



# Annual Report and Financial Statements

For the year ended 31 December 2011

# **Federation Council and Officers December 2011**

## **President**

Mr J R Hayles

## **Vice-Presidents**

Dr R J Burt  
Mr T Frain  
Dr M Jewess  
Mr D O Lewis, OBE  
Mr A Sugden

## **Auditors**

Richard Place Dobson Services Ltd  
1-7 Station Road, Crawley, West Sussex, RH10 1HT

## **Secretary and Registered Office**

Mr C D England  
Fifth Floor, 63-66 Hatton Garden, London, EC1N 8LE

## Report of the Council for the year ended 31 December 2011

### Principal activity

The principal activity of the company continued to be that of improving the intellectual property framework to meet the needs of innovative industry.

### Federation activities

#### *Meetings and services to members*

The Council, held 11 meetings, several with external guest invitees, and the AGM was held in July at which James Hayles continued as President. A number of physical and teleconferenced meetings of committees and specific issue sub-groups were held also throughout the year.

In 2011 the Secretariat sent out 395 electronic notices to members as to relevant proposed changes to UK and EU primary and secondary legislation; new and draft legislation and administrative changes; government consultations; reports and publications from governments, academia and other relevant bodies and professional institutes; and Federation meetings' notices, agendas, and minutes.

#### *Policy papers*

In 2011 the Federation published 20 policy papers, which were made publically available via its website and sent direct to members, policy makers, legislators, stakeholders and key influencers as relevant. Papers were written on the following:

- Proposal for a Council Decision authorising enhanced cooperation in the area of the creation of unitary patent protection
- Examination practice in the EPO
- Consultation on the introduction of a Patent Box
- Independent Review of IP and Growth - call for evidence
- Representation before the European and Community Patent Court
- Unintentional infringement of UK and Community designs
- Development of a PCT third party observations system
- IPO consultation on amending the Patents Act 1977 to provide for online patent document inspection
- Commission report on implementation of enforcement directive
- Cabinet Office Procurement Policy - Use of Open Standards
- Third party observations at the EPO
- IPO consultation on experimental use and Bolar exemption
- EU-India Free Trade Agreement
- Harmonisation of Substantive Patent Law
- Draft agreement on a Unified Patent Court and draft Statute
- IPReg Consultation on Litigation Rights for Patent and Trade Mark Attorneys
- Implementing the Hargreaves review - call for evidence in relation to the design sector
- Location of the Unified Patent Court
- Unitary Patent Protection Regulation - Articles 6-8
- Unitary Patent Regulation and Unified Patent Court Agreement

#### *Representation on other bodies and external relationships*

In the UK the Federation represented its interests with stakeholder, consultative and focus groups and other fora of the UK intellectual Property Office; Users' Committees of the Patent Court and the Patents County Court; the IP Institute, the CBI IP committee, CIPA, ITMA and IPAN.

In the rest of Europe, the Federation continued as a strong contributor to BUSINESSEUROPE on pan-EU IP policy and continued to be represented on the Standing Advisory Committee before the European Patent Office (SACEPO) and EPO meetings via member representative of the Federation. It was regularly invited to send representatives to WIPO meetings and was represented through several of its members on the ICC Commission on Intellectual Property.

## Finance

	2010	2011
Subscription income	107,156	126,818
PAYE online Incentive	575	425
Less administrative expenses	(110,830)	(122,854)
Operating surplus (deficit)	(3,099)	4,389
Investment income and other interest received	1,265	1,817
Amounts written off investments and Interest payable and similar charges	(405)	(236)
Surplus (Deficit) on ordinary activities before taxation	(2,239)	5,970
Tax on (deficit) surplus	(445)	(208)
<b>Surplus (Deficit) on ordinary activities after taxation</b>	<b>(2,684)</b>	<b>5,762</b>

## Federation management

### *Operating Name*

The operating name is the IP Federation, although TRADE MARKS PATENTS AND DESIGNS FEDERATION continues as its UK registered company name.

### *Subscription Rates*

The subscription rates for 2011 increased 5 per cent over the 2010 rates, at £4380 for council membership (£2800 for companies having 5 or fewer in-house IP professionals) and £1580 for committee-only membership.

### *Membership*

There was no significant change in membership numbers, with 37 ordinary members at 31 December 2011.

### *Associates*

The Federation had 4 associates at 31 December 2011, of whom 3 were solicitor associates.

### *Secretariat*

David England continued his employment as Secretary and Connie Garrett continued her employment in the Secretariat as administrative assistant. Operating costs remained tightly controlled and in line with those of the preceding five years. The lease on the Secretariat premises was renewed to the end of June 2013.

## Audit and Auditors

Companies such as the Federation need not have their accounts audited but the Council unanimously resolved that the accounts should continue to be audited and notice to this effect in respect of the accounts for 2011 was given to the Federation by the requisite number of members. Richard Place Dobson expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment and authorising the Council to fix their remuneration was agreed at the Annual General Meeting.

## Small Company Disclosure

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

May 2012

By Order of the Council,  
David England, Secretary

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION  
(LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS  
IP FEDERATION**

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We have audited the financial statements of Trade Marks Patents and Designs Federation trading as IP Federation for the year ended 31 December 2011 set out on pages 3 to 9. The financial reporting framework that has been applied in their preparation is applicable law 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 company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages , the directors are 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 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION  
(LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS  
IP FEDERATION**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

**Maurice Frost (Senior Statutory Auditor)**  
for and on behalf of Richard Place Dobson Services Limited .....

**Chartered Accountants**  
**Statutory Auditor**

1-7 Station Road  
Crawley  
West Sussex  
RH10 1HT

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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	Notes	2011 £	2010 £
Turnover		126,818	107,156
Administrative expenses		(122,854)	(110,830)
Other operating income		425	575
<b>Operating profit/(loss)</b>	<b>2</b>	<b>4,389</b>	<b>(3,099)</b>
Investment income	<b>3</b>	1,555	992
Other interest receivable and similar income	<b>3</b>	262	273
Amounts written off investments	<b>4</b>	(236)	(405)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>5,970</b>	<b>(2,239)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	(208)	(445)
<b>Profit/(loss) for the year</b>	<b>11</b>	<b>5,762</b>	<b>(2,684)</b>

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**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION  
(LIMITED BY GUARANTEE)  
BALANCE SHEET**

**AS AT 31 DECEMBER 2011**

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Intangible assets	6		1,718		3,010
Tangible assets	7		2,072		1,656
Investments	8		77,000		32,548
			<u>80,790</u>		<u>37,214</u>
<b>Current assets</b>					
Debtors	9	80,351		5,310	
Cash at bank and in hand		141,536		167,660	
		<u>221,887</u>		<u>172,970</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(143,943)</u>		<u>(57,052)</u>	
<b>Net current assets</b>			<u>77,944</u>		<u>115,918</u>
<b>Total assets less current liabilities</b>			<u>158,734</u>		<u>153,132</u>
<b>Provisions for liabilities</b>			<u>-</u>		<u>(160)</u>
			<u>158,734</u>		<u>152,972</u>
<b>Capital and reserves</b>					
Profit and loss account	11		158,734		152,972
<b>Shareholders' funds</b>			<u>158,734</u>		<u>152,972</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on .....

.....  
Director

.....  
Director

Company Registration No. 00166772



# TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP FEDERATION

(LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

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

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Website

Website costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of four years.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% reducing balance
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#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.8 Share capital

The company is limited by guarantee and has no share capital.

2 Operating profit/(loss)	2011	2010
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	1,292	1,292
Depreciation of tangible assets	690	552
Auditors' remuneration	3,954	2,809
	<u>          </u>	<u>          </u>

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>3</b>	<b>Investment income</b>	<b>2011</b>	<b>2010</b>
		£	£
	Income from fixed asset investments	1,555	992
	Bank interest	262	273
		<u>1,817</u>	<u>1,265</u>
<b>4</b>	<b>Amounts written off investments</b>	<b>2011</b>	<b>2010</b>
		£	£
	Amounts written off fixed asset investments:		
	- temporary diminution in value	236	405
		<u>236</u>	<u>405</u>
<b>5</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
		£	£
	Domestic current year tax		
	U.K. corporation tax	368	140
		<u>368</u>	<u>140</u>
	<b>Total current tax</b>	<b>368</b>	<b>140</b>
	Deferred tax		
	Deferred tax charge	(160)	305
		<u>(160)</u>	<u>305</u>
		<u>208</u>	<u>445</u>

# TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP FEDERATION

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

## 6 Intangible fixed assets

	Website £
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	5,168
<b>Amortisation</b>	
At 1 January 2011	2,158
Charge for the year	1,292
At 31 December 2011	3,450
<b>Net book value</b>	
At 31 December 2011	1,718
At 31 December 2010	3,010

## 7 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2011	8,035
Additions	1,136
Disposals	(96)
At 31 December 2011	9,075
<b>Depreciation</b>	
At 1 January 2011	6,379
On disposals	(66)
Charge for the year	690
At 31 December 2011	7,003
<b>Net book value</b>	
At 31 December 2011	2,072
At 31 December 2010	1,656

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**8 Fixed asset investments**

	Listed investments £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 January 2011	7,000	27,000	34,000
Additions	-	50,000	50,000
Disposals	(7,000)	-	(7,000)
At 31 December 2011	-	77,000	77,000
<b>Provisions for diminution in value</b>			
At 1 January 2011	1,452	-	1,452
On disposals	(1,688)	-	(1,688)
Charge for the year	236	-	236
At 31 December 2011	-	-	-
<b>Net book value</b>			
At 31 December 2011	-	77,000	77,000
At 31 December 2010	5,548	27,000	32,548
	<b>Market value £</b>	<b>Directors' valuation £</b>	<b>Directors' valuation £</b>
At 31 December 2011	-	-	-
At 31 December 2010	5,548	27,000	32,548

<b>9 Debtors</b>	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	75,310	-
Other debtors	5,041	5,310
	<u>80,351</u>	<u>5,310</u>

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>10 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	£	£
Taxation and social security	368	(226)
Other creditors	143,575	57,278
	<u>143,943</u>	<u>57,052</u>

**11 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 January 2011	152,972
Profit for the year	5,762
Balance at 31 December 2011	<u>158,734</u>

**12 Financial commitments**

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012:

	<b>2011</b>	<b>2010</b>
	£	£
Operating leases which expire:		
Within one year	<u>11,500</u>	<u>9,900</u>

**13 Control**

The company was under the control of the Board of Council members and directors throughout the period.

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION  
(LIMITED BY GUARANTEE)  
DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011		2010
	£	£	£	£
<b>Income</b>				
Membership subscriptions		126,818		107,156
<b>Administrative expenses</b>		(122,854)		(110,830)
		<u>3,964</u>		<u>(3,674)</u>
<b>Other operating income</b>				
Sundry income		425		575
		<u>4,389</u>		<u>(3,099)</u>
<b>Operating surplus/(deficit)</b>				
<b>Other interest receivable and similar income</b>				
Bank interest		262		273
<b>Income from investments</b>				
Listed investment interest	478		478	
Unlisted investment interest	<u>1,077</u>		<u>514</u>	
		1,555		992
<b>Amounts written off investments</b>				
Temporary diminution in value of listed investments		(236)		(405)
<b>Surplus/(deficit) before taxation</b>	4.71%	<u>5,970</u>	2.09%	<u>(2,239)</u>

**TRADE MARKS PATENTS AND DESIGNS FEDERATION TRADING AS IP  
FEDERATION**

**(LIMITED BY GUARANTEE)**

**SCHEDULE OF ADMINISTRATIVE EXPENSES**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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	2011	2010
	£	£
<b>Administrative expenses</b>		
Secretarial costs	63,098	53,544
Employer's N.I. contributions	6,613	5,267
Consultancy fees	12,921	14,800
Rent	12,816	11,758
Rates	4,276	3,482
Insurance	874	833
Light and heat	477	373
Cleaning	693	660
Storage costs	300	525
Repairs and maintenance	63	424
Service charge	2,333	2,308
Printing, stationery and publications	681	263
Telephone and postage	810	433
Computer running costs	4,802	2,049
Travelling expenses	278	211
Audit fees	3,954	2,809
Bank charges	217	201
Meeting costs	1,785	124
Sundry expenses	20	48
Subscriptions	3,831	8,688
Amortisation on intangible assets	1,292	1,292
Depreciation on tangible fixed assets	690	552
Loss on sale of tangible fixed assets	30	186
	<hr/>	<hr/>
	122,854	110,830
	<hr/>	<hr/>