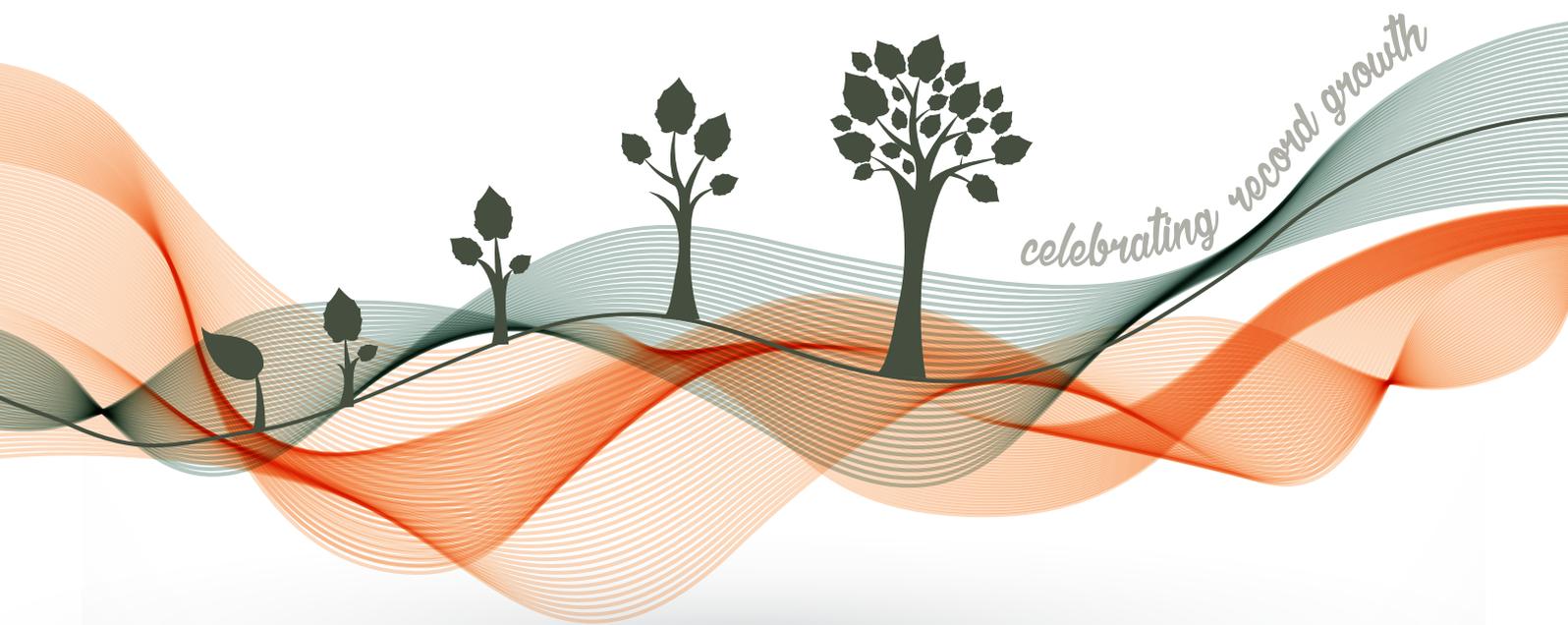


2015 - 2016
ANNUAL REPORT



IPA INSTITUTE OF PUBLIC[®]
ACCOUNTANTS



IPA INSTITUTE OF PUBLIC[®]
ACCOUNTANTS

About the *Institute of Public Accountants*

The IPA, formed in 1923, is one of Australia's three legally recognised professional accounting bodies with more than 35,000 members and students in over 80 countries. The IPA is a member of the International Federation of Accountants, the Accounting Professional and Ethical Standards Board and the Confederation of Asian and Pacific Accountants. The IPA was recognised in 2012 as Australia's most innovative accounting organisation and listed in the top 20 in the 2012 BRW Most Innovative Companies list.

In December 2014, the Institute of Financial Accountants in the United Kingdom joined the IPA and in doing so formed the IPA Group which is now the largest small to medium enterprise focussed accounting organisation in the world. The IPA Group is an entity concept and refers to the shared infrastructure. The IPA Board is the governing body of the IPA. Group. Through our expanded network and influence, we advocate for the small business and SME sectors with a high percentage of our members either being small businesses themselves or servicing those sectors.

*“Through our expanded network and influence, we advocate
for the small business and SME sectors...”*



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Our passion for small business not only stems from the majority of our members being small businesses or servicing the SME sector, but recognises the critical role small business plays in the global economy.

Andrew Conway,
Group Chief Executive Officer

President's Report

The Strategic Outlook

Looking at the 2015/16 year, it is very rewarding to see what has been achieved by the Institute of Public Accountants (IPA), particularly as the profession continues to undergo constant change; whether it be regulatory, political or technological.

With the ever-changing landscape in mind and with the assistance and guidance of IPA Group CEO, Andrew Conway, the Board has set the strategic plan and direction for the next five years. The strategy has been drafted amid much conjecture about the future of the accounting profession, and professions more generally.

In the past, professionals have been engaged for their expertise. This demand is rapidly changing due to, in part, the explosion of technology. The Institute is intent on being abreast of these changes in our profession and ensuring we facilitate an adoptive, responsive and where possible, predictive approach to these changes. We must be open to the possibility of technology, embrace it and work in partnership with it as this will inform the new age of demand for professional expertise.

The strategic plan is built on solid foundations; strong cash reserves, significant increases in member admissions and importantly a growing presence within the international small business community.

To support our strategic direction, we have also looked at our market positioning from a local and global perspective. This has involved intensive member research to inform us how our members perceive our brand and what it stands for. These insights will lead to potential changes in the coming year.

The Rise of the Trusted Productivity Adviser

With our focus on small business and the recognition of changes to the profession, it is timely for members to consider their business models. More than 75 per cent of our membership works in or with small business every day. Small business is the largest segment of the economy representing more than 96 per cent of all businesses.

With a compliance workload diminishing through the digitisation of the ATO, software companies and technology, we must look to other avenues for future income. However, accountants as trusted advisers to their clients are in a perfect position to take a firm grip on the future. The IPA strategy is designed to position the Institute to ensure members are provided with the resources they need to become Trusted Productivity Advisers to business and as such, become the trusted analysts of Big Data.

Our research through the IPA Deakin SME Research Partnership and supported by findings in CCH research informs us that out of all external advisers, small business nominate their accountant as their most trusted adviser, ahead of their financial planner, business partner or lawyer.

For some years the IPA has forewarned members of the financial services regime borne out of the Future of Financial Advice reforms. As of 30 June 2016, the Accountants' Exemption ended as a result of this legislation; and accountants will be required to comply with specific education and experience requirements to provide financial advice, particularly in the case of self-managed superannuation funds.

The IPA constantly reinforces behavioural and cognitive change needed for today's accountants to be successful; to help them embrace diffusion and adopt different business models into the future.

The IPA has a robust financial services package that incorporates all of the licensing options to meet the new regime requirements including referral arrangements that will enable members who have not taken up licensing options to still service their clients. Indeed, we are entering new horizons and clients are becoming 'tech-savvy' too so the IPA is committed to ensure our members remain relevant for their client needs now and in the future.

Regardless of the changing environment, accountants are poised to take full advantage of the change and do what they do best; service the needs of clients.

Celebrating Results

I commend the entire IPA team for the achievements realised over the past 12 months. I have witnessed incredible events including our National Congress on the Gold Coast in November 2015; an increase in partnerships which have offered new member benefits; significant member growth; and the integration of the IFA in the UK into the IPA Group including the rebuild of the IFA's member management system.

Achievements such as these do not come out of thin air; they come from two key sources – a loyal member base and a dedicated team with a true desire to service members' needs.

On that note I want to express my personal gratitude for all of our members who make the IPA what it is today and no doubt with continual support, what it will be in the future. I also want to recognise the significant effort of IPA's Group CEO, Andrew Conway; his leadership is second to none and it is with his fortitude that the organisation continues to grow. I also wish to thank the entire IPA team that have supported our objectives and continue to do so.

Finally, I want to thank and recognise the support and effort of my fellow Board members and I look forward to working with them over the next year.



A handwritten signature in black ink that reads "W Leegel".

Wendy Leegel FIPA FFA
President

Group Chief Executive Officer's Report

The 2015/16 year has been a remarkable year for the Institute and one to celebrate with record breaking member growth; increased attendance at IPA continuous professional development (CPD) sessions; strengthened global presence; and ongoing delivery of a credible voice for the small business sector.

Growing with our Members

Expansion in the number of members leads to our reinvestment to meet our members' needs and I am happy to report this has been a year of record member growth. Our target for new member admissions was exceeded with an overall increase of 18 per cent over the 12 month period including overseas new member admissions increasing by 22 per cent, making up 43 per cent of total admissions to the IPA for the year.

This international growth warrants continued global presence which comes from our ongoing membership and representation at the International Federation of Accountants (IFAC) and the Confederation of Asian and Pacific Accountants (CAPA) and involvement in a number of World Bank projects.

This level of representation was extended to include a delegation to China involving more than 30 senior IPA members from all over Australia. Along with IPA Board Deputy President, Damien Moore, I had the pleasure of leading the delegation which had a focus of Australian business opportunities in China. The delegation provided interactions at a senior level which were designed to explain the practical issues faced by Australian companies wishing to establish in China. We will be looking to extend this opportunity to members again in 2017.

China remains an important market for the IPA and it is very pleasing to note a 100 per cent increase in new member admissions from the previous year. This was an impressive achievement considering China is experiencing a slowing growth in their economy.

UK Operations

Since the IFA in the UK joined the IPA at the end of 2014, there has been an extensive work program to integrate functions and systems with back office support activities centralized in Melbourne. This has been important work to drive operational efficiencies and to allow our UK team to focus on service delivery to members in the northern hemisphere. This work has enabled us to leverage our extensive investment in our information and technology platforms and provide a significant global pathway for members and potential members.

In addition, we have embarked upon a research project to look at sponsorships and partnering opportunities to develop products and services that will deliver greater benefits to our UK members. This will be a key component of our member service delivery throughout the next 12 months.

Similarly, we have expanded our partnering offers to members in Australia over the year. There has been a steady growth in our commercial and strategic partnerships with a trend of "add on" offers in the technology space and start-ups seeking to market throughout the IPA. Our next steps in this area are to expand our global partnering to ensure we are offering increased member value-add benefits in the various regions.

Our Commitment to Small Business

As a result of the IFA joining the IPA in 2014, we formed a Group entity concept. The IPA Group is overseen by the IPA Board and we have a group management model.

As the Group CEO, I am very proud that the IPA Group is the largest SME focused accounting organisation in the world. Our passion for small business not only stems from the majority of our members being small businesses or servicing the SME sector, but recognises the critical

role small business plays in the global economy. For this reason, we have continued to extend the IPA-Deakin University SME Research Partnership to ensure we maintain a strong focus on small business productivity.

The relationship and outcomes have been so successful that we have agreed to elevate the research partnership to establish a dedicated Research Centre to be located at the Deakin Business School to be launched in 2016/17. Both the IPA and Deakin University have high ambitions for the contribution that the Research Centre will make to policy discourse in Australia, the UK and China, and also in international forums.

Advocating for our Members

The IPA's advocacy and lobbying efforts continued throughout the year to ensure a credible voice in the interests of our members, the profession, small business and the public. We see this activity as a critical component of creating ongoing discourse to drive better policy outcomes.

Our advocacy effort includes representation on numerous regulatory and Government forums, meetings with key Government ministers and departments, supported by many formal submissions to provide feedback on key policy areas and, our media commentary.

There was heightened activity around the end of the transition period of the Future of Financial Advice reforms; plus an election year always means more policy focus and even more attendances with politicians from all parties. In the past year the IPA had successes including increased ATO focus on tax agent needs and IT infrastructure; IPA policies were adopted by the political parties including parts of innovation policy, start up finance, measuring outcomes from trade agreements; and we were invited to present the Small Business White Paper at the International Council for Small Business conference in the US; and much more.

Continuous Professional Development

The IPA is committed to deliver CPD for our members to ensure they stay ahead of the game with the most up-to-date information and tools. This past year has been no exception with CPD events receiving an attendance increase of just over 14 per cent compared with 2014/15.

This activity was bolstered with major congresses and symposiums in each State and our flagship event of the year, the National Congress which was hugely successful with record attendance of delegates, partners and sponsors. These key events are designed not only to educate but also to provide invaluable networking opportunities in a social environment.

Conclusions for 2015/16

In summary, the 2015/16 year has been one which we can all look back on and celebrate. What has been achieved can only happen through the ongoing support of our loyal members across the globe, of which I am extremely grateful. I also thank the IPA Board for their ongoing effort and support and my many thanks to the IPA executive team and all IPA staff who have made a significant contribution to the organisation throughout the year.

I look forward to even bigger and better things in the twelve months to come as we continue our commitment to provide the best service possible to our members.



A stylized, handwritten signature in dark ink, appearing to read 'Andrew Conway'.

Andrew Conway FIPA FFA
Group Chief Executive Officer



IPA INSTITUTE OF PUBLIC[®]
ACCOUNTANTS

Vision, Mission and *Values*

IPA Vision

To be recognised as a strong, independent inclusive professional body, leading the SME & SMP segments.

IPA Mission

A relevant, flexible global professional accounting body adding value to members through everything we say and do.

IPA Values Statement

We RESPECT our membership.

We RESPECT each other

We RESPECT & foster flexibility

We RESPECT & foster innovation

We RESPECT that we're ALL on the same team



The Year that *was* 2015 / 2016

It has been an incredible year and one which the IPA and its members can celebrate record breaking growth and a number of significant achievements:

Advocacy and Reputation

Advocacy: In addition to the annual pre-Budget submission, the IPA's advocacy and policy work focussed on promoting the Small Business White Paper which sets out policy options for boosting small business productivity based on the pillars of financial capital, human capital and innovation.

Other advocacy effort focused on responses to the Financial System Inquiry; Competition Policy Review; innovation policy; business set-ups and reducing red tape for small business; retirement incomes policy; further proposals on reform of financial advice and relevant standards; workplace relations; unfair contract terms for small business; trade and investment policy; proposed legislation to amend section 46 and the 'effects test'; use of technology including fintech; and more. Many of these were based on policies developed as part of the IPA Deakin University SME Research Partnership.

Taxation matters included: the IPA was the first accounting body to publicly call the ATO to account on the inadequate support provided to registered tax agents. This resulted in the ATO acknowledging that they would not make any further changes without assessing the impacts on practitioners. Evidence given to Parliamentary committees directly resulted in the ATO giving priority to its substandard IT infrastructure with extra funds now being allocated to fast track improvements.

Advocacy efforts also resulted in maintaining taxpayer rights to claim workplace deductions which enhances the value proposition for our members to their clients. Tax related submissions have included: small business restructure, purpose of super, scrutiny of ATO, House of Representatives annual ATO performance, access

to company losses, Taxpayers Charter, limiting FBT concessions on salary packaged entertainment benefits, modernising the calculation of work related car expense deductions, simplifying and reducing the harshness of the superannuation guarantee charge and numerous ATO rulings.

In an election year we spent a large amount of time meeting with politicians of all major political parties in order to influence policies and political agendas.

Representation: The IPA continued its representation on key policy forums, particularly in the areas of taxation, superannuation, Standard Business Reporting, auditing standards, accounting standards, professional standards, financial services, trade policy, various ASIC and ACCC committees and financial reporting (AUASB, AASB, APESB and FRC). In particular, the IPA is represented on the ELS to SBR-enabled practitioner lodgement service project to ensure an orderly transition; and on the Future of Tax Profession Working Group which is looking at and understanding the future role of intermediaries and different partners, including tax professionals and software developers. In addition to a range of other tax and superannuation committees and working groups, the IPA also makes ongoing contributions through media and communication channels which promote member interests as well as that of the profession and in the public interest.

The IPA was invited to present on the Small Business White Paper at the International Council for Small Business conference in New York in June 2016 where some 56 countries were represented.

The IPA attended numerous meetings and made submissions on the proposals to lift the professional, education and ethical standards of financial advisers. We advocated extensively to both the Government and Opposition in support of our position to recognise accredited accountants without the need for further education or regulation.

CAPA: The IPA continues to take a lead role in developing the maturity model for the Confederation of Asian and Pacific Accountants which will assist in the development of the profession across our region.

World Bank: The IPA participated in a number of projects and forums with the World Bank.

Member Growth

MPA: Members in practice joining the My Public Accountant network experienced a 3.6 per cent increase.

Domestic market: Membership admissions up 18 per cent when compared to the 2014/15 year.

International membership: New member admissions in our traditional international markets grew by 22 per cent in 2015/16.

China: New member admissions increased by 100 per cent.

Enhanced Member Services

System and process integration: An extensive work program to integrate functions and systems with back office support activities centralized in Melbourne to support our UK operations. This work has enabled us to leverage our extensive investment in our information and technology platforms and provide a significant global pathway for members and potential members.

Brand recognition and reputation: Undertaken a review of brand and market positioning including member research to ensure we will be top of mind in the market globally.

Partnerships: Continued expansion of partnerships including technology and start-ups wanting to market through the IPA and consistent with our small business ideals. Healthy response from partners wanting to retain their relationship with the IPA.

Major events: We have continued to provide excellent key events for greater member experience that covers both professional development and social interaction opportunities. We experienced resounding successes with positive member feedback through events including our national and State based congresses and symposiums with our National Congress held at the Gold Coast topping the list.

Education: Increased levels of IPA members undertaking online education and an overwhelming response to compliance issues re RG146, with over 600 members enrolling in our RG146 compliance solution program in advance of the cut-off date of 1 July 2016. And, an overhaul of the IPA Program to accommodate new and dynamic industry-relevant course material and subjects.

Financial services: The IPA continued with the extensive work to assist members in preparing for the removal of the accountants' exemption under the Future of Financial Advice reforms including working with our partners; developing material for referral arrangements; introducing a framework to assist with 'transitioning your practice' tools and resources; and ongoing presentations and member communications.

Publications: Our flagship publication, Public Accountant, is highly rated by members with a score of 86 per cent (either valued or highly valued) during a March 2016 member readership survey. Our fortnightly e-newsletter, Technical Advantage, scored even higher with a 90.7 per cent valued or highly valued rating.

Digital Hub: Our content hub (pubacct.org.au) was revamped in the latter half of 2015 with fresh new content daily in addition to the electronic version of Public Accountant.

The Year that *was* 2015 / 2016

Other international activity

- Conducted the first 'reverse' delegation of more than 30 Australian based members to China learning of new business opportunities.
- The IPA signed a membership recognition agreement with the Institute of Commercial and Industrial Accountants in Malaysia.
- IPA successfully delivered Executive Accounting/Tax/Auditing and Management Training Programs for Chinese delegations from the Shanghai Institute of Certified Public Accountants, Beijing Certificate Tax Agents Association, He Nan Institute of Certified Public Accountants and Shanghai Certified Tax Agents Association in the Head Office.

Corporate Social Responsibility (CSR)

In the past 12 months, our CSR outreach has extended to include the following organisations with involvement of our members:

IDS Bookkeeping – a BAS agent registered with the TPB with all of their profits contributing to the ongoing support of Independent Disability Services (IDS) clients. IPA has worked with IDS Bookkeeping to increase awareness of their services.

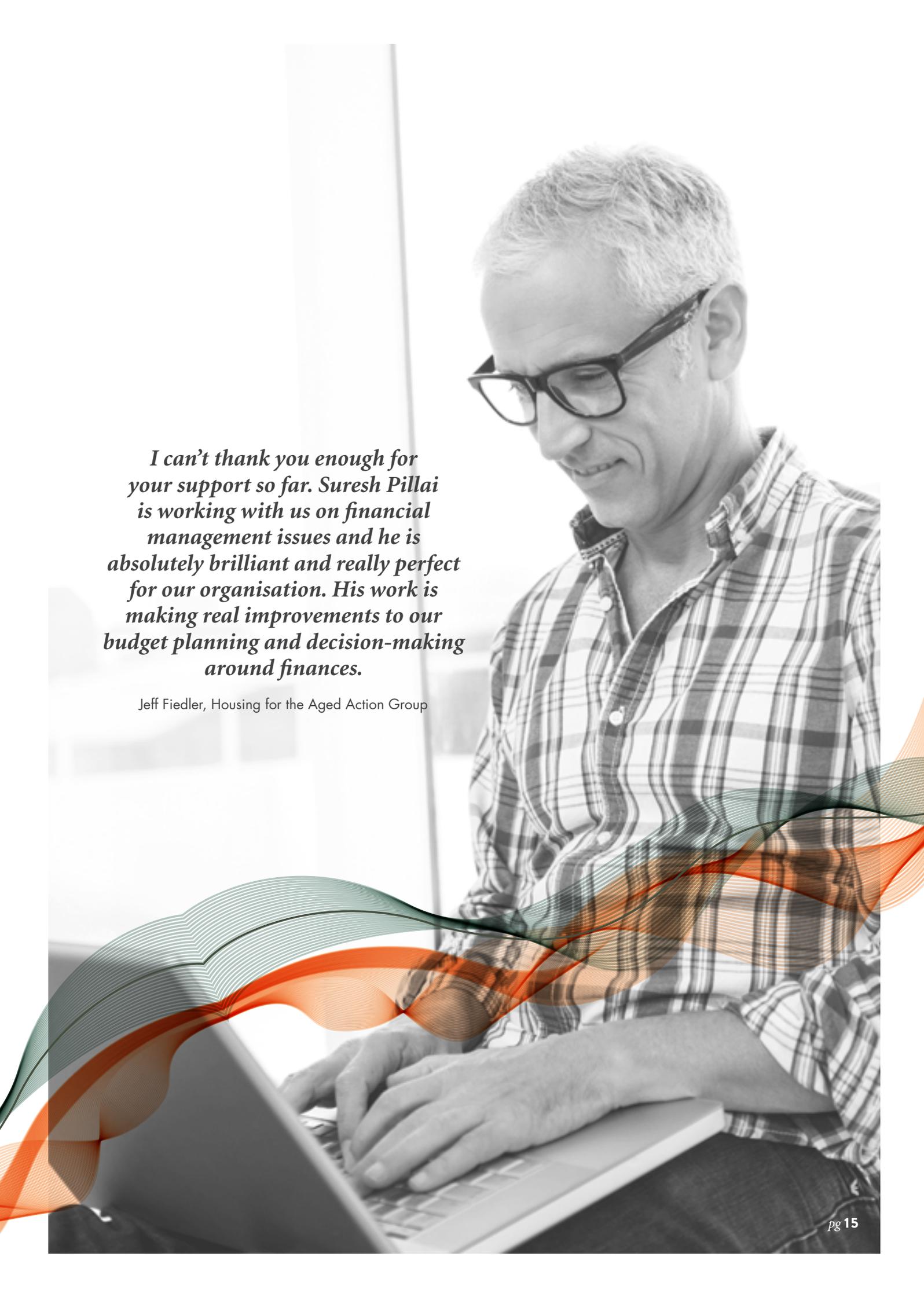
HAAG – The Housing for the Aged Action Group are committed to finding long term solutions in the housing crisis facing older Australians. The IPA is working with HAAG to increase awareness of their services and one of our members is providing financial management advice which has improved HAAG's budgeting and financial decision making.

ASRC – the largest provider of aid, legal and health services to refugees seeking asylum in Australia. The IPA is working with ASRC's unit that is helping refugees establish their own business and looking to our members to assist in training on tax and financial matters.

Financial Snapshot

	2015-16	2014-15
Revenue	18,720,640	16,259,919
Operating Result	31,103	(276,570)
Operating Cash Inflow	20,247,315	19,895,196
Cash	8,014,025	8,072,228



A black and white photograph of a man with short, light-colored hair and glasses, wearing a plaid shirt. He is sitting at a desk, looking down at a laptop and typing on the keyboard. The background is a bright, out-of-focus office setting with a window. In the foreground, there are decorative, wavy, semi-transparent lines in shades of orange and green that sweep across the bottom of the page.

I can't thank you enough for your support so far. Suresh Pillai is working with us on financial management issues and he is absolutely brilliant and really perfect for our organisation. His work is making real improvements to our budget planning and decision-making around finances.

Jeff Fiedler, Housing for the Aged Action Group

DIRECTORS' REPORT

The directors present this report on Institute of Public Accountants Ltd (IPA) for the financial year ended 30 June 2016.

BOARD OF DIRECTORS

The names of each person who has been a director during the year and to the date of this report, unless otherwise stated, are:

DIRECTORS	POSITION	NATIONAL BOARD MEETINGS	
		NO. ELIGIBLE TO ATTEND	NO. ATTENDED
Wendy Leegel	President	4	3
Damien Scott Moore	Deputy President	4	4
David Anthony Lever	Vice President	4	4
Anthony Gerard McCartin	Treasurer	4	4
Jason Richard Parker	Immediate Past President	4	4
Christine Julianne Leetham		4	3
Russell Alan Hillard		4	4
Kevin Brian Dawes		4	4
Gregory Robert Parr	(Ceased November 2015)	2	2
Nordin Mohd Zain		4	4
Leah-Barbara Maguire		4	4
Linda Bernard		4	4
Michael Colin	(Appointed November 2015)	3	2

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.

DIRECTORS' REPORT

IPA STRATEGIC FOCUS

The IPA's strategic focus is based on delivering excellent service and benefits to our members. This is underpinned by maintaining a sound financial base as we continue investing in the expansion of the organisation; and, that our processes are fit for purpose and our people are well placed to deliver the best service possible to our members.

IPA's strategy is based on five strategic themes:

- Strategic theme 1 – Be recognised as the peak accounting body for Public Accountants in the SMP segments
- Strategic theme 2 – Be recognised as providers of the highest quality professional accounting qualification in Australia
- Strategic theme 3 – Actively promote the Institute to grow membership and revenues
- Strategic theme 4 – Continually enhance our influence on the profession
- Strategic theme 5 – Ensure we have the best people using the right resources

The Institute has identified a series of service areas required to execute the strategies. These service areas are not designed to reflect the organisational structure of the Institute, rather the broad functional areas within the Institute:

- IPA Group culture
- Brand Awareness and alignment with culture
- Advocacy and Influence
- Member knowledge
- Member support and value
- Business Operations

The IPA's growth strategy is focussed on financial viability whilst we sustainably grow our business, which ensures the ongoing delivery of enhanced benefits to all members. To facilitate this, the IPA has rolled out a shared infrastructure and shared service model that also includes integrated marketing and communications. This allows the IPA to optimise our recruitment, renewal and reinstatement activities and best utilise our trained and focussed business development staff across the organisation.

In the Australian market, the new financial services regulatory regime will come into effect on 1 July 2016. This will be a challenging time for our members and we have developed both, education pathways and licensing options to assist members forge new business models for their practices going into the future.

Internally, the IPA has continued its Fit for the Future program aimed to ensure our team is appropriately skilled and focussed to deliver the best service possible to members. Part of this is about having the right people in the right roles to deliver; ensuring they have the opportunity to train, develop and grow to be the best they can be for successful outcomes for themselves, the organisation and our members.

SHORT-TERM AND LONGER-TERM OBJECTIVES

- Continue to leverage off the shared infrastructure and shared services platform to drive business efficiency.
- Continue the current growth strategy through the implementation of the integrated marketing communications plan.
- Continue to integrate the UK operations to optimise efficiency, create revenue streams and enhance the member experience to help deliver a return on investment to the IPA Group.
- Continue to provide educational pathways, products and services, CPE and communications that deliver tangible benefits to members and support their growth and prosperity.
- Support members' growth and diversity as they move into the new financial services regulatory regime.
- Further expand the integrated marketing communications plan by tailoring to meet the needs of the UK operations.
- Progress the establishment of the IPA Group identity as part of a longer term aspiration in line with the global growth strategy.
- Deliver an enhanced and coordinated CPE program, both online and in-house based to optimise efficiencies and to enhance members knowledge and growth
- Deliver a brand refresh to focus on enhanced market positioning and greater recognition for our members and the organisation.
- Deliver a rigorous risk and governance framework that provides appropriate mitigation and reporting
- Develop an enhanced value proposition for students

PERFORMANCE MONITORING AND MANAGEMENT

The IPA has continued its integrated model of strategic planning and performance management through the balanced scorecard. This includes alignment of business unit and staff goals to the corporate strategy, which is supported by KPIs that are aligned to the strategic objectives and supported by an appropriate performance management model.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS



MS WENDY LEEGEL FIPA FFA
PRESIDENT

Occupation: Management Consultant Executive, Director, Leegel Consulting Group
Division: Victoria

A former Victorian Divisional Councillor since 1999-2000, IPA member for 18 years - lobbied and instigated opening of the Bentleigh discussion group, past Bentleigh convenor.

IPA Board Positions: current President and Chair IPA and President and Chair IFA; Previously Vice President, Deputy President, Chair of the Member Committee, Deputy Chair of Disciplinary committee, Retired Board Director of Risk Management Institute of Australia (RMIA)

Associations: FELLOW of Institute of Public Accountants (IPA), Institute of Financial Accountants (IFA), Financial Services Institute of Australia (F Fin), Governance Institute of Australia (FGIA) GIA (cert), Australian Institute of Management (FAIM), and Chartered Management Institute (CMgr FCMI)

Member: Australian Institute of Company Directors (AICD), Association of Change Management Professionals (ACMP), Australian Institute of Project Management (AIPM), Risk Management Institute of Australia (RMIA), Change Management Institute (CMI), Human Capital Institute (HCI) and Women on Boards (WOB)

Management Consultant, 20 years working for ASX Top 5-20 Corporates specialising in Enterprise Risk and governance, HR and people management and business strategy – M&A's, ICT and TOM design. Qualifications held in Accounting, Governance and Risk, Leadership, Organisational Change and Project Management. Masters in Leadership UNE complete 2017 (Research Doctorate stream) in progress, CCMP certification in progress 2016, GAICD in progress 2016



MR DAMIEN MOORE FIPA FFA
DEPUTY PRESIDENT

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 has represented the IPA on the ATO's Regional Tax Practitioners Working Group SA/NT (RTPWG) and the South Australia Joint Legislation Review Committee (JLRC). Originally joining the IPA as a student member, he has completed the Masters of Commerce (Professional Accounting) through the University of New England as part of the IPA Education program.



MR DAVID LEVER FIPA FFA
VICE PRESIDENT

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

David is currently the Vice President, and a member of the Board Executive Committee. David also holds the position of Deputy Chair of the IPA Disciplinary Tribunal and is the Convenor of the Geelong Discussion Group. His previous board positions have been the Chair of the Audit Committee, and the past National Deputy President. Prior to joining the Board in 2010, David held the position of Victorian President between 2007-2009, and a Divisional Councillor between 2005-2009. He has professional memberships to the Institute of Internal Auditors, Australian Institute of Company Directors, Institute of Financial Accountants (UK), and is a representative on the RMIT Program Advisory Committee.

David has a Bachelor of Commerce degree with over 27 years' experience within the Accounting / Auditing profession, and his involvement and membership with IPA spans over 24 years.



MR TONY MCCARTIN FIPA FFA
TREASURER

Occupation: Principal/Director – McCartin & Associates, Taxation Consultants and Business Services
Division: New South Wales

An IPA member since 1984, having served as a NSW Divisional Councillor from 2006. Tony was elected to the Board in 2009. He has been in Public Practice, as a registered Tax Agent and Public Accountant since 1984. He worked at the Australian Taxation Office in Sydney Parramatta, 1972 to 1984, taught part time at TAFE NSW 1995 to 2006. Tony also acts as local agent / public officer for a number of registered foreign companies, and is the local director / public officer for a number of subsidiaries of foreign corporations registered in Australia.

He was previously a member of the Board Membership Committee and chair of the Board Audit Committee.

DIRECTORS' REPORT



MR JASON PARKER FIPA FFA
IMMEDIATE PAST 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 – Tribecca). Jason continues to be a director of numerous private companies.



MR RUSSELL HILLARD FIPA FFA

Occupation: Public Accountant, R & J Financial Services
Division: Queensland

First elected to the board of directors in February 2007 served as Vice President 2009 – 2011, National Treasurer from 2011 – 2013. 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, Self Managed Super Fund Association – SMSF specialist advisor, authorised representative of AMP Financial Planning and a member of the Australian Institute of Company Directors (AICD)



MRS LINDA BERNARD FIPA FFA

Occupation: Director/Senior Accountant, Westmore Accounting
Division: Western Australia

Joined WA Divisional Council in 2007, became the President from 2009 until 2012. Public Practitioner since 2000, registered tax agent, holds Bachelor of Commerce in Accounting and Financial Planning from Curtin University and a Masters of Commerce in Professional Accounting from UNE.

Linda is also a member of the Australian Institute of Company Directors



MS CHRISTINE LEETHAM FIPA FFA

Occupation: Faculty Director, TAFE NSW, Sydney TAFE
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 chairman of the National Resources Committee and treasurer from 2005 to 2007. Christine served as a NSW divisional councillor as well as NSW President three times. Christine has also served on the NSW Divisional Recognition Action Committee. Christine was National President from 2009 to 2012. She is also a member of the Australian Institute of Company Directors (AICD)



MR KEVIN DAWES FIPA FFA

Occupation: Director, Strategic Plus Pty Ltd
Division: New South Wales

First elected to the board of directors in 2003 Kevin has served as a NSW councillor and is a past national vice-president and Treasurer. Kevin has served on the National Resources Committee and is the past chairperson of the Board Audit Committee and currently chairs the Board Membership Committee.



MS LEAH-BARBARA MAGUIRE FIPA FFA

Occupation: Senior Legal Advisor, Inspector-General of the Australian Defence Force
Division: Australian Capital Territory

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. She 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.

Barbara is a member of the Australian Government Lawyers Network Professional Development Committee, The Taxation Institute (Chartered Tax Advisor) and the Australian Institute of Company Directors (MAICD)

DIRECTORS' REPORT



DR NORDIN ZAIN FIPA FFA

Occupation: Executive Director,
Deloitte Malaysia
Board Appointed

First elected to the board of directors in May 2008, Nordin joined other partners of Deloitte Malaysia after being the CEO of the Malaysian Accounting Standards Board (MASB) for nine years. He is a Chartered Accountant member of the Malaysian Institute of Accountants (MIA), a fellow member of CPA Australia and IPA, a former member of the Asia Pacific Financial Reporting Advisory Group (APFRAG) in Australia, a member of Brunei's Public Accountants Oversight Committee (PAOC) and a member of the Accounting and Auditing Organisation for the Islamic Institutions (AAOIFI) in Bahrain.



MR MICHAEL COLIN FFA FIPA

Occupation: Chairman and non-executive
director at Diane Modahl Sports Foundation
Board Appointed

Michael is a Chartered Accountant who headed a traditional regional accounting firm for over 30 years. He now specialises in dispute resolution in the SME sector and social sectors mediating commercial and matrimonial disputes as well as partnerships matters such as retirement, expansion, dissolution etc.

As a trustee of local, national and international charities, as well as through his professional work, Michael has had wide experience in that sector where he has assisted in negotiations of mergers and collaborative working arrangements. His latest work has involved him in mediation activities in Sierra Leone as the country moves to re-establishing a functioning democracy.

Michael served for 8 years as an elected member of the Council of the Institute of Chartered Accountants Council, serving for five years on its Members Services Board and currently on its Ethics Standards committee; he is actively involved in the Institute's Mediation steering committee; and a member of the Civil Mediation Council.

Committed Chartered Accountant with experience of both executive and non-executive management in the SME sector. Non-executive duties have included chairmanship of audit committees, membership of appointments and remuneration committees and a special interest in appropriate Corporate Governance. Following many years of providing independent expert advice in matrimonial settlements, Michael continues to be active in this area through his mediation practice.

LIMITATION OF MEMBERS LIABILITY

IPA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If IPA is wound up, in accordance with the constitution, each member is required to contribute a maximum of \$6.00 each towards meeting any outstanding obligations of IPA. At 30 June 2016, the total amount that members of the IPA are liable to contribute if IPA is wound up is \$98,040 (2015: \$91,656).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 21 of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors.

Anthony Gerard McCartin FIPA

Treasurer

David Lever FIPA

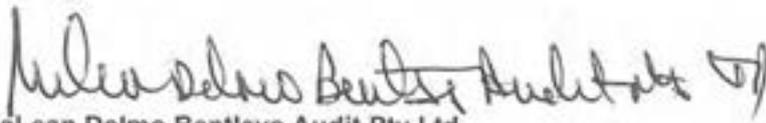
Director

Signed in London, this 14 day of September 2016.

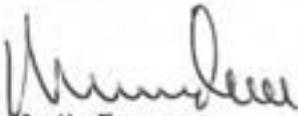
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 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.



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome
Partner

Hawthorn
14 September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	GROUP		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
REVENUE					
Revenue	2	18,720,640	16,259,919	15,824,125	14,952,324
EXPENSES					
Marketing and publications expenses		(1,696,881)	(1,272,696)	(1,188,414)	(1,069,250)
Corporate services expenses		(3,536,118)	(3,161,017)	(2,857,113)	(2,824,032)
Corporate governance expenses		(2,367,642)	(1,944,955)	(2,010,992)	(1,695,706)
Members services expenses		(10,867,711)	(9,928,998)	(9,608,978)	(9,039,564)
Other expenses		(221,185)	(228,823)	(219,552)	(223,925)
Total expenses		(18,689,537)	(16,536,489)	(15,885,049)	(14,852,477)
Surplus/(loss) for the year	3	31,103	(276,570)	(60,924)	99,847
OTHER COMPREHENSIVE INCOME					
Exchange differences on translating foreign owned subsidiary		(39,874)	(31,685)	-	-
Total comprehensive income/ (loss) for the year		(8,771)	(308,255)	(60,924)	99,847
Total comprehensive income/ (loss) attributable to members		(8,771)	(308,255)	(60,924)	99,847

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTE	GROUP		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	2,194,363	2,026,513	1,603,166	1,788,327
Trade and other receivables	7	624,437	498,262	375,995	291,193
Financial assets	8	5,819,662	6,045,715	5,819,662	6,045,715
Other assets	9	908,952	978,856	638,171	651,769
Total Current Assets		9,547,414	9,549,346	8,436,994	8,777,004
NON-CURRENT ASSETS					
Trade and other receivables	7	270,000	320,000	925,105	320,000
Other assets	9	72,123	59,108	32,494	59,108
Plant and equipment	10	1,060,305	1,266,067	1,027,623	1,214,927
Intangible assets	11	434,996	463,063	10,563	7,400
Total Non-current Assets		1,837,424	2,108,238	1,995,785	1,601,435
Total Assets		11,384,838	11,657,585	10,432,779	10,378,439
CURRENT LIABILITIES					
Trade and other payables	12	1,391,150	1,804,448	1,131,844	1,331,928
Income received in advance	13	7,673,307	7,590,522	6,624,605	6,375,794
Provisions	14	1,014,691	942,460	1,014,691	942,460
Total Current Liabilities		10,079,148	10,337,430	8,771,140	8,650,182
NON-CURRENT LIABILITIES					
Provisions	14	255,767	261,461	255,767	261,461
Total Non-current Liabilities		255,767	261,461	255,767	261,461
Total Liabilities		10,334,915	10,598,891	9,026,907	8,911,643
Net Assets		1,049,923	1,058,694	1,405,872	1,466,796
EQUITY					
Retained earnings		1,121,482	1,090,379	1,405,872	1,466,796
Reserve	15	(71,559)	(31,685)	-	-
Total Equity		1,049,923	1,058,694	1,405,872	1,466,796

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	RETAINED EARNINGS	RESERVES	TOTAL
	\$	\$	\$
GROUP			
Balance as at 1 July 2014	1,366,949	-	1,366,949
Loss for the year	(276,570)	-	(276,570)
Exchange differences on translating foreign owned subsidiary	-	(31,685)	(31,685)
Balance as at 30 June 2015	1,090,379	(31,685)	1,058,694
Surplus for the year	31,103	-	31,103
Exchange differences on translating foreign owned subsidiary	-	(39,874)	(39,874)
Balance as at 30 June 2016	1,121,482	(71,559)	1,049,923
PARENT			
Balance as at 1 July 2014	1,366,949	-	1,366,949
Surplus for the year	99,847	-	99,847
Balance as at 30 June 2015	1,466,796	-	1,466,796
Loss for the year	(60,924)	-	(60,924)
Balance as at 30 June 2016	1,405,872	-	1,405,872

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	GROUP		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members and customers		20,075,308	19,680,341	17,155,361	17,384,424
Payments to suppliers and employees		(19,965,486)	(17,981,072)	(16,816,181)	(16,026,901)
Interest received		172,007	214,855	191,115	214,855
Net cash provided by operating activities		281,829	1,914,124	530,295	1,572,378
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from disposal of equipment		589	888	589	513
Acquisition of intangible assets		(10,239)	-	(10,239)	-
Acquisition of plant and equipment		(290,508)	(751,905)	(276,754)	(679,655)
(Transfer to)/ proceeds from bank term deposits		226,053	(830,593)	226,053	(830,593)
Loans to subsidiary company		-	-	(655,105)	-
Net cash used in investing activities		(74,105)	(1,581,610)	(715,456)	(1,509,735)
Effects of exchange rate changes on cash and cash equivalents		(39,874)	(31,685)	-	-
Net increase/ (decrease) in cash held		167,850	300,829	(185,161)	62,643
Cash and cash equivalents at beginning of the financial year		2,026,513	1,725,684	1,788,327	1,725,684
Cash and cash equivalents at end of the financial year	6	2,194,363	2,026,513	1,603,166	1,788,327

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial report includes the consolidated financial statements and notes of Institute of Public Accountants Ltd and Controlled Entity (the "consolidated group" or "group"), and the separate financial statements and notes of Institute of Public Accountants Ltd as an individual parent entity ("parent entity" or "parent").

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 14 September 2016 by the directors of the company.

ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity ("the parent"), Institute of Public Accountants Ltd, and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiary are provided in Note 17.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

B. BUSINESS COMBINATIONS

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

GOODWILL

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

C. 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.

D. 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 uncollectable 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.

E. PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

DEPRECIATION

The depreciable amount of all fixed assets, including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life 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 the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

F. 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. 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 recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

G. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. FINANCIAL INSTRUMENTS (CONT'D)

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.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 item in profit or loss.

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.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised. 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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 other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

IMPAIRMENT

At the end of each reporting period, IPA assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduced carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, IPA recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that loss events that have been occurred are duly considered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 have 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 profit or loss.

H. IMPAIRMENT OF ASSETS

At the end of each reporting period, IPA assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard.

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.

Impairment testing is performed annually for intangible assets with indefinite lives.

I. INTANGIBLE ASSETS OTHER THAN GOODWILL

PATENTS

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).

DEVELOPMENT COST

Development cost of training materials are capitalised and amortised over the useful life of the training materials. The amount capitalised is amortised over three years.

J. TRADE AND OTHER PAYABLES

Trade payables and other payables represent liabilities for goods and services received by IPA during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

K. 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

L. EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

LONG-TERM EMPLOYEE BENEFITS

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. 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 members and customers.

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

N. 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.

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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payable to suppliers.

P. COMPARATIVE FIGURES

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

Q. INCOME TAX

IPA is a not-for-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.

IPA is subject to income tax at 30 per cent and IFA is subject to income tax at 20 per cent.

R. 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

Receivables are stated net of a provision for impairment of doubtful member and non-member debts and aggregates to \$16,019 (2015: \$97,048) for the group and \$6,290 (2015: \$4,257) for the company.

With respect to cash flow projections for goodwill, growth rates of 1% to 4% from 2017 have been factored into valuation models for the next five years on the basis of management's expectations around the company's and group's continued ability to retain and increase memberships in key markets.

No impairment has been recognised in respect of goodwill at the end of the reporting period. Should the projected turnover figures be at 90% of budgeted figures incorporated in value-in-use calculations, no impairment loss would arise.

KEY JUDGEMENTS

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 2016 is also taken into account when the assessment is made of any impairment to the loan.

S. NEW AND AMENDED ACCOUNTING POLICIES

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory applicable dates for future reporting periods and which the company has decided not to early adopt. Due to the nature of the company's activities, it does not expect them to have any material effect in the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 2: REVENUE

OPERATING REVENUE				
Members subscriptions	11,931,590	10,215,152	9,450,215	8,994,236
Members activities	2,927,850	2,747,732	2,794,962	2,708,655
NOOSR Assessments	1,036,391	999,921	1,036,391	999,921
Non-member activities	2,007,939	1,778,901	1,933,880	1,778,901
Interest income	172,429	191,537	193,410	191,537
Other revenue	541,621	231,558	312,447	183,956
Management fees	102,820	95,118	102,820	95,118
Total operating revenue	18,720,640	16,259,919	15,824,125	14,952,324

NOTE 3: SURPLUS/(LOSS) FOR THE YEAR

The following significant expense items are relevant in explaining the financial performance:				
Rental expense on premises	1,378,700	1,067,273	1,043,698	965,541
Depreciation	487,816	400,523	457,054	384,232
Loss on disposal of plant and equipment	7,856	14,517	6,415	10,073
Employee benefits expense	7,727,436	6,537,951	6,609,566	5,847,513
Advertising and promotions	323,831	307,430	273,133	307,430
PROFESSION RELATED COSTS				
Australian Professional Ethical Standards Board contribution	463,150	450,000	463,150	450,000
International Federation of Accountants contribution	233,263	164,573	181,005	141,200
Confederation of Asian and Pacific Accountants (CAPA)	31,094	26,159	31,094	26,159

NOTE 4: INCOME TAX EXPENSE

PARENT

The prima facie income tax benefit attributable to the members of IPA of \$18,277 (2015: income tax expense of \$29,954) 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 \$6,806,208 (2015: confirmed accumulated tax losses of \$6,745,284) 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.

GROUP

The prima facie income tax benefit attributable to the members of the group is \$33,831 (2015: income tax benefit of \$45,329). At financial year end, unconfirmed accumulated tax losses of \$6,933,338 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation	2,140,678	1,714,561	1,892,003	1,488,099
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NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	593,647	240,826	2,450	2,640
Deposits at call	1,098,336	1,285,687	1,098,336	1,285,687
Short term deposits	502,380	500,000	502,380	500,000
Total cash and cash equivalents	2,194,363	2,026,513	1,603,166	1,788,327

NOTE 7: TRADE AND OTHER RECEIVABLES**CURRENT**

Trade receivables	399,344	504,595	302,285	258,817
Provision for impairment of receivables	(16,019)	(97,048)	(6,290)	(4,257)
Trade receivables, net	383,325	407,547	295,995	254,560
Loan to Association of Accounting Technicians (Australia) Ltd	80,000	30,000	80,000	30,000
Other receivables	161,112	60,715	-	6,633
Total current trade and other receivables	624,437	498,262	375,995	291,193

NON-CURRENT

Loan to Association of Accounting Technicians (Australia) Ltd	270,000	320,000	270,000	320,000
Loan to The Institute of Financial Accountants	-	-	655,105	-
Total non-current trade and other receivables	270,000	320,000	925,105	320,000

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:

			GROUP	PARENT
			\$	\$
Balance at beginning of the year			97,048	4,257
- Charge for the year			15,351	5,097
- Written back			(1,864)	-
- Written off			(94,516)	(3,064)
Balance at end of the year			16,019	6,290

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 the amounts earlier. The loan is subject to interest at a rate of 0.5% above the 90 day bank bill rate per annum.

LOAN TO THE INSTITUTE OF FINANCIAL ACCOUNTANTS

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 is not due until 31 December 2017. The Institute of Financial Accountants has the option to repay the amount earlier, subject to 28 days of notice. The loan is subject to interest at a rate of 1.5% above the 90 day bank bill rate per annum.

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 8: FINANCIAL ASSETS

CURRENT

Bank term deposits	5,819,662	6,045,715	5,819,662	6,045,715
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NOTE 9: OTHER ASSETS

Deposits	49,174	63,166	49,174	63,166
Prepayments	748,539	849,050	503,504	541,300
Accrued income	111,239	66,640	85,493	47,303
Total current other assets	908,952	978,856	638,171	651,769
NON-CURRENT				
Rental deposit	39,629	10,367	-	10,367
Other asset	32,494	48,741	32,494	48,741
Total non-current other assets	72,123	59,108	32,494	59,108

NOTE 10: PLANT AND EQUIPMENT

Plant and equipment – at cost	1,954,327	1,864,709	1,880,845	1,798,959
Accumulated depreciation	(1,417,452)	(1,275,840)	(1,376,652)	(1,261,230)
Total plant and equipment	536,875	588,869	504,193	537,729
Leasehold improvements – at cost	1,678,603	1,635,545	1,678,603	1,635,545
Accumulated depreciation	(1,155,173)	(958,347)	(1,155,173)	(958,347)
Total leasehold improvements	523,430	677,198	523,430	677,198
Total plant and equipment	1,060,305	1,266,067	1,027,623	1,214,927

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: PLANT AND EQUIPMENT (CONT'D)

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
	\$	\$	\$
GROUP			
Carrying amount as at 1 July 2015	588,869	677,198	1,266,067
Additions	242,086	48,422	290,508
Disposals	(7,180)	(1,274)	(8,454)
Depreciation expense	(286,900)	(200,916)	(487,816)
Carrying amount as at 30 June 2016	536,875	523,430	1,060,305
PARENT			
Carrying amount as at 1 July 2015	537,729	677,198	1,214,927
Additions	228,332	48,422	276,754
Disposals	(5,730)	(1,274)	(7,004)
Depreciation expense	(256,138)	(200,916)	(457,054)
Carrying amount as at 30 June 2016	504,193	523,430	1,027,623

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 11: INTANGIBLE ASSETS

Patents – at cost	92,994	82,755	92,994	82,755
Accumulated amortisation	(82,431)	(75,355)	(82,431)	(75,355)
Total patents	10,563	7,400	10,563	7,400
Goodwill – at cost	381,723	381,723	-	-
Development costs of training materials - at cost	91,475	91,475	-	-
Accumulated amortisation	(48,765)	(17,535)	-	-
Total development costs	42,710	73,940	-	-
Total intangible assets	434,996	463,063	10,563	7,400

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: INTANGIBLE ASSETS (CONT'D)

MOVEMENTS IN CARRYING AMOUNTS

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

	PATENTS	GOODWILL	DEVELOPMENT COSTS	TOTAL
	\$	\$	\$	\$
GROUP				
Balance at beginning of the year	7,400	381,723	73,940	463,063
Additions	10,239	-	-	10,239
Amortisation expense	(7,076)	-	(31,230)	(38,306)
Balance at end of the year	10,563	381,723	42,710	434,996
PARENT				
Balance at beginning of the year	7,400	-	-	7,400
Additions	10,239	-	-	10,239
Amortisation expense	(7,076)	-	-	(7,076)
Balance at end of the year	10,563	-	-	10,563

The recoverable amount of each cash generating unit is determined based on value in use calculations. Value in use is calculated based on the present value of cash flow projections over a five year period.

The following assumptions were used in the value in use calculations:

Growth rate: 1% to 4%

Discount Rate: 15%

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 12: TRADE AND OTHER PAYABLES

Trade payables	456,317	894,273	270,240	582,533
Accrued expenses	581,184	557,135	507,955	396,355
GST payable	353,649	353,040	353,649	353,040
Total trade and other payables	1,391,150	1,804,448	1,131,844	1,331,928

NOTE 13: INCOME RECEIVED IN ADVANCE

Members subscriptions in advance	7,006,694	6,882,403	5,961,091	5,705,203
Other income in advance	666,613	708,119	663,514	670,591
Total income received in advance	7,673,307	7,590,522	6,624,605	6,375,794

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 14: PROVISIONS

CURRENT				
Employee entitlements	1,014,691	942,460	1,014,691	942,460
NON-CURRENT				
Employee entitlements	121,355	130,329	121,355	130,329
Lease restoration	134,412	131,132	134,412	131,132
Total non-current provisions	255,767	261,461	255,767	261,461

MOVEMENT IN PROVISIONS	EMPLOYEE ENTITLEMENTS	LEASE RESTORATION	TOTAL	
	\$	\$	\$	
GROUP				
Balance at 1 July 2015	1,072,789	131,132	1,203,921	
Additional provisions	604,691	3,278	607,969	
Amounts used	(541,432)	-	(541,432)	
Balance at 30 June 2016	1,136,048	134,410	1,270,458	
PARENT				
Balance at 1 July 2015	1,072,789	131,132	1,203,921	
Additional provisions	604,691	3,278	607,969	
Amounts used	(541,432)	-	(541,432)	
Balance at 30 June 2016	1,136,048	134,410	1,270,458	

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 15: RESERVE

Foreign currency translation reserve	(69,446)	(31,685)	-	-
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The foreign currency translation reserve records exchange differences arising on translation of a foreign owned subsidiary.

NOTE 16: 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	1,346,988	1,481,756	1,261,235	1,189,384
- between 1 year and 5 years	1,790,551	1,900,115	1,719,090	1,890,513
- later than 5 years	164,666	-	164,666	-
Total operating lease commitments	3,302,205	3,381,871	3,144,991	3,079,897

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.

The Institute of Financial Accountants has leased office premise at The Podium, 1 Eversholt Street, Euston, London NW1 2DN, United Kingdom.

NOTE 17: INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

The subsidiary listed below is controlled by the parent entity. The assets, liabilities, income and expenses of the subsidiary has been consolidated on a line-by-line basis in the consolidated financial statements of the Group.

Name of subsidiary	PROPORTION OF OWNERSHIP INTEREST HELD BY THE GROUP	
	2016	2015
The Institute of Financial Accountants	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (CONT'D)

The entities listed below are subsidiary undertakings of The Institute of Financial Accountants Limited, which have not been consolidated into the group financial:

NAME	STATUS	COUNTRY OF INCORPORATION
Institute of Financial Accountants in Hong Kong Ltd	Active	Hong Kong
Institute of Financial Accountants in China Ltd	Active	Hong Kong
Association of Financial Managers Limited	Dormant	United Kingdom
Federation of Tax Advisers Limited	Dormant	United Kingdom
IFA Institute of Business Management Limited	Dormant	United Kingdom
IFA Institute of Business Managers Limited	Dormant	United Kingdom
IFA Institute of Financial Management Limited	Dormant	United Kingdom
IFA Institute of Financial Managers Limited	Dormant	United Kingdom
IFA Institute of Public Accountants Limited	Dormant	United Kingdom
The Association of Administrative Accountants Ltd	Dormant	United Kingdom
The Association of Book-keepers	Dormant	United Kingdom

The operations of the two active entities, stated above, are not material to the group and therefore have not been consolidated in the current year.

		PARENT	
		2016	2015
		\$	\$

NOTE 18: 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:

Directors employer reimbursement:

DIRECTOR	DIRECTORS EMPLOYER		
Gregory Robert Parr	Scales & Partners Lawyers	3,300	6,600
Kevin Brian Dawes	Strategic Plus Pty Ltd	6,600	6,600
Nordin Zain	Prospect Alliance Consulting	6,600	6,600
Damien Scott Moore	Carrington Accounting Services	6,600	6,600
Russell Alan Hillard	R & J Financial Services	6,600	6,600
Jason Richard Parker	Parker Accounting & Financial Services	6,600	6,600
Anthony Gerard McCartin	McCartin & Associates	6,600	6,600
David Anthony Lever	Greater Geelong City Council	6,600	-
Wendy Leegel	Leegel Consulting Pty Ltd	13,200	11,550
Linda Bernard	Westmore Accounting	6,600	6,600
Michael Colin	Make It Happen in Sierra Leone	1,650	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	PARENT	
	2016	2015
	\$	\$

NOTE 18: RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTIES

	2016	2015
Representatives of IPA are on the Board of Association of Accounting Technicians (Australia) Ltd.		
IPA leases the Tasmania office premises from Denis Laing – State president (NDC)	20,228	19,981
IPA provided rental accommodation and services to Association of Accounting Technicians (Australia) Ltd during the financial year, which is paid to 30 June 2016.	67,000	62,000
Loan receivable from Association of Accounting Technicians (Australia) Ltd (Note 7)	350,000	350,000

	GROUP		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

NOTE 19: CONTINGENT LIABILITIES

	2016	2015	2016	2015
Bank guarantees for the term of the operating leases for periods up to 7 years	563,720	539,776	563,720	539,776

Indemnities for bank guarantees to the lessors' of properties occupied under operating leases at 555 Lonsdale Street, Melbourne; 210 George Street, Sydney; 422 King William Street, Adelaide; 1008 Hay Street, Perth and 300 Queen Street, Brisbane.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: 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:

	NOTE	GROUP		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalents	6	2,194,363	2,026,513	1,603,166	1,788,327
Loans and receivables	7	894,437	818,262	1,301,100	611,193
Financial assets and deposits	8	5,819,662	6,045,715	5,819,662	6,045,715
Total financial assets		8,908,462	8,890,490	8,723,928	8,445,235
FINANCIAL LIABILITIES					
Financial liabilities at amortised cost:					
- Trade and other payables	12	1,391,150	1,804,448	1,131,844	1,331,928
Total financial liabilities		1,391,150	1,804,448	1,131,844	1,331,928

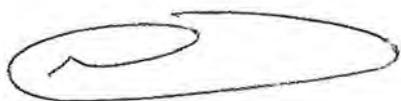
NOTE 21: EVENTS AFTER THE REPORTING PERIOD

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

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Institute of Public Accountants Ltd, the directors of Institute of Public Accountants Ltd declare that:

1. The financial statements and notes, as set out on pages 22 to 40, are in accordance with the Corporations Act 2001 and:
 - i comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - ii give a true and fair view of the financial position as at 30 June 2016 of the group and the company and of their 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.



Anthony Gerard McCartin FIPA
Treasurer



David Lever FIPA
Director

Signed in London, this 14 day of September 2016.

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

We have audited the accompanying financial report of Institute of Public Accountants Ltd and Controlled entity and Institute of Public Accountants Ltd, which comprises the consolidated and parent entity's statement of financial position as at 30 June 2016 and the consolidated and parent entity's statement of profit or loss and other comprehensive income, consolidated and parent entity's statement of changes in equity and consolidated and parent entity's 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 of the consolidated group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation 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

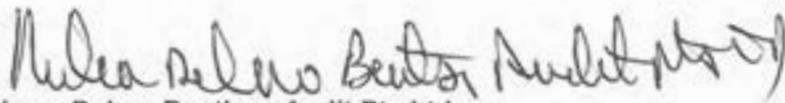
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Institute of Public Accountants Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD (Continued)**

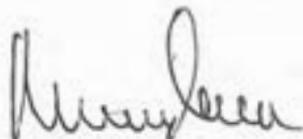
Opinion

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

- (i) giving a true and fair view of the consolidated and parent entity's financial position as at 30 June 2016 and of their performance for the year ended on that date ; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



McLean Delmo Bentley Audit Pty Ltd



Martin Fensome
Partner

Hawthorn
16 September 2016

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ACCOUNTANTS
