

The Chartered Institute of Patent Attorneys

**Council report and financial statements
For the year ended 31 March 2025**

THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2025
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Annual Report of Council

The membership year commences on 1 January, with the installation of the new Officers and members of Council appointed at the AGM held in November of the previous year. On 1 January 2025, Bobby Mukherjee succeeded Matt Dixon as President, with Matt Dixon succeeding Daniel Chew as Immediate Past President. Simon Wright was installed as Vice-President and will succeed Bobby Mukherjee as President on 1 January 2026. Gwilym Roberts was confirmed as Honorary Secretary by Council.

Council welcomed Clair Curran and Hugh Goodfellow as newly elected members of Council, and Caelia Bryn-Jacobsen, Daniel Chew, Stuart Forrest, Keith Loven, Chris Mercer, Joeeta Murphy, Jonathan Pratt and Gwilym Roberts as returning members of Council, all having been elected to serve a three-year term at the AGM. Tom Bridgwater succeeded Ashley Tambe as the Honorary Secretary of the Informals Committee and co-opted student representative on Council. Council said farewell to Parminder Lally and Nashim Imam, who concluded their terms on 31 December 2024.

At the AGM and at Council's first meeting on 8th January 2025, Bobby Mukherjee set out his priorities for his term as President. Bobby said that his top priority as President would be to engage actively with the entire CIPA membership, and particularly encourage industry members' voices to be better heard. Bobby expressed that industry and private practice must continue to work together closely to create and drive value using IP in different contexts. Bobby identified substantive patent law harmonisation (SPLH) work in the international context as an area of importance.

Bobby emphasised his concerns about the raft of 'anti-IP initiatives' such as IP waivers and compulsory licensing initiatives, which are increasing across the international landscape, and the need for CIPA to respond to these. In particular, CIPA should work with government, pro-IP actors such as WIPO and other like-minded bodies to help articulate the value and importance of IP for business and the wider society. CIPA must counter effectively any IP misconceptions or emotive 'anti-IP' arguments, backed up by hard evidence.

Bobby identified CIPA's continuing support for equality, diversity, and inclusion through tangible action as another key priority. Bobby said that he would focus on improving access into the IP profession through the creation and development of new vocational pathways such as apprenticeships for patent attorneys and IP paralegals.

Bobby said that it was important that CIPA continued to deliver on its existing strategic objectives, including supporting innovative SMEs, continuing to support the work of IPReg appropriately, building/sustaining relationships with key stakeholders domestically and internationally, and ensuring that UK patent attorneys' rights of representation before the UPC were promoted.

Bobby said that he was looking forward to Council reviewing and refreshing the strategic priorities last set out in July 2023 and to increasing member participation in committees, in particular from in-house members. Bobby said that CIPA should work to protect, sustain and optimise the UK's world class IP framework, through its relationship with the UKIPO, for example through the current AI copyright consultation. Bobby identified influencing the UK government's approach to international trade as an important area of work, in particular in delivering the aspirations of the CPTPP agreement whilst protecting the UK's IP infrastructure and proactively seek to improve legal privilege through opportunities to influence primary legislation.

CIPA has seen a succession of external factors impact on its operational and financial conditions. The pandemic, the cost-of-living crisis, and the campaign to alleviate the perceived threat of the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have placed demands on CIPA's reserves. Council is committed to rebuilding CIPA's reserves to their pre-pandemic level of at least six months' operating costs.

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In 2023 – 2024 and through to this financial year, it has become apparent that the cost of resourcing the Patent Examination Board (PEB) is having an effect on CIPA's overall financial position. The PEB has always strived to provide an examination service to the profession at a fair and reasonable cost. The move to online examinations with a full proctoring system has put a strain on the financial position of the PEB, as has the reaccreditation of the FC and FD examinations under IPReg. This has resulted in a much smaller surplus (£8,316) than budgeted for and prevented CIPA from meeting its aim of rebuilding its reserves.

Council is monitoring the reaccreditation of the PEB by IPReg and the PEB's use of online proctoring services. It is clear that maintaining the status quo is not an option and the Internal Governance Committee (IGC) will be working with the PEB to address its financial position.

Total income was £3,012,795 (2024: £2,830,294) and total expenditure £3,004,479 (2024: £2,853,098), delivering an operational surplus of £8,316 (2024: £22,804 deficit). There was an overall surplus before tax of £29,108 (2024: £16,789 surplus) which includes £11,967 (2024: £11,739) from interest and similar income and a gain from investments of £8,825 (2024: £27,854). The corporation tax liability for the period was £Nil (2024: £Nil).

Post Balance Sheet Events

There are no post balance sheet events to report.



Bobby Mukherjee

President (On behalf of Council)



Lee Davies

Chief Executive

Date: 1 October 2025

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Council members serving between 1 April 2024 and 31 March 2025

President	Bobby Mukherjee	(Appointed 01/01/25)
	Matt Dixon	(until 31/12/24)
Vice-President	Simon Wright	(Appointed 01/01/25)
	Bobby Mukherjee	(until 31/12/24)
Immediate Past President	Matt Dixon	(Installed 01/01/25)
	Daniel Chew	(until 31/12/24)
Members of Council	Caelia Bryn-Jacobsen	(Appointed 01/01/25)
	Will Burrell	(Appointed 01/01/23)
	Daniel Chew	(Appointed 01/01/25)
	Clair Curran	(Appointed 01/01/25)
	Stuart Forrest	(Appointed 01/01/25)
	Hugh Goodfellow	(Appointed 01/01/25)
	Catriona Hammer	(Appointed 01/01/24)
	Greg Icetson	(Appointed 01/01/24)
	Alicia Instone	(Appointed 01/01/23)
	Rob Jackson	(Appointed 01/01/24)
	Philip Lenden	(Appointed 01/01/24)
	Keith Loven	(Appointed 01/01/25)
	Chris Mercer	(Appointed 01/01/25)
	Jeeta Murphy	(Appointed 01/01/25)
	Suzanne Oliver	(Appointed 01/01/23)
	Alasdair Poore	(Appointed 01/01/24)
	Jonathan Pratt	(Appointed 01/01/25)
	Gwilym Roberts	(Appointed 01/01/25) Honorary Secretary
	Vicki Salmon	(Appointed 01/01/24)
	Debbie Slater	(Appointed 01/01/23)
	Andrew Sunderland	(Appointed 01/01/22)
	Kathryn Taylor	(Appointed 01/01/24)
	Leythem Wall	(Appointed 01/01/24)
	Sheila Wallace	(Appointed 01/01/23)
	Parminder Lally	(Until 31/12/24)
	Nashim Imam	(Until 31/12/24)

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Co-opted Members of Council	Ashley Tambe	Informals Honorary Secretary (until 31/12/24)
	Annemarie Parsons	IP Paralegal Member (Appointed 01/01/23)
	Tom Bridgwater	Informals Honorary Secretary (Appointed 01/10/25)

Governance

The principal objects of the Chartered Institute of Patent Attorneys (CIPA), as set out in its Royal Charter, are:

- To act as a professional and representative body for intellectual property practitioners in patents, designs, trade marks and other forms of intellectual property; and
- To promote the education, standing, training and continuing professional expertise of intellectual property practitioners and to establish, maintain and enforce high standards of professional conduct and compliance with the law.

CIPA is governed by an elected Council, composed and regulated in accordance with the Royal Charter and Bye-laws. The Royal Charter and the Bye-laws entrust Council with the governance and control of the property, business and affairs of CIPA and give Council the power to:

- Make, amend or revoke regulations for any purpose of the Institute; and
- Create or dissolve committees of the Council; and
- Determine applications for admission to membership of the Institute.

Council consists of the President, the Vice-President, the Immediate Past President, not more than twenty-four ordinary members of Council and up to three co-opted members of Council who are not members of the Institute eligible to stand in Institute elections. Council appoints an Honorary Secretary annually from amongst its members. The President, Vice-President, Immediate Past President and Honorary Secretary are the Officers of the Institute and are supported by the Chief Executive.

The President, Vice-President and Immediate Past President serve for a term of one year, commencing on 1 January following the Annual General Meeting at which each are appointed. Ordinary members of Council serve a three-year term, commencing on 1 January following the Annual General Meeting at which each are appointed. Council delegates oversight of the day-to-day operations of the Institute to the Internal Governance Committee, which consists of the Officers, four ordinary members of Council, the Chief Executive and up to four non-voting members, who may be members of the Institute or external to it. The purpose of the Internal Governance Committee is to assure Council that the governance of the Institute is transparent, meets ethical standards and that the management of CIPA is robust and efficient.

In pursuance of the objects of the Royal Charter, Council establishes committees comprising members of the Institute and, where appropriate, persons who are not members of the Institute. Council may establish committees alone or jointly with other organisations with such powers as Council considers may be necessary. Committees support Council in its leadership role of setting the strategy and policy of the Institute and, where necessary, Council will grant committees the power to act on its behalf.

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Committees

Laws Committees

Computer Technology Committee	Chair: Simon Davies
Designs & Copyright Committee	Chair: Matthew Ridley
Life Sciences Committee	Chair: Simon Wright
Litigation Committee	Chair: Matthew Critten
Patents Committee	Chair: Stuart Forrest
Trade Marks Committee	Chair: Alicia Instone
UPC Committee	Chair: Rob Jackson

Internal Committees

Congress Committee	Chair: Greg Corcoran (interim) (Alexandra Seymour-Pierce on maternity leave)
Equality, Diversity & Inclusion Committee	Chair: Greg Icton
Education Committee	Chair: Debbie Slater
Informals Committee	Chair: Tom Bridgwater (Honorary Secretary)
Internal Governance Committee	Chair: Vicki Salmon
Membership Committee	Chair: John Brown
IP Paralegal Committee	Chair: Annemarie Parsons
Patent Examination Board	Chair: Carl Stychin (Lay Member)
Sustainability Committee	Chair: Andrew Sunderland
Small Practices Committee	Chair: Keith Loven
Disciplinary Committee	Chair: Chris Mercer

Outside Interest Committees

European Liaison Committee	Chair: Gwilym Roberts
International Liaison Committee	Chair: Daniel Chew
IP Commercialisation Committee	Chair: Claudia Duffy
Public Affairs Committee	Chair: Matt Dixon
Regulatory Affairs Committee	Chair: Chris Mercer

Council Members' Statement of Responsibility

Council is responsible for preparing the financial statements for each financial period, 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 period

The Council has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. In preparing those financial statements, the Council is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
For the year ended 31 March 2025**

Opinion

We have audited the financial statements of The Chartered Institute of Patent Attorneys (the 'Institute') for the year ended 31 March 2025 which comprise the statement of income and expenditure, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the Institute's affairs as at 31 March 2025 and of its income and expenditure 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Institute's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
For the year ended 31 March 2025**

Other information

The other information comprises the information included in the Council report, other than the financial statements and our auditor's report thereon. The Council are responsible for the other information contained within the Council report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Council

As explained more fully in the statement of the Council's responsibilities, the Council are responsible for the preparation of the financial statement and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Institute and determined that the most significant frameworks which are directly relevant to specific assertions in

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
For the year ended 31 March 2025**

the financial statements are those that relate the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Institute's Charter and Bye Laws; and

- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

We assessed the susceptibility of the Institute's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Gained an understanding of the processes in place for the management of the Institute's investments and confirmed the validity of withdrawals from investments; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Review of the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing financial statements disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Council and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
For the year ended 31 March 2025**

Use of our report

This report is made solely to the Institute's Council, as a body, in accordance Bye-law 32 and the Institute's Charter and Byelaws. Our audit work has been undertaken so that we might state to the Institute's Council 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 Institute and the Institute's Council as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 2 October 2025

THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2025

			Year to 31 March 2025		Year to 31 March 2024
	Note	£	£	£	£
Income		3,012,795		2,830,294	
Expenditure		<u>(3,004,479)</u>		<u>(2,853,098)</u>	
Operating surplus / (deficit)			8,316		(22,804)
Interest receivable and similar income			11,967		11,739
Gains on investments	7		<u>8,825</u>		<u>27,854</u>
Surplus before tax			29,108		16,789
Taxation					
Deferred tax adjustment	4		14,804		-
Surplus for the period			<u>43,912</u>		<u>16,789</u>

The annexed notes form part of these financial statements

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STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Year to 31 March 2025 £	Year to 31 March 2024 £
Surplus for the financial period	43,912	16,789
OTHER COMPREHENSIVE EXPENDITURE		
Actuarial loss on defined benefit schemes	<u>(33,000)</u>	<u>(61,000)</u>
OTHER COMPREHENSIVE EXPENDITURE FOR THE PERIOD	(33,000)	(61,000)
TOTAL COMPREHENSIVE EXPENDITURE FOR THE PERIOD	<u>10,912</u>	<u>(44,211)</u>

The annexed notes form part of these financial statements

THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

			31 March 2025	31 March 2024
	Note	£	£	£
Fixed assets				
Tangible	5		27,302	26,897
Intangible	6		7,185	14,451
Investments	7		585,945	577,150
			620,432	618,498
Current assets				
Debtors	8	355,400		376,736
Cash at bank and in hand		2,352,240		2,005,552
		2,707,640		2,382,288
Current liabilities				
Creditors	9	(2,005,379)		(1,673,976)
Net current assets			702,261	708,312
Total assets less current liabilities			1,322,693	1,326,810
Creditors due after more than one year	10		-	(225)
Net assets before provisions for liabilities and charges			1,322,693	1,326,585
Provisions for liabilities and charges				
Deferred taxation			(38,758)	(53,562)
Total net assets			1,283,935	1,273,023
Represented by:				
Accumulated Surplus				
General reserve at beginning of period			1,023,023	1,067,234
Designated reserve at beginning of period	13		250,000	250,000
Income and expenditure			10,912	(44,211)
Total reserves			1,283,935	1,273,023

These financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard (FRS) 102.

Approved by the Council for issue on ...1 October 2025



.....
Bobby Mukherjee
President

The annexed notes form part of these financial statements

THE CHARTERED INSTITUTE OF PATENT ATTORNEYS
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2025

	General Reserve £	Designated Reserve £	Total £
At 1 April 2024	1,023,023	250,000	1,273,023
COMPREHENSIVE INCOME FOR THE YEAR			
Surplus for the year	43,912	-	43,912
Actuarial loss on defined benefit schemes	(33,000)	-	(33,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,912	-	10,912
At 31 March 2025	1,033,935	250,000	1,283,935

	<i>General Reserve £</i>	<i>Designated Reserve £</i>	<i>Total £</i>
<i>At 1 April 2023</i>	<i>1,067,234</i>	<i>250,000</i>	<i>1,317,234</i>
<i>COMPREHENSIVE INCOME FOR YEAR</i>			
<i>Deficit for the year</i>	<i>16,789</i>	-	<i>16,789</i>
<i>Actuarial gain on defined benefit schemes</i>	<i>(61,000)</i>	-	<i>(61,000)</i>
<i>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</i>	<i>(44,211)</i>	-	<i>(44,211)</i>
<i>At 31 March 2024</i>	<i>1,023,023</i>	<i>250,000</i>	<i>1,273,023</i>

1. GENERAL INFORMATION

The Chartered Institute of Patent Attorneys is an entity governed by its Charter and Byelaws. The entity's registered office is Halton House (2nd Floor), 20-23 Holborn, London, EC1N 2JD.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Although the Company is not a charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Directors have had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, to the extent considered appropriate. These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The following principal accounting policies have been applied:

Going Concern

The financial statements have been prepared on the going concern basis. The Institute has sufficient working capital for a period of at least 12 months from date of approval of these financial statements to ensure its liabilities are paid as they fall due. The financial performance for the period is in line with the Council Members' expectations.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must also be met before revenue is recognised:

(a) Subscription fees

Annual subscriptions fall due on 1 January and therefore the amounts are apportioned for the purposes of preparing the financial statements to 31 March, so that such Statements reflect the income attributable to that date. The proportion of the subscription fee received relating to the next financial year is included within creditors as subscriptions received in advance.

(b) Course income

Course income relates to educational activities and income from Congress carried out during the period. Revenue for these courses is recognised on a receivable basis. Revenue for these courses is recognised on a receivable basis.

(c) Other income

Other income includes advertising income, PEB examination income and royalties' income. All other income, other than royalties, is accounted for on a receivable basis. Royalties are accounted for on a received basis.

Educational activities

Income and related expenses for courses and webinars that took place in the financial period are reflected in the income and expenditure account. Income and costs related to events that take place after financial period end are treated as deferred income and prepayments in the statement of financial position.

2. ACCOUNTING POLICIES (Continued)

Patent Examinations Board (PEB)

The board's financial year runs from 1 April to 31 March each year. Examination income and related costs for examinations that take place during the Institute's financial period are reflected in the income and expenditure account. All other expenses incurred in the year are reflected in the income and expenditure account.

Income and related costs for examinations that take place after Institute's period end are treated as deferred income and prepayments in the statement of financial position.

Interest income

Interest income is recognised in the income and expenditure account.

Tangible fixed assets

Acquisitions over £ 750 are capitalised. Tangible fixed assets are state 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.

Intangible assets are capitalised at cost and amortised to write off the cost over the estimated useful life.

Website costs	20% 33 $\frac{1}{3}$ % p.a.
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Website costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefit. Once brought into use they are amortised on the straight line basis over the anticipated life of the benefits arising from the project.

Investments

Investments in shares, which have been classified as fixed asset investments as the Council intends to hold them on a continuing basis are remeasured to fair value (bid price) at each statement of financial position date. Gains and losses on remeasurement are recognised in the income statement for the period. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value of investments at the period end and their carrying value.

Leased assets

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease period.

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 income and expenditure account in proportion to the remaining balance outstanding. These assets are depreciated over their useful economic life as per policy.

2. ACCOUNTING POLICIES (Continued)

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 period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Defined benefit scheme

The Institute also contributes to Chartered Institute of Patent Attorneys Retirement Benefits Scheme. The scheme is a defined benefit scheme in accordance with section 28 of FRS 102. Service costs, curtailments, settlement gains and losses, net financial returns and remeasurement gains and losses are included in the income and expenditure account in the period to which they relate.

Changes in the assets and liabilities of the scheme in the period are disclosed and allocated as follows:

- Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from Changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.
- Pension finance charges arising from similar changes are recognised as expenditure.
- Remeasurement gains and losses are recognised as other recognised gains and losses.
- The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in Note 11.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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2. ACCOUNTING POLICIES (Continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Council Members consider the following items to be areas subject to estimation and judgement.

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

Pensions:

The Institute has obligations to pay pension benefits on behalf of certain employees. The cost of these benefits and the present value of the obligation depended on a number of factors including life expectancy, salary increases, asset valuations and the discount rate applied. Management estimate these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

3. EMPLOYEES

	2025 No.	2024 No.
The average number of employees, excluding Council Members, during the year was as follows:	16	17

4. TAXATION

	2025 £
Profit on ordinary activities before tax	29,108
Tax on profit on ordinary activities at standard CT rate of 25.00%	7,277
Effects of:	
Income not taxable for tax purposes	(755,405)
Expenditure not deductible for tax purposes	746,927
Other adjustments	(13,603)
Tax credit for the period	(14,804)

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5. TANGIBLE FIXED ASSETS

	Office furniture & equipment £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
<i>At 1 April 2024</i>	82,295	16,482	111,959	210,736
Additions	1,998	8,661	-	10,659
At 31 March 2025	<u>84,293</u>	<u>25,142</u>	<u>111,959</u>	<u>221,394</u>
Depreciation				
<i>At 1 April 2024</i>	60,277	12,540	111,022	183,839
Charge for the period	7,030	2,363	861	10,254
At 31 March 2025	<u>67,307</u>	<u>14,903</u>	<u>111,882</u>	<u>194,092</u>
Net book value				
At 31 March 2025	<u>16,986</u>	<u>10,239</u>	<u>77</u>	<u>27,302</u>
<i>At 31 March 2024</i>	<u>22,018</u>	<u>3,942</u>	<u>937</u>	<u>26,897</u>

6. INTANGIBLE FIXED ASSETS

	Website development costs £
Cost	
<i>At 1 April 2024</i>	66,352
Additions	-
Disposals	-
At 31 March 2025	<u>66,352</u>
Depreciation	
<i>At 1 April 2024</i>	51,901
Charge for the period	7,266
Disposals	-
At 31 March 2025	<u>59,167</u>
Net book value	
At 31 March 2025	<u>7,185</u>
<i>At 31 March 2024</i>	<u>14,451</u>

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7. INVESTMENTS – Listed

	2025 £	2024 £
Fair value		
Listed investments		
At the start of the period	572,539	502,219
Additions	93,888	120,899
Disposals	(93,178)	(78,434)
Gains	8,825	27,854
	<u>582,075</u>	<u>572,539</u>
At the end of the period	582,075	572,539
Cash available for investment	3,871	4,610
	<u>585,945</u>	<u>577,150</u>
	<u>377,844</u>	<u>422,994</u>
Historical cost of listed investments	377,844	422,994

8. DEBTORS

	2025 £	2024 £
Trade debtors	49,480	154,014
Other debtors	100,420	100,436
Prepayments and accrued income	205,500	122,286
	<u>355,400</u>	<u>376,736</u>

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9. CREDITORS

	2025	2024
	£	£
Trade creditors	271,968	108,836
Taxation and social security	40,930	31,243
Accruals	114,844	137,541
Other creditors	131,171	84,114
Obligations under finance leases	1,165	2,086
Subscriptions in advance (see below)	1,445,301	1,310,156
	2,005,379	1,673,976

SUBSCRIPTIONS IN ADVANCE AND OTHER DEFERRED INCOME

	2025	2024
	£	£
Balance at start of period		
Subscriptions	1,310,156	1,222,454
	1,310,156	1,222,454
Amount released to Income and Expenditure Account	(1,310,156)	(1,222,454)
Amount deferred at period end		
Subscriptions	1,445,301	1,310,156
Total subscriptions in advance and other deferred income carried forward	1,445,301	1,310,156

10. CREDITORS: amounts falling due in more than one year

	2025	2024
	£	£
Obligations under finance leases	-	225

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11. LEASE COMMITMENTS

	2025 £	2024 £
Finance leases		
Amounts repayable by instalments falling due:		
Within one year	1,165	2,086
In more than one but not more than two years	-	225
	<u>1,165</u>	<u>2,311</u>

Operating leases

The total future commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2025 £	2024 £
Operating leases which expire:		
Within one year	140,890	140,890
In more than one but not more than two years	140,890	140,890
In more than two years but not more than five years	23,482	164,372
	<u>305,262</u>	<u>446,152</u>

The charge to the Income and Expenditure account in the year to 31 March 2025 was £140,890 (2024: £140,890)

12. PENSION COSTS

The Institute operates a defined contribution pension scheme. The pension cost charge for the year was £33,000 (2024: £25,000). Outstanding contributions at the period end totalled £Nil (2024: £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. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out as at 30 September 2021 (£ 240,000) and updated to 31 March 2025 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The Institute currently pays contributions at the rate of 29.6% until December 2022 and 32.7% afterwards of Pensionable Salary per annum. Members are not required to contribute.

Present values of scheme liabilities, fair value of assets and surplus/(deficit)

	2024 £	2024 £
Fair value of scheme assets	3,118,000	3,343,000
Present value of scheme liabilities	(1,989,000)	(2,287,000)
Surplus restriction	(1,129,000)	(1,056,000)
Net scheme liability	<u>-</u>	<u>-</u>

Under FRS 102, a surplus on a defined benefit pension scheme can only be recognised as an asset on the balance sheet where the entity has the right to recover that surplus either through a refund, or reduced future contributions. Given the uncertainty regarding recoverability, the pension asset has been restricted to £Nil at 31 March 2025.

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12. PENSION COSTS (Continued)

	2025 £	2024 £
Reconciliation of opening and closing balances of the present value of the Scheme liabilities:		
Scheme liabilities at start of period	2,287,000	2,459,000
Current service cost	18,000	16,000
Interest cost	109,000	116,000
Actuarial gains	(273,000)	(208,000)
Benefits paid	(152,000)	(96,000)
	<u>1,989,000</u>	<u>2,287,000</u>
Reconciliation of opening and closing balances of the fair value of the Scheme assets:		
Fair value of scheme assets at start of period	3,343,000	3,300,000
Expected return on scheme assets	160,000	157,000
Actuarial losses	(233,000)	(54,000)
Contributions by the institute	-	36,000
Benefits paid	(152,000)	(96,000)
	<u>3,118,000</u>	<u>3,343,000</u>

The actual return on the scheme assets over the year ended 31 March 2025 was £73,000 (2023: £103,000).

Total expense recognised in the income and expenditure account

	2025 £	2024 £
Current service cost	18,000	16,000
Interest cost	(51,000)	(41,000)
Expected return on scheme assets	-	-
	<u>(33,000)</u>	<u>(25,000)</u>

Statement of total recognised gains and losses

Difference between expected and actual return on scheme assets – (loss)	(233,000)	(54,000)
Experience gains and losses arising on the scheme liabilities – (loss) / gain	(15,000)	133,000
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities – gain	288,000	75,000
Surplus restriction	(73,000)	(215,000)
	<u>(33,000)</u>	<u>(61,000)</u>

Total amount recognised in statement of comprehensive income

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12. PENSION COSTS (Continued)

Assets

	2025 £	2024 £
Defined Annuity Contract	532,000	1,242,000
Insurance contracts	1,457,000	1,045,000
Total assets	1,989,000	2,287,000

None of the fair values of the assets shown above include any direct investment in the Institutes own financial instruments or any property occupied by, or other assets used by, the Institute.

Assumptions:

	2025 % per annum	2024 % per annum
Discount rate	5.9	4.9
Inflation (RPI)	3.1	3.2
Inflation (CPI)	2.7	2.7
Salary growth	2.7	2.7

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (years)	
Male retiring in 2025 / 2024	21.6	22.1
Female retiring in 2025 / 2024	23.7	23.9
Male retiring in 2045 / 2044	23.2	23.8
Female retiring in 2045 / 2044	25.4	25.7

The best estimate of contributions to be paid by the Institute to the scheme for the period commencing 1 April 2025 is £20,573 (2024: £19,228).

13. DESIGNATED RESERVE

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.

14. RELATED PARTY TRANSACTIONS

The Council members are also directors / employees of companies that are members of CIPA. All such transactions are at arm's length and are on the same basis for all member companies. None of the Council members or the companies that they represent receive any benefit from these arrangements.

Other than the above, there were no related party transactions which occurred in the year to 31 March 2025 (2024: £Nil).