Annual Report 2012

The Insolvency Practitioners Association of Australia (IPA) is the leading professional body for those who specialise in business restructuring and corporate and personal insolvency as well as for those who work or have an interest in insolvency law and practice.

Insolvency Practitioners Association of Australia, ACN 002 472 362

About the IPA

The IPA's mission is to support insolvency and recovery professionals in their quest to restore the economic value of underperforming business and to assist financially challenged individuals.

We deliver this through the provision of innovative training and education, upholding world class ethical and professional standards, influencing and partnering with government and promoting the ideals of the profession to the public at large.

Our Strategic Drivers

Co-regulation	We are the industry's leading body, participating in insolvency and restructuring regulation. We are respected and trusted by government and seen as having an integral role in shaping and improving the regulatory environment for insolvency. We are involved in registering, regulating, disciplining and educating practitioners.
Membership base	We have a broad membership base that comprises professionals advising and working with financially troubled individuals and organisations throughout Australia and the region.
Education	We offer a comprehensive range of education programs developed by practitioners, supported and endorsed by government, other professional associations and tertiary institutions. Courses progressively build on each other and support members in their career development and progression.
Member Services	We are a respected, credible one-stop shop of integrated member services and solutions consisting of education programs, specialist courses, knowledge exchange forums, networking tools and activities, a technical support desk, leading practitioners, and bespoke software systems.
Structure and Governance	Our governance structures are closely connected to all members, rich in expertise and skills, and have diversity of representation. Members share a conscience of giving back to the industry and shaping it ethically and commercially.
Profile with Business and the public	Our members are recognised as the experts in informal and formal insolvency. We are an industry body that has brought accountability and transparency to practitioner conduct. We lead debate on economic issues, and have informed and practical opinion on economic and social drivers that impact businesses and individuals.

Our Values

Professionalism	◗ Develop and uphold the highest professional standards ◗ Promote ethical and honest practices ◗ Ensure a safe, secure and compliant experience for all those seeking insolvency, restructuring and turnaround assistance
Leadership	◗ Lead, comment on and encourage debate ◗ Lead by example: in our professionalism, our teamwork, our culture and our financial management ◗ Develop innovative practices and tools
Technical Excellence	◗ Be at the forefront of legal, regulatory and technical developments ◗ Share our knowledge and expertise ◗ Develop and deliver outstanding training and education channels
Progressiveness	◗ Provide thought leadership on the insolvency and restructuring profession ◗ Look for innovative ways to behave, perform and operate ◗ Encourage and embrace the next generation of industry professionals
Teamwork	◗ Encourage the involvement of all members of our team ◗ Cooperate with other associations, bodies and industries ◗ Acknowledge a common goal while recognising individual skills
Influence	◗ Engage with regulators, industry associations and the media to advance the needs of the profession ◗ Explore best practice nationally and internationally ◗ Listen to our members, committees, board, regulators and the public

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Robyn Erskine, President

Report from the President

On behalf of the Board, I present the IPA's 2012 Annual Report.

2012 was a year of intense activity, and of significant achievement. I reported last year that a number of new initiatives had been launched in 2011 and 2012 saw the successful completion of many of these.

During the year, we completed the IPA Brand and Profile project. This work, led by the Brand Committee chaired by Ross McClymont, was a comprehensive review of the brand positioning and reputation of your association, undertaken alongside a major strategic review and comprising extensive research and consultation among members and important stakeholder groups. The project confirmed our leading position and high standing in the insolvency field and at the same time identified important opportunities for improvement and change.

These included better targeting of member and stakeholder communications, more consistency in communication messages, and increased activity aimed at raising the profile of the profession.

As one outcome of this project, we have restated our mission.

The IPA's mission is to support insolvency and recovery professionals in their quest to restore the economic value of underperforming businesses and to assist financially challenged individuals.

We deliver this through the provision of innovative training and education, upholding world class ethical and professional standards, partnering with government and promoting the ideals of the profession to the public at large.

For members, a very important outcome of the project was the decision by the Board to recommend to members that the Association change its name. There are both branding and intellectual property imperatives underlying this recommendation. The Board consulted with Division Committees on this recommendation through the second half of the year and direct consultation with members will commence at the Annual General Meeting.

An extensive review of our membership and governance structures during 2012 led to a series of decisions by the Board to recommend to you substantive changes in these areas. We were concerned to clarify, in the context of greater transparency and improving community confidence, our membership categories, and for the future, to ensure that those members in professional practise, and on whom much greater responsibilities and obligations are placed, can be readily distinguished from the broader range of members in insolvency related areas.

We also wished to better define the 2010 changes that gave us the power to exempt membership applicants from the education program requirements.

The outcome of this work, by both the Membership Committee chaired by Scott Atkins and the Governance Committee chaired by Paul Cook, resulted in the decision in the last quarter of the year to rewrite the Constitution in full, rather than simply amend it. The drafting work was undertaken by the two Committees and with the pro-bono assistance of Henry Davis York.

Initial discussions have commenced with the Foundation accounting bodies and I will introduce the

Report from the President *continued*

proposed new constitution at the AGM to begin the member consultation process.

Early in 2012 we added to our excellent IPA team a second part time Technical Director – Narelle Ferrier – and gave her the key responsibility of reviewing and formalising our member discipline and professional conduct processes. This was a substantial body of work, and was undertaken at the same time as dealing with the complaints received and an increasing number of concerns initiated by the IPA itself. You will find a detailed account of our activities in maintaining professional standards later in this report.

Most visibly from your point of view, in September we completed a very substantial project with the launch of our new member database and event registration system and the new IPA website. This represents a critical enabler of our future growth and development. There is considerably enhanced functionality in the database that will make it possible for us to continue to scale up the services we provide to members and to offer you more tailored communications.

We extended our continuing professional development offerings for members during the year. We developed, trialled and launched a range of new education programs, including a series of PPSA workshops, and short courses on Independence and Remuneration. The continuing development of our education programs is a critical component of the work we do in supporting your professional excellence, and I encourage you and your staff to take advantage of the range of specialist insolvency education courses that we offer.

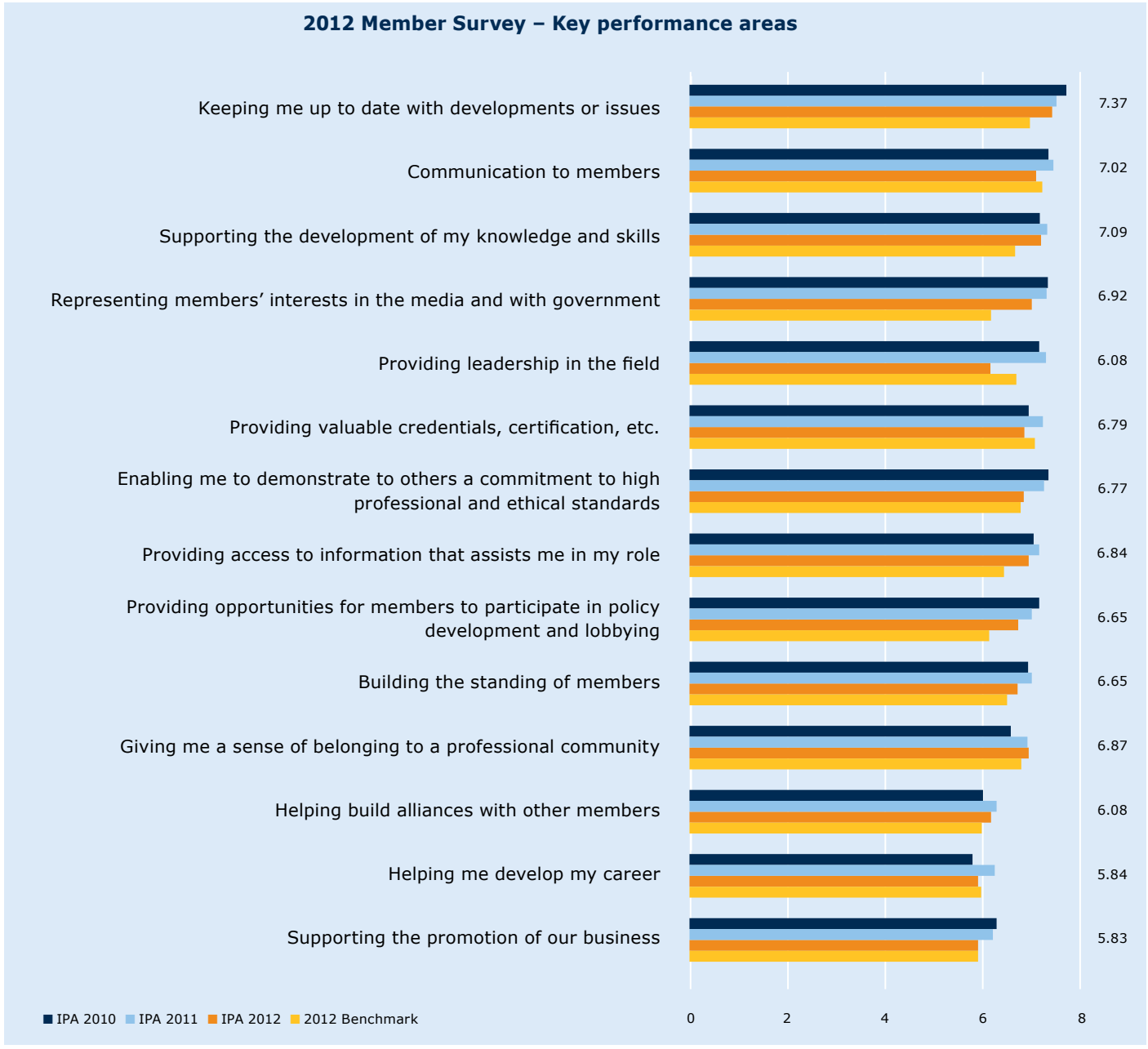
Member Satisfaction

Perhaps as a result of the intense level of inwardly focused activities during the year, the improvement in our member satisfaction, as measured by the Beaton survey, levelled off in 2012 after noticeable gains in 2010 and 2011.

Even so, 89 percent of members who responded to the survey are either engaged or extremely engaged, which is a slight, but non-significant, decline since 2011. Our key drivers of member engagement, as measured by the survey, are:

- Giving me a sense of belonging to a professional community
- Providing access to information that will assist me to perform my role and
- Building the standing of members.

Report from the President *continued*



Report from the President *continued*

The survey identifies a number of opportunities for us to improve our services to you. One of these is that 20 percent of respondents identified that we communicate with members too little, and the survey indicates that there is scope to improve your experience of our website, which continues to be the primary source of contact you have with us.

Law reform, government and regulator liaison

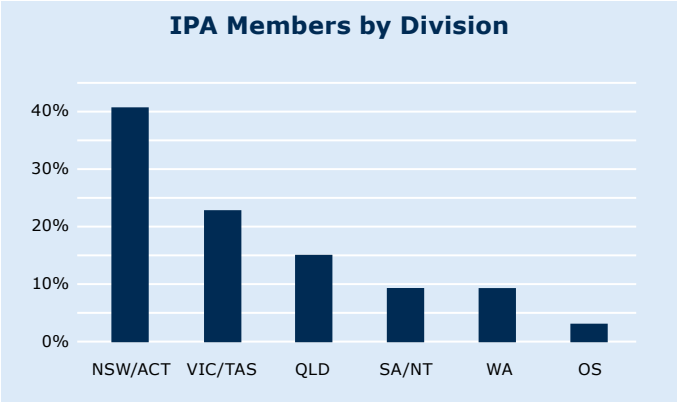
2012 was significant for the IPA and the profession with the release in December of an exposure draft of the Insolvency Law Reform Bill. The Bill will implement major reforms concerning practitioner regulation, regulator powers and creditor involvement in corporate insolvencies. It represents the culmination of a long period of inquiry and debate on the operation of the insolvency regime in which we have been closely involved. This involvement has included, in recent times, our role before the 2010 Senate inquiry and IPA's major submission to Treasury in February 2012 on the government's law reform proposals that have led to the release of this Bill.

During the year, we also made submissions on tax director penalty reforms, anti-phoenix company laws, and debt agreements. We maintained our regular liaison contact with the relevant regulators. As examples, we assisted in the implementation of ASIC's winding up powers and its new insolvency notices website, of ITSA's communications guidance, and of the fair entitlements guarantee legislation administered by DEEWR.

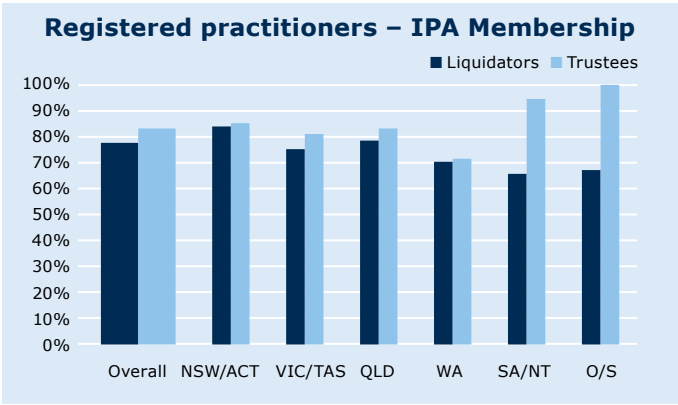
We continued our regular liaison with the ATO in relation to various tax issues in insolvency practice including in particular the difficult issue of CGT liability, and the ICAA, CPA Australia, APESB, insolvency academics, the courts, INSOL International and the Law Council.

Membership Profile

The pattern of member distribution across the country remains largely unchanged from previous years.



The vast majority of registered liquidators and trustees in bankruptcy continue to choose to be members of the IPA, although there is some variation across the country.



Report from the President *continued*

Financial Performance

The operating result for 2012 reflects the significant investments we have made during the year in positioning the Association for a stronger future. The after tax result for the year was a loss of $130,289, compared to a profit of $147,661 in the previous year.

Our revenue grew by 13 percent, to $4.1 million, but due to growth in the range of activities, and with some of them at lower margins, Cost of Sales grew by 23 percent and general and staff expenses by 21 percent.

The key areas of investment over the year were in:

- finalisation of the database and website project
- growing the strength of our specialist insolvency team
- the development of new education programs, which were launched at very competitive prices
- the completion of the brand and profile project, which included a significant consultant expense; and
- increased travel costs related to our activities in representing members interests in relation to law reform and liaison with government agencies and regulators.

A more detailed analysis of the company's financial performance is provided in the Chief Executive's report.

Thank you for your support

My fellow members of the Executive, David Lombe, Michael Hughes and Mike McCann, and the Committee chairs associated with our largest projects, Ross McClymont and Scott Atkins, have made very significant contributions to the IPA's achievements over the last year and I thank them, and all members of the Board for their hard work.

In addition, Paul Cook and Mark Robinson have continued to assist me and the Board in their role as Past Presidents and have made a vital contribution in this capacity.

I am proud to be a member of the IPA and of the standing that our association has achieved with key stakeholders. This could not be done without the tremendous efforts of the board, the Division committees and the members of our association who give freely of their time in pursuing sounder restructuring, insolvency and turnaround laws and practices and for this I give my personal thanks.

Robyn Erskine
President

Denise North, Chief Executive

Report from the CEO

A year of growth and investment

The IPA continued to expand the depth and breadth of its activities in 2012. We completed a number of strategic projects and launched new initiatives. We expanded our team to make this possible and we made substantial investments in the future of the organisation.

At the same time, we maintained our core activities, delivering a record number of conference, seminar and networking events and a record number of formal education programs.

We continued to build on the development of our member conduct and discipline processes, and improved the transparency and accountability of our investigations, decisions and actions in this area.

We continued to work with government policy and administrative agencies and with regulators to support the development of insolvency law and to ensure the maintenance of high standards and professionalism in its practice.

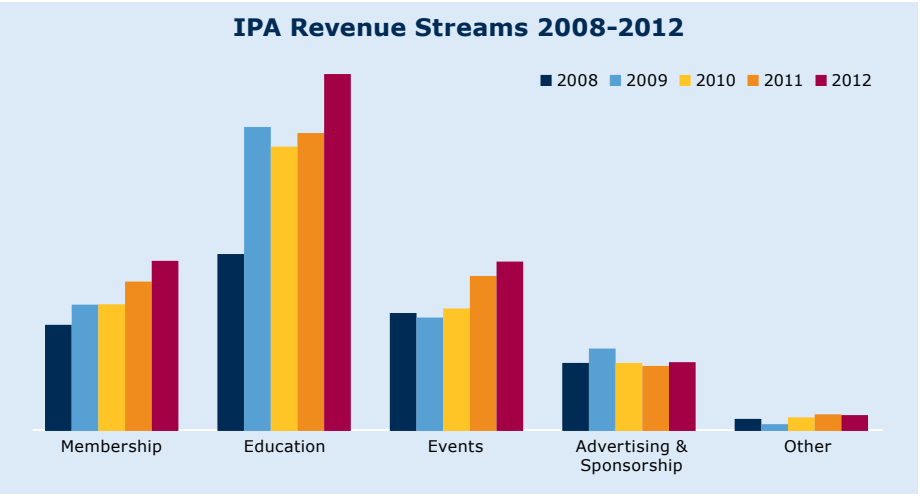
Early in 2012, the Board undertook a major strategic review that reviewed the IPA's mission, our values and our strategic drivers. These form the basis of all of our activities and provide the criteria against which our achievements should be judged.

Financial Performance

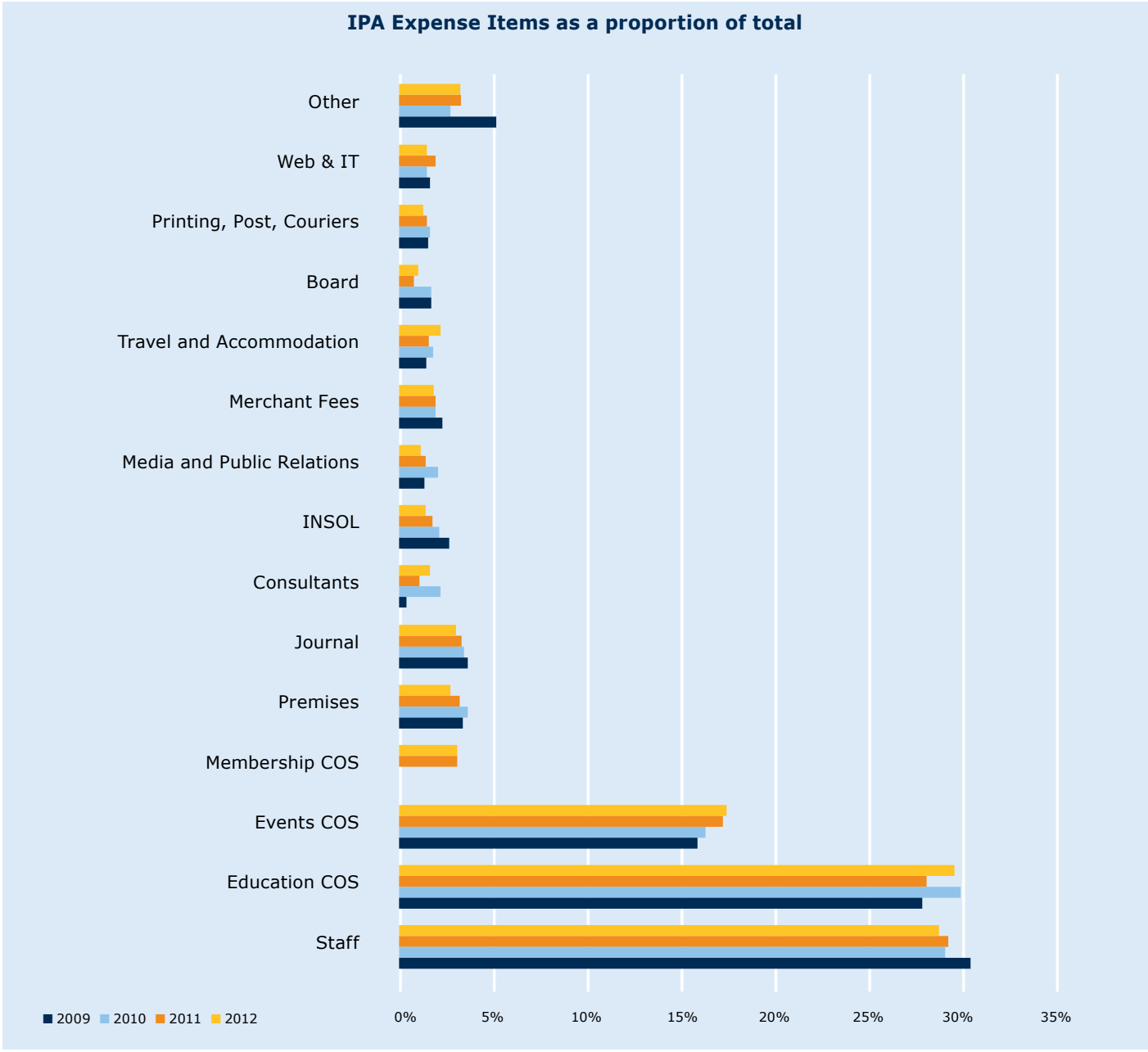
The growth and investment that we undertook over the year combined to deliver a significant loss for 2012, but one that it is well within our capacity to absorb.

We saw total revenue increase by 13 percent to just over $4 million, driven by growth in all key business areas, but predominantly in education revenues, which grew by 20 percent. Membership revenues grew by 11 percent, event revenues by 9 percent and advertising and sponsorship revenues by 3 percent.

We also saw significant increases in our cost of sales over the year, leading to very little increase in our margin, despite the growth in revenue. Our gross margin ratio, which we had been maintaining at just over 50 percent for the last two years, dropped to 45 percent in 2012. Restoring this ratio will be a key focus for the Board and management during 2013.



Report from the CEO *continued*



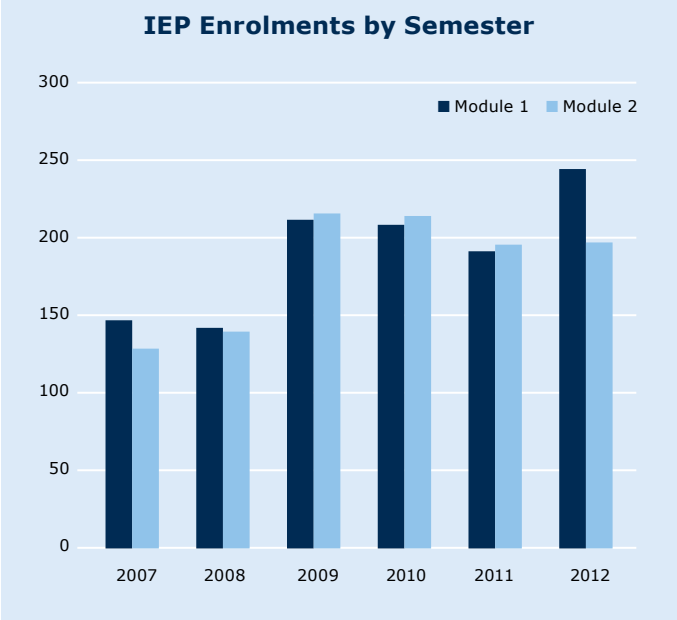
Report from the CEO *continued*

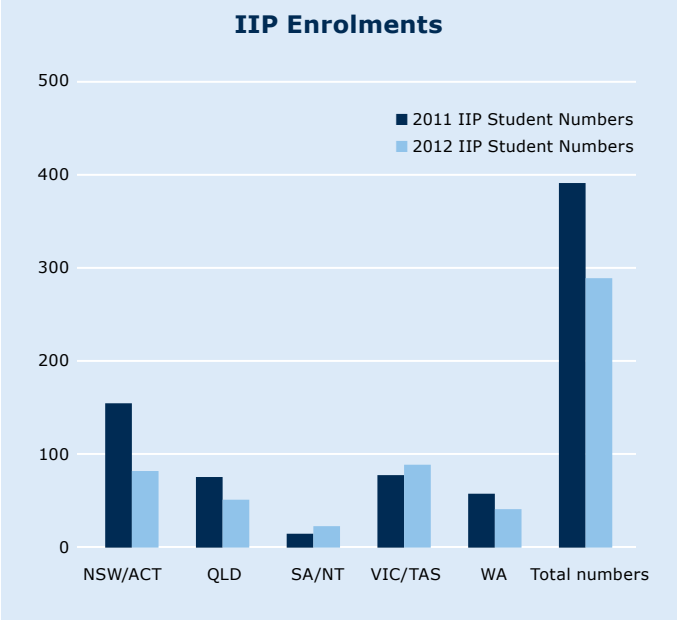
Expanded Education offerings

Our Core education programs continued to provide a firm foundation for our Education offerings, with a record number of total enrolments in the IEP, while enrolments in the introductory program dropped by 25 percent from 2011.

The most dramatic area of growth however was in our Practice Focus programs, where we launched two new courses in response to recent ASIC reviews. These covered Independence and DIRRIs and Remuneration and remuneration reports, and are designed to ensure that practitioners are familiar with the current requirements of the law, the regulator's guidelines and our Code of Professional Practice.

We also developed and released, over a short number of months, a number of Personal Property Securities (**PPS**) workshops. These covered Pre-Appointment 1st Day, 1st Week issues, Priorities and Enforcement and Purchase Money Security Interests (**PMSIs**). The workshops were offered across the country and a total of 357 members, practitioners and staff participated in the workshops.





Report from the CEO *continued*

Improving your access to our events

Throughout 2012 we continued to offer our extensive program of professional development and networking events. Record numbers attended our National Conference and the Division Conferences and Dinners continued to be the focus of insolvency related network events around the country. Insolvency forums were held in lunch or after work timeslots in most capital cities and our Young Professional activities continued to attract new followers with the enthusiastic support of our YP Committees.

Events related margins, particularly in relation to major conferences, suffered in 2012, and improvement in the financial performance of these key activities will be required in 2013.

Event sponsorship revenues grew by 5 percent in 2012, but declined as a proportion of total event revenues.

Investing for the future

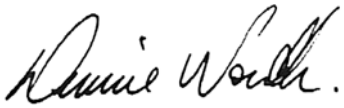
During 2012 we completed the launch phase of our member database, CRM and website project. The project represents a significant investment for the IPA, not just of members' reserves, but also of time and focus over the past few years, but its importance for our future growth and performance is critical.

We are always pleased to receive your feedback on the performance of our systems and processes, and this will become increasingly important as we continue to capture the increased functionality and efficiency that these new tools afford us.

Serving your needs

The IPA team also grew during 2012, with Narelle Ferrier (Technical Director), Jessica Hartley-Lichtenstein (my Executive Assistant – and much more) and Natalie Brown (Administration Officer) all coming on board through the year, and quickly becoming integral to the activity and achievements of the organisation as a whole.

As always, I thank everyone at the IPA for their commitment, dedication and professionalism.



Denise North
Chief Executive

Association Governance

IPA Board

Following the Annual General Meeting in May, David Kerr (NSW/ACT) and Peter Macks (SA/NT) retired from the IPA Board. Michael Brereton was nominated by the NSW/ACT Division and Alan Scott joined the Board as the nominee of the SA/NT Division for the 2012/13 year.

The Board met on six occasions in 2012; February, March (strategic review meeting), April (via teleconference), May, August and November.

Active Committees during the year were:

Finance Committee David Lombe (Chair), David Kerr (to May), Russell Morgan, John Lindholm	The Finance Committee met throughout the year on a monthly basis, predominantly via teleconference. The Committee reviewed monthly and quarterly financial reports and provided advice to the Chief Executive on financial accounting and reporting.
Governance Committee Mark Robinson (Chair), Paul Cook, John Park	The Governance Committee met once during 2012 via teleconference, and was primarily concerned with refining its terms of reference, the structure and governance of the Board and organisation including the formation of a separate Nominations Committee. The Governance Committee formed part of the ad-hoc committee formed to review the IPA Constitution.
Membership Committee Scott Atkins (Chair), John Lindholm, David Kerr (to May), John Park	The Membership Committee met four timoa tC1MEIqIWbtG(WpCh of -4 0mitEHRESDom4w 8 0 0 8 46.51

Division Committees in 2012

New South Wales / Australian Capital Territory	
Michael Brereton, Chairman	KordaMentha
Michael Hughes, Deputy Chairman	Minter Ellison
Katherine Barnet, Secretary	Bentleys Corporate Recovery
Anthony Elkerton	Pitcher Partners
Scott Atkins (Insol Fellow)	Henry Davis York
Andrew Bowcher	RSM Bird Cameron
Peter Harrison	Kemp Strang
Paul Gidley	Shaw Gidley
Peter Sheppard	BRI Ferrier
Murray Smith	McGrathNicol
Queensland	
Michael McCann, Chairman	Grant Thornton
David O'Farrell, Vice Chairman	Minter Ellison
John Cronin, Secretary/Treasurer	McGrathNicol
Phil Jefferson	JCJ Partners
John Grieg	Deloitte
Greg Moloney	Ferrier Hodgson
Peter Schmidt	Norton Rose Australia
John Lobban	Ashurst
Mark Pearce	Pearce & Heers
John Park	FTI Consulting
Tim Michael	Ferrier Hodgson
Chris Munday	Ernst & Young
Peter Smith	Freehills

Victoria / Tasmania	
Stephen Longley, Chairman	PPB Advisory
Robyn McKern, Secretary	McGrathNicol
Paul Cook	Paul Cook & Associates
Robyn Erskine	Brooke Bird & Co
Ross McClymont	Ashurst
Rod Slattery	PPB Advisory
John Lindholm	Ferrier Hodgson
Jim Downey	JP Downey & Co
South Australia / Northern Territory	
Martin Lewis, Chairman	Ferrier Hodgson
Stephen Williams, Secretary/Treasurer	Norman Waterhouse
Alan Scott	BRI Ferrier
Hillary Orr	Hillary Orr Chartered Accountants
Andrew Heard	Heard Phillips
Kym Ryder	O'Loughlins Lawyers
Austin Taylor	Meertens
Michael Hayes	Lynch Meyer
Peter Lanthois	KordaMentha
Western Australia	
Cliff Rocke, Chairman	KordaMentha
George Lopez, Vice Chairman	Melsom Robson
Melanie Grohovaz, Secretary/Treasurer	PwC
Mark Englebert	Taylor Woodings
Russell Morgan	KordaMentha
Joseph Abberton	Lavan Legal
Vic Yaschenko	National Australia Bank
Vincent Smith	Ernst & Young
Dermott McVeigh	Deloitte
Bryan Hughes	Pitcher Partners

Maintaining Professional Standards

The IPA plays a key role in the maintenance of high standards of professional and ethical conduct among its members, and more generally throughout the insolvency profession. Since our constitutional changes in May 2010, we have made significant progress in this area and in 2012 we saw an increased focus with additional resources and enhanced documentation of member discipline processes. With an elevated role for the IPA indicated in the proposed current law reform proposals, the enforcement of legislation and professional and technical standards will continue to be an important focus for the IPA.

The IPA receives and investigates complaints about the professional conduct of members, and about the professional processes of the firms of IPA members. We also investigate concerns about the professional conduct of members that arise other than by way of a complaint.

You can find details of the processes followed by the IPA in investigating complaints and concerns on the IPA's website.

We support the conduct of Quality Assurance reviews of registered insolvency practitioners who are IPA members carried out by CPA Australia and the Institute of Chartered Accountants in Australia.

Member Conduct

Complaints

A complaint under the IPA Constitution is a written complaint made to the IPA about the professional conduct of a member as a practitioner. This refers to the conduct of work of a registered trustee, registered liquidator, other insolvency practitioner, or a legal practitioner.

During the year ended 31 December 2012 the IPA dealt with 24 complaints concerning the conduct of members. The number of complaints was marginally less than the previous two years, 25 and 31 respectively. Each matter is investigated and assessed objectively, having regard to the requirements of natural justice.

Complaints Received

IPA Division	2012	2011	2010
NSW/ACT	12	15	17
Qld	5	1	5
SA/NT	1	–	1
Vic/Tas	5	8	7
WA	1	1	1
Total	**24**	**25**	**31**
Unresolved matters as at 31/12/12	12	2	2

In addition to the above, one complaint remained unresolved from 2009 and is subject to a court determination.

Nature of Complaint

	2012
Distribution of funds/dealings with proofs of debt	4
Sale of business/assets	3
Recognition of/dealing with creditors' interests	4
Excessive remuneration/disbursements	4
Validity of appointment	1
Meeting conduct	1
Investigation of misconduct	1
Dealings with shareholders	1
Appropriate discharge of duties	5
Total	**24**

Maintaining Professional Standards *continued*

The regulators, along with the IPA, continue to emphasise the need for good communications by practitioners, with complaints often generated because of confusion or uncertainty on the part of creditors and other interested parties about what is happening in their particular matter, leading them to infer incorrectly that misconduct is involved. The IPA supports current law reform proposals in this area that may go to improving means of communication to address this fundamental issue.

In the course of investigating complaints, the IPA often identifies other areas of non-compliance with legislation and/or professional standards. In such cases, we raise these issues with the member for their attention and future compliance, separate from any response given to the complainant and irrespective of whether the initial complaint is substantiated.

Concerns

A concern under the IPA Constitution is information available to the IPA about the professional conduct of a member as a practitioner other than by way of a complaint. This refers to the conduct of work of a registered trustee, registered liquidator, other insolvency practitioner, or a legal practitioner.

Circumstances giving rise to a concern may be identified to or by the IPA via a number of means. This includes, but is not limited to:

- judgments or other court documents or transcripts that relate or refer to the conduct of a member;
- announcements or advice of action taken by a regulator or another professional body;
- media articles; or
- general feedback from external parties, including other members.

With the increase in IPA resources dealing with member conduct, the IPA has been able to proactively identify and investigate 13 concerns in the year ended 31 December 2012, which is a significant increase on the previous 2 years, 5 and 3 respectively.

Concerns Identified

IPA Division	2012	2011	2010
NSW/ACT	6	3	1
Qld	1	1	1
SA/NT	–	–	–
Vic/Tas	6	–	1
WA	–	1	–
Total	**13**	**5**	**3**
Unresolved matters as at 31/12/12	6	1	–

Nature of Concern

	2012
Independence/DIRRI disclosure	3
Sale of business/assets	1
Validity of appointment	1
Meeting conduct	1
Compliance with statutory reporting	1
Regulator action	2
Appropriate discharge of duties	3
Withdrawal of complaint due to threat of legal action	1
Total	**13**

Maintaining Professional Standards *continued*

Disciplinary Proceedings

Following investigation, five matters were referred to the Professional Conduct Committee for further investigation, which constitutes the commencement of formal disciplinary proceedings against the members involved.

Professional Conduct Committee – 2012 determinations

	2012	2011
Ongoing	3	–
Unsubstantiated	1	–
Ongoing monitoring	–	1
Substantiated – matter already addressed and/or not in the interests of the public, the member, the IPA or the insolvency profession that any penalty be applied and no further action is appropriate	1	2
Substantiated – warrants referral to the National Committee	–	–
Superseded by automatic termination	–	1
Total	**5**	**4**

A relatively small number of complaints and concerns result in disciplinary action because most matters turn out not to have substance, often because they involve a misunderstanding of the insolvency processes being undertaken, or arise from poor communication on the part of a member. The IPA also requires clear evidence of a breach in order to refer a matter to the Professional Conduct Committee and mere speculation or innuendo is not sufficient. In instances where formal disciplinary action is not considered warranted, the IPA may still recommend a member undertake remedial action and/or attend training and development courses. Decisions that rely on the exercise of commercial judgement by a member, for example to sell assets or to close down a business, are not generally investigated by the IPA, although the processes applied in reaching the decision are often reviewed.

Automatic Termination of IPA Membership

Action by the regulators is a significant area of attention for the IPA and, under the Constitution, often has an automatic impact on IPA membership. For example, if a member's registration as a liquidator or trustee is terminated or suspended, their IPA membership is also automatically terminated or suspended respectively. In contrast, if the regulator imposes a lesser sanction on a member that does not affect their registration, this may constitute a concern and lead to the IPA imposing a penalty.

Two members were subject to automatic termination of their IPA membership in 2012.

Details of the member conduct matters dealt with by the IPA are available on the IPA website, on a no-names basis where appropriate.

Maintaining Professional Standards *continued*

Member Discipline actions – 2012

Mr John Lord (Member)
September 2012

IPA Disciplinary proceedings were commenced as a result of the cancellation of Mr Lord's Official Liquidation registration by ASIC on 19 August 2011.

In accordance with section 16.6 and having duly considered ASIC's reasons in this matter, the IPA has determined that no further penalty should be imposed on Mr Lord by the IPA.

Mr Atle Crowe-Maxwell (Member)
September 2012

IPA Disciplinary proceedings were commenced against Mr Crowe-Maxwell as a result of administrative action commenced by ASIC in relation to allegations that he failed to disclose relationships in 105 administrations in which he consented to act jointly with Mr John Lord. The administrative action resulted in Mr Crowe-Maxwell entering certain undertakings with ASIC.

In accordance with section 16.6 and having duly considered ASIC's reasons in this matter, the IPA has determined that no penalty should be imposed on Mr Crowe-Maxwell by the IPA.

Mr Paul Pattison (Member)
September 2012

Mr Pattison's IPA Membership was terminated under clause 16.3(b), following the termination of his registrations as a trustee in bankruptcy by the Inspector-General in Bankruptcy. Prior to the termination of Mr Pattison's membership, the IPA had made decisions suspending his membership and his membership remained suspended up until the time of its termination.

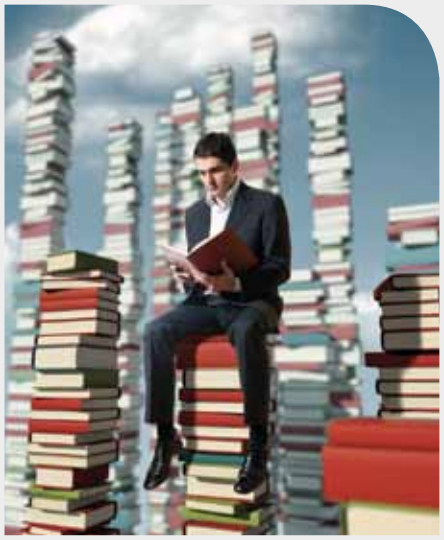
Mr Geoffrey S Turner (Member)
October 2012

Mr Geoffrey S Turner's IPA Membership was terminated under clause 16.3(b), following ASIC's acceptance of an enforceable undertaking that prevents Mr Turner from practising as a registered liquidator for life.

Quality Assurance

The IPA has worked with both the ICA and CPA to maintain their quality assurance review program for insolvency practitioners and has identified and referred further potential quality reviewers from our member base to both bodies. This information has enabled the ICA and CPA to engage further insolvency specialist reviewers to undertake the reviews, which is of significant benefit for the professional bodies and our members.

During 2012, both the ICA and CPA undertook quality assurance reviews of insolvency practitioners, and this will continue to be an ongoing process. Under the IPA Constitution members are required to provide any reports issued as a result of a quality assurance review by the ICA or CPA on request. A general open request has been made to all IPA members and this remains current. The IPA has made enquiries with several members regarding adverse findings identified as a result of the quality assurance review program. The IPA will continue to monitor the outcomes of quality reviews in relation to IPA members, enabling us to identify any action that may be required by the IPA, including any adverse trends in the industry, or matters on which we need to provide better information or specific training to improve practices.



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Directors' Report

31 December 2012

Your Directors present their report on the company for the financial year ended 31 December 2012.

1. General Information

Principal Activities

The principal activity of Insolvency Practitioners Association of Australia during the financial year was being a professional association.

No significant change in the nature of this activity occurred during the year.

2. Business Review

a) Operating Results

The loss of Insolvency Practitioners Association of Australia after providing for income tax amounted to $130,289 (2011: profit of $147,661).

b) Dividends Paid or Declared

This is a company limited by guarantee and is prohibited from making distributions to Members.

3. Description of short and long term objectives

The IPA's objectives are to:

- promote and maintain high standards of practice and professional conduct by members
- promote the character and status of and advance the profession of, insolvency practitioners
- promote the study of bankruptcy, insolvency and related law, and provide a forum for the consideration and discussion of insolvency related matters
- make representations to government on all matters affecting the practice of Registered Trustees in Bankruptcy and Registered Liquidators, and on the law concerning bankruptcy, corporate insolvency and related matters.

4. Strategy for achieving objectives

Key strategies for the achievement of these objectives in 2012 were:

- Completion of the new member database, event and education registration and payments system
- Launch of the new IPA website
- Enhancement of the Association's Technical Specialist team
- Expansion of the Association's education and continuing professional development activities
- Review of the IPA's Constitution
- Contributing to the development of the insolvency law reforms resulting from the 2010 Senate Inquiry.

5. Contribution of Principal activities to achievement of these objectives

Principal activities during the year have focused on the IPA's key strategies, and on the maintenance and development of our core membership, education and professional event activities.

Other Items

a) Significant Changes in State of Affairs

No significant changes in Insolvency Practitioners Association of Australia's state of affairs occurred during the financial year.

b) After Balance Day Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Insolvency Practitioners Association of Australia, the results of those operations or the state of affairs of the Insolvency Practitioners Association of Australia in future financial years.

c) Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 36.

d) Environmental Regulations

The company's operations are not regulated by any significant environmental regulations under Australian Law.

6. Director Information

Information on Directors and Attendance

Director	Qualifications	Committees	Board Meetings Attended
Scott Andrew Atkins NSW/ACT	B.Ec LLB, LLM, IPA, Fellow – INSOL International Partner – Henry Davis York	Membership Education iMIS and Website Project IPA Brand Profile Professional Conduct ASIC Liaison	6 of 6
Michael Brereton NSW/ACT *Appointed 16 May 2012*	B.Com, B.Com (Honours), H.Dip Company Law, CA, MBA, IPA Executive Director – KordaMentha Registered Liquidator – 2005	IPA Brand Profile Membership ASIC Liaison	3 of 3
Robyn Erskine CPA Nominee	B.Bus, FCPA, CA, IPA Partner – Brooke, Bird & Co Official Liquidator – 1993 Registered Trustee – 1992	iMIS and Website Project IPA Brand Profile Nominations Professional Standards ASIC Liaison ITSA Liaison ATO Liaison Treasury Liaison	6 of 6
Michael Richard Hughes NSW/ACT	B.Ec LLB, IPA, Law Institute Partner – Minter Ellison	Professional Standards ASIC Liaison Treasury Liaison	2 of 6

6. Director Information *(continued)*

Information on Directors and Attendance

Director	Qualifications	Committees	Board Meetings Attended
David John Kerr NSW/ACT *Resigned 16 May 2012*	Grad Dip Adv Acctg, B.Bus (Accy) CA, CPA, IPA Partner – RSM Bird Cameron Registered Trustee – 1997 Official Liquidator – 2002	Education Strategy Quality Assurance AIJ Advisory Board Membership Finance, Treasury Liaison	3 of 4
John Lindholm VIC/TAS	B.Econ, CA, IPA Partner – Ferrier Hodgson Registered Liquidator – 1997 Official Liquidator – 2005	Education Finance Membership Professional Standards	4 of 6
David Lombe ICA Nominee NSW/ACT	B.Com, FCA, IPA, AICD, JP Partner – Deloitte Official Liquidator – 1993 Registered Liquidator – 1999 Registered Trustee – 20		

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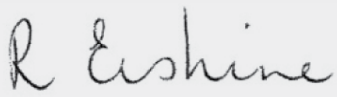
6. Director Information *(continued)*

Information on Directors and Attendance

Director	Qualifications	Committees	Board Meetings Attended
Company Secretary			
Denise Maree North	B.Ec (Hons), MBA, FIACD, FAIM	All	6 of 6
Invited Directors ***(non-voting invitees, including past presidents who attend board meetings to advise and counsel)***			
Paul John Cook VIC/TAS *From 1 June 2011*	B.Ed, FCA, IPA, AICD, FCPA Principal – Paul Cook & Associates Registered Trustee – 1990 Official Liquidator – 1992	Governance Nominations Professional Conduct ATO Liaison	5 of 6
Mark Julian Robinson NSW/ACT *From 1 June 2011*	B.Com (Merit), M.Econ, FCA, CPA, IPA Partner – PPB Advisory Registered Trustee – 1998 Registered Liquidator – 2001 Official Liquidator – 2005	Governance iMIS and Website Project IPA Brand Profile Nominations Professional Standards Treasury Liaison	3 of 6

* Mr Robinson is the IPA nominated INSOL International Director and was absent from a number of Board meetings as he was at the time attending meetings of INSOL International

Signed in accordance with a resolution of the Board of Directors



RL Erskine
16 April 2013

DJF Lombe
16 April 2013

Independent Auditor's Report

To the Members of Insolvency Practitioners Association of Australia

Level 6
350 Kent Street
Sydney NSW 2000

K.S. Black & Co.
ABN 57 446 398 808

Level 1, 460 Church Street
North Parramatta NSW 2151
PO Box 2210
North Parramatta NSW 1750

Independent Auditor's Report to the members of Insolvency Practitioners Association of Australia

Report on the Financial Report

We have audited the accompanying financial report of Insolvency Practitioners Association of Australia (the company) which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accompanying policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of Insolvency Practitioners Association of Australia are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Insolvency Practitioners Association of Australia would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Liability limited by a scheme approved under Professional Standards Legislation
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Phone 02 8839 3000 Fax 02 8839 3055
www.ksblack.com.au

Chartered Accountants

Independent Auditor's Report *continued*

To the Members of Insolvency Practitioners Association of Australia

Level 6
350 Kent Street
Sydney NSW 2000

K.S. Black & Co.
ABN 57 446 398 808

Level 1, 460 Church Street
North Parramatta NSW 2151
PO Box 2210
North Parramatta NSW 1750

Audit Opinion

In our opinion, the financial report of the Insolvency Practitioners Association of Australia is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

KS Black & Co
Chartered Accountants

Faizal Ajmat
Partner
Dated at Sydney: 16 April 2013

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Chartered Accountants

Directors' Declaration

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 25 to 35, are in accordance with the Corporations Act 2001 and:

   (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the company.

2. in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

RL Erskine
16 April 2013

DJF Lombe
16 April 2013

Statement of Comprehensive Income

For the year ended 31 December 2012

	Note	2012 $	2011 $
Revenue	2	4,096,069	3,625,507
Accounting fees		(2,860)	(1,365)
Auditors remuneration		(21,000)	(15,145)
Bad debts expense		–	–
Consultants		(67,891)	(35,951)
Depreciation		(32,324)	(14,541)
Doubtful Debt Provision		(16,314)	–
Employee costs		(1,229,733)	(1,020,678)
IPA President Honorarium		(10,000)	(5,831)
Rent and facilities		(130,771)	(124,383)
Member Handbook		(116,923)	(105,360)
Printing and postage		(58,482)	(54,554)
Travel and accommodation (Board)		(31,604)	(27,080)
Travel and accommodation		(94,667)	(54,721)
Education and training		(1,262,299)	(981,990)
Events expenses		(744,242)	(602,980)
Journal expenses		(108,055)	(114,365)
Bank and merchant fees		(78,876)	(69,197)
INSOL fees		(58,150)	(60,711)
INSOL travel and accommodation		–	(5,578)
Media, marketing and promotion		(54,940)	(49,064)
Telephone and fax		(25,447)	(11,955)
Terry Taylor Scholarship Award		(10,000)	(5,000)
Entertainment		(2,469)	(892)
Legal fees		(20,748)	(7,216)
IT, website and projects		(61,974)	(66,142)
Other expenses		(23,523)	(34,468)
Expenses		(4,263,292)	(3,469,167)
Profit/(loss) before income tax		(167,223)	156,340
Income tax expense	3	36,934	(8,679)
Profit/(loss) attributable to members		(130,289)	147,661

The above Statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2012

	Note	2012 $	2011 $
ASSETS			
Current assets			
Cash and cash equivalents	4	1,147,493	1,317,086
Trade and other receivables	5	152,723	90,368
Inventories		–	2,115
Total current assets		1,300,216	1,409,569
Non-current assets			
Property, plant and equipment	6	266,460	163,560
Deferred tax assets	9	51,001	14,067
Total non-current assets		317,461	177,627
TOTAL ASSETS		1,617,677	1,587,196
LIABILITIES			
Current liabilities			
Trade and other payables	7	679,689	527,311
Provisions	8	55,524	51,505
GST Payable		22,097	24,338
Income tax		–	–
Total current liabilities		757,310	603,154
Non-current liabilities			
Other long-term provisions	8	25,138	18,524
Total non-current liabilities		25,138	18,524
TOTAL LIABILITIES		782,448	621,678
NET ASSETS		835,229	965,518
MEMBERS' ACCUMULATED FUNDS			
Accumulated funds		835,229	965,518
MEMBERS' ACCUMULATED FUNDS		835,229	965,518

The above Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2012

	Accumulated Funds $
2011	
Balance at 1 January 2011	817,857
Profit attributable to members	147,661
Balance at 31 December 2011	965,518
2012	
Balance at 1 January 2012	965,518
Profit attributable to members	(130,289)
Balance at 31 December 2012	835,229

The above Statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2012

	Note	2012 $	2011 $
Cash from operating activities:			
Receipts from operating activities		3,721,612	3,583,289
Interest received		82,017	81,247
Payments to suppliers		(2,621,027)	(2,475,378)
Employee costs		(1,216,971)	(1,003,222)
Net cash provided by (used in) operating activities	10	(34,369)	185,936
Cash flows from investing activities:			
Acquisition of plant and equipment		(135,224)	(98,210)
Net cash (used in) investing activities		(135,224)	(98,209)
Net increase (decrease) in cash and cash equivalents held		(169,593)	87,726
Cash and cash equivalents at beginning of financial year		1,317,086	1,229,360
Cash and cash equivalents at end of financial year	4	1,147,493	1,317,086

The above Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 December 2012

1. Statement of Significant Accounting Policies

(a) General Information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of preparation

Reporting Basis

The financial report has been prepared on an accruals basis and is based on historical costs.

(c) Property, plant and equipment

The depreciable amount of all fixed assets excluding computer software is depreciated on a diminishing value basis over the assets' useful lives to the company commencing from the time the asset is held ready for use. The depreciable amount of all computer software is depreciated on a straight line basis in accordance with the effective lives prescribed by the tax authority.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset

Furniture, fixtures and fittings . . . 4-20 years

Office equipment . . . . . 4-10 years

Computer equipment . . . . . 4-10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(f) Income Tax

The charge for current income tax expense is calculated based on the mutuality principle. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred income tax assets arise from income tax losses carried forward from previous years and are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

(g) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery for the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

	2012 $	2011 $
2. Revenue		
Operating activities		
Interest received	72,674	74,968
Sponsorship and advertising	354,841	345,393
Journal subscriptions	12,504	15,150
Member subscriptions	877,598	784,513
Education and training	1,878,022	1,568,421
Events – states and national	891,825	822,369
Other revenue	2,993	8,414
Total Operating Revenue	4,090,457	3,619,228
Terry Taylor Scholarship Sponsorship		
Sponsorship Revenue	–	–
Interest earned	5,612	6,279
Total Scholarship Revenue	5,612	6,279
Total Revenue	4,096,069	3,625,507
3. Income Tax Expense		
The prima facie tax on profit/(loss) before income tax is reconciled as follows		
Prima facie tax (payable)/refundable on profit before income tax at 30% (2011: 30%)	50,167	(46,902)
Add/Less:		
– income tax attributable to amounts charged in arriving at the profit/(loss) which are non-deductible/(non-assessable) for income tax purposes	(13,233)	38,223
Income tax attributable to entity	36,934	(8,679)
4. Cash and Cash Equivalents		
Cash at bank	130,367	315,687
Short-term bank deposits	900,000	890,000
Terry Taylor Scholarship Fund	116,665	110,899
Other cash and cash equivalents	461	500
	1,147,493	1,317,086
5. Trade and Other Receivables		
Current		
Trade receivables	68,265	37,146
Less: Provision for doubtful debts	(16,314)	–
Prepayments	16,879	17,330
Deposits	77,353	31,338
Other receivables	6,540	4,554
	152,723	90,368

	2012 $	2011 $
6. Plant and Equipment		
Office equipment		
At cost	15,551	14,015
Less accumulated depreciation	(11,939)	(11,372)
Total office equipment	3,612	2,643
Computer equipment		
At cost	85,736	72,275
Less accumulated depreciation	(64,713)	(53,028)
Total computer equipment	21,023	19,247
Website development		
At cost	68,760	68,760
Less accumulated depreciation	(68,760)	(68,760)
Total website development	–	–
Member Database and CRM		
At cost	241,128	127,117
Less accumulated depreciation	(18,401)	–
Total Member Database and CRM	222,727	127,117
Office furniture		
At cost	31,892	25,677
Less accumulated depreciation	(12,794)	(11,124)
Total office furniture	19,098	14,553
Total plant and equipment	266,460	163,560

Movements in Carrying Amounts	**Furniture, fixtures and fittings $**	**Office equipment $**	**Computer equipment $**	**Website development $**	**Member Database and CRM $**	**Total $**
Current Year						
Balance at beginning of year	14,554	2,643	19,247	–	127,116	163,560
Additions	6,215	1,536	13,461	–	114,012	135,224
Depreciation expense	(1,671)	(567)	(11,685)	–	(18,401)	(32,324)
Carrying amount at the end of year	19,098	3,612	21,023	–	222,727	266,460
Prior Year						
Balance at beginning of year	16,252	3,375	9,748	–	50,515	79,890
Additions	–	–	21,609	–	76,601	98,210
Depreciation expense	(1,698)	(732)	(12,110)	–	–	(14,540)
Carrying amount at the end of year	14,554	2,643	19,247	–	127,116	163,560

	2012 $	2011 $
7. Trade and Other Payables		
Current		
Unsecured liabilities		
Trade payables	487,380	77,948
Amounts in advance	–	6,050
PAYG withholding tax	–	–
Other tax amounts	4,048	937
Superannuation payable	10,456	6,162
Credit cards	10,002	7,000
Accrued charges	6,028	8,438
Subscription in advance	111,861	307,441
Education fees in advances	19,658	92,235
Education refunds	15,756	–
Donations Payable	–	5,100
Terry Taylor Scholarship Fund	–	–
Deposits	14,500	16,000
	679,689	527,311
8. Provisions		
Current		
Employee entitlements	55,524	51,505
Non-current		
Employee entitlements	25,138	18,524
9. Tax		
Current		
Income tax (payable)/refundable	46,081	(8,679)
Non-current		
Other deferred tax	51,001	14,067
Deferred Tax Benefit		
Balance at 1 January	14,067	22,046
Adjustment to Income Tax (payable)/refundable previous year	(9,147)	700
Income Tax (payable)/refundable current year	46,081	(8,679)
Balance at 31 December	51,001	14,067
10. Cash flow information		
Reconciliation of cash flow from operations with profit		
Profit/(Loss) for the year	(130,289)	147,661
Non-cash flows in loss:		
Depreciation	32,324	14,541
Changes in assets and liabilities:		
Decrease/(increase) in receivables and prepayments	(60,240)	162,566
(Decrease)/increase in payables and provisions	160,770	(146,811)
Decrease/(increase) in deferred taxes	(36,934)	7,979
Cash flow from operations	(34,369)	185,936

11. Member's Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $100.00 towards any outstanding obligations of the company. At 31 December 2012 the number of members was 1,360 (2011: 1,356).

	2012 $	2011 $
12. Auditor's remuneration		
Remuneration of the auditor of the company for:		
– Auditing the financial report	21,000	15,145

13. Financial Risk Management

(a) General objectives, policies and processes

In common with all business, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks in presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the company's risk management objectives and policies. The company's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of objectives are therefore designed to minimise the potential impacts of these risks on the results of the company where such impacts may be material. The Board receives reports from the Chief Executive Officer through which it reviews the effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the company incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the company. There is no concentration of credit risk with respect to receivables. As a result, the credit quality of financial assets that are neither past due nor impaired is good.

	2012 $	2011 $
The maximum exposure to credit risk at balance date is as follows:		
Receivables	68,265	41,700

13. Financial Risk Management *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that the company may encounter difficulties raising funds to meet commitments associated with financial instruments (i.e. creditors). It is the policy of the Board of Directors that the company maintains adequate funds.

	Carrying Amount	Contract Cash Flows	<6 months
Maturity Analysis			
2012			
Financial Liabilities	–	–	–
Non-derivatives	–	–	–
Current payables	487,380	487,380	487,380
Total financial liabilities	487,380	487,380	487,380
2011			
Financial Liabilities	–	–	–
Non-derivatives	–	–	–
Current payables	77,948	77,948	77,948
Total financial liabilities	77,948	77,948	77,948

(d) Market risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

(i) Interest rate risk

The company is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk.

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the company's surplus (through the impact on adjusted interest rate).

The above analysis assumes all other variables remain constant.

	Carrying Amount	+1% Interest Rate	-1% Interest Rate
2012			
Cash and cash equivalents	1,147,493	11,475	(11,475)
Increase/(decrease)		11,475	(11,475)
2011			
Cash and cash equivalents	1,317,086	13,171	(13,171)
Increase/(decrease)		13,171	(13,171)

The above analysis assumes all other variables remain constant.

	2012 $	2011 $
14. Related Party Disclosures		
(a) Key management personnel include the Directors and the Chief Executive Officer.		
(b) The names of Directors in office at any time during the financial year are S Atkins, M Brereton, R Erskine, M Hughes, D Kerr, J Lindholm, DJF Lombe, S Longley, P Macks, M McCann, R McClymont, R Morgan, J Park and A Scott.		
(c) No amounts were paid, payable or otherwise provided to Directors during the financial year, except for an Honorarium paid to the President for the year as provided for in the Constitution.		
Amounts paid, payable or otherwise provided to the President consisted of:		
President's Honorarium	10,000	5,831
Total	10,000	5,831
Amounts paid, payable or otherwise provided to other key management personnel consisted of:		
Salary	198,851	196,225
Superannuation	17,897	17,660
Total	216,748	213,885
16. Lease Commitments		
Operating lease on premises		
– Under 1 year	108,812	103,631
– 1 year to 5 years	360,183	468,995
	468,998	572,626

Auditor's Independence Declaration

Declaration of independence to the Directors of Insolvency Practitioners Association of Australia

Level 6
350 Kent Street
Sydney NSW 2000

K.S. Black & Co.
ABN 57 446 398 808

Level 1, 460 Church Street
North Parramatta NSW 2151
PO Box 2210
North Parramatta NSW 1750

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To the directors of Insolvency Practitioners Association of Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Insolvency Practitioners Association of Australia.

KS Black & Co
Chartered Accountants

Faizal Ajmat
Partner
Dated at Sydney: 16 April 2013

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