

# Financial Statements for the year ended 30 September 2013

## Council of The Chartered Institute of Patent Attorneys

### Statement of Responsibilities

*The Council is responsible for preparing the financial statements for each financial year, which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that year.*

*The Council has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In preparing those financial statements, the Council is required to:*

*select suitable accounting policies and then apply them consistently;*

*make judgements and estimates that are reasonable and prudent; and*

*prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.*

*The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.*

*The Council is responsible for the maintenance and integrity of the information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

26 February 2014

*on behalf of the Council*

Roger Burt, President



Bob Ackroyd, Chairman of Finance & House Committee



# Financial Statements

## Independent Auditor's Report to the Members of The Chartered Institute of Patent Attorneys

*We have audited the financial statements of The Chartered Institute of Patent Attorneys for the year ended 30 September 2013 set out on pages 3 to 16, which comprise Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is the Institute's Charter and Bye-laws and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).*

*This report is made solely to the Institute's members, as a body, in accordance with Bye-law 32 and the Institute's Charter and Bye-laws. Our audit work has been undertaken so that we might state to the Institute's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the Institute's members as a body, for our audit work, for this report, or for the opinions we have formed.*

### *Respective responsibilities of Council and auditor*

*As explained more fully in the Statement of Responsibilities on page 1, the Council is responsible for the preparation of financial statements, which give a true and fair view.*

*We have been appointed as auditor and report under the Institute's Charter and Bye-laws. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.*

### *Scope of the audit of the financial statements*

*An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Institute's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements.*

### *Opinion on financial statements*

*In our opinion the financial statements:*

- give a true and fair view of the state of the Institute's affairs as at 30 September 2013, and of its incoming resources and application of resources, for the year then ended;*
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- have been prepared in accordance with the requirements of the Institute's Charter and Bye-laws.*

**Baker Tilly Audit Limited**

*Baker Tilly Audit Limited  
25 Farringdon Street  
London, EC4A 4AB*

20 March 2014

## Income & Expenditure Account for the year ended 30 September 2013

		2013		2012	
	Note	£	£	£	£
<b>Income</b>					
Subscriptions	2		1,071,431		1,039,785
Royalties received			93,174		66,604
Examinations: net (loss)	3		497		0
Interest			9,316		8,585
Income from listed investments			24,261		25,638
Member events			9,690		17,093
Conferences			410,999		425,338
Sundry income			1,654		357
Provision of examination services (JEB)			59,700		58,800
Advertising income			135,136		109,433
Monthly Journal income			835		750
Other publication income			22,655		21,085
Provision of Services to IPReg	10		24,525		25,605
			<u>1,863,873</u>		<u>1,799,073</u>
<b>Expenditure</b>					
Administration expenses	4	942,150		928,246	
Establishment charges	5	258,211		262,433	
Member events		27,712		28,382	
Conferences		246,552		229,291	
Advertisement expenditure		24,402		21,560	
Monthly Journal expenditure		94,113		84,288	
Other publication expenditure		21,798		24,033	
Provision of Examination Services (JEB)		<u>61,124</u>		<u>59,443</u>	
			<u>(1,676,062)</u>		<u>(1,637,676)</u>
<b>Operating surplus for the year before taxation</b>			<b>187,811</b>		<b>161,397</b>
Realised gain on investments sold during the year			<u>5,083</u>		<u>8,911</u>
Surplus of income over expenditure before taxation			192,894		170,308
Taxation	7		(307)		(7,949)
<b>Surplus of income over expenditure after taxation for the year</b>			<b>192,587</b>		<b>162,359</b>

All activities are classed as continuing.  
The notes on pages 6 to 16 form part of these financial statements.

# Financial Statements

## Statement of Total Recognised Gains and Losses

	<u>2013</u>	<u>2012</u>
	£	£
Surplus for the year	192,587	162,359
Actuarial gains on defined benefit pension scheme	<u>£48,460</u>	<u>194,393</u>
Total recognised gains relating to year	<u>£241,047</u>	<u>356,752</u>

## Balance Sheet as at 30 September 2013

	Note	£	2013 £	£	2012 £
<b>Fixed Assets</b>					
Tangible	8		44,257		22,761
Investments	9 and 10		770,942		777,126
			815,199		799,887
<b>Current Assets</b>					
Stocks	11	4,200		10,985	
Debtors	12	191,393		215,323	
Investments		1,324,370		1,103,300	
Cash at bank and in hand		52,457		43,681	
		<u>1,572,420</u>		<u>1,373,289</u>	
<b>Current Liabilities</b>					
Creditors	13	116,728		94,210	
Subscriptions received in advance and other deferred income		408,849		386,552	
		<u>525,577</u>		<u>480,762</u>	
<b>Net Current Assets</b>			<u>1,046,843</u>		<u>892,527</u>
<b>Total Assets less current liabilities</b>			<u>1,862,042</u>		<u>1,692,414</u>
<b>Creditors due after more than one year</b>	14		<u>(17,573)</u>		<u>(6,832)</u>
Net Assets before pension surplus			1,844,469		1,685,582
<b>Provisions for liabilities and charges</b>					
Pension fund surplus	16		<u>87,848</u>		<u>5,688</u>
<b>Total Net Assets</b>			<u>1,932,317</u>		<u>1,691,270</u>
<b>Represented by:</b>					
<b>Accumulated Surplus</b>					
General reserve at beginning of year			1,441,270		1,084,518
Designated reserve at beginning of year			250,000		250,000
Surplus for the year – income and expenditure			192,587		162,359
Other recognised losses and gains			48,460		194,393
At end of year			<u>1,932,317</u>		<u>1,691,270</u>

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). Approved by the Council for issue on 26 February 2014.

Roger Burt,  
President

Bob Ackroyd,  
Chairman of the  
Finance & House Committee

The notes on pages 6 to 16 form part of these financial statements

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 1. Accounting policies

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules and in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008).

(b) **Subscriptions fees**

Annual subscriptions fall due on 1 January and therefore the amounts are apportioned for the purposes of preparing the Financial Statements to 30 September, so that such Statements reflect the income attributable to that date.

(c) **Other income**

All other income, other than royalties, is accounted on a receivable basis. Royalties are accounted for on a received basis.

(d) **Stocks**

Stocks are stated at the lower of cost or net realisable value.

(e) **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation.

The cost of tangible fixed assets is written off over their expected useful lives. Depreciation is provided by the straight line method as follows:

Office furniture and equipment	– 10% – 33 $\frac{1}{3}$ % p.a.
Computer equipment	– 33 $\frac{1}{3}$ % p.a.
Fixtures and fittings	– 15% p.a.

(f) **Current asset investments**

Current asset investments are held at the lower of cost and net realisable value. Included in the accounts are amounts held in deposit accounts which are not used for day to day transactions

(g) **Investments**

Investments are stated at cost less a provision for permanent impairment of any individual holdings.

(h) **Joint Examination Board**

As set out in Note 3, these financial statements include the results of the Joint Examination Board for the period ended on the 31 December during the Institute's financial year.

(i) **Leased assets**

Rentals paid under operating leases are charged against income as incurred.

Assets obtained under finance leases are treated as if they had been purchased outright. The amount capitalised is the cost value of the assets, and corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

# Financial Statements

## *Notes to the Financial Statements for the year ended 30 September 2013*

### (j) Retirement benefits

#### **Defined Contribution Scheme**

The amount charged to the income and expenditure account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Defined Benefit Scheme**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

Defined benefit pension scheme assets are measured using fair values; pension scheme liabilities are measured using the projected unit method and discounted at the rate of return of a high-quality corporate bond of equivalent term to the scheme liabilities. The net surplus or deficit is recognised in full in the balance sheet.

The current service cost and gains and losses on settlement and curtailments are charged to operating profit. Past service costs are recognised in the profit and loss account if the benefits have vested or, if they have not vested, over the period until vesting occurs. The interest costs and the expected return on assets are included as other finance income or interest payable. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

### (k) Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Any deferred tax balance is not discounted. A deferred tax asset is only recognised where the conditions for recognition in Financial Reporting Standard No 19 (Deferred Tax) are satisfied and such balances may fall due after more than one year.

# Financial Statements

## *Notes to the Financial Statements for the year ended 30 September 2013*

	2013 £	2012 £
<b>Note 2. Subscriptions</b>		
Fellows	751,071	722,352
Associates	158,116	158,439
Students	112,575	107,587
Foreign Members	34,169	36,290
British Oversea Members	9,625	9,529
	<hr/> 1,065,556	<hr/> 1,034,197
Entrance fees	5,875	5,588
	<hr/> 1,071,431	<hr/> 1,039,785

### **Note 3. Examinations**

From 1 August 1991, a Joint Examination Board (JEB) was established with the Institute of Trade Mark Attorneys. Each Institute has agreed to accept 50% of the surplus or deficit of the JEB. Since the JEB has an accounting date of 31 December, it has been decided to include 50% of each financial year within the Chartered Institute of Patent Attorney's accounting periods.

The JEB will cease to set trade marks examinations in 2014 and will at that time cease to be a joint Committee of the two institutes; it will become or be succeeded by a body setting only the CIPA examinations. It is anticipated that both institutes may be required to provide additional finance to aid an orderly transition. As a result, CIPA's share of the loss recorded in the JEB's financial statements for the year ended 31 December 2012 has been accrued. For completeness, the audited income and expenditure account and balance sheet can be found as an appendix to these financial statements.



# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

Note	2013 £	2012 £
<b>Note 4. Administration expenses</b>		
<b>Staff Costs:</b>		
Salaries	473,307	440,328
Social security costs	44,109	44,429
Pensions and other related costs	103,492	137,043
	620,908	621,800
<b>Other Costs:</b>		
Auditor's remuneration	12,000	12,165
Computer and machine running costs	59,418	53,381
Finance cost of the pension scheme	(33,700)	(16,300)
Other office costs	40,588	40,047
Council and Committee Members' Expenses	16,908	12,448
Operating lease – machine hire	654	1,234
Finance lease – machine hire	1,685	1,498
Printing and postage	11,375	14,677
Professional charges	6 47,530	43,850
Public relations and advertising	76,333	78,477
Hotel, travel and sponsorships	43,375	28,471
VAT irrecoverable	37,151	30,439
Sundry costs	7,925	6,059
	321,242	306,446
	942,150	928,246
Average number of employees	12	12
<b>Note 5. Establishment charges</b>		
Rent (operating lease)	146,300	146,300
Other occupancy costs	100,784	104,261
Depreciation – owned assets	5,987	8,401
– leased assets	3,564	3,471
Loss/(profit) on disposal of fixed assets	1,576	—
	258,211	262,433

# Financial Statements

## *Notes to the Financial Statements for the year ended 30 September 2013*

### **Note 6. Professional charges**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Advice on Mutual Recognition/Unitary Patents	—	6,875
Stockbroker's fees	11,371	6,583
Advice on Institute's pension schemes	4,081	7,200
General Professional Services	32,078	23,192
	<hr/> 47,530	<hr/> 43,850

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 7. Taxation

	2013 £	2012 £
<b>Current year tax</b>		
UK corporation tax	307	76
Current tax charge	307	76
<b>Deferred tax</b>		
Deferred tax charge	—	7,873
	307	7,949

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 8. Tangible fixed assets

	Office furniture & equipment £	Computer equipment £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 October 2012	110,894	129,614	70,155	310,663
Additions	20,477	12,145	—	32,622
Disposals	(3,438)	—	—	(3,438)
At 30 September 2013	<u>127,933</u>	<u>141,759</u>	<u>70,155</u>	<u>339,847</u>
<b>Depreciation</b>				
At 1 October 2012	(94,463)	(123,290)	(70,149)	(287,902)
Charge for the year	(5,912)	(3,638)	—	(9,550)
Disposals	1,862	—	—	1,862
At 30 September 2013	<u>(98,513)</u>	<u>(126,928)</u>	<u>(70,149)</u>	<u>(295,590)</u>
<b>Net book value</b>				
At 30 September 2013	<u>29,420</u>	<u>14,831</u>	<u>6</u>	<u>44,257</u>
At 30 September 2012	<u>16,431</u>	<u>6,324</u>	<u>6</u>	<u>22,761</u>

The net value of office furniture and equipment includes £22,359 (2012 – £9,024) in respect of assets held under finance leases.

### Note 9. Investments — Listed

	2013 £	2012 £
<b>Cost</b>		
Listed investments		
As 1 October	734,494	744,312
Additions	175,923	134,730
Disposals	(172,502)	(144,549)
At 30 September	<u>737,915</u>	<u>734,493</u>
Cash available for investment	33,027	42,633
	<u>770,942</u>	<u>777,126</u>
<b>Market value</b>	<u>922,590</u>	<u>903,960</u>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 10. Investments — IPReg

	Interest in joint venture
	2013
	£
<b>Cost and net book value</b>	
At 1 October 2012 and at 30 September 2013	1

Company	Country of registration or incorporation	Control %
The Intellectual Property Regulation Board Limited	United Kingdom	50

During the year CIPA charged IPReg £24,525 for administration services carried out on its behalf.

The Chartered Institute is the Approved Regulator for the patent attorney profession as set out in Schedule 4, Part 1 of the Legal Services Act 2007. The designated reserve of £250,000 exists to provide for any liability arising out of the Chartered Institute's responsibilities described in the Act.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 11. Stocks

	2013	2012
	£	£
Training manuals	4,200	10,985

### Note 12. Debtors

Trade debtors	58,465	67,851
Other debtors	5,242	3,788
Prepayments and accrued income	127,686	143,684
	<u>191,393</u>	<u>215,323</u>

### Note 13. Creditors

Taxation and social security costs	22,111	20,035
Joint Examination Board	3,676	4,173
Accruals	85,072	66,807
Obligations under finance leases	5,869	3,195
	<u>116,728</u>	<u>94,210</u>

### Note 14. Creditors: amounts falling due in more than one year

	2013	2012
	£	£
Obligations under finance leases	<u>17,573</u>	<u>6,832</u>

### Note 15. Lease Commitments

Amounts repayable by instalments falling due:  
In more than two but not more than five years

	<u>17,573</u>	<u>6,832</u>
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Operating leases

There are annual commitments under non-cancellable operating leases as set out below.

	Land & Building	
	2013	2012
	£	£
Operating leases which expire: after five years	<u>159,600</u>	<u>159,600</u>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 16. Pension costs

The Institute operates a defined contribution pension scheme. The pension cost charge for the period was £19,735 (2012: £15,287).

The Institute also operates a pension scheme providing benefits based on final pensionable pay. The scheme was closed to new entrants from September 2001. The assets of the scheme are held separately from those of the Institute, being invested with Phoenix Life (formerly Alba Life) in a Growth Pension Fund policy. The contribution rate is determined by a qualified independent actuary on the basis of triennial valuations using the attained age method. Currently, this is set as 61.5%.

The results of the valuation at 1 October 2009 have been updated to 30 September 2013. The assumptions that have the most significant effect on the results of the valuation are those listed below.

#### Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2013 £	2012 £
Present value of funded obligations	2,503,300	702,800
Fair value of plan assets	(2,614,500)	(710,000)
	(111,200)	(7,200)
Related deferred tax asset	23,352	1,512
Net liability/(asset)	(87,848)	(5,688)

The amounts recognised in the income and expenditure account are as follows:

Current service cost	31,500	31,300
Interest on obligation	28,700	68,400
Expected return on plan assets	(15,300)	(30,800)
Past service cost	—	31,900
Total	44,900	100,800
Actual return on plan assets	227,500	83,800

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	702,800	1,695,700
Current service cost	31,500	31,300
Interest cost	28,700	68,400
Past service cost	—	31,900
Actuarial (loss)/gain	141,900	(197,400)
Impact of including pensioners	1,598,400	—
Benefits paid	—	(927,100)
Closing defined benefit obligation	2,503,300	702,800

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2013

### Note 16. Pension costs (continued)

	Defined benefit pension plans	
	2013	2012
	£	£
<b>Changes in fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	710,000	1,436,200
Expected return	15,300	30,800
Actuarial gain/(loss)	212,200	53,000
Impact of including pensioners	1,598,400	—
Contributions by employer	78,600	117,100
Benefits paid	—	(927,100)
	<u>2,614,500</u>	<u>710,000</u>
	2013	2012
	%	%

### The major categories of plan assets as a percentage of total plan assets are as follows:

Fixed interest bonds	0%	74%
Property	0%	26%
Deferred Annuity Contract	39%	0%
Insurance Contracts	61%	0%

### Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Discount rate at 30 September	4.3%	4.0%
Expected return on plan assets at 30 September	4.3%	3.9%
Future salary increases	2.5%	1.5%
Future pension increases	3.7%	3.5%
Revaluation of deferred pensions	2.6%	2.0%

### Amounts for the current and previous four periods are as follows:

#### Defined benefit pension plans

	2013	2012	2011	2010	2009
	£	£	£	£	£
Defined benefit obligation	(2,503,300)	(702,800)	(1,695,700)	(1,573,800)	(1,441,000)
Plan assets	2,614,500	710,000	1,436,200	1,274,200	1,181,800
Surplus/(deficit)	111,200	7,200	(259,500)	(299,600)	(259,200)
Experience adjustments on plan liabilities	—	154,000	—	52,600	31,900
Experience adjustments on plan assets	212,200	53,000	1,700	52,400	(49,900)

### Note 17. Ultimate controlling party

The Chartered Institute of Patent Attorneys was incorporated by Royal Charter and has no share capital. No one individual has control.



## APPENDIX

### ITMA/CIPA Joint Examination Board

## Financial Statements 31 December 2012

### Statement of the Board's Responsibilities

The constitution of the Joint Examination Board requires the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs for the Board and of the surplus or deficit of the Board for that year. In preparing those financial statements, the Board is required to:

- a) select suitable accounting policies and then apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Board. It is also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the financial information included on the Board's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board confirms that so far as it is aware, there is no relevant audit information of which the Board's auditors are unaware. They have taken all the steps that they ought to have taken as a Board in order to make themselves aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

### Independent Auditors' Report to the Members of the Joint Examination Board

We have audited the financial statements of the Joint Examination Board for the year ended 31 December 2012, which comprise the Income and Expenditure Account, Balance Sheet and Related notes numbered 1 to 9. The financial reporting framework that has been applied in their preparation is the Financial Reporting Standards for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities)

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

## Respective Responsibilities of the Board and Auditors

As explained more fully in the Board's Responsibility Statement set out on page 17 the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements.

## Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Board's affairs as at 31 December 2012 and of its surplus for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities

### **Sawin & Edwards**

Chartered Accountants & Registered Auditors  
Suite 1.3 Vernon House  
23 Sicilian Avenue  
London WC1A 2QS

28 February, 2013

## ITMA/CIPA Joint Examination Board

### Income and Expenditure Account for the Year Ended 31 December 2012

Note	£	2012 £	£	2011 £
<b>Income</b>				
Examination fees	190,804		221,676	
		190,804		221,676
<b>Expenditure</b>				
Examination expenses	33,805		31,234	
Examination invigilating	4,268		5,053	
Travel and courier	517		481	
Room hire for examinations	16,784		17,442	
Audit and accountancy	5,280		5,004	
Examiners' Fees	76,270		96,750	
Bank charges	122		42	
CIPA – administration charge	58,839		58,845	
Website Cost	662		877	
Miscellaneous	1,434		1,384	
Depreciation	175		174	
		(198,156)		(217,286)
<b>Surplus for the year</b>		<b>(7,352)</b>		<b>4,390</b>
Divided – 50% ITMA		(3,676)		2,195
– 50% CIPA		(3,676)		2,195
		(7,352)		4,390

# Financial Statements

## ITMA/CIPA Joint Examination Board

### Balance Sheet for the Year Ended 31 December 2012

	Note	£	2012 £	£	2011 £
<b>Fixed Assets</b>					
Tangible fixed assets	6		1		176
<b>Current Assets</b>					
Cash at bank and in hand		129,213		150,103	
			129,213		150,103
<b>Creditors: Amounts falling due within one year</b>					
CIPA: administration charge		4,900		5,273	
Examiners' Fees		78,750		93,400	
Audit and accountancy		5,220		4,920	
Other creditors		900		—	
Examination Expenses		200		90	
			(89,970)		(103,683)
			39,244		46,596
<b>Reserves</b>					
Accumulated surplus – Undistributed					
– ITMA	7		19,622		23,298
– CIPA	7		19,622		23,298
			39,244		46,596

The financial statements were approved by the Board on 28 February 2013 and signed on its behalf by Mr Eric Ramage and Ms Julia Gwilt, Members of the Joint Examination Board.

## ITMA/CIPA Joint Examination Board

### Notes to the Financial Statements 31 December 2012

#### **Note 1. Constitution and Function of the Joint Examination Board (JEB)**

The JEB is a committee appointed by and under the control of The Institute of Trade Mark Attorneys (ITMA) and The Chartered Institute of Patent Attorneys (CIPA).

The function of the board is to administer the qualifying examinations precedent to entry on the Register of Patent Attorneys and the Register of Trade Mark Attorneys in accordance with The Patent Attorney and Trade Mark Attorney Qualification and Registration Regulations and the Examination and Admission Rules 2011 made pursuant to Sections 185 and 184 of the Legal Services Act 2007. Due to changes in the qualifying examinations for entry onto the Register of Trade Mark Attorneys, the Board will cease to administer those examinations in 2013. It is also expected that the Board will be replaced by an examination agency with responsibility confined to administering the qualifying examinations relating to the Register of Patent Attorneys only, but it is not yet known if that will happen in 2013.

The Board is a supervisory board and consists of 12 members, six each from ITMA and CIPA. The Board members do not have any interests in the JEB.

During the year the board members were as follows:

Mr Eric Ramage (Chairperson)  
Ms Julia Gwilt (Vice Chairperson)  
Mr Martin Hammler (Resigned October 2012)  
Mr Anthony Luckhurst  
Mrs Sarah Lambeth  
Mr Michael Berkson  
Mrs Alice Mastrovito  
Mr James Setchell  
Mrs Natalie Charlick  
Ms Alison Melling  
Ms Ali Kershaw  
Mr Ian Russell (Resigned May 2012)  
Ms Maria Nichol (Appointed July 2012)  
Mr Chris Moore (Appointed September 2012)

#### **Note 2. Accounting Policies**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### **Depreciation**

Depreciation has been provided at the following rate in order to write off the assets over their estimated useful lives:

Computer equipment	3 years straight line
Fixtures and furniture	5 years straight line

##### **Going Concern**

The going concern basis is not appropriate due to the fact that the board might cease operating in 2013. No adjustments are considered necessary to these accounts as a consequence of the possible cessation of the Board's activities.

# Financial Statements

## ITMA/CIPA Joint Examination Board

### Notes to the Financial Statements 31 December 2012

#### **Note 3. Employees**

The Board did not employ any employees during the year.

No Board members received any remuneration during the year.

#### **Note 4. Audit Fees**

	2012	2011
	£	£
Audit Fee	2,700	2,550

#### **Note 5. Taxation**

The JEB is not subject to a taxation charge as its surplus is accounted for in the accounts of ITMA and CIPA.

## ITMA/CIPA Joint Examination Board

### Notes to the Financial Statements 31 December 2012

#### Note 6. Fixed Assets

	Furniture and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2012			
Additions	2,760	2,318	5,078
At 31 December 2012	2,760	2,318	5,078
<b>Depreciation</b>			
At 1 January 2012	2,579	2,143	4,902
Charge for year	—	175	175
At 31 December 2012	2,759	2,318	5,077
<b>Net book value</b>			
31 December 2012	1	—	1
31 December 2011	1	175	176

#### Note 7. Accumulated Surplus

	ITMA £	CIPA £
Undistributed surplus brought forward	23,298	23,298
Surplus for the year	(3,676)	(3,676)
Undistributed surplus carried forward	19,622	19,622

#### Note 8. Related Party Transactions

During the year CIPA charged the JEB £58,839 (2011: £58,845) for administration work carried out on its behalf.

At the year end the JEB owed CIPA £4,900 (2011: £5,273) in respect of administration charges.

During the year distributions were made to ITMA £Nil (2011:£Nil) and to CIPA £Nil (2011:£Nil).

#### Note 9. Controlling Party

The Joint Examination Board is under the control of the councils of the Institute of Trade Mark Attorneys and The Chartered Institute of Patent Attorneys.