



ANNUAL REPORT 2011-2012



IPA INSTITUTE OF PUBLIC
ACCOUNTANTS



**ABOUT THE INSTITUTE OF
PUBLIC ACCOUNTANTS**

First formed in 1923, the Institute of Public Accountants (IPA) has been driving professionalism, influencing policy and promoting the interests of its members on a local and global stage for nearly 90 years.

The Institute is one of the three recognised professional bodies for accountants in Australia. It represents the interests of more than 24,000 members and students in over 50 countries.

With an expansive global focus and full membership of the International Federation of Accountants (IFAC) and Confederation of Asian and Pacific Accountants (CAPA), the IPA is working to promote the exchange of knowledge and best practice to build relationships across borders.

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IPA ANNUAL GENERAL MEETING

NOTICE IS HERBY GIVEN that the ANNUAL GENERAL MEETING of the Institute of Public Accountants (IPA) will be held at:
IPA Office, Suite 6, 60 Hindmarsh Square, Adelaide, South Australia 5000
on Friday, 26 October 2012 commencing at 5.30pm (local time).

PRESIDENT'S MESSAGE

2012: a year of consolidation

The IPA's vision to lead the small-medium accounting practice and small-medium enterprise segment has been further cemented over the past 12 months. Following a three year review, the Institute took up a fundamental repositioning in the sector, not just from a branding perspective but also a heightened focus on member needs.

It is noted by the Board and management that we have members active in all facets of the profession from large firms to small businesses, however, the principal focus of our members was revealed in our member needs survey, which demonstrated almost 70 per cent of members work in the SME or small to medium practice segments. This is our critical point of difference and our services are leading the way in support of these segments.

The rollout of our rebrand followed members' strong endorsement of our strategy. The Chief Executive Officer and his team have diligently and professionally executed a comprehensive repositioning including a 'professional yet fun' brand presence. Importantly, our strategy has seen a substantial repositioning of all member services, strong member engagement and leveraging effective and productive relationships. This will not generate overnight results and is part of a long term strategy for growth; however, preliminary testing shows significant positive trends.

Our member-centric focus along with IPA's repositioning has led to significant change for the better, including the revitalised IPA Program structure to provide members seeking to upgrade their qualifications with a greater choice of electives and the introduction of the Diploma of Financial Planning in partnership with DeakinPrime. The Institute has also introduced other courses in financial services in response to demand for financial services from accounting clients.

It should be noted that the IPA's commitment to deliver high quality accounting education comes with the fact that the Institute is the only Australian accounting body offering a Masters degree as its professional program. In addition, the Institute has continued to deliver relevant and valuable continuing professional education events to members.

A number of new initiatives, products and services have been designed and introduced to further consolidate the Institute's service offering to members. These have included:

- The launch in June 2012 of the My Public Accountant brand that will enhance members' profiles within their client base and local community;
- The launch of a new Professional Indemnity Insurance Scheme in March 2012, which is exclusive to IPA members with greatly reduced insurance premiums that is provided by AXS Insurance Services; and
- The launch of the IPA Financial Services Package in November 2011, which will help members to diversify and grow their business.



Launch of 'I love small business' day

With the focus on being the credible voice for small business, the IPA launched the inaugural 'I love small business' day on 30 June 2012 in Canberra. This day, now forged in the national calendar will celebrate the efforts of small business across the country and honour the significant contribution small businesses make to the Australian economy.

Considering there are 2.7 million small businesses in Australia, representing 96 per cent of all businesses and employing 47 per cent of the private sector workforce while contributing 35 per cent to Australia's gross domestic product, their contribution is vital. In a show of support for the small business community, the IPA put forward a 'wish list' to all Federal Parliamentarians asking them to advocate for small businesses on a range of defining principles.

Growing our international relationships

Since our inclusion in the Confederation of Asian and Pacific Accountants (CAPA) in 2011, we have continued to enhance our regional reach and involvement. In fact, the IPA has been invited to assist in guiding a number of regional accounting bodies in their development.

We have continued to grow our international member base with a 20 per cent growth in new members overseas in the last 12 months.

Our relationships overseas have also been strengthened with a number of key activities throughout the year including:

- Participation as the only Australian accounting body at the International Council for Small Business World Conference;
- The signing of a memorandum of understanding (MOU) on reciprocal membership recognition with the Institute of Cost Accountants of India;
- Participation in the International Federation of Accountants (IFAC) Chief Executive's Strategic Forum in New York; and
- The delivery of executive training programs in accounting and tax to international delegations from China.

The year ahead

The Institute will continue to grow with its members. Enhancements to service offerings, increased public awareness through the IPA's marketing campaigns, ongoing and rigorous lobbying and advocacy targeting all levels of government and key influencers, will all contribute to the growth and development of the Institute and its members.

The coming year will see a continuation of our investment in the business. This is part of the Board's strategy and understanding that we need to withstand periods of sustained investment in the Institute which may see successive deficits; however we retain a firm eye on the horizon and on the incredibly encouraging trends in relation to the returns on investment. This is seen in growth in member admissions, brand awareness and the global membership uplift.

As this is my last annual report as President, I would like to recognise the excellent performance of IPA Chief Executive Officer, Andrew Conway. Andrew's tireless effort to regenerate our business and position the Institute as the credible voice for small business is to be commended. I also wish to recognise the continual effort of IPA's executive general management team and all IPA staff throughout the year. I would like to thank my fellow board members for their ongoing support and contribution to the Institute.

Finally, I would like to thank the members of the IPA for their ongoing support and faith in our bold strategies for the future.



CHRISTINE LEETHAM FIPA
PRESIDENT

"WE HAVE CONTINUED TO GROW OUR INTERNATIONAL MEMBER BASE WITH A 20 PER CENT GROWTH IN NEW MEMBERS OVERSEAS IN THE LAST 12 MONTHS."

CHIEF EXECUTIVE OFFICER'S REPORT

Investing in the future

Throughout the 2011-12 year, we have continued to focus on the needs of our members by investing in our brand, our people and our services.

This investment has seen the consolidation of the IPA brand with extensive campaigns to raise public awareness through our mass media activities. The *Partnership beyond numbers* mass-marketing campaign in Australia and the Asia-Pacific region incorporated television, radio, print and online advertising. During this period we experienced a significant increase in domestic new member admissions and more than 50 per cent growth in the number of IPA students. This effort will continue in the financial year ahead.

In November 2011, in partnership with two of Australia's most awarded financial service providers, AXA (as it was) and MLC, we launched our comprehensive Financial Services Package (FSP). This was a strategic commitment, partly in response to the removal of the accountants' exemption under the Future of Financial Advice (FoFA) reforms, which are likely to be the most significant changes to the accounting profession in the last decade. However, the FSP is mostly in response to the rapidly changing environment in which our members operate and the need to grow and diversify in order to capture the opportunities and address the challenges.

The FSP was enhanced with the launch of the online referral service in May 2012; which provides our members with the ability to continue to service clients' needs while still offering the full range of financial services through our partners.

It is envisaged that these service enhancements and other initiatives will assist the health of members' businesses; and form part of IPA's projected growth beyond the 40 per cent revenue growth that has been achieved over the past ten years.

My Public Accountant – a network for members and their clients

In June 2012, we launched My Public Accountant (MPA), the largest uniquely branded accounting practice network in Australia with more than 3,500 practices. The MPA network is a first for any professional body in Australia and revolutionises the way we provide services to our members in practice. It provides members with access to a range of resources and back-end practice support to drive growth and improve practice efficiency.

With MPA, we have taken a strong strategic view on branding that will benefit members. Under the network brand of MPA, members have access to a dynamic set of tools specifically selected to assist them in their practices whilst also providing them with guidance on how to market their businesses and most importantly, provide more value to clients.

Advocacy and lobbying – representing our members

IPA has continued to advocate and lobby on behalf of members and the accounting profession to key stakeholders including government and regulators such as the Australian Taxation Office, The Treasury, Australian Securities and Investments Commission, Australian Accounting Standards Board, Australian Auditing and Assurance Standards Board, International Accounting Standards Board, International Auditing and Assurance Standards Board and the Accounting Professional and Ethical Standards Board. In the past financial year, we made 82 submissions and attended numerous consultations, providing influence on key regulatory issues facing our members and the profession.

One of the critical areas of advocacy has been in financial services. We committed significant advocacy effort to represent the interests of members in relation to the FoFA reforms. Our

“THROUGHOUT THE 2011-12 YEAR, WE HAVE CONTINUED TO FOCUS ON THE NEEDS OF OUR MEMBERS BY INVESTING IN OUR BRAND, OUR PEOPLE AND OUR SERVICES. ”

FoFA advocacy activity included 55 meetings with the Minister, Treasury and ASIC; 15 detailed submissions; 28 media articles and 8 feature journal articles; 11 features in our Technical Advantage publication; 6 member FAQ documents; and more than 43 face-to-face seminars on the future of accounting practice in light of these reforms. Throughout this process we have worked with members to encourage a focus on practice diversification. This will certainly continue beyond 2012-13. We were pleased that our extensive advocacy delivered such a positive outcome as part of the advice solution for members under the FoFA reform agenda.

Each year the IPA looks towards the Federal Budget as a major activity on the Institute's advocacy calendar. Following consultation with members and our Faculties (advisory committees) we develop our annual pre-Budget submission in which we put forward recommendations to influence Budget outcomes with a key focus on issues affecting small business. This forms the foundation of our public affairs and stakeholder engagement activities.

One recommendation in our pre-Budget submission related to the introduction of a loss carry back option as part of our tax loss rules. The Government announced on 6 May 2012, its intention to introduce loss carry back from 1 July 2012. The IPA is strongly supportive of a loss carry back regime as it brings forward the benefits of tax losses to struggling small companies. The IPA provided the Government with a submission on the design aspects of introducing such an initiative as part of the tax loss rules.

We also provided extensive commentary on Budget night and received wide media coverage across all mediums. In the year ahead, we will continue to consult extensively with all stakeholders to enhance our advocacy and lobbying efforts in the best interests of our members and the small business community.

Enhanced international presence

We have continued to enhance our international presence including our participation in regional accounting groups.

We are active participants in International Federation of Accountants (IFAC) groups and have recently been appointed to the Professional Accountancy Organisation Development Committee within the Confederation of Asian and Pacific Accountants. This provides us with an opportunity to share our experiences with developing professional accounting bodies.

Committed to our community

As part of our corporate social responsibility program we were proud to have sponsored the 'Ride Beyond the Trauma'; a group of SES volunteers travelling from Pakenham to Toowoomba and back to raise awareness of the road safety message and help support victims of road crashes.

We have also embarked on a philanthropic partnership with Berry Street, a charity whose focus is on the rights of all children to have a good childhood and supporting children and families with complex issues arising from their personal experiences of family violence, abuse and neglect. Today, Berry Street is the largest child and family welfare organisation in Victoria and supported over 14,000 children and families last year.

We will look to emulate this activity with similar programs in other States in 2012-13.

In closing, I would like to thank our loyal members both nationally and overseas. I would also like to thank the support and effort of the IPA Board, management and staff throughout the year for a tremendous effort throughout 2011-12. As this report also marks the final report from our President, Christine Leetham, I would like to formally acknowledge the fantastic contribution and leadership that Christine has provided to the IPA over many years and most recently as President since 2009.



ANDREW CONWAY FIPA
CHIEF EXECUTIVE OFFICER



VISION, MISSION AND VALUES

IPA VISION

To lead the small-medium accounting practice and small-medium enterprise segments.

IPA MISSION

To provide professional recognition and support to drive business success.

IPA VALUES

We RESPECT our membership

We RESPECT each other

We RESPECT & foster flexibility

We RESPECT & foster creativity

We RESPECT interdependence



YEAR IN REVIEW

The year that was 2011 – 2012: Partnership Beyond Numbers

We have continued to invest in our people and services to add value to our members. We are now seeing the results...

Growing our base

- 9 per cent growth of new member admissions in Australia over the previous year.
- Growth in number of professional practices to over 3,600 around Australia.
- Significant reduction in average age of new members.
- 20 per cent growth in new members based overseas; 22 per cent growth in China.

Tailored solutions for SMPs and SMEs

- Launched *My Public Accountant* creating the largest branded accounting practice network in Australia.
- Launched *My Public Accountant Insurance Solutions* in partnership with AXS Insurance Services delivering substantial savings in premiums to members.
- Launched the Financial Services Package in partnership with two of Australia's most awarded financial institutions, MLC and AXA.
- Launched an online referral service, giving members access to a filtered pool of highly experienced financial planners.
- Launched Public Practice Quality Assurance Online, promoting efficiency in member compliance and providing an effective practice diagnostic tool for members.
- Launched the first year of the IPA Project Student Challenge.
- Introduced the IPA Rewards Program, offering members significant discounts on a range of products and services.

Enhanced our influence on the profession

- Substantially influenced the regulatory landscape through 82 submissions to government, agencies and regulators; and representing the IPA and our members on over 100 different forums, committees and consultations, including IPA's pre-Budget submission.
- Conducted extensive representation and advocacy on the FoFA reforms (also as part of the Joint Accounting Bodies). Advocacy included more than 55 meetings with the Minister and Treasury; 15 technical submissions; 28 media articles, and more than 43 face-to-face meetings with members.
- Advocated successfully for major tax reform including the loss carry back option as part of our tax loss rules.
- 45 per cent increase in media coverage since last year including 39 media releases and over 320 mentions of the IPA in media outlets.

Growing global recognition

- Continued growth in the Institute's global standing.
- Presented as keynote speaker to the Australian Accountants and Lawyers conference in Colorado.
- Participated in the IFAC Chief Executive's Strategic Forum in New York.
- Participated in the 6th IFRS Regional Policy Forum in partnership with the Malaysian Accounting Standards Board.

YEAR IN REVIEW (CONTINUED)

- Delivered a strong training program in China including scholarships to outstanding students from the Shanghai University of Finance and Economics.
- Participated as the only Australian accounting body at the International Council for Small Business World Conference.
- Signed an MOU on reciprocal membership recognition arrangements with the Institute of Cost Accountants of India.
- Delivered executive training programs in accounting and tax to international delegations, including the Beijing Institute of Certified Public Accountants and the Chinese Certified Tax Agents Association from numerous provinces in China.
- IPA membership qualifications were included in the List of Professionals in Demand by major provincial Chinese governments.
- Participated in discussions at the first China International Fair on Trade in Services Conference.

High quality accounting education

- The only Australian accounting body offering a Masters degree as its professional program.
- Revitalised IPA Program structure with offer of greater choice of electives to members seeking to upgrade their qualifications.
- Introduced Diploma of Financial Planning in conjunction with DeakinPrime, enabling members to grow and diversify into the dynamic area of financial services.
- Delivered more relevant and valuable CPE events to members, evidenced by a 50% growth year on year for attendances at online CPE events.
- Experienced increasing popularity for a range of online executive certificate programs.
- Introduced Certificate IV in Bookkeeping, offering a complete pathway for accounting professionals.

Actively promoted the Institute

- Commenced an Australia and Asia-Pacific mass-marketing campaign from television, radio, print and online advertisements – *Partnership beyond numbers*.
- Launched *My Public Accountant* with unique branding and networking opportunities for members.
- Launched 30 June as the official *I Love Small Business Day*.
- Exhibited at the 2011 CAPA conference in Brisbane.
- Exhibited at the 2011 Accounting & Finance Association of Australia and New Zealand (AFAANZ) Conference in Darwin.
- Integrated social media delivering 115 per cent social media growth for 2011-12; with over 82 per cent Twitter growth to almost 2,000 followers and 470 per cent growth in our LinkedIn group over the year.

Best people using the right resources

- Revenue exceeded \$13 million for the first time.
- Planned deficit to support the investment in the IPA brand (refer to marketing initiatives)
- Strong cash position: \$5.5 million, exceeding forecast.
- Upgraded the IT network infrastructure to establish a solid network foundation for IT and communications over the next 3-5 years.
- Introduction of progressive human resource initiatives to promote wellbeing of IPA staff.

THE IPA'S BOARD OF DIRECTORS

Information on Directors



MS CHRISTINE LEETHAM FIPA , PRESIDENT

Occupation: Assistant Director Ultimo TAFE, Sydney Institute

Division: New South Wales

First elected to the Board of Directors in October 2002, Christine has been Chairman of the National Audit Committee from 2003 to 2005 and was Chairperson of the National Resources Committee and treasurer from 2005 to 2007. She has been a NSW divisional councillor since 1998 and has served as NSW President three times. Christine has also served on the NSW Divisional Recognition Action Committee.



MR RUSSELL HILLARD FIPA, TREASURER

Occupation: Public Accountant, R & J Financial Services

Division: Queensland

First elected to the board of directors in February 2007 where he served as Vice President 2009 – 2011. A Divisional Councillor from 2004 – 2011, elected Divisional President 2006 – 2007 and divisional deputy president from 2007 – 2009. Russell is a Commissioner of Declarations, registered tax agent, and authorised representative of SMSF advice.



MR JASON PARKER FIPA, DEPUTY PRESIDENT

Occupation: Principal – Parker Accounting & Financial Services

Division: Tasmania

Jason served the Tasmanian division of the IPA as President from 2005 to 2007 and has been on the Tasmanian Divisional Council since 2003. Jason came on to the IPA Board in November 2008. He is a former Director of the South Launceston Football Club Inc. Jason is a graduate member of the Australian Institute of Company Directors, a registered tax agent and holds a Bachelor of Commerce (USQ) and a Diploma in Financial Services (financial planning - Tribeca). Jason continues to be a director of numerous private companies and is currently the Deputy President of the IPA.



MR KEVIN DAWES FIPA

Occupation: Director, Strategic Plus Pty Ltd

Division: New South Wales

First elected to the board of directors in 2003 Kevin has served as NSW councillor and a past national Vice President and Treasurer. Kevin has served on the National Membership Committee, National Resources Committee and is the past Chairperson of the National Audit Committee.

THE IPA'S BOARD OF DIRECTORS (CONTINUED)



MR GLENN MANN FIPA

Occupation: Commercial Manager, APMS Group

Division: Western Australia

First elected to the Board of Directors in April 1999 and currently is Chairman of the National Membership Committee and was previously a member of this committee from 2004-2006. Glenn has served on the National Audit Committee (chairperson from 1999-2003 and 2006-2008), National Resources Committee as Treasurer in 2003-2004 and held the position of Deputy President in 2004-2006. Since 2001 Glenn has represented the IPA on the Board of the Association of Accounting Technicians (Australia) Ltd and has held the position of President and is currently Deputy President.



MR GREG PARR FIPA

Occupation: Partner, Scales & Partners Lawyers

Division: South Australia

IPA director (1998-2003 and since 2005), National Vice President (2001 and 2002). Greg has been a member of the Corporate Governance Committee (1999-2001), a member of the National Legislation and Standards Committee from 1997 to 2008 and its chairman (1999-2003). He is currently a member of the National Membership Committee.



DR NORDIN ZAIN FIPA

Occupation: Executive Director, Deloitte Malaysia

First elected to the Board of Directors in May 2008, Nordin joined other partners of Deloitte Malaysia after heading the Malaysian Accounting Standards setting body for nine years. He is a member of the Malaysian Institute of Accountants, a member of the Malaysian Corporate Law Reform Committee, a member of the Asia Pacific Financial Reporting Advisory Group in Australia and a member of the Accounting and Auditing Organisation for Islamic Financial Institutions in Bahrain.



MR ANTHONY MCCARTIN FIPA

Occupation: Public Accountant and Principal, McCartin & Associates

Division: New South Wales

First elected to the Board of Directors in 2009, Tony, formerly a NSW Councillor since 2006, has been in public practice, and a registered tax agent, since 1984. He worked at the Australian Taxation Office in Sydney and Parramatta between 1972 and 1984. In May 2012, Tony accepted a nomination by the IPA to join the Board of the Association of Accounting Technicians (Australia) Ltd).



MS WENDY LEEGEL FIPA, VICE PRESIDENT

Occupation: Management Consultant, Director, Leegel Consulting Pty Ltd.

Division: Victoria

Wendy has been a member of the IPA since 1994. A former Victorian divisional councillor since 2006 and also previously in 1999-2000. As an IPA member for 18 years Wendy instigated the opening of the Bentleigh discussion group, and remained in the Convenor role for several years. A Senior Associate with Finsia, an Associate Fellow of the Australian Institute of Management and also a member of the Australian Institute of Company Directors, Association of Change Management Professionals, Australian Institute of Project Management, Risk Management Institute of Australia, Risk Managers Australia and Human Capital Institute. Wendy has held a range of senior roles specialising in risk and organisational change within the banking and financial services sectors.



MR DAVID LEVER FIPA

Occupation: Manager Internal Audit and Ombudsman, City of Greater Geelong

Division: Victoria

David held the position of IPA Victorian President between 2007 and 2009. He was a divisional councillor between 2005 and 2009 and the Convenor of the IPA's Geelong discussion group. David is a member of the IPA Faculty of Accounting Regulation and the National Audit Committee. He has professional membership to the Institute of Internal Auditors, and is on the RMIT Industry Advisory Committee. David has a Bachelor of Commerce degree with over 27 years experience within the accounting profession and his involvement and membership with IPA span over 20 years.



MS LEAH-BARBARA MAGUIRE FIPA

Occupation: Legal Officer to the Chief of the Defence Force Commissions of Inquiry

Division: Australian Capital Territory (ACT)

Barbara has served on the ACT Divisional Council since 2002, including as President 2006-2009. She became a Director in 2010 and is Chair of the National Disciplinary Tribunal. Barbara brings extensive experience in administrative inquiries, as Director and as a commercial lawyer advising on a wide range of governance issues. She is a past Director of Communities@Work, one of the largest community services organisations in the ACT.



MR DAMIEN MOORE FIPA

Occupation: Partner/Director of Carrington Accounting Services

Division: South Australia

Damien has been the SA/NT Director since 2010. He has served as the SA/NT Divisional President along with other roles on the Divisional Council. He is a member of the Australian Institute of Company Directors (AICD) and a registered tax agent. He represents the IPA on the ATO's Regional Tax Practitioners Working Group SA/NT and the South Australia Joint Legislation Review Committee. Originally joining the IPA as a student member over 12 years ago, he has completed the Masters of Commerce (Professional Accounting) through the University of New England as part of the IPA Education program.

DIRECTORS' REPORT

The directors present their report on Institute of Public Accountants Ltd (IPA) for the financial year ended 30 June 2012.

Board of Directors

The names of the directors in office during the year and to the date of this report are:

Directors	Position	National Board Meetings	
		No. eligible to attend	No. attended
Christine Julianne Leetham	President	4	4
Russell Alan Hillard	Treasurer	4	4
Wendy Leegel	Vice President	4	4
Jason Richard Parker	Deputy President	4	4
Kevin Brian Dawes		4	4
Gregory Robert Parr		4	3
Glenn Cameron Mann		4	4
Nordin Mohd Zain		4	4
Anthony Gerard McCartin		4	4
David Anthony Lever		4	4
Leah-Barbara Maguire		4	3
Damien Scott Moore		4	4

Company Secretary

Andrew James Conway held the position of company secretary for the financial year.

Principal Activities

The principal activity of IPA during the financial year was to operate as a professional association of accountants providing members and students with services to meet their professional needs.

The 2011-12 loss was planned and is a direct result of the implementation of the strategic plan of the Institute, a component of which was to significantly invest in our future. These strategic Board directions were overwhelmingly endorsed by members at the Extraordinary General Meeting in March 2011 whereupon 95% of members, who voted, voted in favour of the renewal of the Institute.

Refined Corporate Governance Framework

Following extensive Board consideration, in June 2011 Directors resolved to adopt new By-laws and policies to implement a revised corporate governance framework. This resolution also included a 12 month transitional phase and the establishment of a new National Divisional Council (NDC) to act as the nominations committee of the Board. The guiding principles of the governance refinements were:

- enhanced member engagement
- enhanced efficiency
- alignment with contemporary practice

The Corporate Governance framework has now incorporated open merit based director appointments and member nomination and election to the NDC. The NDC performs the critical function of Board nominations.

IPA Strategic Themes

- Theme 1.** Be recognised as the peak accounting body for Public Accountants in the Small-Medium Practice segment.
- Theme 2.** Be recognised as providers of the highest quality professional accounting qualification in Australia.
- Theme 3.** Actively promote the Institute to grow membership and revenue.
- Theme 4.** Continually enhance our influence on the profession.
- Theme 5.** Ensure we have the best people using the right resources.

IPA Objectives

To achieve the Strategic themes, IPA has adopted the following objectives:

- Increase awareness of the IPA Program with members, prospective members and employers.
- Execution of 'My Public Accountant'.
- Provide regular member updates.
- Review and improve all IPA news and publications.
- Revitalise the IPA Mentored Experience Program.
- Expand focus in TAFE and University sectors.
- Promote the IPA Program as a career pathway to employers.
- Continually expand our range of technical toolkits and web resources.
- Develop an IPA online store/online professional development.
- Consolidate all business unit plans into an operational effectiveness plan.
- Implement 'RESPECT' values through the IPA Team Engagement Strategy.

DIRECTORS' REPORT (CONTINUED)

Limitation of Members Liability

IPA is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In accordance with the constitution, the liability of members in the event of IPA being wound up would not exceed \$6.00 per member towards meeting any outstanding obligations of IPA. The collective liability of members is \$89,022 (2011: \$91,476).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 17.

Signed in accordance with a resolution of the Board of Directors.



Christine Julianne Leetham
President



Russell Alan Hillard
Treasurer

Signed in Melbourne, this 31st day of August 2012.



AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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
- i. no contraventions of any applicable code of professional conduct in relation to the audit.



MDHC Audit Assurance Pty Ltd



Kevin P. Adams
Director

Signed in Hawthorn, this 31st day of August 2012.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		2012	2011
	Note	\$	\$
Revenue			
Revenue	2	13,164,024	12,232,027
Expenses			
Marketing and publications expenses		(2,611,386)	(2,241,580)
Corporate services expenses		(2,602,694)	(2,617,292)
Corporate governance expenses		(1,536,809)	(1,354,503)
Member services expenses		(7,393,636)	(6,800,033)
Other expenses		(400,624)	(384,145)
Total Expenses	3	(14,545,149)	(13,397,553)
Net Loss For The Year		(1,381,125)	(1,165,526)
Other Comprehensive Income		-	-
Total Comprehensive Income For The Year		(1,381,125)	(1,165,526)
Total comprehensive income attributable to members		(1,381,125)	(1,165,526)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		2012	2011
	Note	\$	\$
Current Assets			
Cash and cash equivalents	6	1,201,404	2,050,335
Trade and other receivables	7	128,407	92,275
Financial assets	8	4,680,216	5,626,517
Other assets	9	448,406	686,045
Total Current Assets		6,458,433	8,455,172
Non-Current Assets			
Trade and other receivables	7	350,000	350,000
Financial assets	8	10,367	10,367
Property, plant and equipment	10	1,342,154	1,487,087
Intangible assets	11	24,919	22,256
Total Non-Current Assets		1,727,440	1,869,710
Total Assets		8,185,873	10,324,882
Current Liabilities			
Trade and other payables	12	5,709,774	6,602,907
Provisions	13	587,938	451,845
Total Current Liabilities		6,297,712	7,054,752
Non-Current Liabilities			
Provisions	13	232,623	233,467
Total Non-Current Liabilities		232,623	233,467
Total Liabilities		6,530,335	7,288,219
Net Assets		1,655,538	3,036,663
Equity			
Retained earnings		1,655,538	3,036,663
Total Equity		1,655,538	3,036,663

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Retained Earnings \$
Balance as at 1 July 2010	4,202,189
Comprehensive income for the year	(1,165,526)
Balance as at 30 June 2011	3,036,663
Comprehensive income for the year	(1,381,125)
Balance as at 30 June 2012	1,655,538

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Cash Flows from Operating Activities	Note	
Receipts from members and customers	13,724,907	13,628,130
Payments to suppliers and employees	(15,524,555)	(13,585,765)
Interest received	287,047	379,671
Net cash provided by / (used in) operating activities	(1,512,601)	422,036
 Cash Flows from Investing Activities		
Aquisition of intangible assets	(10,410)	(22,276)
Purchase of plant and equipment	(273,411)	(237,353)
Proceeds from sale of plant and equipment	1,190	-
Proceeds from / (Investment in) bank term deposits	946,301	(1,504,544)
Net cash provided by / (used in) investing activities	663,670	(1,764,173)
 Net Decrease in Cash Held	 (848,931)	 (1,342,137)
 Cash and cash equivalents at beginning of the financial year	 2,050,335	 3,392,472
 Cash and Cash Equivalents at End of the Financial Year	 6	 2,050,335

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies

The Institute of Public Accountants Ltd is a not for profit entity that has elected to early adopt the AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 31 August 2012 by the directors of the company.

The significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

a. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

b. Income Tax

IPA is a non-profit organisation to which the principle of mutuality applies. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. The effect of this is that IPA only pays income tax on net income, which is not derived from members. Income, which is derived from members, is exempt from income tax.

c. Trade and Other Receivables

Trade receivables, which comprise amounts due from memberships and from services provided, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to ninety days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for impairment is made when there is objective evidence that IPA will not be able to collect the debts. Bad debts are written off when identified.

d. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to IPA and the cost of the item can be measured reliably.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (Cont'd)**d. Plant and Equipment (cont'd)****Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over their estimated useful lives to IPA commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	10 - 12.5%
Plant and equipment	12 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to IPA, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that IPA will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

f. Financial Instruments**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when IPA becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that IPA commits itself to either purchase or sell the asset (that is, trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified as at fair value through profit or loss in which case transaction costs are expensed to statement of comprehensive income immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (Cont'd)

f. Financial Instruments (cont'd)

Classification and Subsequent Measurement (cont'd)

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is IPA's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period IPA sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Note 1: Summary of Significant Accounting Policies (Cont'd)**f. Financial Instruments (cont'd)****Impairment**

At the end of each reporting period, IPA assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby IPA no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired.

The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

g. Impairment of Assets

At each reporting date, IPA reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, IPA estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangible Assets

IPA has capitalised the legal and patent costs of changing the name to the Institute of Public Accountants Ltd. The amount capitalised is amortised over three years. (Refer Note 11).

i. Trade and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to IPA prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

j. Provisions

Provisions are recognised when IPA has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Employee Benefits

Provision is made for IPA'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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by IPA to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (Cont'd)

l. Lease Restoration

The rate used to discount provisions reflects the risk associated with the liability and the time value of money. The yield on leasing finance from a major Australian bank is used as a reference rate for discounting lease restoration costs.

m. Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

n. Revenue

Revenue from membership subscriptions and receipts attributable to the current financial year are recognised as revenue. Members' subscriptions and receipts relating to periods beyond the current financial year are shown in the statement of financial position as members' subscriptions in advance under the heading of payables in current liabilities.

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

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

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

o. Goods and Services Tax (GST)

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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.

p. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within IPA.

Key Estimates – Impairment

IPA assesses impairment at each reporting date by evaluating conditions specific to IPA that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 1: Summary of Significant Accounting Policies (Cont'd)

p. Critical Accounting Estimates and Judgements (cont'd)

Key Judgements

Provision for Impairment of Receivables

Receivables are stated net of a provision for impairment of doubtful member and non-member debts of \$44,233 (2011: \$31,139).

Loan to Association of Accounting Technicians (Australia) Ltd ("AAT")

IPA is owed \$350,000 as per an agreement with AAT. The directors assess at the financial year end, the likelihood of repayment at the designated due date as per the agreed arrangement (Refer Note 7). AAT also shares accommodation with IPA and pays interest on the loan. The status of those obligations at 30 June 2012 is also taken into account when the assessment is made of any impairment to the loan.

q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 2: Revenue		
Operating Revenue		
Members subscriptions	9,243,730	7,995,579
Members activities	1,563,924	1,367,486
NOOSR Assessments	352,385	695,541
Non-member activities	1,581,510	1,496,784
Interest earned	301,560	375,844
Other revenue	70,556	249,273
Management fees	50,359	51,520
Total Operating Revenue	13,164,024	12,232,027

Note 3: Loss for the Year

The following significant expense items are relevant in explaining the financial performance:

Rental expense on operating leases	822,490	781,340
Depreciation	398,846	392,245
Loss on disposal of plant and equipment	18,308	16,204
Employee benefits expense	5,263,940	4,970,197
Advertising and promotions	1,824,003	1,067,895
Impairment of receivables	27,267	25,940

Profession Related Costs

AASB contribution	-	22,000
AUASB contribution	-	198,000
Australian Professional Ethical Standards Board Contribution	418,333	425,669
International Federation of Accountants contribution	104,042	121,241
Australian Council of Professions	9,455	9,005
Confederation of Asian and Pacific Accountants (CAPA)	21,053	8,760
Accounting & Finance Association of Australia & New Zealand	53,045	51,500

Note 4: Income Tax Expense

The prima facie income tax benefit at 30 per cent on the net loss attributable to the members of IPA of (\$414,338) (2011: income tax benefit of \$349,658) is offset by a permanent difference arising from mutual activities with members and unconfirmed accumulated tax losses.

At financial year end, unconfirmed accumulated tax losses of \$5,791,063 (2011: \$5,393,299) existed, giving rise to a potential future tax benefit. The potential future tax benefit attributable to the tax losses is not recognised, as realisation is not probable.

	2012	2011
Note 5: Key Management Personnel Compensation	\$	\$
The total remuneration paid to 6 (2011: 5) key management personnel of IPA during the year was as follows:		
Key management personnel compensation	1,117,354	1,000,861

Note 6: Cash and Cash Equivalents		
Cash at bank and on hand	2,384	38,300
Deposits at call	699,020	1,262,035
Short term deposits	500,000	750,000
Total cash and cash equivalents	1,201,404	2,050,335

Note 7: Trade and Other Receivables		
Current		
Trade receivables	169,577	120,807
Provision for impairment of receivables	(44,233)	(31,139)
Trade receivables, net	125,344	89,668
Other receivables	3,063	2,607
Total current trade and other receivables	128,407	92,275
Non-Current		
Loan - Association of Accounting Technicians (Australia) Ltd	350,000	350,000

Provision for Impairment of Receivables		
Movement in the provision for impairment of receivables between the beginning and the end of the current financial year is as follows:		
Balance at beginning of the year	31,139	11,527
- Charge for the year	27,267	25,940
- Written off	(14,173)	(6,328)
Balance at end of the year	44,233	31,139

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 7: Trade and Other Receivables (cont'd)

Loan to Association of Accounting Technicians (Australia) Ltd

The directors have assessed the carrying amount at balance date and have determined that the recoverable amount is the carrying amount. The principal sum repayment was deferred by a Deed of Variation of Loan Agreement dated 19 March 2012 and repayments will start from 30 June 2016 and finish on 30 June 2021.

The Association of Accounting Technicians (Australia) Ltd has the option to repay amounts earlier. The loan is subject to interest at a rate of 0.5% above the 90 day bank bill rate per annum.



	2012	2011
	\$	\$
Note 8: Financial Assets		
Current		
Bank term deposits	4,680,216	5,626,517
Non-Current		
Rental deposit	10,367	10,367
Note 9: Other Assets		
Deposits	13,932	29,809
Prepayments	297,801	451,778
Accrued income	136,673	204,458
Total other assets	448,406	686,045
Note 10: Plant and Equipment		
Plant and equipment - at cost	2,027,358	1,841,839
Accumulated depreciation	(1,378,736)	(1,184,802)
Total plant and equipment	648,622	657,037
Leasehold improvements - at cost	1,369,078	1,372,801
Accumulated depreciation	(675,546)	(542,751)
Total leasehold improvements	693,532	830,050
Total plant and equipment	1,342,154	1,487,087

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are as follows:

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Carrying amount as at 1 July 2011	657,037	830,050	1,487,087
Additions	269,826	3,585	273,411
Disposals	(19,283)	(215)	(19,498)
Depreciation expense	(258,958)	(139,888)	(398,846)
Carrying amount as at 30 June 2012	648,622	693,532	1,342,154

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Note 11: Intangible Assets	\$	\$
Patents - at cost	32,686	22,276
Accumulated amortisation	(7,767)	(20)
Total intangible assets	24,919	22,256

Movements in Carrying Amounts

Movement in carrying amount between the beginning and the end of the current financial year are as follows:

Balance at beginning of the year	22,256	-
Additions	10,410	22,276
Charge for the year	(7,747)	(20)
Balance at end of the year	24,919	22,256

Note 12: Trade and Other Payables

Members subscriptions in advance	4,184,460	4,619,375
Trade payables	328,586	942,846
Other income in advance	261,695	214,451
Accrued expenses	672,699	519,529
GST payable	262,334	306,706
Total trade and other payables	5,709,774	6,602,907

Note 13: Provisions

Current

Employee entitlements	587,938	451,845
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Non-current

Employee entitlements	113,494	118,366
Lease restoration	119,129	115,101

Total non-current provisions	232,623	233,467
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Total provisions	820,561	685,312
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Note 13: Provisions (cont'd)
Movements in Provisions

	Employee entitlements \$	Lease Restoration \$	Total \$
Balance at 1 July 2011	570,211	115,101	685,312
Additional provisions	442,491	4,028	446,519
Amounts used	(311,270)	-	(311,270)
Balance at 30 June 2012	701,432	119,129	820,561

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

Provision for Lease Restoration

A provision has been recognised for the restoration of leased property to the condition to that when leases were commenced where the lease document provides. A liability exists on the Melbourne property. A discount rate adjusted to reflect the changing values over time has been considered and applied.

	2012 \$	2011 \$
Note 14: Commitments		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
- not later than 1 year	993,423	1,065,739
- between 1 year and 5 years	3,192,184	3,413,501
- greater than 5 years	287,904	923,741
Total operating lease commitments	4,473,511	5,402,981

IPA leases office equipment and office premises throughout Australia's capital cities. The equipment leases are all for fixed rentals. Increases in lease commitments may occur in line with annual review based on either changes in the rental market or the Consumer Price Index. IPA holds lease renewal options which are not judged to have any material value that can be reliably valued and so are not recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 15: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties are as follows:

		2012	2011
		\$	\$
Directors employer reimbursement:			
Glenn Cameron Mann	APMS Group / Elmet Pty Ltd	6,600	6,600
Gregory Robert Parr	Scales and Partners Lawyers	4,950	8,250
Kevin Brian Dawes	Strategic Plus Pty Ltd	6,600	8,250
Nordin Mohd Zain	Prospect Alliance Consulting	6,600	8,250
Damien Scott Moore	Carrington Accounting Services	6,600	3,300
Christine Julianne Leetham	TAFE NSW	14,520	16,500
Russell Alan Hillard	R & J Financial Services	6,600	8,250
Jason Richard Parker	Parker Accounting & Financial Services	6,600	6,600
Anthony Gerard McCartin	McCartin & Associates	6,600	8,250
David Anthony Lever	Greater Geelong City Council	6,600	8,250
Wendy Leegal	Leegal Consulting Pty Ltd	6,600	-
CPE speakers expenses:			
Anthony Culberg (Councillor)	A C Culberg	-	4,083
David Moss (Councillor)	Moss Munro Hunt	-	3,162
Andrew Colrain (Councillor)		-	6,464

Transactions with Related Entities

Representatives of IPA are on the Board of Association of Accounting Technicians (Australia) Ltd.

IPA provided rental accommodation and services during the financial year which are paid to 30 June 2012.

Loan receivable from Association of Accounting Technicians (Australia) Ltd (Note 7)	350,000	350,000
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Note 16: Contingent Liabilities

Bank guarantees for the term of the operating leases for periods in a range from 3 to 6 years	376,166	376,166
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Indemnities for bank guarantees to the lessors' of properties occupied under operating leases at 555 Lonsdale Street, Melbourne; 447 Kent Street, Sydney; 60 Hindmarsh Square, Adelaide; and 300 Queen Street, Brisbane.

Note 17: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2012	2011
Financial Assets	Note	\$	\$
Cash and cash equivalents	6	1,201,404	2,050,335
Loans and receivables	7	478,407	442,275
Financial assets and deposits	8 & 9	4,704,515	5,666,693
Total financial assets		6,384,326	8,159,303

Financial Liabilities

Financial liabilities at amortised cost:

- Trade and other payables	12	1,263,619	1,769,081
Total financial liabilities		1,263,619	1,769,081

Note 18: Subsequent Events after Year End

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

DIRECTORS' DECLARATION

The directors of Institute of Public Accountants Ltd declare that:

1. The financial statements and notes, as set out on pages 18 to 35, are in accordance with the Corporations Act 2001 and:
 - i. comply with Australian Accounting Standards; and
 - ii. give a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the financial year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Institute of Public Accountants Ltd 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.



Christine Julianne Leetham
President



Russell Alan Hillard
Treasurer

Signed in Melbourne, this 31st day of August 2012.



**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD.**

Report on the Financial Report

We have audited the accompanying financial report of Institute of Public Accountants Ltd., which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 Institute of Public Accountants Ltd., would be in the same terms if given to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Institute of Public Accountants Ltd. is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.



Kevin P. Adams
Director



MDHC Audit Assurance Pty Ltd

Signed in Hawthorn, this 4th day of September 2012.



Contact Details

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IPA Divisional Offices are located in the following cities:

Melbourne | Sydney | Canberra | Brisbane | Adelaide | Hobart | Perth

The IPA also has permanent offices around the world including:

Kuala Lumpur | Beijing

For enquiries within Australia call 1800 625 625 for your nearest Divisional Office.

International enquiries can be directed in the first instance to IPA Head Office.



IPA INSTITUTE OF PUBLIC
ACCOUNTANTS