

# Financial Statements for the year ended 30 September 2009

## 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.*

3rd March, 2010

on behalf of the Council

John Brown, President  
Catriona Hammer, 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 2009 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 By-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 By-law 32 and the Institute's Charter and By-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*

*The Council's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities on page 1.*

*Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).*

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable law.*

*In addition we report to you if, in our opinion, the Institute has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.*

*We read the Council's report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.*

### *Basis of audit opinion*

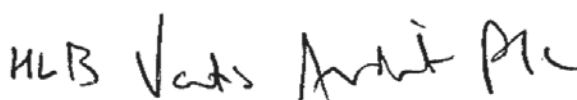
*We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.*

*We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.*

### *Opinion*

*In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Institute's affairs as at 30 September 2009 and of its surplus for the year then ended.*

HLB Vantis Audit plc  
Chartered Accountants  
Registered Auditor  
66 Wigmore Street  
London  
W1U 2SB



3rd March, 2010

## Income & Expenditure Account for the year ended 30 September 2009

	Note	£	2009 £	£	2008 £
<b>Income</b>					
Subscriptions	2		1,174,990		1,098,028
Royalties received			95,142		98,947
Examinations: net income	3		8,343		8,530
Interest			13,434		54,359
Income from listed investments			26,022		22,202
Member events			103,043		104,193
Conferences			210,894		176,103
Sundry income			2,040		7,835
Provision of examination services			55,001		52,000
Provision of Services to IPReg	12		<u>25,000</u>		<u>—</u>
			1,713,909		1,622,197
<b>Expenditure</b>					
Administration expenses	4	938,382		984,651	
Establishment charges	5	277,011		283,521	
Member events		133,026		142,759	
Conferences		140,605		130,813	
Net cost of monthly journal	6	57,030		13,679	
Net cost of other publications	7	52,828		29,373	
Funding for IPReg	12	<u>143,168</u>		<u>—</u>	
			(1,742,050)		(1,584,796)
<b>Operating (deficit)/surplus for the year before taxation</b>			(28,141)		37,401
Realised gain on investments sold during the year			<u>4,346</u>		<u>67,376</u>
(Deficit)/Surplus of income over expenditure before taxation			(23,795)		104,777
Taxation	9		<u>72,716</u>		<u>(19,461)</u>
<b>Surplus of income over expenditure after taxation for the year</b>			<u>48,921</u>		<u>85,316</u>

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>2009</u>	<u>2008</u>
	£	£
Surplus for the year	48,921	85,316
Actuarial (losses)/gains on defined benefit pension scheme	<u>(439,300)</u>	<u>71,900</u>
Total recognised gains and losses relating to year	<u>(390,379)</u>	<u>157,216</u>

## Balance Sheet as at 30 September 2009

	Note	£	2009 £	£	2008 £
<b>Fixed Assets</b>					
Tangible	10		44,105		58,194
Investments	11 and 12		741,067		739,158
			<u>785,172</u>		<u>797,352</u>
<b>Current Assets</b>					
Stocks	13	62,464		75,131	
Debtors	14	249,590		251,638	
Investments		538,692		661,331	
Cash at bank and in hand		51,884		116,268	
		<u>902,630</u>		<u>1,104,368</u>	
<b>Current Liabilities</b>					
Creditors	15	92,769		216,451	
Subscriptions and annual practice fees received in advance, and other deferred income		375,916		346,999	
		<u>468,685</u>		<u>563,450</u>	
<b>Net Current Assets</b>			<u>433,945</u>		<u>540,918</u>
<b>Total Assets less current liabilities</b>			<u>1,219,117</u>		<u>1,338,270</u>
<b>Creditors due after more than one year</b>	16		<u>(4,036)</u>		<u>(7,651)</u>
<b>Net Assets before pension (deficit)/surplus</b>			<u>1,215,081</u>		<u>1,330,619</u>
<b>Provisions for liabilities and charges</b>					
Pension fund (deficit)/surplus	18		<u>(204,768)</u>		<u>70,073</u>
<b>Total Net Assets</b>			<u>1,010,313</u>		<u>1,400,692</u>
<b>Represented by:</b>					
<b>Accumulated Surplus</b>					
At beginning of year			1,400,692		1,243,476
Surplus for the year – income and expenditure			48,921		85,316
Other recognised losses and gains			<u>(439,300)</u>		<u>71,900</u>
At end of year			<u>1,010,313</u>		<u>1,400,692</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 3rd March, 2010

John Brown,  
President

Catriona Hammer,  
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 2009

### 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 and annual practice fees**

Annual subscriptions and annual practice fees 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 are 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% – 33⅓% p.a.
Computer equipment	– 33⅓% p.a.
Fixtures and fittings	– 15% p.a.

(f) **Investments**

Investments are stated at cost less provisions for impairment. Impairments on individual investments are not recognised where the aggregate portfolio has not suffered impairment. Accordingly, an impairment is only recognised if the aggregate value of the portfolio of investments falls below cost.

(g) **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.

(h) **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.

## Notes to the Financial Statements for the year ended 30 September 2009

### (i) 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 amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Institute in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

### (j) 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 2009

	2009 £	2008 £
<b>Note 2. Subscriptions</b>		
Fellows	590,529	593,879
Associates	150,715	145,346
Students	99,842	98,216
Foreign Members	38,070	41,112
British Oversea Members	8,494	9,028
	<hr/> 887,650	<hr/> 887,581
Annual fees of registered attorneys	268,577	195,634
Initial registration and entrance fees	18,763	14,813
	<hr/> 1,174,990	<hr/> 1,098,028

### Note 3. Examinations

#### 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 its results for the year ending within the Chartered Institute of Patent Attorney's accounting year within the Institute's accounts, i.e the 2008 figures include 50% of the surplus for the JEB for its full accounting year ending 31 December 2008. The audited income and expenditure account and balance sheet can be found as an appendix to these financial statements.

The Institute's proportion of the net surplus for the year was £8,343 (2007: surplus £8,530).

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

	Note	2009 £	2008 £
<b>Note 4. Administration expenses</b>			
<b>Staff Costs:</b>			
Salaries		461,113	476,302
Social security costs		49,801	51,784
Pensions and other related costs		64,136	64,244
		<u>575,050</u>	<u>592,330</u>
<b>Other Costs:</b>			
Auditor's remuneration		9,500	9,800
Computer and machine running costs		43,836	44,249
Finance cost of the pension scheme		4,300	5,200
Other office costs		53,631	46,916
Council and Committee Members' Expenses		25,886	35,476
Operating lease – machine hire		871	1,436
Finance lease – machine hire		1,257	1,223
Printing and postage		22,760	23,445
Professional charges	8	47,822	112,632
Public relations and advertising		83,478	51,755
Hotel, travel and sponsorships		32,399	18,565
VAT irrecoverable		29,969	34,241
Sundry costs		7,623	7,383
		<u>363,332</u>	<u>392,321</u>
		<u>938,382</u>	<u>984,651</u>
Average number of employees		<u>12</u>	<u>12</u>
<b>Note 5. Establishment charges</b>			
Rent (operating lease)		159,600	165,953
Other occupancy costs		88,651	82,809
Redecoration		—	—
Depreciation – owned assets		23,622	26,508
– leased assets		5,138	8,542
Loss/(profit) on disposal of fixed assets		—	(291)
		<u>277,011</u>	<u>283,521</u>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

	2009 £	2008 £
<b>Note 6. Net cost of monthly journal</b>		
Cost of monthly journal including postage	115,665	102,985
Less		
Subscriptions and advertising income	(58,635)	(89,306)
	<u>57,030</u>	<u>13,679</u>
<b>Note 7. Net cost of other publications</b>		
Costs of:		
Other publications	77,241	65,556
Promotional publications for free distribution	3,332	3,640
	<u>80,573</u>	<u>69,196</u>
Less		
Sales of other publications	(27,745)	(39,823)
	<u>52,828</u>	<u>29,373</u>
<b>Note 8. Professional charges</b>		
	2009 £	2008 £
Secretarial services	331	118
Stockbroker's fees	1,330	1,480
Advice on Appeals	—	29,504
Advice on new Charter	3,752	14,067
Advice on Institute's pension schemes	7,012	6,769
Parliamentary consultancy – Draft Legal Services Bill	6,450	956
Consultancy Service for IPReg	22,514	31,383
General Professional Services	6,433	28,355
	<u>47,822</u>	<u>112,632</u>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 9. Taxation

	2009 £	2008 £
<b>Current year tax</b>		
UK corporation tax	343	838
Adjustment for prior years	—	(4)
Current tax charge	343	834
<b>Deferred tax</b>		
Deferred tax (credit)/charge	(73,059)	18,627
	(72,716)	19,461

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 10. Tangible fixed assets

	Office furniture & equipment £	Computer equipment £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 October 2008	111,736	112,259	70,155	294,150
Additions	1,424	13,247	—	14,671
At 30 September 2009	<u>113,160</u>	<u>125,506</u>	<u>70,155</u>	<u>308,821</u>
<b>Depreciation</b>				
At 1 October 2008	(72,090)	(101,396)	(62,470)	(235,956)
Charge for the year	(11,974)	(9,135)	(7,651)	(28,760)
At 30 September 2009	<u>(84,064)</u>	<u>(110,531)</u>	<u>(70,121)</u>	<u>(264,716)</u>
<b>Net book value</b>				
At 30 September 2009	29,096	14,975	34	44,105
At 30 September 2008	<u>39,646</u>	<u>10,863</u>	<u>7,685</u>	<u>58,194</u>

The net value of office furniture and equipment includes £7,345 (2008 – £12,483) in respect of assets held under finance leases.

### Note 11. Investments — Listed

	2009 £	2008 £
<b>Cost</b>		
Listed investments		
As 1 October	720,886	570,212
Additions	221,368	324,363
Disposals	<u>(218,956)</u>	<u>(173,690)</u>
At 30 September	723,298	720,885
Cash available for investment	<u>17,769</u>	<u>18,273</u>
	<u>741,067</u>	<u>739,158</u>
<b>Market value</b>	<u>833,281</u>	<u>782,719</u>

For certain investments, the market value shown is less than cost by a total of £38,442 (2008: £50,151). In view of the overall market value, no provision has been made against the investment cost.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 12. Investments — IPReg

	Interest in group undertakings 2009 £
<b>Cost or valuation</b>	
At 1 October 2008	—
Addition	1
At 30 September 2009	<u>1</u>
<b>Net book value</b>	
At 30 September 2009	<u>1</u>

#### Holdings of more than 20%

The Institute controls more than 20% of the following company:

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

The aggregate amount of reserves and the results of these undertakings for the last relevant financial period were as follows:

	Principal activity	Accumulated surplus 2009 £	Surplus for the period 2009 £
The Intellectual Property Regulation Board	Statutory Regulator	<u>25,102</u>	<u>25,102</u>

The Intellectual Property Regulation Board Limited ('IPReg') is a company limited by guarantee and is under the joint control of the councils of The Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys.

The Institutes, as the two members of IPReg, have guaranteed the company for £1 each.

The unaudited results of The Intellectual Property Regulation Board Limited are based on management accounts for the year ended 30 September 2009. Financial statements have not yet been prepared.

During the year CIPA charged £25,000 to IPReg for administration services carried out on its behalf and provided start-up funding of £143,168 to IPReg. This funding was matched by ITMA as a joint partner in the venture. This funding is not recoverable and has been expensed through the income and expenditure account.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 13. Stocks

Training manuals	62,464	75,131
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### Note 14. Debtors

Trade debtors	31,991	36,390
Joint Examination Board	92,256	83,914
Other debtors	12,213	25,573
Prepayments and accrued income	113,130	105,761
	<u>249,590</u>	<u>251,638</u>

### Note 15. Creditors

Taxation and social security costs	14,881	14,263
Accruals	74,273	196,774
Obligations under finance leases	3,615	5,414
	<u>92,769</u>	<u>216,451</u>

### Note 16. Creditors: amounts falling due in more than one year

	2009	2008
	£	£
Obligations under finance leases	<u>4,036</u>	<u>7,651</u>

### Note 17. Lease Commitments

Amounts repayable by instalments falling due: In more than two but not more than five years	<u>4,036</u>	<u>7,651</u>
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#### Operating leases

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

	Land & Building	
	2009	2008
	£	£
Operating leases which expire: after five years	<u>159,600</u>	<u>157,500</u>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 18. Pension costs

The Institute operates a defined contribution pension scheme. The pension cost charge for the period was £19,752 (2008: £16,419). Contributions payable to the fund at the end of the year end and included in creditors totalled £3,105 (2008: £nil).

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 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 30 September 2008 have been updated to 30 September 2009. The assumptions which 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	
	2009	2008
	£	£
Present value of funded obligations	1,441,000	944,400
Fair value of plan assets	(1,181,800)	(1,033,100)
	259,200	(88,700)
Related deferred tax (liability)/asset	(54,432)	18,627
Net liability/(asset)	204,768	(70,073)

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

Current service cost	36,900	39,100
Interest on obligation	70,300	59,800
Expected return on plan assets	(66,000)	(54,600)
Total	41,200	44,300
Actual return on plan assets	16,100	(23,300)

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

Opening defined benefit obligation	944,400	995,200
Current service cost	36,900	39,100
Interest cost	70,300	59,800
Actuarial (loss)/gain	389,400	(149,700)
Closing defined benefit obligation	1,441,000	944,400

# Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2009

### Note 18. Pension costs (*continued*)

	Defined benefit pension plans	
	2009 £	2008 £
<b>Changes in fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,033,100	930,400
Expected return	66,000	54,600
Actuarial (loss)	(49,900)	(77,800)
Contributions by employer	132,600	125,900
	<u>1,181,800</u>	<u>1,033,100</u>
	2009 %	2008 %

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

Fixed interest bonds	75%	75%
Property	25%	25%

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

Discount rate at 30 September	5.4%	7.3%
Expected return on plan assets at 30 September	6.0%	6.0%
Future salary increases	3.5%	3.9%
Future pension increases	3.0%	3.0%
Inflation assumption	3.0%	3.4%

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

#### Defined benefit pension plans

	2009 £	2008 £	2007 £	2006 £	2005 £
Defined benefit obligation	(1,441,000)	(944,400)	(995,200)	(908,300)	(780,100)
Plan assets	1,181,800	1,033,100	930,400	893,130	818,800
Surplus/(deficit)	(259,200)	88,700	(64,800)	(15,170)	38,700
Experience adjustments					
on plan liabilities	31,900	(30,500)	(18,700)	(54,420)	(11,900)
Experience adjustments					
on plan assets	(49,900)	(77,900)	(52,700)	(8,910)	70,200

## *Notes to the Financial Statements for the year ended 30 September 2009*

### APPENDIX

#### ITMA/CIPA Joint Examination Board

### Financial Statements 31 December 2008

#### 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 are 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 are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Board. They are 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 are 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 they are 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 2008 which comprise the Income and Expenditure Account, Balance Sheet and Related notes numbered 1 to 9. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standards for Smaller Entities (effective January 2007).

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.

# Financial Statements

## *Notes to the Financial Statements for the year ended 30 September 2009*

### Respective Responsibilities of the Board and Auditors

As described on page 17, the Board are responsible for the preparation of the financial statements.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Board has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Board's affairs as at 31 December 2008 and of its surplus for the year then ended.

**Sawin & Edwards**  
Chartered Accountants & Registered Auditors  
15 Southampton Place  
London WC1A 2AJ

26 March, 2009

## ITMA/CIPA Joint Examination Board

### Income and Expenditure Account for the Year Ended 31 December 2008

	Note	£	2008 £	£	2007 £
<b>Income</b>					
Examination fees		233,537		227,150	
Bank interest received		6,459		7,000	
			239,996		234,150
<b>Expenditure</b>					
Examination expenses		28,697		29,537	
Examination invigilating		4,809		4,727	
Printing and stationery		—		154	
Travel and courier		1,527		1,244	
Room hire for examinations		19,587		21,323	
Audit and accountancy		4,026		4,935	
Examiners' Fees		108,250		105,550	
Bank charges		134		38	
CIPA – administration charge		52,750		43,000	
Website Cost		1,153		5,006	
Professional fees		282		—	
Training		852		—	
Miscellaneous		691		1,024	
Depreciation		552		552	
			(223,310)		(217,090)
<b>Surplus for the year</b>			<b>16,686</b>		<b>17,060</b>
Divided					
– 50% ITMA			8,343		8,530
– 50% CIPA			8,343		8,530
			<b>16,686</b>		<b>17,060</b>

# Financial Statements

## ITMA/CIPA Joint Examination Board

### Balance Sheet for the Year Ended 31 December 2008

	Note	£	2008 £	£	2007 £
<b>Fixed Assets</b>					
Tangible fixed assets	6		552		1,104
<b>Current Assets</b>					
Prepayment and accrued income		13		76	
Cash at bank and in hand		301,746		303,004	
			301,759		303,080
<b>Creditors: Amounts falling due within one year</b>					
CIPA: administration charge		5,330		6,333	
Examiners' Fees		108,350		105,300	
Audit and accountancy		3,907		3,872	
Examination costs and refunds due		183		20,712	
Other creditors		29		141	
			(117,799)		(136,358)
			184,512		167,826
<b>Reserves</b>					
Accumulated surplus – Undistributed					
– ITMA	7		92,256		83,913
– CIPA	7		92,256		83,913
			184,512		167,826

The financial statements were approved by the Board on 26 March 2009 and signed on its behalf by Mr Anthony Luckhurst and Mr Martin Hammler, Members of the Joint Examination Board.

## ITMA/CIPA Joint Examination Board

### Notes to the Financial Statements 31 December 2008

#### 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 Agents and the Register of Trade Mark Agents in accordance with The Register of Patent Agents Rules 1990 (SI 1990 No 1457) and The Register of Trade Mark Agents Rules 1990 (SI 1990 1458) and any subsequent amendments thereto.

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 Anthony Luckhurst (Chairperson)  
Ms Helene Whelbourn (Vice Chairperson)  
Mrs Anne Wong (Resigned March 2008)  
Mr Berni Hambleton  
Ms Sue Ratcliffe  
Mrs Sarah Lambeth  
Mr James Fish  
Mr Michael Berkson  
Mrs Natalie Ramage (Resigned May 2008)  
Mr Eric Ramage  
Dr Sally Mannion (Resigned March 2008)  
Mr Martin Hammler  
Mrs Alice Mastrovito (Appointed May 2008)  
Mr Steven Jennings (Appointed May 2008)  
Mr Roger Cullis (Appointed June 2008)

#### 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 January 2007).

##### *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

# Financial Statements

## ITMA/CIPA Joint Examination Board

### Notes to the Financial Statements 31 December 2008

#### 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

	2008	2007
	£	£
Audit Fee	2,100	2,650

#### 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 2008

#### Note 6. Fixed Assets

	Furniture and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2008	2,760	1,795	4,555
Additions			
At 31 December 2008	2,760	1,795	4,555
<b>Depreciation</b>			
At 1 January 2008	1,656	1,795	3,451
Charge for year	552	—	552
At 31 December 2008	2,208	1,795	4,003
<b>Net book value</b>			
31 December 2008	552	—	552
31 December 2007	1,104	—	1,104

#### Note 7. Accumulated Surplus

	ITMA £	CIPA £
Undistributed surplus brought forward	83,913	83,913
Surplus for the year	8,343	8,343
Undistributed surplus carried forward	92,256	92,256

#### Note 8. Related Party Transactions

During the year CIPA charged the JEB £52,750 (2007: £43,000) for administration work carried out on its behalf.

At the year end the JEB owed CIPA £5,330 (2007: £6,333).

#### 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.