter brings together news from across the IPA, including everything from important regulatory information to insights into life at the IPA.

In 2019, the IPA was a nominee in the Turnaround, Restructuring and Insolvency (TRI) Awards, in the Education/Training Provider of the Year category.

In early 2020, the IPA published the first benchmark report on our industry-first new regulatory regime for volume providers of Individual Voluntary Arrangements and Protected Trust Deeds. You can access the report and the accompanying press release at www.insolvency-practitioners.org.uk/press-publications/recent-news.

Our Insolvency Practitioners' Handbook is published annually and draws together the Ethics Code, Statements of Insolvency Practice (SIPs) and other regulatory guidance to which our IPs are expected to adhere. Members are also kept abreast of industry developments throughout the year. You can purchase your copy of the Insolvency Practitioners' Handbook via www.lexisnexis.co.uk/store.

Regulatory supervision

The IPA's regulatory activity is subject to external audit and is also supervised by the Insolvency Service, an executive agency of the Department for Business, Energy and Industrial Strategy. On the Anti-Money Laundering aspect of our work, this is supervised by Office for Professional Body Anti-Money Laundering Supervision (OPBAS), which is part of the Financial Conduct Authority (FCA).

FINANCIAL PERFORMANCE & STABILITY

The detailed figures for the year ended 31 December 2019 are set out in the financial statements that are in the annex to this report.

The IPA's principal funding sources are membership, events and monitoring. Income for the year totalled £2,945,653 (2018: £2,379,332).

The IPA's investments also performed well during 2019, which resulted in an unrealised gain of £59,768, compared to an unrealised loss of £24,881 in 2018. It is important to consider that investments fluctuate, and this unrealised gain will not be realised unless the investments are liquidated.

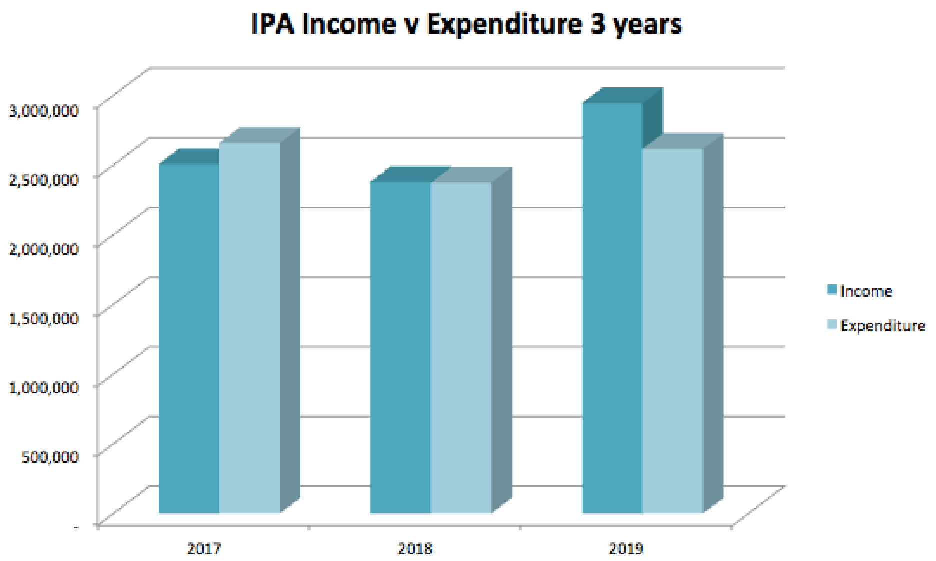
Total expenditure in 2019 was £2,616,654 (2018: £2,374,740), an increase of 10%. This resulted in a surplus, after interest and tax of £384,571 (2018: deficit of £928) for the year ended 31 December 2019.

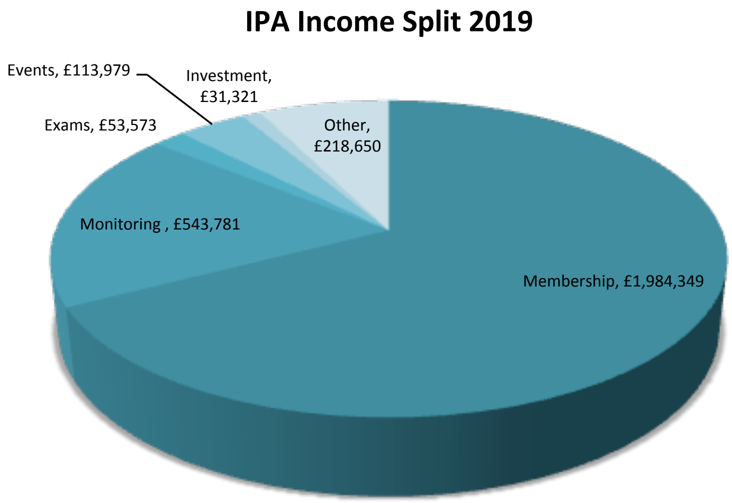
The surplus was accrued as there was a need to address losses in previous years and build up sufficient funds to meet new regulatory requirements for both insolvency and Anti-Money Laundering, as well as any potential future regulatory challenge. It is vital to ensure long term financial stability and robustness. The surplus was realised from the additional income generated through financial prudence, careful commercial decision-making, decommissioning some technology, volume scheme membership, membership price increases, and staffing restriction in some areas (allowing us to hire in some new team members). Sanctions are also included in the Loss totals.

Prior to 2019, the IPA was absorbing the cost of new regulatory requirements in terms of Anti-Money Laundering and monitoring volume provider firms. Since then, these new costs have been reflected in a modest and proportionate membership fee increase, and an agreement to charge for monitoring visits to the volume provider firms. This charge was agreed in line with the increased regulatory oversight required for this relatively new area of the insolvency profession.

The surplus means that we will be able to make some important infrastructure investment in technology, and invest in some much needed team capability with new, specialised talent, especially in the Volume Scheme (the requirements for which are expanding) ultimately ensuring continued high standards of service to members, with the scope for improvement to be made in other areas. Surplus of this level is not expected to continue in future years.

The IPA's total net assets as at 31 December 2019 are £1,373,296 which includes cash balances of £2,699,477.





Operations

The IPA is undergoing a programme to modernise our IT systems and technology offer, with work taking place during the first quarter of 2020.

A new cloud-based system will be in place, which will allow for the discontinuation of the old server and all server-based software packages.

New financial software has been acquired, and we will be moving from Sage to QuickBooks. A replacement Membership Management System will also to be introduced and replace the old CRM, resulting in a better service to our members.

Insolvency Practitioners Association

CONTACT US

Valiant House
1st Floor
4-10 Heneage Lane
London
EC3A 5DQ

T: 020 7623 5108

membership@ipa.uk.com
www.insolvency-practitioners.org.uk

Registration number: 01151132

Insolvency Practitioners Association

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Insolvency Practitioners Association

Contents

Insolvency Practitioners Association

Company Information

Directors	N A Bennett
	P Brazzill
	L Brittain
	C Clark
	P Davis
	J A Goschalk
	K J Hellard
	L E Hinton
	D Hyslop
	C A James
	S J Keen
	H Maddison
	M Moses
	J R Newgas
	S J Underwood
Company secretary	M Thorp
Registered office	Valiant House 4-10 Heneage Lane London EC3A 5DQ
Auditors	Bourner Bullock Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ

Insolvency Practitioners Association

Notice of Annual General Meeting

Notice is hereby given that the forty fifth Annual General Meeting of the Insolvency Practitioners Association ("the Association") will be held at Insolvency Practitioners Association, Valiant House, 4 - 10 Heneage Lane, London, on 20th April 2020 at 10:30am, 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 2019.

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, including co-option of members to Council.

By order of the Council

P Davis

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

Report of the Council for the Year Ended 31 December 2019

The Council members, who are also Directors for the purpose of company law, have pleasure in submitting its Report and the Financial Statements of the Association for the year ended 31 December 2019. This also represents the Directors' Report under the Companies Act 2006. Further details can be found in the Annual Members Report which can be found at https://www.insolvency-practitioners.org.uk/.

Directors of the Company

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

N A Bennett (appointed 1 May 2019)

P Brazzill (appointed 1 May 2019)

L Brittain (appointed 1 May 2019)

C Clark (appointed 1 May 2019)

P Davis

R E Duncan (resigned 30 April 2019)

J A Goschalk

K J Hellard

L E Hinton

D Hyslop

C A James

S J Keen

H Maddison (appointed 1 May 2019)

M Moses

N Myers (resigned 30 April 2019)

J R Newgas (appointed 1 May 2019)

S J Underwood

J Westerman (resigned 30 April 2019)

C G Wiseman (resigned 30 April 2019)

J S Wright (resigned 30 April 2019)

Insolvency Practitioners Association

Report of the Council for the Year Ended 31 December 2019

Reappointment of auditors

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

Small companies provision statement

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

Approved by the Board on 11 March 2020 and signed on its behalf by:

....

P Davis
Director

Insolvency Practitioners Association

Statement of Council Members' Responsibilities

The Council members, who are also the directors for the purpose of company law, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the 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.

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

Opinion

We have audited the financial statements of Insolvency Practitioners Association (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

Insolvency Practitioners Association

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Bourner Bullock

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

Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

Date: 11 March 2020

Insolvency Practitioners Association

Profit and Loss Account for the Year Ended 31 December 2019

	2019	2018
	£	£
Turnover	2,945,653	2,379,332
Administrative expenses	(2,616,654)	(2,374,740)
Gains/ (loss) on investment	59,768	(29,473)
Operating surplus/(deficit)	388,767	(24,881)
Other interest receivable and similar income	6,481	8,712
Interest payable and similar expenses	(13)	-
	6,468	8,712
Surplus/(deficit) before tax	395,235	(16,169)
Taxation	(10,664)	15,241
Surplus/(deficit) for the financial year	384,571	(928)

The notes on pages 13 to 20 form an integral part of these financial statements.

Insolvency Practitioners Association

Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019	2018
	£	£
Surplus/(deficit) for the year	384,571	(928)
Total comprehensive income for the year	384,571	(928)

The notes on pages 13 to 20 form an integral part of these financial statements.

Insolvency Practitioners Association

(Registration number: 01151132)
Balance Sheet as at 31 December 2019

	Note	2019 £	(As restated) 31 December 2018 £
Fixed assets			
Intangible assets	5	-	32,037
Tangible assets	6	16,998	33,179
Other financial assets	7	743,562	670,867
		760,560	736,083
Current assets			
Debtors	8	107,417	60,558
Cash at bank and in hand		2,699,477	2,508,655
		2,806,894	2,569,213
Creditors: Amounts falling due within one year	9	(2,171,995)	(2,291,913)
Net current assets		634,899	277,300
Total assets less current liabilities		1,395,459	1,013,383
Creditors: Amounts falling due after more than one year	9	(21,533)	(24,028)
Net assets		1,373,926	989,355
Capital and reserves			
Profit and loss account		1,373,926	989,355
Total equity		1,373,926	989,355

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

Approved and authorised by the Board on 11 March 2020 and signed on its behalf by:

....

P Davis
Director

Insolvency Practitioners Association

Statement of Changes in Equity for the Year Ended 31 December 2019

	Profit and loss account £	Total £
At 1 January 2019	989,355	989,355
Surplus for the year	384,571	384,571
Total comprehensive income	384,571	384,571
At 31 December 2019	1,373,926	1,373,926

	Profit and loss account £	Total £
At 1 January 2018	990,283	990,283
Deficit for the year	(928)	(928)
Total comprehensive income	(928)	(928)
At 31 December 2018	989,355	989,355

The notes on pages 13 to 20 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:
Valiant House
4-10 Heneage Lane
London
EC3A 5DQ

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.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Going concern

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

Turnover recognition

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

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

Subscriptions

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

Disciplinary and Investigation Costs Recoveries

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

Tax

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

Tangible assets

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

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

Depreciation

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

Asset class	**Depreciation method and rate**
Computer equipment	3 to 10 years straight line
Furniture and fittings	3 to 5 years straight line

Intangible assets

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

Amortisation

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

Asset class	Amortisation method and rate
Computer software	3 to 10 years straight line
Website development and E-Learning development	3 years straight line

Investments

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

Financial instruments

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

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

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

Debtors

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

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

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

Cash and cash equivalents

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

Creditors

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

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

Leases

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

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

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

Defined contribution pension obligation

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

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

3 Significant judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the Directors' opinion, there are no significant judgements or key sources of estimation uncertainty.

4 Staff numbers

The average number of persons employed by the company during the year was 27 (2018 - 25).

5 Intangible assets

	Website and E-Learning development £	Computer software £	Total £
Cost or valuation			
At 1 January 2019	26,465	69,484	95,949
Disposals	-	(69,484)	(69,484)
At 31 December 2019	26,465	-	26,465
Amortisation			
At 1 January 2019	25,753	38,159	63,912
Amortisation charge	712	-	712
Amortisation eliminated on disposals	-	(38,159)	(38,159)
At 31 December 2019	26,465	-	26,465
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2018	712	31,325	32,037

6 Tangible assets

	Computer equipment £	Fixtures and Fittings £	Total £
Cost or valuation			
At 1 January 2019	86,712	71,780	158,492
Additions	3,262	699	3,961
At 31 December 2019	89,974	72,479	162,453
Depreciation			
At 1 January 2019	74,139	51,174	125,313
Charge for the year	8,003	12,139	20,142
At 31 December 2019	82,142	63,313	145,455
Carrying amount			
At 31 December 2019	7,832	9,166	16,998
At 31 December 2018	12,573	20,606	33,179

7 Listed investments

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Cost or valuation		
At 1 January 2019	623,502	623,502
Fair value adjustments	59,768	59,768
Additions	86,613	86,613
Disposals	(71,167)	(71,167)
At 31 December 2019	698,716	698,716
Cash	44,846	44,846
At 31 December 2019	743,562	743,562

	2019		2018	
	Cost	Market value	Cost	Market value
	£	£	£	£
UK listed	324,548	374,391	316,192	347,460
Europe	22,980	31,890	22,980	27,283
Rest of world	225,513	292,435	212,368	248,759
	573,041	698,716	551,540	623,502

8 Debtors

	2019 £	(As restated) 31 December 2018 £
Trade debtors	37,060	8,957
Prepayments	48,581	43,701
Other debtors	21,776	7,900
	107,417	60,558

9 Creditors

Creditors: amounts falling due within one year

	2019 £	(As restated) 31 December 2018 £
Due within one year		
Trade creditors	60,303	60,151
Taxation and social security	50,002	60,524
Other creditors	2,061,690	2,171,238
	2,171,995	2,291,913

Other creditors include deferred income of £1,701,123 (2018: £1,769,331) relating to prepaid subscriptions and other fees.

Creditors: amounts falling due after more than one year

	2019 £	2018 £
Due after one year		
Accruals and deferred income	21,533	24,028

10 Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	63,910	66,395
Later than one year and not later than five years	11,118	68,040
	75,028	134,435

11 Prior period restatement

In the previous period, trade debtors relating to subscription fees were recognised when the renewal letters were sent out in November. A corresponding amount was recognised in deferred income. Therefore all members to whom renewal reminders were sent were included in the trade debtors figure. If members have not paid by 31 March each year their subscription is cancelled and therefore the trade debtors balance was reviewed at 31 March to ensure only members who had paid their subscription fees after the year end were included in the trade debtors figure as at 31 December 2018.

In the current period, a different accounting policy was applied and so subscription fees were only recognised in deferred income when the member had paid. Therefore as at 31 December 2019 no amounts relating to subscriptions were included in the trade debtors figure. Due to this change in accounting policy the comparatives have been restated to reduce trade debtors and deferred income by £130,827 to reflect this change. Trade debtors have therefore decreased from £139,784 to £8,957 and deferred income has decreased from £1,900,158 to £1,769,331.