

## ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2024

THESE FIGURES HAVE BEEN PREPARED FOR MANAGEMENT INFORMATION PURPOSES AND ARE UNAUDITED

	Note	9 ME 30-9-2024		YE 31-12-2024
		Actual £	Budget £	Budget £
<b>INCOME</b>	<i>a.</i>	<u>1,348,711</u>	<u>1,245,285</u>	<u>1,247,781</u>
<b>EXPENDITURE</b>				
<b>LEGAL SERVICES BOARD AND LEGAL OMBUDSMAN</b>	<i>b.</i>	68,753	68,700	91,600
<b>OPERATIONAL EXPENDITURE</b>				
Board/Directors	<i>c.</i>	68,761	74,250	99,000
Conduct & Disciplinary incl. Assurance & Litigation	<i>d.</i>	6,642	37,500	50,000
Corporation Tax	<i>e.</i>	3,908	2,250	3,000
Diversity Initiatives	<i>f.</i>	20,160	20,250	27,000
Education & Projects	<i>g.</i>	672	20,700	27,600
Financial Expenses	<i>h.</i>	5,456	5,500	7,000
General Administration Expenses	<i>i.</i>	68,940	80,378	107,170
IT Support (office and website)	<i>j.</i>	61,315	73,875	98,500
Legal & Professional	<i>k.</i>	65,570	68,250	91,000
Legal Choices		4,350	4,350	5,800
PR/Communications		1,920	2,250	3,000
Staff Costs	<i>l.</i>	431,174	471,301	628,400
<b>TOTAL EXPENDITURE</b>		<u>807,621</u>	<u>929,554</u>	<u>1,239,070</u>
<b>OPERATING BALANCE</b>		<u>£541,090</u>	<u>£315,731</u>	<u>£8,711</u>

See notes overleaf

**ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2024**

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Notes:

**a. Income**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Practice Fees - Attorneys & Entities	1,259,242	1,245,285	1,247,781
Other Income			
Interest Received	20,572	0	0
Late payment penalty fees	968	0	0
Role holder registrations	4,600	0	0
Licensed & Registered Bodies Application fees	14,070	0	0
Non UK qualification application fee	1,726	0	0
Costs Awards from Case Examiners/Disciplinary Hearings	47,533	0	0
Accreditation Recharge	0	0	0
	<u>89,469</u>	<u>0</u>	<u>0</u>
	<u>1,348,711</u>	<u>1,245,285</u>	<u>1,247,781</u>

Budgeted Practice Fee Income for 2024 - based on a fee increase of 8% applied to the estimate of the final practice fee income for 2023 for all practising fee paying categories (no increase was applied to the not in active practice fee paying category) and also a provision for attorney admissions which was then reduced by an estimate for voluntary removals and removals in 2024.

The renewals process is undertaken in the first three months of the year and accounts for approximately 98% of the total practice fees. The 9 month budget comparison has used 99.8% of the total practice fees.

Other Income - no estimate has been made for other income from bank interest and as per our usual practice, from role holder/licensed body applications and costs awards/fines from disciplinary cases as these are outside our control.

**b. Legal Services Board and Legal Ombudsman**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
LSB Levy	65,003	64,950	86,600
LeO/OLC Levy	3,750	3,750	5,000
	<u>68,753</u>	<u>68,700</u>	<u>91,600</u>

The LSB year end is 31 March, therefore the budget is made up of 2 levy years. The 2024 budget figure has been calculated by prorating taking the % increase of to the indicative levy for 2023/2024 (which is 10.34% higher than the 2022/2023 levy) and taking a prorated proportion of an estimated levy for 2024/2025 with a similar increase.

**c. Board/Directors**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Replacement of Board members	10,003	10,500	14,000
Remuneration	54,433	52,875	70,500
Travel & subsistence	1,577	7,875	10,500
Employer's National Insurance	2,748	3,000	4,000
	<u>68,761</u>	<u>74,250</u>	<u>99,000</u>

Board members are also directors of The Intellectual Property Regulation Board Limited.

Board Fees - the 2024 budget has a projected increase of 5%, the first increase since 2020. Board fees were increased by 4% (CPI for the 12 months to December 2023) with effect from 1 January 2024.

Travel & subsistence - an estimate for travel and subsistence (grossed up and paid through payroll) to attend all board meetings in person is shown separately and not part of Directors Remuneration for transparency.

Additional fees charged by directors have been allocated where applicable to the relevant budget lines and are not shown in Remuneration.

**ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2024**

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Notes (continued):

**d. Conduct & Disciplinary incl. Assurance & Litigation**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
External legal costs and hearing costs	6,642	37,500	50,000

**e. Corporation Tax**

Corporation Tax is payable on interest received which is higher due to the increase in interest rates (see Interest Received in note a.).

**f. Diversity Initiatives**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Donations	10,800	5,250	7,000
Diversity research and survey	9,360	15,000	20,000
	<u>20,160</u>	<u>20,250</u>	<u>27,000</u>

**g. Education & Projects**

The budget figure has been adjusted for costs that have now been allocated to a staff member to oversee the review of education which has now been reallocated to Staff Costs. The remainder of the budget includes £22,600 in respect of external costs to consider the regulatory policy issues regarding the development of different routes to qualification particularly for the patent attorney qualification, accreditations, review of the Accreditation Handbook and review of the Competency Frameworks.

**h. Financial Expenses**

The largest component of the Financial Expenses budget line relates to commission on card transactions, which is predominantly incurred during the first three months of the year (the renewal process). The nine month budget comparative has been adjusted to reflect this.

**i. General Administration Expenses**

	<u>9 ME 30-9-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Licence & Services	56,460	61,628	82,170
Other office costs	12,480	18,750	25,000
	<u>68,940</u>	<u>80,378</u>	<u>107,170</u>

Licence & Services - the budget is based on the same office space with a provision for a 5% increase when the licence and services agreement expires at end of March 2024. The licence has been extended to the end of September 2024 with no increase. We moved to a smaller office in October with a consequent reduction in costs.

**ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2024**

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Notes (continued):

**j. IT Support (office and website)**

	9 ME 30-9-2024		YE 31-12-2024
	Actual £	Budget £	Budget £
Support	9,517	10,125	13,500
CRM - Operational	16,024	11,250	15,000
CRM - Enhancements	35,774	52,500	70,000
	<u>61,315</u>	<u>73,875</u>	<u>98,500</u>

CRM - Enhancements budget is the estimated expenditure in respect of the website redevelopment & enhancements arising from the regulatory arrangements review.

**k. Legal & Professional**

	9 ME 30-9-2024		YE 31-12-2024
	Actual £	Budget £	Budget £
Legal & professional Costs	58,010	19,500	26,000
Registration issues	429	0	0
Actuarial and legal costs in respect of Compensation Fund	5,662	7,500	10,000
Statistical sampling in relation to thematic reviews	0	11,250	15,000
Costs associated with the implementation of PII Sandbox	0	7,500	10,000
Transparency and other thematic reviews	1,469	22,500	30,000
	<u>65,570</u>	<u>68,250</u>	<u>91,000</u>

**l. Staff Costs**

	9 ME 30-9-2024		YE 31-12-2024
	Actual £	Budget £	Budget £
CEO	72,426	72,450	96,600
Regulatory officers	228,096	265,950	354,600
Administrative staff	63,811	63,263	84,350
Employer's National Insurance	37,603	46,613	62,150
Pension costs	10,455	10,650	14,200
Staff benefits	5,662	8,625	11,500
Staff development and training	2,436	3,750	5,000
Staff recruitment	10,685	0	0
	<u>431,174</u>	<u>471,301</u>	<u>628,400</u>

Staff costs - the 2024 budget has projected an increase of 5% for current IPReg staff salaries. Staff salaries increased in January 2024 by 5%.

The Budget has been adjusted for the new staff member - see note g.

[See Reserves](#)

[See our Reserves Policy](#)