Intellectual
Property
Office

The Patent Office Annual Report and Accounts 2024/25

HC 1075

Intellectual Property Office is an operating name of the Patent Office

The Patent Office Annual Report and Accounts

2024/25

The Patent Office

For the period 1 April 2024 to 31 March 2025.

Annual Report presented to Parliament pursuant to section 121 of the Patents Act 1977, section 42 of the Registered Designs Act 1949 and section 71 of the Trade Marks Act 1994, and accounts presented to Parliament pursuant to section 4(6) of the Government Trading Funds Act 1973 as amended by the Government Trading Act 1990.

The Patent Office is an Executive Agency of the Department for Science, Innovation and Technology (DSIT).

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Contents

Chair’s statement

At the start of this year, the Intellectual Property Office (IPO) set out its new strategy: IP (Intellectual Property) for a Creative and Innovative UK. This reaffirms our long-term mission and aligns with the government’s Plan for Change and its national mission for economic growth – a mission we are proud to contribute towards.

As an executive agency of the Department for Science, Innovation and Technology (DSIT), the IPO is responsible for the IP system. From providing advice to ministers to set the UK’s IP policy, raising awareness among businesses and consumers to supporting the enforcement of IP and granting UK patents, trade marks and design rights. Our work underpins innovation and helps to drive growth.

I am delighted to report that we have delivered strongly against our strategy and annual ministerial priorities. The services we offer and the IP system we manage empower people to innovate, invest and grow the economy.

This Annual Report and Accounts highlights the dedication and resilience of the IPO team. Colleagues across the organisation have stepped up to meet the ambitions of our strategy and have risen to the challenge of sustained demand. I am also grateful to our customers and partners for their collaboration and valuable contributions to our service and policy development.

It is a privilege to be reappointed as Chair and to continue leading the Steering Board. We advise and provide assurance to the Secretary of State and ministers on the IPO’s performance, risks and strategic direction. We work hand in hand with the executive team to provide guidance and constructive challenge by contributing expertise in governance, strategy, finance and delivery. As a board, we continue to evolve and it was a real pleasure to welcome three new members in summer 2024.

A heartfelt thank you to our executive and non-executive directors and to the wider IPO team for their energy, creativity and commitment to delivering our corporate plan and supporting the government’s missions.

Harry Rich
Chair of the IPO Steering Board

"I am delighted to report that we have delivered strongly against our strategy and annual ministerial priorities."

Chief Executive's introduction

I am pleased to introduce the Annual Report and Accounts for 2024/25, which shows our performance in the first year of our strategy for 2024 to 2027.

Through the high-quality services we provide and the policy we develop, the IPO has a fundamental role in encouraging creativity and innovation to help grow the economy.

The government has set out a clear and ambitious plan for the UK and we will make sure that IP is a powerful enabler of change and economic growth. We are a nation that is proud of our creative industries and has a rich history of innovation. The UK's potential is equally impressive, and IP will be vital to our future success in this changing and increasingly digital world.

Throughout the year we have performed well against our customer service standards. We have seen demand across rights areas remain at high levels. Our overall customer satisfaction score of 89% for 2024/25 is an exceptional achievement and exemplifies our strong focus on customer service and an established culture of continuous improvement.

Our digital transformation programme has proved challenging due to its size and complexity. We remain committed to modernising the UK's IP services. We want to make working with IP easier for everyone, delivering on DSIT's mission to apply AI and digital technologies to transform the citizen's experience of public services. As part of a modern digital government, this will also allow creators, innovators and businesses to deal with their IP all in one place with ease.

In 2024/25, we marked a significant milestone by launching the first of our new digital services. One IPO Search makes it easier than ever for businesses and innovators to search and access patent information. We are unlocking the potential of our data for businesses to exploit the opportunities for innovation and growth.

In the year ahead, I look forward to fully launching our new digital parents service. Whilst the pilot phase has taken longer than anticipated, I am pleased that a small number of customers are now actively using the service. This is proving invaluable to developing a quality service and customer experience.

In addition to improving how customers interact with us and their IP, we are providing support and guidance to businesses to help them to maximise the value of IP and make the most of the benefits of our IP system. We have strengthened our focus on small and medium-sized enterprises (SMEs) and introduced a new support scheme targeted at innovative SMEs with high-growth potential.

As we embrace the challenges and opportunities facing the IP system in the UK and internationally, we will continue to be collaborative in the way we work across government and with our customers and wider stakeholders.

Building on our strengths, we will continue to focus on skills, leadership and our planning systems. The creation of our strategic workforce plan underpins how we are going to evolve over the next 3-5 years to become a consistently high-performing organisation.

Looking back on this year, I am pleased with the direction that our strategy has given to our work. We laid out ambitious plans and have, in the most part, achieved them. This is a testament to the continued hard work, adaptability and innovation shown by colleagues – to them all, my thanks. We move into the coming year with established organisational strengths and delivery-focused plans to achieve our long-term goals, in service of the future aspirations for our country, set out by the government.

Adam Williams
Chief Executive and Accounting Officer
7 July 2025

"As we embrace the challenges and opportunities facing the IP system in the UK and internationally, we will continue to be collaborative in the way we work across government and with our customers and wider stakeholders."

Performance report

This performance report provides an overview of our performance against our strategy and commitments in our corporate plan for 2024/25. It has two parts: part one is a ‘Performance overview’ and part two is a ‘Performance analysis’.

Part one: Performance overview

The performance overview introduces the organisation, our strategy and summarises our performance against our strategic goals delivered through our annual corporate plan. It also highlights our principal risks. The IPO Board’s (IPOB) assessment of risk is presented in the Governance statement within the Corporate governance report.

About the IPO

The Intellectual Property Office (IPO) is an executive agency and trading fund, sponsored by the Department for Science, Innovation and Technology (DSIT). We are responsible for the UK Intellectual Property (IP) framework including the patents, trade marks, designs and copyright systems.

Our mission is to help people grow the UK economy by providing an IP system that encourages investment in creativity and innovation.

Our journey dates back more than 170 years, a rich history that strengthens our enduring commitment to encourage investment in innovation and creativity within the UK.

We examine, grant and register IP rights and maintain the IP registers for the UK. We also help resolve legal disputes over IP rights through the IPO tribunal and mediation services. The data we hold is unique and valuable with more than 3 million granted rights held across these registers. We make this data publicly and freely available for researchers, inventors and creators. In doing so, we support the UK to maintain and grow its reputation for innovation and help society to benefit from knowledge and ideas.

We formulate advice on and implement IP policy and shape the national framework for governing IP rights. We also promote the UK’s interests overseas through the development of the international IP rights system. The activities we undertake support a wide policy ecosystem; from helping SMEs to achieve their potential to enabling multi-national corporations to create, innovate and grow.

We also raise business and consumer awareness of the risks surrounding IP crime and infringement and work closely with law enforcement and other agencies to protect IP rights.

Our organisation is led by Adam Williams, Chief Executive and Comptroller General. The IPO corporate governance structure comprises of an Executive Board (IPOB), supported by sub-committees (Performance Committee from April 2025), Transformation Programme Board, Audit and Risk Committee and Steering Board.

Further details of our governance structure are available in our Framework Document[1] and the Governance statement within the Corporate governance report. We monitor and manage our progress against our strategic goals, organisational performance and review risks regularly at our boards and committees.

1 https://assets.publishing.service.gov.uk/media/5f4f4db2e90e071c78ff79de/IPO-framework.pdf

Organisational structure

As at 31 March 2025, the IPO Board comprised of the following members.

Adam Williams
CEO and Comptroller General

Andy Bartlett
Deputy CEO and Director of Services

Chris Mills
Director of Rights Policy

Lorna Dukes
Interim Director of Enforcement, Business and International

Neil Hartley
Finance Director

Penny Phillpotts
Director of People, Communications and Workplace

Sian-Nia Davies
Chief Digital, Data and Technology Officer

Steph Bell
Director of Strategy

Our strategy

In 2024, we published our strategy, IP for a Creative and Innovative UK 2024 – 2027[2]. This explains what we aim to achieve by the end of 2026/27 financial year. Our strategy sets out our strategic pillars, which inform, guide and support us in our work.

The pillars of our strategy

Our services: High-quality, efficient and accessible	**Our policy**: Supporting innovation and the economy	**Our organisation**: High-performing, with skilled people connected by shared purpose

Our strategic goals

Transform our services	UK law incentivises innovation	Develop our people and culture
Realise the potential of our data	IP rights are respected and enforced	Renewed governance and planning
Inspire innovation and creativity	International IP supports innovation	Be financially sustainable

In the first year of delivering our strategy, our areas of focus were to:

- launch our One IPO patents service for all customers
- unlock the value of our patents data through our new online IP search tool
- start to build our One IPO services for trade marks, designs and tribunal customers
- start our journey towards our future culture as individuals, teams and an organisation
- create a strategic workforce plan for the organisation

2 https://www.gov.uk/government/news/ip-for-a-creative-and-innovative-uk-strategy-2024-to-2027

Summary of performance against our strategy (year one)

Our services: High-quality, efficient and accessible

- achieved an overall customer satisfaction score of 89%, despite the growing demand for our services
- achieved 90% or more for quality of service across all rights benchmarking well against other IP offices
- launched our new One IPO Search service to all customers, which makes it easier and faster to find, monitor and analyse patents and Supplementary Protection Certificates (SPCs) data
- progressed the development of our One IPO patents pilot service, which is being tested by a selected group of customers ahead of its public launch later in 2025
- prepared to design our One IPO services for trade marks, designs and tribunals customers

Our policy: Supporting innovation and the economy

- worked with partner organisations to support innovative, high-growth potential SMEs and provided funding to almost 400 businesses to help them protect and commercialise their IP
- launched a resource hub for standard essential patents (SEPs), which has been visited over 900 times, receiving positive feedback from SMEs seeking to navigate the complex SEPs eco-system
- secured positive outcomes for the UK through two multi-lateral treaty negotiations, convened by the World Intellectual Property Organization (WIPO)
- expanded our regional IP crime coordinators into Scotland and Northern Ireland to provide full UK coverage

Our organisation: High-performing, with skilled people connected by shared purpose

- achieved efficiencies worth 4.8% of our core operating costs
- began our journey to embed a culture of adaptability, accountability and connection
- created a strategic workforce plan for the organisation that will make sure we have the right people, in the right place, at the right time, both now and in the future
- updated our performance and development framework in line with our aspiration to be a high-performing organisation. Our people have clear objectives, regularly receive high-quality, actionable feedback and have appropriate career development conversations aligned with our SWFP
- created our 'skills for success' framework as part of moving from a job-based to a skills-based approach to developing, supporting and deploying our people
- reviewed our governance framework to support the delivery of our strategy
- met targets within the greening government commitments (2021-2025) in relation to our overall carbon emissions, water use, landfill waste, paper use and the completion of a climate change risk assessment and biodiversity study

Summary of principal risks

We have a robust approach for identifying, managing and mitigating risks at all levels of the organisation, as set out in our governance, risk management and internal controls frameworks. These arrangements are outlined in more detail within the Governance statement of the Corporate governance report. IPOB regularly monitors and reviews strategic risks to provide organisational assurance, implement mitigating actions and identify new or emerging risks.

Our principal risks are those most relevant to our performance and the delivery of our strategy and corporate plan in 2024/25. We expect these risks to remain relevant in 2025/26 given the operating environment and our strategic objectives. We have plans in place to continue managing them effectively. Our principal risks include:

- digital transformation and modernisation of our IP services
- financial sustainability
- strategic workforce planning
- leadership and management capabilities and change culture
- the security threat landscape

Further detail on these principal risks are outlined in the Performance analysis section.

Part two: Performance analysis

The performance analysis provides a financial summary and a detailed view of performance against our corporate plan for 2024/25 and our annual ministerial priorities. It also contains our principal risks and our Sustainability report.

Financial summary

The IPO is financed by its revenue generating operations and funds are managed in accordance with strict government guidelines and HM Treasury rules. We are committed to maximising the value we achieve from our budget and have robust processes in place for longer-term financial planning, which ensure we remain financially sustainable.

Within the 2024/25 financial year, we achieved a 5.98% return on capital employed, exceeding the HM Treasury target of 3.5% (averaged over a five-year period, April 2024 – March 2029).

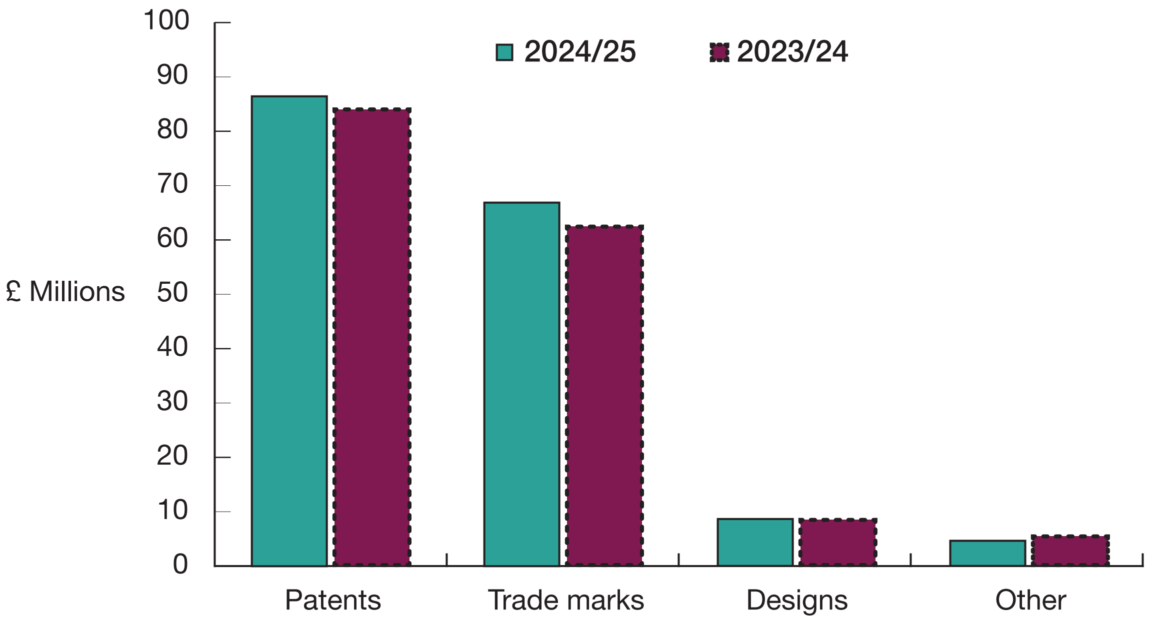
We generated an operating surplus on ordinary activities of £8.4m in the 2024/25 financial year (2023/24 £10.7m). After dividend payments to our parent department DSIT, we realised a retained surplus of £0.7m (2023/24 £2.5m).

As at the end of 2024/25, our cash and cash equivalents reduced to £82.4m (2023/24 £95.4m). This balance remains fully allocated to fund the planned completion of our transformation programme of capital investment work, cover other known liabilities such as funds held on behalf of customers and given our trading fund status, provide a sufficient level of working capital coverage.

Income

During the reporting year we have generated £166.1m of income (2023/24 £159.9m). This reflects a small amount of annual growth (3.9%) and, as anticipated, relatively stable levels of demand for our services, when compared to the previous year (as detailed in note 3 in the Financial statements).

Figure 1 - Income



Expenditure

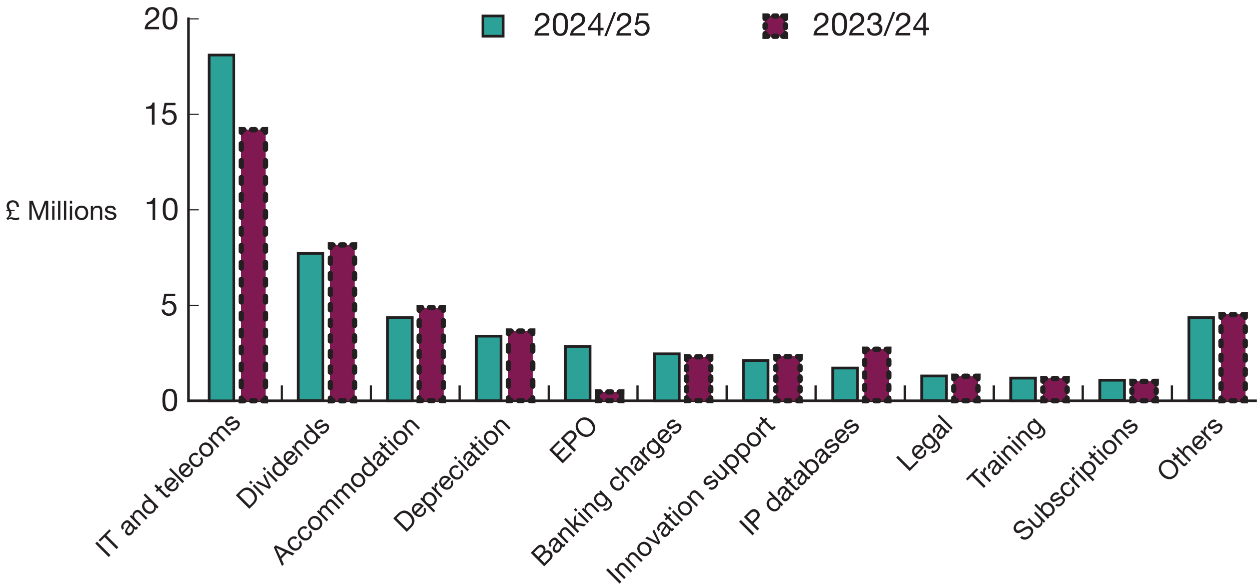
Operating costs have increased by 5.2%. Total expenditure was £165.5m (2023/24 £157.4m).

Staff costs make up 69.6% of our operating budget (£115.1m) and along with IT and telecoms expenditure and European Patent Office (EPO) outsourcing, accounts for much of the increase in costs from last financial year (as detailed in notes 4 and 5 in the Financial statements).

Whilst the staff cost increase (£6.1m) represents an ongoing cost pressure due to small growth in our headcount and an annual increase in salaries, this is not the case with all non-pay expenditure. One-off costs such as the purchase of low value, high volume kit as part of our technology refresh strategy (every three to five years) and some non-capital technical support for our transformation programme represent a significant part of the increase to our IT cost. We also increased the level of work outsourced to the EPO to manage demand during the recruitment and training of permanent staff. We have no plans to outsource work in the next financial year.

These cost increases have been offset in part by some important efficiencies and savings within the year. Most noticeably against IP databases and search tools in addition to our accommodation costs.

Figure 2 - Expenditure (non-staff costs)



Financial sustainability

Remaining financially sustainable is an organisational priority and through embedding a continuous improvement mindset into our culture we are enabling our people to deliver improved ways of working and realise essential ongoing efficiency gains.

We have set a balanced operating budget for 2025/26. However, as we plan further ahead, we recognise there are many financial pressures and challenges that can no longer be mitigated through efficiencies alone.

It has been many years since our fees increased (2018 patents, 2016 designs and 1998 trade marks). However, recent high levels of inflation, together with the investment required in technology, services, accommodation and our people require us to now review our fees.

This work formally started towards the end of the 2024/25 financial year and will continue into 2025/26. We will take the necessary steps to adjust our statutory fees at the right time and under the right circumstances, providing clear and early communication to all stakeholders throughout the process.

Ministerial priorities

Our ministerial priorities are set annually by the minister and are aligned with our strategy, corporate plan deliverables and wider government priorities. We monitor progress against these monthly and report against them to our Steering Board and IPOB. We also undertake mitigating action and manage risks through our committee structure and senior leadership teams.

Our performance against our ministerial priorities in 2024/25 are summarised in the following table.

Strategic pillar	Ministerial priority	Performance	Target result
Our services	Launch the One IPO customer account and new online IP search tool for all patent customers.	Online IP search tool launched in January 2025. Customer account to be launched later in 2025 as part of One IPO patents service.	Partially met
	Achieve an average overall customer satisfaction of 85% or more.	89%	Exceeded
Our organisation	To achieve efficiencies worth at least 3.5% of our core operating costs.	4.8%	Exceeded

Delivering our IP rights granting services

The IPO strives to deliver high quality, efficient and accessible services to our customers and is consistently rated alongside the highest performing public and private sector organisations.

Demand for many of our services remains high. However, we have continued to perform well against our customer service standards[3]. We achieved an average customer satisfaction score of 89% (2023/24 87%), which is based on an increased sample of over 6,000 customers (2023/24 4,563). Our customers rated our people highly in our “customer first” score, exceeding 90%. We also received over 600 compliments from customers regarding the service we provided.

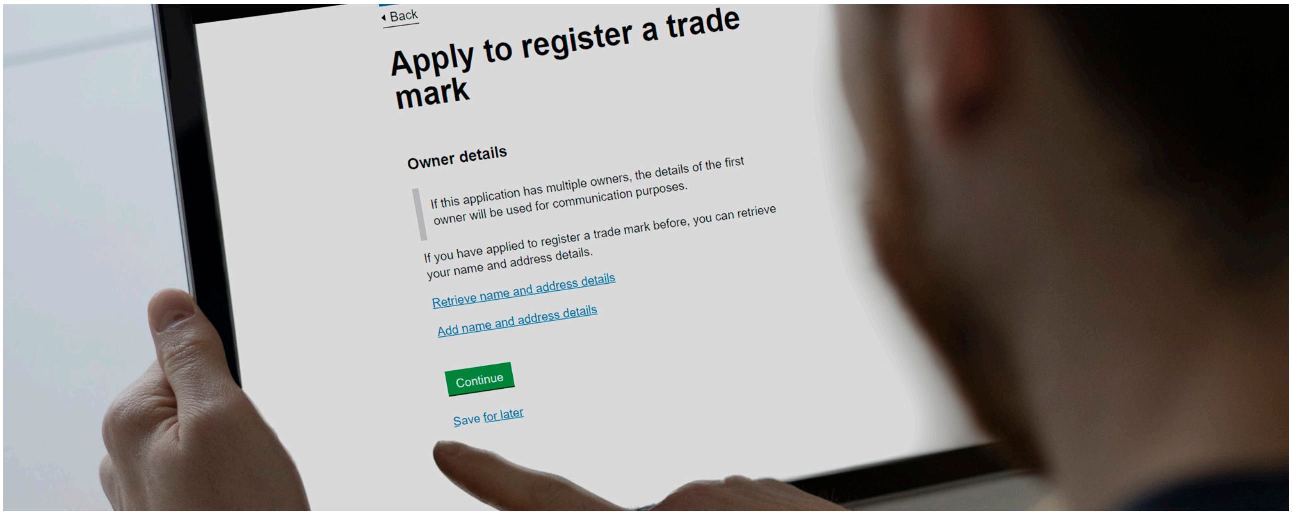
There was a small proportion of our services where we were unable to meet our customer service standards due to demand exceeding our capacity. We expand on these cases in this section for the different IP rights. We have developed robust plans to bring service levels back to expected standards within a reasonable timeframe whilst not sacrificing quality.

We published a measure of quality-of-service performance for patents, trade marks and designs externally for the first time, achieving 90% or more across all rights and benchmarking well against other IP offices.

We extended our established and award winning “Speaking our Customers’ Language” approach to our broader customer communications. These improvements had a positive impact on customer satisfaction and we continue to make it easier for customers to understand our wide range of services.

We continued to support our customers through outreach, user research and our customer care programme. Our outreach team directly engaged with around 2,500 people through exhibitions, business and export events across the UK. We have also indirectly reached over 45,000 customers via our digital tools. We also held our second customer care conference, bringing together our biggest filers to share updates and strengthen our relationships.

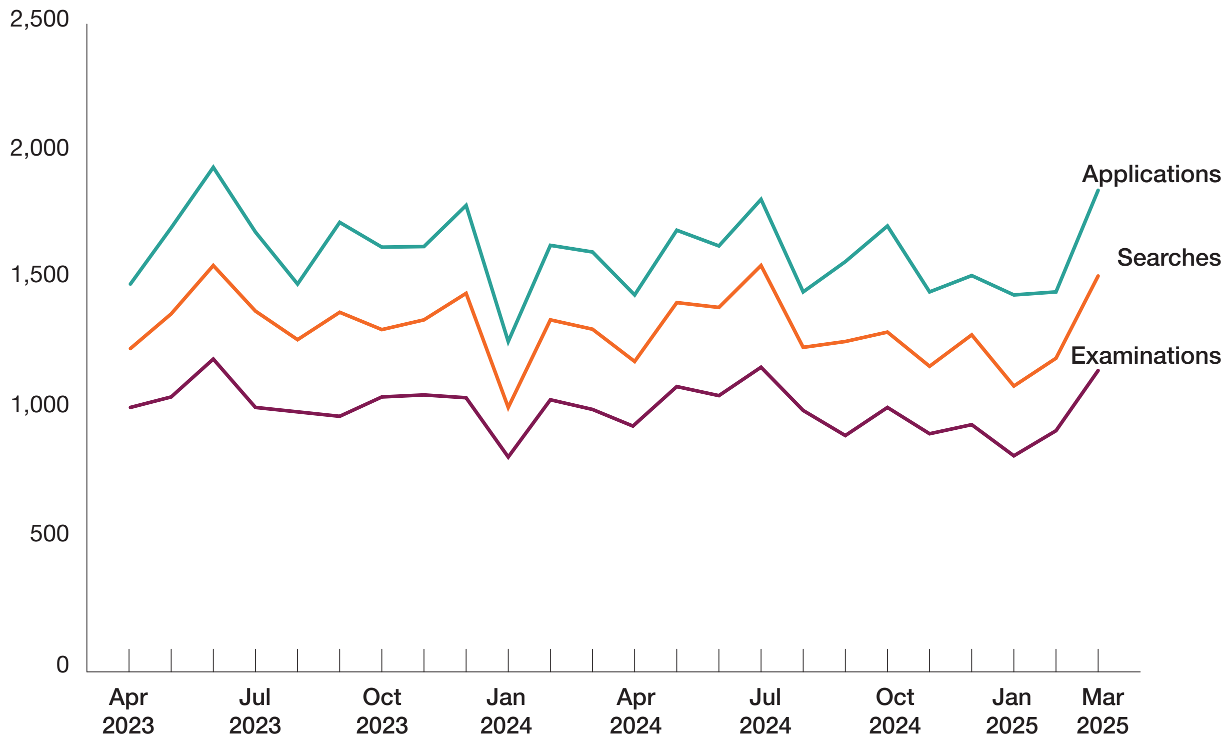
Our user research teams engaged with 670 unique customers, equating to over 830 hours of research to deliver improvements to the customer experience. Our usability testing sessions with customers who have accessibility requirements demonstrated that our services meet the latest Web Content Accessibility Guidelines (WCAG 2.2). Additionally, research carried out by the World Trademark Review (WTR) analysed the accessibility of 45 IP office websites. For the seventh year in a row, the IPO ranked third for website accessibility among national and multinational IP offices, a clear demonstration of our commitment to ensure our digital services are accessible to everyone.



3 https://www.gov.uk/government/publications/ipo-customer-service-standards

Patents

Figure 3 - Patents - applications, searches and exams



Patents	2024/25	2023/24	Year-on-year percentage movement
Applications received	19,185	19,680	-2.5%
Searches	16,052	16,365	-1.9%
Examination requests	12,623	12,948	-2.5%

Input figures present a “snapshot” of the IPO’s registered IP rights administration databases, taken at the time of drafting. Minor data variation may occur between past and future releases due to late entries on to databases and occasionally, due to corrections to booking data. Late entries mostly occur with paper-filed applications as these take longer to process than electronically filed applications; and all applications are afforded the date of receipt at the office as their date of filing.

With demand for our patent search and examining services continuing to be greater than our capacity to process the work, we faced significant challenges in delivering against our customer service standards.

We continued to prioritise requests for search, combined search and examination and accelerated actions to make sure customers with time-critical needs received a timely service.

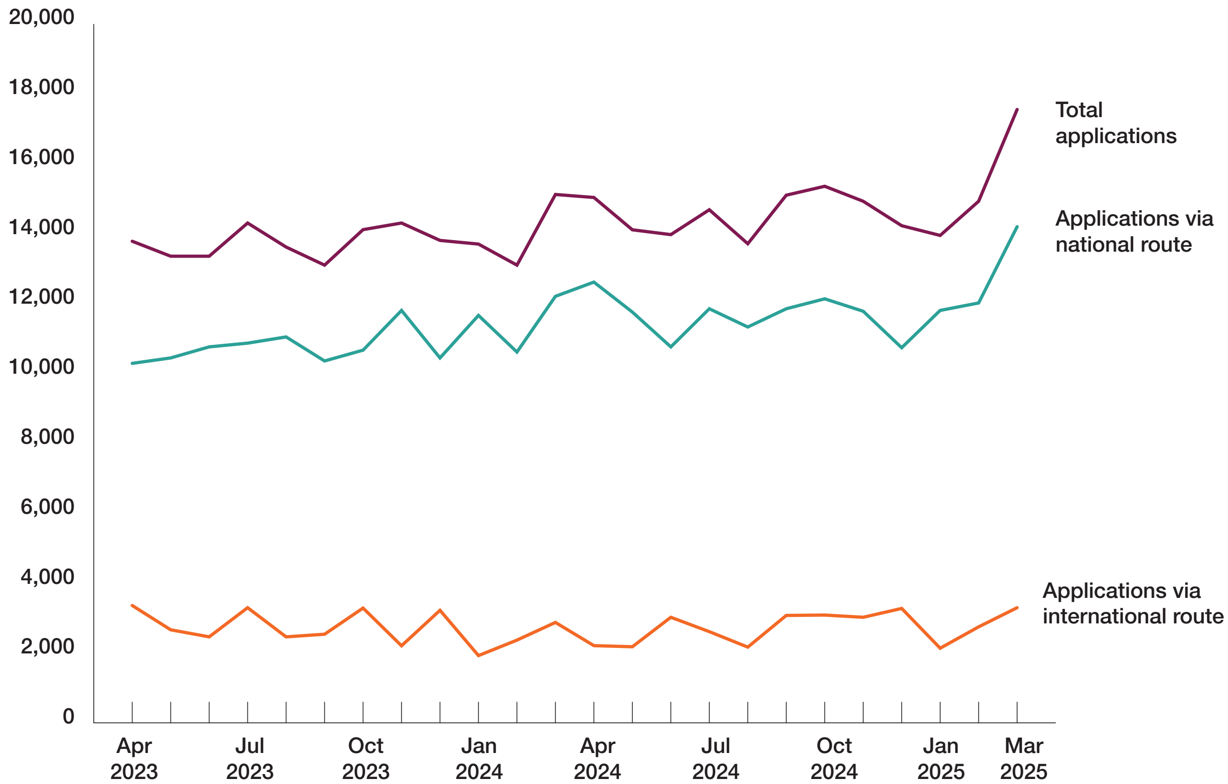
We reviewed our processes and resourcing models to help us meet current and future demand more effectively, including recruiting more patent examiners and contracting out some cases to the EPO whilst we train new examiners.

We met our customer service standard for accelerated search, publication and examination by completing 90% within two months of request. We also continued to deliver against our standard of six-months for search and combined examination turnaround. Cases contracted out to the EPO did not meet this standard, but 90% of searches completed by the IPO met the standard.

We have seen an increase in the number of applications where applicants are waiting longer to receive their first examination report than our 42 months customer service standard, with 2,332 late cases at the end of the year compared to 1,536 at the end of 2023/24.

Trade mark applications

Figure 4 - Trade mark applications



Trade mark applications	2024/25	2023/24	Year-on-year percentage movement
Total received	177,771	165,571	7.4%
National	147,582	135,711	8.7%
International	30,189	29,860	1.1%

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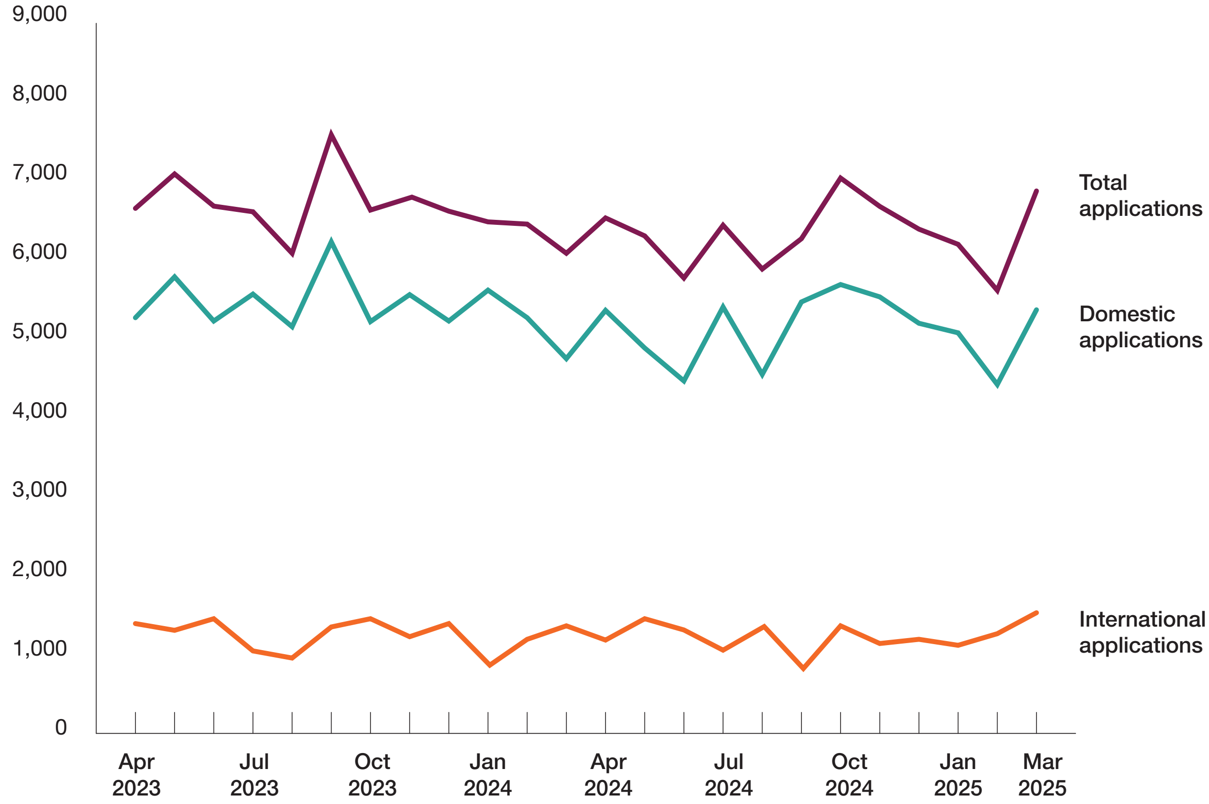
Trade mark applications received this year were the second highest on record. Applications were only higher in 2021/22 as a result of additional pandemic related demand and changes following from Brexit.

This year we have seen demand increase significantly through the national route, driven by growing demand from unrepresented UK filers and strong filings from China.

Despite the increased filings, we have maintained performance against our customer service standards throughout the year. As part of our efforts to manage demand and fluctuations in filings, we have trained examiners to have the capability to examine more than one type of right.

Design applications

Figure 5 - Designs applications



Design applications	2024/25	2023/24	Year-on-year percentage movement
Total received	77,143	81,102	-4.9%
National	62,344	66,048	-5.6%
International	14,799	15,054	-1.7%

Input figures present a "snapshot" of the IPO's registered IP rights administration databases, taken at the time of drafting. Minor data variation may occur between past and future releases due to late entries on to databases and occasionally, due to corrections to booking data. Late entries mostly occur with paper-filed applications as these take longer to process than electronically filed applications; and all applications are afforded the date of receipt at the office as their date of filing.

Overall demand for designs applications fell in 2024/25 when compared with the previous year. However, this still represents the second highest level of demand on record; we consistently met our customer service standards throughout the year.

This year we introduced a new process for issuing statements of grant of protection on international registrations. Feedback was positive, with customers telling us the statements provide evidence and faster certainty that an international design registration has been accepted, supporting design owners wishing to enforce their design registration.

Trade mark and design ex parte hearings

For trade mark and design ex parte hearings, we consistently met our target to issue reports within 10 working days of a hearing.

Tribunal proceedings

Tribunal	2024/25	2023/24	Year-on-year percentage movement
Trade mark claims (inc. oppositions and cancellations)	8,228	8,103	1.5%
Defences	2,739	2,996	-8.6%
Decisions	712	757	-5.9%
Live trade mark cases at 31 March	7,169	7,006	2.3%

This year our most significant challenge has been addressing the backlog of inter parte cases ready for decision created following Brexit. This backlog has resulted in waiting times for hearings and decisions increasing.

We took steps to address our backlog and improve timeliness by increasing our resources to ensure we have the capacity to meet the long-term future demand for all our tribunal services. Additionally, we also increased our mediation capacity as demand for alternative dispute resolution increases.

The filing of new trade mark tribunal proceedings remained high but steady compared to the previous year. Meanwhile there has been a continued rise in demand for our registered design and company names tribunal services, whilst demand for patents tribunal services remains steady.

Despite current demand challenges, feedback from tribunal users remains positive with 79% user satisfaction. The quality of our decisions remains high, with 87% of our appealed decisions being upheld and we continued to meet our casework processing targets, with 90% completed and communicated to parties within 10 days.

Digital, data and technology (DDaT)

We have maintained consistently high levels of availability of our digital services for customers, exceeding our targets for 2024/25. We continue to take pre-emptive steps to maintain services and proactively problem manage with a focus on the root causes of issues.

During this period our DDaT teams have maintained the availability of our existing (legacy) systems whilst also contributing significantly to the design and creation of our new, future estate. Availability figures for 2024/25 include those of the new One IPO Search service which was launched in January 2025.

Digital services availability target	2024/25	2023/24
Essential customer facing services Target 99.5%	99.94%	99.82%
Business critical internal services Target 99.0%	99.87%	99.74%

Delivering our strategy

Our corporate plan for 2024/25 set out the activities that we planned to deliver in the first year of our strategy. We identified five areas of focus as strategically important deliverables as well as being enablers for our organisational performance and wider activities in the plan.

We have outlined our progress against these areas of focus and wider activities in our corporate plan, against the pillars of our strategy.

Our services: High-quality, efficient and accessible

Providing high-quality, timely and cost-effective IP registration services continues to be core to how the IPO backs science, creativity and innovation to help grow the economy. We want to improve our customers' experience even further by providing more efficient, timely and accessible services.

To deliver this, we are undertaking the most comprehensive modernisation of our services through our One IPO transformation programme. Over the coming years, this will make working with IP easier for everyone, making the administrative step of registering IP as smooth as possible. This year, we implemented a new service model and are transitioning to new ways of working as the foundation for delivering our transformed services.

In addition to improving how customers interact with us and their IP, we are providing effective tools and support to innovators and creators. Through our dedicated support platforms, business outreach and online guidance we help the public and businesses to understand, protect and manage their IP to maximise its value.

Launch our One IPO patents service for all customers

We released our One IPO patents pilot to test our new service with a select group of customers. More services and features have been added to the pilot over the course of the year with feedback from customers helping us to develop a quality customer experience and services that meets their needs. Over 65 individual users at 27 attorney firms have used the service and processed transactions.

From Spring 2025 we will expand the pilot to increase the customers onboarded and transactions completed. This will allow us to further test the services and take a major step forward towards launching it publicly. The scale and complexity of the work has meant that some elements have taken us longer than we had hoped. Our number one priority throughout is to deliver a quality service for customers and we look forward to launching the new One IPO patents service to all customers in 2025.

Customers will be able to view, manage, secure and update their portfolio of UK patents online through their new customer account, accessed through GOV.UK One Login. The patent applications process enables customers to submit information in manageable chunks and in the order that suits them. They will be able to save and share draft applications with their colleagues and clients for easy collaboration and a more flexible way of working. Built-in checks will also help prevent errors and give instant feedback on formatting issues, reducing unnecessary delays.

Unlock the value of our patents data through our new online IP search tool

In January 2025 we launched the patents online IP search tool (externally known as One IPO Search) to all customers, replacing the previous Ipsum service. This is an important milestone in our transformation programme and contributes towards our strategic goal to realise the potential of our data to maximise the value of IP to society and support economic growth.

New advanced search functionality, initially for patents and supplementary protection certificate (SPC) data, offers completely new ways to view our register. From searching via key words to more powerful visualisations of our data, we are making it easier for customers to find, monitor, analyse and stay up to date with IP information.

Since its launch in January 2025, One IPO Search has been used by over 8,000 users, completing nearly 11,000 searches. Feedback during the pilot was positive, with 82% of users agreeing the service met their needs and 86% saying they found it easy to use.

In the coming years we expect to release additional features such as saving searches, setting notifications, AI-assisted searching and new application programming interfaces (APIs) for bulk data access.

Start to build our One IPO services for trade marks, designs and tribunal customers

Delays in phase one of the programme mean we will start this next phase of our One IPO transformation in 2025/26. Whilst we have been unable to undertake the exploratory work we had anticipated, we have continued our preparations, established ways of working and completed important analysis of our trade marks and designs data.

We will apply all that we have learned from transforming our patents service as we build on our new technology and infrastructure to enable creators, innovators and businesses to deal seamlessly with all their IP rights in one place.

Our policy: Supporting innovation and the economy

Following a change in government, we reviewed and adapted our policy work to deliver against the UK's new national missions. Whilst this shifted our focus from some of our planned work, we have still undertaken significant work across several major policy areas. This ensures that we continue to have an effective IP system that supports economic growth and encourages innovation, both now and in the future.

As part of our wide-ranging review on how we improve the designs framework to encourage innovation and give the UK a competitive edge, we released a survey in February 2025. We want to understand what matters most when protecting designs and how the system should be improved. Responses to this will inform our future consultation proposals later in 2025.

We also sought views on how the government can ensure the UK's legal framework for AI and copyright supports our creative industries and AI sector, receiving over 11,500 responses. As of 31 March 2025, we are working with the Department for Culture, Media and Sport (DCMS) and DSIT to analyse those responses and develop policy advice for ministers. If required to implement legislative, administrative or regulatory measures to support any new policy, this could create new resource pressures and/or technical challenges for the IPO.

We strengthened our focus on how we enable SMEs to understand the value of IP and make the most of the benefits of our IP system. During the year, we successfully piloted a new financial support scheme (IP Advance). We worked with partner organisations to target innovative, high-growth potential SMEs and provided funding to almost 400 businesses to help them protect and commercialise their IP.

Over the past year we have focussed on non-regulatory measures for SEPs, including enhancing our engagement with other national IP offices and standard development organisations. We launched our SEPs Resource Hub, which has been visited over 900 times, receiving positive feedback from SMEs seeking to navigate the complex SEPs eco-system. We have also been considering how regulatory measures could address issues around transparency of pricing and essentiality as well as the efficiency of dispute resolution.

We continued to support UK business to trade internationally through our programme of work on free trade agreements, protecting the international IP framework at the World Trade Organization, Trade-Related Aspects of Intellectual Property Rights (TRIPs) Council and offering direct business support and advice on local IP matters through our attaché network.

We successfully secured positive outcomes for the UK through two multi-lateral treaty negotiations, convened by the World Intellectual Property Organization (WIPO). The new design law treaty introduces harmonisation into designs formalities internationally. The new treaty on genetic resources and associated traditional knowledge represents a positive outcome for multilateralism that minimises risks to the international IP system.

Over the year we continued to deliver against our counter-infringement strategy. We built on the success of our regional IP crime co-ordinator network and expanded into Scotland and Northern Ireland to provide full UK coverage. Coordinators work with partners in law enforcement and industry to raise awareness of IP crime and infringement and provide specialist support with investigations, projects and training.

We also ran impactful consumer awareness campaigns to help consumers understand the risks associated with IP crime and the consequences of buying counterfeits and pirated goods. This included receiving a gold award for our 'Fake always breaks' campaign at the PRmoments 2025 Awards and a silver award for our 'Choose safe not fake' campaign at the CIPR Cymru (Chartered Institute of Public Relations) Wales Awards.

Our organisation: High-performing, with skilled people connected by shared purpose

A skilled, empowered and engaged workforce is essential to delivering on the first two pillars of our strategy. We have focussed on creating the foundations for consistent organisational high-performance, including investing in our leadership capabilities and longer-term planning.

To support this and in addition to the improvements we have made to longer-term financial forecasting we have reviewed our governance framework to aid decision making and to balance agility with oversight. We have also improved how we prioritise, plan and manage change with a continuous change cycle that is pro-active and future focussed.

Start our journey towards our future culture as individuals, teams and an organisation

To support the delivery of our strategy, we are building a culture where our people are more adaptable, accountable and connected. This is primarily being achieved through agreed locally owned actions to shift our behaviours at work towards those that will best achieve our organisational priorities. Leadership and management are important drivers of culture and the primary focus of our activities has been to set out the skills, qualities and behaviours needed to become a high-performing organisation.

We have redesigned the ways our leaders and managers connect, collaborate and give and receive feedback. This is helping to build even stronger working relationships across the office and a shared sense of trust and community.

Our refreshed performance and development framework is ensuring regular and effective conversations where every colleague has clear goals that are reviewed and evaluated regularly alongside opportunities to grow their skills and develop their career.

Our physical accommodation and working environment have a direct impact on how we deliver services to our customers. Our accommodation strategy guides our activities, helping us to promote our culture and deliver our commitments to net zero and sustainability.

Our people and customers have diverse needs. The ongoing development of our workplaces, alongside the production of a longer-term plan for our Newport office ensures our organisation has access to the tools, technology and workspaces that meet our current and future needs. We strive for quality workspaces where our people can collaborate and create or work quietly and independently as well as access wellbeing and fitness spaces to feel energised and able to do their work well.

Create a strategic workforce plan for the organisation

Our strategic workforce plan considers the range of internal and external factors likely to affect our organisation in future and sets out the ways we expect to manage these, over the next three to five years. It provides us with a structured yet flexible approach to planning and investing in the skills and qualities of our workforce. We want every team to be resourced in a way that balances service quality and operating costs in order to deliver the best value for money for our customers and achieve our strategic goals of being a financially sustainable and high-performing organisation.

As a result of this plan, we are moving towards a highly flexible and skills-based model to benefit the organisation and the people working within it. By focussing on skills rather than roles and tasks, we can create a more agile and resilient workforce that responds dynamically to emerging priorities and opportunities.

By understanding the skills that we currently possess and identifying areas for growth, we can ensure we have the right capabilities in the right place at the right time. We have updated our recruitment practices to support this. Our new 'Skills for Success' framework maps out skills from the Civil Service behaviours and supports colleagues and managers in their performance and development conversations.

Our principal risks

We have a robust approach for identifying, managing and mitigating risks at all levels of the organisation, as set out in our governance, risk management and internal controls frameworks. Further detail is outlined within the Governance statement of the Corporate governance report.

Risks relating to organisational performance and the successful delivery of the corporate plan are monitored by IPOB monthly. They are also reviewed and discussed as part of IPOB's quarterly review of our performance. Where appropriate, mitigating actions are identified, implemented and closely monitored.

Our principal risks are those most relevant to our performance and the delivery of our strategy and corporate plan in 2024/25. We expect these risks to remain relevant in 2025/26 given the operating environment and our strategic objectives. We have plans in place to continue managing them effectively. Our principal risks include:

Digital transformation and modernisation of our IP services: The scale and complexity of our transformation programme is a significant undertaking. As part of a modern digital government, we are delivering the most comprehensive changes to our services in our 170-year history. This comes with several delivery and resourcing challenges that we expect to continue managing as the programme progresses into its next phase. The first phase of the programme has taken longer to deliver than originally anticipated. We actively manage these risks and challenges through the programme's governance and the organisation's wider corporate planning and financial management processes. These support IPOB to balance other organisational priorities and investments, in line with its strategy and financial plan.

Financial sustainability: We have highlighted in the Financial summary and the IPO's strategy that it is an organisational priority to remain financially sustainable. As we plan further ahead, we recognise the organisation faces increased financial pressures due to increasing costs and planned investments in our technology, services, accommodation and workforce.

In addition to our established culture of continuous improvement and delivering efficiencies, we recognised further mitigations were needed to respond to these challenges and organisational needs. We have created a five-year financial forecast as part of improving our longer-term planning and have started the process to review our fees (as outlined in the Financial summary).

Strategic workforce planning: As a high-performing organisation we must ensure we have a more flexible, agile and resilient workforce, one that can respond dynamically to emerging priorities and opportunities. We need to make sure our workforce remains affordable and delivers value for money as we manage the demands of the organisation.

In 2024/25, we created a strategic workforce plan (as detailed in the 'Delivering our strategy' section in the Performance report). This identifies the range of factors that will influence our size, shape and capacity of our workforce, now and in the future. It provides us with a structured approach that helps us organise, develop and invest in our workforce over the coming years.

Leadership and management capabilities and change culture: Strong and effective leadership and management capabilities, together with how we embrace change as an organisation, are vital to achieving our strategy and strong organisational performance. We have outlined the steps we are taking to invest in these capabilities and our future culture in the 'Delivering our strategy' section in this Performance report.

The security threat landscape: We are committed to evolving and maturing our security capabilities in response to the increasing security threat landscape driven by rapid technological growth and other factors. In line with government and international standards we have a range of mitigations in place across personnel, physical and cyber security. This includes established business continuity and disaster recovery plans (as outlined in the Corporate governance report).

Sustainability report

Introduction

We are committed to reducing our environmental impact and contributing to the UK's ambitious target of reaching net zero greenhouse gas emissions by 2050. This includes working to the greening government commitments (GGCs) and Task Force on Climate-related Financial Disclosure (TCFD) frameworks.

Since 2008 the IPO has been certified to the international standard ISO14001 – Environmental Management System. This demonstrates our commitment and robust approach to monitoring and continually improving our environmental performance.

Over the past five years we have worked towards the GGCs for 2021 to 2025. With 2024/25 being the final year of this period, we have evaluated our progress and are pleased to report that we have achieved the targets in most areas. However, there are areas where further work is needed including embedding our new waste management processes. The performance data set out in this section covers 2021/22 to 2024/25 and the target baseline year of 2017/18. This aligns with the requirements of the GGC framework for this period.

New GGC commitments for 2025 to 2030 will come into effect from April 2025 and we have started to plan our response to meet these new expectations.

To achieve our overall goals, we recognise the importance of embedding sustainability throughout the organisation. We continued to roll out a training programme using the accredited Carbon Literacy Project. Over 50 colleagues completed the training in 2024/25.

We also updated our new starter induction programme to make sure colleagues understand our commitment to the environment from the moment they start working with us. Our awareness programme has continued this year. Our green team led a series of events to raise awareness of how we all can have a positive impact on the environment though the way we live and work.

Mitigating climate change: Working towards net zero by 2050

By the end of 2024/25, our overall carbon emissions had reduced by 38% against the 2017/18 baseline year. This has been primarily achieved through reductions in scope 2 emissions (indirect energy - purchased electricity). Scope 3 emissions (official business travel) have also reduced against the baseline year.

However, scope 1 emissions (direct – gas and fleet vehicles) in 2024/25 were higher than the baseline year. Whilst we have completed some significant projects such as renewing the gas boilers, we have been unable to demonstrate this through statistics due to historic problems with the gas metering equipment that affected the baseline year.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Overall carbon emissions (tonnes CO_2)	Scope 1	531	646	242	690	209
	Scope 2	356	360	353	393	1,279
	Scope 3	172	136	89	18	210
	Total emissions	1,059	1,142	684	1,101	1,698

Carbon emissions from our offices

For 33 years, Concept House has been the IPO's main office, based in Newport, South Wales. It was built in the 1990s and it is approaching a stage in its life where we, as the freeholder, are assessing its viability as we plan for the future. Whilst we assess our longer term needs of our accommodation, no further or significant projects or investment in Concept House that would improve its environmental performance started in 2024/25.

However, this has not affected our existing and long-standing efforts to reduce consumption and impact. We have worked with our total facilities management provider on incremental changes. We installed more efficient hot water points in the kitchens in Concept House and replaced several of the air conditioning units that provide cooling for our IT facilities with more efficient units.

We have seen a significant decrease in our gas usage compared to last year. The long-standing challenges with our metering equipment have been resolved. New boilers and calorifiers installed in the previous financial year have resulted in a positive impact in 2024/25.

Electricity usage has slightly decreased compared to last year, as shown in the following table. This has remained relatively stable over the past five years despite an increase in the number of people attending our buildings.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Energy consumption (kwh)	Gas	2,874,236	3,522,974	1,305,532	3,750,278	1,120,473
	Electricity	1,580,931	1,598,238	1,673,403	1,700,877	2,846,408
Cost (£)	Gas	229,089	156, 417	95,238	98,147	117,319
	Electricity	511,923	440,650	368,411	299,802	421,863

Carbon emissions from travel

This year we reviewed our travel policy and internal processes for claiming travel expenses. In 2025/26, we will make it easier for colleagues to identify and choose more sustainable options to help reduce business travel further.

We were making good progress against the government target to reduce domestic flights by 30% when compared with the baseline year. However, an increase in flights towards the end of the financial year limited our reduction to 10%.

We operated with two fleet vehicles in 2024/25. We renewed our leasing agreement in 2024 and reverted to diesel vehicles due to the cost to lease ultra-low emission vehicles (ULEVs) at that time.

As a result of reducing the volume of deliveries, we will operate with one fleet vehicle in 2025/26. We will review all of our deliveries with a view to make further efficiencies. We will also make our preparations to meet the government commitment for 100% of the cars and vans in the government's fleet to be zero emission by 2027.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Non-financial indicators (kg CO_2)	Air travel (total)	112,041	88,964	56,613	9,829	125,335
	Air travel (domestic)	5,771	3,381	2,049	610	6,405
	Air travel (international short haul)	21,893	23,489	16,583	n/a	n/a
	Air travel (international long haul)	84,377	62,094	37,981	n/a	n/a
	Rail travel	30,018	24,746	16,469	3,650	32,890
	Road travel	29,495	21,692	14,953	3,185	50,480
	Taxis	810	521	654	1,270	1,760
Cost (£)	Travel expenditure (UK)	435,818	459,818	376,419	90,588	675,526
	Travel expenditure (overseas)	342,863	329,654	234,656	16,691	358,850
	Accredited offset purchases	-	-	-	-	-

N/a refers to instances where the associated data was not a reporting requirement at the time and the data may not have been collected.

Minimising waste and promoting resource efficiency

Overall waste has fallen this year and the amount we recycle has increased. At the start of 2024/25 our recycling rate was around 30% of total waste, which is lower than the 70% required by GGCs. We have since reviewed our waste processes, streamlined and improved the accuracy of our data recording and rationalised our waste contracts. As a result, we increased our recycling rate to 50% across 2024/25. Whilst this remains below the government target, we are confident there will be further improvements as our new waste processed are embedded.

We have stopped the use of disposable coffee cups in catering outlets at our main office in Newport, in line with the GGC requirement to remove consumer single use plastic (CSUP) from the central government office estate.

We also donated unwanted office furniture to other organisations including a local specialist education centre. Any furniture that cannot be reused is sent to a not-for-profit organisation that recycles waste wood and develops skills for people with additional needs or are finding it difficult to obtain mainstream employment.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Non-financial indicators (tonnes)	Total waste	102	145	132	174	393
	Waste incinerated with energy recovery	51	100	88	30	60
	Waste incinerated without energy recovery	-	-	-	-	-
	Reused/ recycled	48	43	42	104	263
	ICT recycled and reused	3	2	2	15	2
	Waste composted	-	-	-	-	4
	Landfill	-	-	-	25	64
	% recycled	50%	31%	34%	68%	68%
Disposal costs (£)	Total waste	47,934	41,538	35,599	44,758	40,880
	Waste incinerated with energy recovery	5,997	19,744	20,304	11,336	n/a
	Waste incinerated without energy recovery	-	-	-	-	-
	Reused/ recycled	36,450	17,562	13,432	23,227	26,566
	ICT recycled and reused	5,400	4,232	1,863	4,212	n/a
	Waste composted	-	-	-	-	-
	Landfill	87	-	-	5,983	14,314

Landfill costs recorded in 2024/25 are historic costs from a disposal that took place in 2021 but payment was made in 2024.

Paper use

Current paper usage is 84% lower than the baseline year. (The GGC target is a 50% reduction.) We have reduced office printers by 40% when compared to the previous year which has contributed to an annual reduction in printing. We will pursue further reductions into 2025/26 as we renew our printer contract.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Non-financial indicators	Paper consumption (A4 reams equivalent)	1,233	1,435	1,363	1,300	7,500
Cost (£)	Paper costs	9,031	7,790	3,506	7,762	22,445

Reducing our water use (finite resource consumption)

Mains water usage has reduced compared to the previous year. It is 24% lower than the baseline year (7% reduction required by the GGCs). This is despite no additional water saving measures being implemented this year. We already use harvested rainwater for everything other than bathroom and kitchen taps. There are few opportunities left to make further efficiencies.

		2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Non-financial indicators	Water consumption (m^3)	3,833	4,075	3,159	6,129	5,055
Cost (£)	Water consumption costs	18,761	12,605	12,041	10,917	19,426

Procuring sustainable products and services

Our commercial team continues to embed sustainable and ethical practices in a measured and pragmatic manner.

We primarily procure our goods and services through overarching frameworks put in place by the Crown Commercial Service. Within those commercial constructs, suppliers must provide evidence of their compliance with environmental legislation such as ISO 14001. When procuring outside of those existing frameworks, suppliers are tested on their compliance via the selection questionnaire which effectively makes sustainability and environmental practices a pass or fail requirement.

The commercial team is required to annually report on its compliance with the Government Functional Standard for Commercial. We attained a “good” performance rating, which demonstrates our value for money, operational efficiency and management of supply chain risks to the organisation.

In terms of procuring food and catering supplies, we do not have our own catering outlets as the Office for National Statistics (ONS) provide these services for our shared site. On the occasions that we procure food supplies and services, we require the contracted supplier to follow the same principles on sustainable procurement and uphold food safety standards.

The way we procure leased items or services is not entirely different from outright purchasing. We consider the total cost of ownership, the suppliers certifications and their procurement practices.

Nature recovery and biodiversity action planning

Legislation in both England and Wales places a duty on public bodies to implement nature recovery plans that enhance biodiversity and ecosystem resilience. Additionally, the GGCs require organisations with outside space to improve the biodiversity of their sites.

We have acted on the commitment in our Annual Report and Accounts for 2023/24 to complete a nature recovery plan for our Newport site. Independent experts used information from site visits and stakeholder workshops including Natural Resources Wales and Newport City Council to provide recommendations on mitigating and adapting to current and future requirements. We have since introduced new wildflower areas and herb planters. However, any significant spend in future is subject to our review of our longer term accommodation needs.

The GGCs also require organisations to improve pollinator-friendly habitats. We own three beehives from which we harvested two crops of honey this year. These were used by colleagues who made donations to a local wildlife charity.

We have also continued to make a difference within our local communities through team volunteering events including tree planting at a local woodland, removal of non-native flora from the Bannau Brycheiniog (Brecon Beacons) National Park and supporting a local upcycling charity.

Adapting to climate change

A climate change risk assessment (CCRA) for Concept House has been completed. Understanding the risk and the areas that need greater resilience from climate change is a key requirement of the GGCs.

The CCRA assessed both the direct (isolated) climate risks to IPO and those that have the potential to be cascading or interdependent risks that might influence or be influenced by other organisations. Several risks were identified, most of which can be covered by our routine maintenance schedule. However, those that require more significant investment will form part of the decision on the long-term future of Concept House in Newport. The CCRA will be shared with our new total facilities management provider and part of their role will be to look for improvements and provide recommendations. More information on how we address climate change is provided in the section on Task Force on Climate-related Financial Disclosures.

Reducing environmental impacts from ICT and digital

The Digital Data and Technology Directorate (DDaT) has an important role in reducing our environmental impacts. The main area where we contribute to the GGCs is the reduction of greenhouse gasses through the reduction, reuse and recycling of consumables. In 2024/25 we purchased new surface devices for all IPO colleagues and moved away from a leasing arrangement. This means we can maximise the lifespan of this hardware and improve our sustainability impacts.

We also donate obsolete kit it to community organisations who can make further use of it or sustainably dispose of items that cannot be reused. Our disposal and recycling processes are also aligned with the ISO 27001 standard for information security.

The phased delivery of our transformation programme is ongoing and we will not reap the full benefits of the programme until fully implemented. We seek to make such efficiencies and savings, both cost and carbon emissions as part of its delivery and final stages of implementation.

DDaT fully embraces the concept and government policy of ‘cloud first’ through the way we operate and manage our systems and services. Our architectural principles are that potential public cloud services will be evaluated before considering alternatives. Government-based cloud services will be considered first and existing technologies will be reused if they have the required capability.

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD compliance statement

We have reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance. This interprets and adapts the framework for the UK public sector. The IPO has complied with the TCFD recommendations and disclosures around:

- governance - recommended disclosures (a) and (b)
- risk management - recommended disclosures (a) to (c)
- metrics and targets - recommended disclosures (a) to (c)

This is in line with the government TCFD-aligned disclosure implementation timetable. We plan to provide recommended disclosures in future reporting periods in line with this timetable.

A decision regarding climate change as a principal risk to the organisation will be reviewed as part of IPOB's assessment of the mitigations and future actions arising from the CCRA and the organisation's review of its longer terms needs of its accommodation.

Governance

Governance of climate related risks in IPO follows the same framework as our other governance arrangements. Our approach ensures we adhere to the government's corporate governance code for good practice (as set out in the Corporate governance report).

Board's oversight of climate-related issues (a)

In relation to climate risks and issues, IPO Board and Steering Board:

- set direction
- delegate governance and/or decisions to directors within their own remit
- delegate authority to committee to govern organisational and operational delivery
- approve in-year resource and finance requests and changes to corporate plan activities

Management's role (b)

Our Organisation Committee (Performance Committee from April 2025) provides assurance to IPO Board and has the following responsibilities:

- monitors organisational and operational performance
- has delegated authority to govern performance, with the ability to try and solve issues
- escalates items to IPOB when unable to fix within their own capability

Day to day management of climate change, net zero and GGC activity across the IPO is coordinated by the environment team which reports to the Director of People, Communications and Workplace through the Head of Property. They attend IPOB or Performance Committee meetings as appropriate when decisions are needed or updates required.

Risk management

The management of climate-related risks follows the corporate risk management process (as set out in the Governance statement). In 2024, an additional and independent climate change risk assessment (CCRA) was commissioned to advise further on actions required.

Risk identification and assessment (a)

The CCRA identified 13 risks with the four most significant risks being:

- risks of inundation to the IPO energy centre
- impacts of overheating on site staff
- adverse effects from local flooding and reduced site access
- impacts on hard landscape surfacing and car park areas

These risks have been accepted and assessed by the environment team. In 2025, an adaptation plan with existing or planned actions will be produced and IPOB will consider whether these risks should form a principal risk on IPOB risk register.

Risk management (b)

The climate-related risks identified by the CCRA are currently managed at directorate level where the risk impact and mitigating activities are managed within the environment team. If it is felt that the risks require escalation at any time, they will be escalated.

Overall integration (c)

As the most significant risks relate to our accommodation and surrounding land, their long-term mitigations and any further actions will be taken forward as part of the organisation's ongoing review of its future accommodation needs.

Metrics and targets

The GGCs set the framework by which we measure our performance. When compared to the baseline year of 2017/18, the GGCs expected us to make the following reductions by 31 March 2025:

- 62% reduction in the overall greenhouse gas emissions
- 30% reduction in direct greenhouse gas emissions from our estate and operations

Metrics (a)

We have reduced overall emissions by 38% but have shown an increase in direct emissions. Further information can be found in the section on "Mitigating climate change: Working towards net zero by 2050".

Emissions (b)

A breakdown of our scope 1, 2 and 3 emissions over the past five years can be seen in the 'Mitigating climate change: working towards net zero by 2050' section of the Sustainability report. These calculations follow the GGC reporting framework provided by the Department for Environment, Food and Rural Affairs (DEFRA).

Targets (c)

From 2025/26, we will follow the updated GGC targets to 2030 that commit us to reduce:

- direct (scope 1) emissions by 30% from our 2025/2026 level
- overall (scope 1, 2 and business travel scope 3) emissions by 45% from our 2025/2026 levels

We have also set an internal aim to increase the rollout of carbon literacy training across IPO. In 2024/25 we trained over 50 colleagues and will build on this number throughout the next financial year.

Our plans for 2025/26

As set out in our 2025/26 corporate plan, some of the activities we will deliver are:

- launching our new patents service and customer account to all customers in 2025, allowing them to manage their patents in one place
- starting the next phase of our transformation programme, which focuses on our trade marks, designs and tribunals services, which will allow our customers to deal with all their IP rights in one place
- maintaining our existing systems and begin to decommission legacy services whilst still providing excellent customer service
- working with DCMS and DSIT to develop practical measures which progress the government's priorities on copyright and AI
- continuing to develop our IP crime centre of excellence and delivering our work set out in the counter infringement strategy, strengthening enforcement efforts and improving collaboration to tackle IP crime more effectively
- supporting SMEs with access to finance and empowering them to make informed IP decisions that boosts their ability to manage their IP effectively for growth
- continuing to shape the international IP system so that it supports UK and global innovation through our policy interventions, promoting an effective, balanced global IP framework
- progressing our work on SEPs, with a view to providing clarity and certainty for businesses and innovators operating in this eco-system
- continuing our review of the UK's designs framework, ensuring it remains fit for the future and supports UK right holders
- implementing our leadership and accommodation strategies, strengthening leadership capability and offering a modern, flexible working environment
- implementing our strategic workforce plan, ensuring we have the skills, capability and capacity to deliver our priorities effectively
- continuing our journey towards our future culture, focusing on creating the right conditions and support our teams and individuals to bring our culture to life; being accountable, adaptable and connected
- reviewing our current fees across all registered rights to ensure cost pressures are met and we remain self-funded and financially sustainable

Adam Williams

Adam Williams
Chief Executive and Accounting Officer
7 July 2025

Accountability report

Corporate governance report

This report is presented as required by the 2024/25 Government Financial Reporting Manual (FReM)[4] issued by HM Treasury.

Directors' report

Our corporate governance structure is described in our Framework Document.[5]

The ministers responsible for the IPO during the year were The Viscount Camrose until 8 July 2024 and Feryal Clark MP who was appointed on 9 July 2024.

For details of our boards and committees please refer to the Governance statement.

Statement of Accounting Officer's responsibilities

Under section 4(6)(a) of the Government Trading Funds Act 1973, HM Treasury has directed the Patent Office to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Patent Office and of its income and expenditure, Statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and to disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Chief Executive as the Accounting Officer for the Patent Office.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Patent Office's assets, are set out in Managing Public Money[6] published by HM Treasury.

Accounting Officer's confirmation

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Patent Office auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

4 https://www.gov.uk/government/organisations/intellectual-property-office/about/our-governance
5 https://www.gov.uk/government/publications/government-financial-reporting-manual-2024-25
6 https://www.gov.uk/government/publications/managing-public-money

Governance statement

Scope of responsibility

In accordance with Section 4(6) of the Government Trading Funds Act 1973, HM Treasury has appointed me as the Accounting Officer for the IPO (Intellectual Property Office).

As Accounting Officer, I am responsible for maintaining sound governance, risk management and systems of internal control that support the achievement of the aims and objectives of the IPO, whilst safeguarding the funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money[7].

Purpose of this statement

This statement explains how the IPO has complied with the principles of good governance and reviews the effectiveness of the system of internal controls.

The governance framework of the IPO

The IPO corporate governance structure comprises of the Executive Board (IPOB) supported by three sub-committees: Our Services Committee (formerly Delivering Excellent IP Services Committee), Our Policy Committee (formerly Creating a World Leading IP Environment Committee) and Our Organisation Committee (formerly Making the IPO a Brilliant Place to Work Committee).

There is also the Transformation Programme Board, the Audit and Risk Committee and the Steering Board, each with complementary functions. The governance framework is explained in our Framework Document, which sets out the policy, planning, accountability and delegations within which the IPO operates. In May 2024, the IPO adopted a new strategy comprising of the three pillars: our services, our policy and our organisation. The committee names were amended to reflect these pillars.

I chair IPOB and it usually meets informally on a weekly basis, formally twice every month and quarterly to review progress against our corporate plan. IPOB has collective responsibility for the leadership and strategic management of the IPO, in line with ministerial priorities, our strategy and corporate plan. During the year, IPOB has worked collaboratively to develop our corporate plan for 2025/26 and monitor the delivery of our corporate plan for 2024/25.

During 2024/25, we have completed a governance review that identified opportunities to simplify processes for more efficient and effective outcomes. As a result, Our Organisation, Our Services and Our Policy committees will be replaced with a single new governance board called the Performance Committee. This new committee will have delegated authority from IPOB to monitor organisational performance. This change will be implemented from April 2025 to coincide with the 2025/26 corporate plan.

7 https://www.gov.uk/government/publications/managing-public-money

Member attendance at IPOB meetings held during April 2024 to March 2025

Members	Meetings attended (22 in year)
Adam Williams CEO and Accounting Officer	22
Andy Bartlett Deputy CEO and Director of Services	19
Sian-Nia Davies Chief Digital, Data and Technology Officer	22
Neil Hartley Director of Finance	20
Ben Llewellyn-Jones Director of Business and International Policy (left IPO October 2024)	9 (of 11)
Chris Mills Director of Rights Policy and Enforcement	20
Penny Phillpotts Director of People, Communications and Workplace	20
Steph Bell Interim Director of Strategy (until end of 28th January 2025) Director of Strategy (from 29th January 2025)	18
Lorna Dukes Interim Director of Enforcement, International and Policy (from November 2024)	9 (of 11)

Our Services was chaired by the Deputy CEO and Director of Services. It was responsible for providing governance and oversight of all matters relating to IPO's strategic pillar of high quality, efficient and accessible services.

Our Policy was co-chaired by the Director of Rights Policy and Enforcement and the Director of Business and International Policy. It was responsible for providing governance and oversight of all matters relating to the IPO's strategic pillar of supporting innovation and the economy. This included our work relating to the UK's IP system, supporting the enforcement of IP rights and shaping an IP system internationally that can support innovation fairly across the globe.

Our Organisation was chaired by the Director of People Communications and Workplace. It supported, drove and challenged delivery relating to the IPO's strategic pillar to become an organisation that is consistently high-performing with skilled people connected by shared purpose. This covers our work around our culture, working environment, workforce planning, governance systems and financial sustainability.

All committees were chaired by an executive director and also had an additional executive director member as well as a variety of subject matter experts with experience in areas relevant to the delivery of the strategy pillar for which the committee was responsible. Each committee acted with delegated authority from IPOB and handled all matters relating to their pillar including approving business cases, reviewing performance and managing risk. Committees referred any matters of exceptionally high financial or reputational risk to IPOB. Each committee met monthly and produced a highlight report, which was submitted to IPOB.

Following the governance review, from April 2025 the above three committees will be replaced with a single Performance Committee. As a result, new processes are being introduced to help provide assurance on the effectiveness of governance and management of risks at an operational level. New activities being introduced include training workshops with risk representatives and senior leadership teams across the office, and attendance at individual Directorate meetings to oversee the discussions taking place with a view to identifying any improvements that could be implemented.

The Transformation Programme Board is chaired by the Deputy CEO and Director of Services and reports directly to IPOB. It reviews the performance of the transformation programme, acts as a change control authority, and provides support and assistance to ensure the programme is delivered in line with IPO's assurance procedures.

The Steering Board has an independent non-executive chair and seven further non-executive directors as members. A designated deputy attends for the Director General for Science, Innovation and Growth at the Department of Science, Innovation and Technology (DSIT). I am also a member, along with the Deputy CEO and Director of Services.

The role of the Steering Board is to advise ministers on the IPO's strategies and performance (including targets) as set out in the IPO's strategy and corporate plan. It also scrutinises and provides advice on our performance, risk, operations and development across a range of issues. The Steering Board met five times during this period. Other members of IPOB have attended Steering Board and, whilst not formal members, participated in discussions and shared information pertinent to their roles.

Member attendance at Steering Board meetings held during April 2024 to March 2025

Members	Meetings attended (5 in year)
Harry Rich Non-Executive Director and Chair of Steering Board	5
Laurie Benson Non-Executive Director	5
Harriet Kelsall Non-Executive Director	5
Andrew Lawrence Non-Executive Director and Chair of Audit and Risk Committee	5
Lopa Patel Non-Executive Director (term ended 30 July 2024)	2 (of 2)
Hilary Newiss Non-Executive Director	5
Timothy Render Non-Executive Director (term began 3 September 2024)	3 (of 3)
Catherine Salway Non-Executive Director (term began 3 September 2024)	3 (of 3)
Kirsty Whitehead Non-Executive Director (term began 3 September 2024)	3 (of 3)
Adam Williams Accounting Officer / CEO	5
Andy Bartlett Deputy CEO and Director of Services	5
Lindsay Jamieson DSIT representative	4

All directors and non-executive directors are required to complete conflict of interest and related parties disclosure forms every year. Interests are then published externally on GOV.UK on the Register of Board Members' Interests[8]. No related party transactions arise from these members' other interests.

The Audit and Risk Committee is a sub-committee of the Steering Board, advising on risk, control, governance and associated issues. The committee comprises a non-executive chair, two further non-executive members of the Steering Board and one independent member from another government department. I am an obligatory attendee, along with the Deputy CEO and Director of Services, and the Director of Finance. There are additional attendees by invitation. In addition to providing me with assurance over the preparation and signing of the IPO's accounts for 2024/25, the committee considered the findings of seven internal audit reviews themed around the key risk areas including IT controls, maintenance of services, performance management and enforcement activities.

8 https://www.gov.uk/government/publications/register-of-board-members-interests/register-of-board-members-interests

Member attendance at Audit and Risk Committee meetings held during April 2024 to March 2025

Members	Meetings attended (5 in year)
Andrew Lawrence Non-Executive Director and Chair of Audit and Risk Committee	5
Harriet Kelsall Non-Executive Director	4
Lopa Patel Non-Executive Director (term ended on 30 July 2024)	2 (of 2)
Kirsty Whitehead Non-Executive Director (term began 3 September 2024, appointed to ARC in February 2025)	2 (of 2)
Chris Pleass Independent member from another government department	5

Obligatory attendees of Audit and Risk Committee

Adam Williams
Accounting Officer/Chief Executive Officer

Andy Bartlett
Deputy Chief Executive Officer and Director of Services

Neil Hartley
Director of Finance

Attendees of Audit and Risk Committee by Invitation

Julie Griffiths
Head of Risk, Governance, Counter Fraud and Assurance

Tony Stanley
Head of Internal Audit (Government Internal Audit Agency)

Eli Johnson
DSIT representative

Incumbent
External auditors from National Audit Office

Incumbent
Representatives of external auditors (KPMG)

The effectiveness of the IPO's boards and members are measured in several ways:

- secretariat and I regularly review IPOB's work programme ensuring that it addresses the requirements of the IPO and DSIT
- non-executive board members are reviewed individually on an annual basis and appointed for up to three years at a time
- Audit and Risk Committee undertakes an annual self-assessment which makes recommendations for change
- mid-year and end of year directorate performance reviews are held with each director and their senior team to assess performance against targets and the Corporate Plan
- an external effectiveness review of the Steering Board is conducted every three years

The latest external effectiveness review of the Steering Board was concluded in June 2021. The review found that there was a substantial amount of goodwill, professionalism and co-operation in how the Steering Board operated and that there were no fundamental issues that needed to be addressed. An external review is planned for the end of 2025.

Business Appointment Rules

The Business Appointment Rules apply to civil servants who intend to take up an appointment or employment after leaving the Civil Service. It is important that when a former civil servant takes up an outside appointment or employment there should be no cause for justified public concern, criticism or misinterpretation.

For members of the Senior Civil Service and equivalents, including special advisers of equivalent standing, these rules continue to apply for two years after the last day of paid Civil Service employment. For those below the Senior Civil Service and equivalents, including special advisers of equivalent standing, these rules continue to apply for one year after leaving the Civil Service, unless, exceptionally, the role has been designated as one where a longer period of up to two years will apply.

These rules are included in our standard terms and conditions letters for all new joiners to the IPO. In addition, guidance is published on our intranet and is readily available for all staff and a reminder is also included in leaver letters.

In 2024/25, five SCS left the IPO; two of them substantive and three SCS analogues. We received no applications but have clarified the (central) guidance as a result of the circumstances of one of those individuals' departure to broaden the criteria under which notification should occur.

The risk and internal control framework

Providing an IP system that encourages investment in creativity and innovation is complex. Our organisation is responsible for developing the legislative and policy framework, delivering quality rights granting services, increasing awareness and education, and reducing IP crime and enforcement. We work as part of an international system and retaining a global outlook is important.

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of our aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they materialise and to manage them effectively and economically. This system has been in place throughout 2024/25.

We continually assess and refine management data to make sure that IPOB are provided with the most appropriate information to allow them to identify and respond to emerging risks. IPOB are involved in shaping the information they receive to ensure its quality and that it meets their needs in overseeing the business.

Risk management

The IPO risk management policy and framework is aligned to the government's Orange Book: Management of Risk – Principles and Concepts.

IPO has an established assurance framework in place based on the three lines of defence model as outlined in the Orange Book. The components of this framework include assurance mapping of all key functional activities, compliance with the government's functional standards, an annual self-assessment by all directors of the assurance arrangements in their directorate and assurance statements signed annually by directors.

Whilst we believe we have a good level of compliance with the Orange Book, we have begun a further in-depth assessment of compliance to enhance our framework. This assessment will continue throughout 2025/26 and include more regular engagement with our directorates to test compliance and any associated action plans.

The IPO has a robust risk management structure and process which has resulted in a number of significant risks being effectively managed throughout the year. The identification of appropriate mitigating actions and the effective management and implementation of them ensured that delivery was no longer at risk and they were able to be closed. These included the effective delivery of our corporate plan and the management of external pressures on our teams.

Risk continues to be reviewed at IPOB monthly and risk updates continue to take place with risk owners and action owners regularly. This enables the central risk team to provide more detailed challenge on progress, mitigating activities and scoring.

Additional risk information is also provided every quarter as part of the quarterly reforecasting exercise. This enables the early identification of any potential slippage to the delivery of the agreed and externally published corporate plan and other priority areas of work. This process supports discussions and appropriate decisions taking place at timely intervals throughout the year and the identification and embedding of any remedial actions. The risk management team also attend associated IPOB meetings to capture any additional risks that IPOB may identify.

A risk report pack is sent to every Audit and Risk Committee and Steering Board meeting for review and discussion. Two separate exposure maps are presented. One captures the strategic risks being managed by IPOB and the other captures the corporate level risks being managed by committees.

The Transformation Programme Board's red-rated risks are also included in the corporate level exposure map for visibility. This visibility ensures that discussions are focussed on the strategic level risks but also provide clear oversight of the other important risks being managed by the governing bodies across the office.

During 2024/25, the risk reporting pack was changed to align with the new refreshed IPO strategy. The format was also improved, providing a clearer layout of all the mitigating activities and progress. This was well received by the Board and is in the process of being rolled out across the Directorates via the risk representatives' network.

Programmes and projects have responsibility for managing their own risk registers (with guidance and support from the central risk team). They are reviewed and maintained by the programme manager, project manager or associated risk owner. Risk is a standing agenda item at the Transformation Programme Board where risks are reported and discussed. It also reports quarterly to the Audit and Risk Committee. The transformation programme's red risks are also reported monthly as part of IPOB risk reporting pack.

Each directorate maintains its own prioritised risk register and has a named individual (risk representative) who is responsible for ensuring that a sound risk management culture is promoted within their area. Regular meetings take place with all IPO risk representatives to agree areas of focus and share best practice. Numerous topics have been discussed throughout the year such as risk appetite, the benefits of the rolling RAG table, the use of exposure maps and the risk representative role and expectations.

As a result of identifying a risk in 2023/24 relating to the activities carried out by the IPO on behalf of the Secretary of State, the Accounting Officer's appointment letter was revised in 2024/25 to clarify the basis on which some of the activities take place.

Blank page risk workshops and horizon scanning

Blank page risk workshops were carried out for all three committees in May and June 2024. The formats were tailored to the areas of focus determined by each Chair. These included workshops focussed mainly on the delivery of the associated corporate priorities and full blank horizon scanning workshops using PESTLE (political, economic, sociological, technological, legal and environmental) to prompt wider thinking.

The central risk team also supported risk representatives to carry out blank page risk workshops at Directorate level.

Risk training

All risk representatives are required to attend a management of risk accredited training course. Two courses were arranged during this period, with five members of staff completing the course. Attendees have one year from the date of the course to take the exam, and to date it has been confirmed that two have passed, with those remaining being monitored for compliance throughout the next year.

Collaboration and cross-government networks

The Head of Risk, Governance, Counter Fraud and Assurance is a member of several cross-government networks including risk improvement group (RIG), head of risk network (HoRN), joint horizon scanning forum, and cross-government assurance network. All groups meet virtually with the aim of discussing any new requirements, offering support and sharing best practice.

Risk appetite

The risk appetite statement is included as a reference paper for all boards and committees. A section is also included in the relevant board/committee paper templates. It is published on the IPO's intranet and all directorate risk representatives have been trained in its use.

Risk appetite was recently discussed by IPOB, who requested a different approach be taken to make risk appetite a more obvious part of the discussions and decision-making process. The focus and actions being taken forward into 2025/26 are to:

- review decisions already made by IPOB and cross-reference them with the associated risk appetite, which will identify if the decisions were made in line with the risk appetite and if any lessons could be learned
- identify options on making the associated risk appetites clearer on the risk pack

Government functional standards

Compliance with all the required government functional standards is reported by each directorate on their assurance map. This information was updated and presented to the Audit and Risk Committee in March 2025 as part of an annual governance workshop.

I am pleased to say we have either 'good' or 'adequate' levels of assurance against the following functional standards:

- Project delivery
- Human resources
- Property
- Digital
- Finance
- Security
- Commercial
- Internal audit
- Communication
- Counter fraud
- Debt
- Grants – Whilst we are out of scope of this functional standard, we use it as an opportunity to align with good practice

With the aim of continuous improvement, plans have been identified and will be taken forward in 2025/26 for the following areas:

- Analysis – A cross-IPO analysis framework is being developed
- Project delivery – Our Programme Management Office is developing plans to promote best practice consistently across all programmes and projects
- Property – Plans to enhance compliance in facilities management and data standards

In addition, our DDaT directorate had a Government Internal Audit Agency (GIAA) internal audit on its compliance with the digital functional standard. It resulted in a 'moderate' opinion with the report stating that GIAA 'undertook a benchmarking exercise against other government departments and arm's length bodies (ALBs) and can confirm that the IPO DDaT directorate is one of the strongest performers in terms of governance processes to collate and report on GovS (government functional standards) conformance'.

Internal audits

Maintaining and improving effective governance within the IPO remains a priority. A comprehensive internal audit programme is agreed with GIAA each year with the resulting reports and recommendations reported to the Audit and Risk Committee and IPOB. This year, the Head of Internal Audit's annual report and opinion provided a 'moderate' opinion on the effectiveness of governance, risk management and control activities. That opinion was formed based on the delivery of internal audit reviews, attendance at boards and committees, reviewing the strategic risk register and all three committee risk registers. The results of the work delivered by the internal audit team provided one 'substantial' opinion and six 'moderate' opinions.

Counter fraud and official error

The Senior Risk and Counter Fraud Manager has been working with all business areas to ensure that there is accurate and timely reporting of all instances of actual and prevented fraud and official error. A report is presented at every Audit and Risk Committee meeting showing trends and figures for comparison each quarter. The report also includes comparisons from previous years for context and reflection. Fraud and error figures are also reported to DSIT and the Cabinet Office on a quarterly basis.

The Senior Risk and Counter Fraud Manager is a member of a number of cross-government networks including the internal fraud hub working group and the community of practice. They meet regularly to discuss any new requirements and to share best practice.

The Senior Risk and Counter Fraud Manager and the Risk Counter Fraud and Assurance Officer are also members of the monthly security meetings (MSEC). These meetings bring together representatives from across the office including IPO Secure, HR, physical security and DDaT where incidents are discussed and information is shared.

Internal counter fraud and official error loss prevention training sessions continue to be available to all staff remotely and in-person. Counter fraud e-learning is available on the Civil Service Learning platform and continues to be part of the IPO's required learning courses.

Due to the controls embedded throughout the IPO and the monitoring and reporting activities that take place throughout the year, there have been no serious cases of fraudulent activity identified.

Whistleblowing and raising concerns

Our policy entitled 'policy for raising concerns (including whistleblowing)' is available for all our people to access on our intranet site. There were no reported concerns during this period.

The information is reviewed quarterly to ensure the process is working from start to finish and we publish reminders out via IPO's intranet and the leadership and management community on how to raise any concerns.

In addition to raising concerns via this policy, the IPO has multiple other reporting routes, some of which are anonymous. For example, our 'It wasn't okay when' internal reporting tool, HR, mental health first aiders, the Trade Union Service (TUS), 'Ask the Office' forum, 'Ask the Board Live' sessions, people survey and regular pulse surveys.

Business continuity

The Business Continuity Manager leads the IPO's business continuity response.

The quarterly business continuity review manages and reviews all aspects of IPO's business continuity arrangements. It is chaired by the Business Continuity Manager and has an escalation route for issues direct to IPOB.

The business continuity management team (BCMT) manages any incident after invocation of the business continuity plan (BCP). An incident is classed as anything which is a threat to normal business operations as a result of system failure, emergency, or prolonged business disruption. This could range from technical, environmental and staffing related risks. For example, internet connectivity issues, external power failures, severe weather events, system outages, cyber incidents or people related disruption such as widespread illness or travel restrictions). All of which we plan for and mitigate to minimise disruption to customers.

Disruptions occurred during this period; service disruptions and impacts were minimised because appropriate contingency plans and local incident response procedures were in place. These were coordinated and communicated via the BCMT to all directors and relevant IPO staff and it was not necessary to invoke business continuity measures. These included for example, building related disruption due to external contractor industrial action, power outages since mitigated through infrastructure upgrades and testing, and network/connectivity issues which were addressed with improved resilience measures.

The IPO is a member of the following groups to provide additional assurance and share best practice:

- cross government business continuity forum
- all Wales business continuity forum
- regular contact with neighbouring organisations (Office for National Statistics and Vishay)

Disaster recovery

Disaster recovery (DR) is a key element of business continuity. The business continuity planning team works closely with the DR Manager who reviews our DR services and continue to further improve our corporate resilience. In early 2025/26, we expect to complete the migration of our DR infrastructure to a new location, which will strengthen and future proof our arrangements.

Confidence in DR across the IPO is high. Individual systems and components have been tested, and tabletop exercises have been completed, which provide a good level of assurance. The team are planning a larger scale joined-up test, following the DR relocation which would provide increased confidence.

Security

We continue to follow central guidance in line with the government security approach. We have expanded our reach, visibility and engagement with central government through our involvement with the various government security functions.

The IPO security strategy details our approach to information handling and cyber security across the organisation. This is regularly reviewed and updated in line with the globally recognised information security management systems standard, ISO 27001. We transitioned to the new standard ISO 27001 (2022) this year, which further improved processes and procedures and ensured our continued compliance.

Cyber security

We have reviewed and upgraded our security operations tools which has given greater visibility and capability for security across the IPO estate. The cyber operations team have worked collaboratively across government to share best practice. This is also an important means for us to make best use of the security tooling we have and to support our continued efforts and investment in mitigating these risks over the coming years.

Multifactor authentication has been successfully enforced across all users at the IPO. This has strengthened our protection against increasing identity related attacks against colleagues. We have significantly improved our anti-spoofing controls for email protection to further reduce the risk of emails spoofing IPO email addresses. Spoofing is where fraudsters pretend to be someone or something else to win a person's trust.

We increased our use and management of penetration testing, which further mitigates against vulnerabilities to cyber threats. Working with the National Cyber Security Centre (NCSC) and Government Security Centre for Cyber (Cyber GSeC), we have published a vulnerability disclosure programme policy on our website and created internal processes to manage vulnerabilities reported to us by approved ethical hackers through a solution provided by "HackerOne" (as sponsored by NCSC).

With regards to Artificial Intelligence (AI) services, we have implemented stricter policy and technical controls to prevent access to unassured AI platforms.

Data privacy and information rights

The data protection team continue to proactively monitor and investigate incidents and breaches. The team liaise with the Information Commissioner's Office (ICO) on any breaches that are deemed to be reportable to the ICO within 72 hours. The data protection team work collaboratively across the organisation to embed Data Protection by Design, ensuring that records of processing activities are regularly reviewed and data protection impact assessments are completed for any large-scale processing activities to ensure ongoing compliance with data protection legislation.

We continued to monitor and report on personal data breaches and incidents occurring at the IPO on a monthly basis. The number of reported personal data breaches increased slightly but this was largely due to raising awareness of the incident breach reporting tool and the types of personal data breaches that should be reported. None of the breaches investigated required reporting to the ICO. Where patterns of incidents or breaches occurred, bespoke training was completed by the data protection team.

During this period GIAA conducted an audit of our incident and breach reporting tool, which provided a 'moderate' assessment. The recommendations are currently being implemented by the team.

Modern slavery

We are required to comply with the Cabinet Office's procurement policy note – tackling modern slavery in government supply chains. This requires us, as part of the pre-tender processes, to assess whether the risk of modern slavery is low, medium, or high in proposed agreements. Suitable measures must be included in the procurement process to assess bidders against mandatory or discretionary criteria, with a view to eliminating those who do not meet a particular threshold regarding modern slavery. A pragmatic approach must be taken on the threshold required, based on the goods and/or service(s) being procured and its respective supply chain. Suitable measures/metrics are then included in contracts to identify any modern slavery concerns and that there are suitable means to monitor, mitigate and treat any risks which materialise.

At present, bidders are asked to disclose whether they fall within scope of Section 54 of the Modern Slavery Act 2015 and if they do, to include a copy of their modern slavery statement as part of their tender submission. Bidders are also required to complete the modern slavery assessment tool (MSAT) to identify, treat and mitigate potential modern slavery risks in both its own organisation and that of its supply chain.

We provide guidance as to what should be included in modern slavery statements and state that a failure to provide modern slavery statements which do not comply with the above and all requirements under the Modern Slavery Act 2015, may deem their tender non-compliant.

Where relevant, we engage with successful suppliers upon contract award to review their MSAT submission and output report, as well as those of proposed sub-contracts and supply chains.

If bidders state they are in-scope of the modern slavery statement reporting requirements in the Modern Slavery Act 2015 and they have not produced a fully legally compliant statement as part of tender submissions or have not updated this as required by the Act, the supplier will be required to make corrections within 30 days. This, and any other improvements required resulting from the MSAT tool outputs will form part of key contractual Key Performance Indicators where appropriate.

Government analytical models

The review of quality assurance of government analytical models undertaken by Sir Nicholas Macpherson and published by HM Treasury in March 2013 made several recommendations for government departments and their arm's length bodies. The IPO has reviewed its use of analytical modelling and concluded that there is one model used within the IPO that could be classed as business critical. We ensure that there is an appropriate quality assurance framework in place which adheres to the principles outlined in the HM Treasury guidance on producing quality analysis for government (The Aqua Book).

Guidance from HM Treasury, Cabinet Office and DSIT is regularly reviewed and used to drive change so that governance practice is consistent with central government and departmental policy. A comprehensive review of governance, risk and internal control has provided me, IPOB and Audit and Risk Committee with assurance that the IPO has complied with the 'Corporate governance in central government departments: code of good practice' and the 'Orange Book' throughout the year, where applicable.

Forward look for 2025/26

Over the coming year, our focus will be on the following:

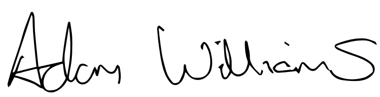
- the impact of the new governance structure as a result of the governance review
- the continued delivery of our transformation programme
- the uncertainty of external changes (e.g. central government requirements relating to efficiency savings) and the impacts these might have on our ability to deliver our corporate priorities
- the recruitment challenges being faced, especially in specialist/skilled roles in a competitive market, whilst working within central restrictions and the civil service pay scales

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the IPO's governance, risk management and system of internal control.

My review has been informed by the assurance of individual governance returns from each executive director, who have responsibility for the development and maintenance of the governance structures and internal control framework across the IPO. Further assurance has been gained from internal audit reports and the annual audit report from GIAA.

I have considered the evidence provided to support this Governance statement and sought relevant Audit and Risk Committee assurance. Overall, I conclude that the IPO has maintained a sound system of governance, risk management and internal control during the financial year 2024/25.



Adam Williams
Chief Executive and Accounting Officer
7 July 2025

Remuneration and staff report

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister, following independent advice from the Review Body on Senior Salaries (the Review Body).

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate and where relevant, promote suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment, retention and where relevant, promotion of staff
- government policies for improving public services, including the requirement on departments to meet output targets for the delivery of departmental services
- the funds available to departments as set out in the government's departmental expenditure limits
- the government's inflation target

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at Senior Salaries Review Body website[9]

Directors comprise of members of the Senior Civil Service (SCS) whose pay and conditions are centrally managed, meaning that terms, conditions and pay are largely set centrally by the Cabinet Office. The permanent secretary as accounting officer oversees departmental application of SCS pay awards and performance bonuses, in line with local reward strategy.

IPO also has a number of SCS analogue roles whose pay and conditions, although delegated to the IPO, are determined by analogy with the SCS in DSIT.

Performance is assessed by line management into four performance groups: exceeding, high performing, achieving and partially met. Individuals are allocated according to the guidelines that are in place for the relevant performance year. However, as with any normal large organisation, performance differentiation is expected to take the shape of a bell curve, with the highest proportion of SCS falling in 'achieving' and the smallest proportion in 'partially met'.

Members of SCS are eligible for an end-year award if they are assessed as a top performer. The cost control for Non-Consolidated Performance-Related Payment (NCPRP) remains at 3.3% of the SCS pay bill.

The percentage of staff that can be accepted in each category is established centrally by Cabinet Office.

For SCS members, the line management assessment is combined with those for all other DSIT SCS members and the outcome moderated by the DSIT Pay Committee.

9 www.gov.uk/government/organisations/review-body-on-senior-salaries

Departments continue to have discretion to make in-year non-consolidated award payments to recognise outstanding contribution for staff within set criteria.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be on merit on the basis of fair and open competition. The Recruitment Principles, published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information can be found at the Civil Service Commissioner's website[10].

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the chief executive and directors of the IPO. These tables together with the median earnings data are subject to audit. For comparison, the full year equivalent (FYE) is provided for those holding office for part of the year.

10 https://civilservicecommission.independent.gov.uk/

Remuneration of board members - Audited

The Executive Board (IPOB) members and their single total figure of remuneration are shown in the following table:

	Salary		Bonus		Non cash benefits		Pension benefits		Total remuneration	
	24/25	23/24	24/25	23/24	24/25	23/24	24/25	23/24[11]	24/25	23/24
	£000	£000	£000	£000	to nearest £100	to nearest £100	to nearest £1000	to nearest £1000	£000	£000
Adam Williams[14] Chief Executive from 12 December 2022	105-110	100-105	-	-	-	-	41	39	145-150	140-145
Andy Bartlett[14] Director and Deputy CEO from 1 August 2022	105-110	100-105	0-5	0-5	-	-	72	90	180-185	190-195
Neil Hartley[14] Director from 1 April 2015	90-95	85-90	0-5	0-5	-	-	84	166	175-180	255-260
Chris Mills[14] Director from 12 April 2021	85-90	85-90	5-10	5-10	1,000	100	36	33	130-135	125-130
Sian-Nia Davies[14] Director from 24 September 2021	90-95	85-90	0-5	0-5	-	-	38	38[12]	130-135	125-130[12]
Penny Phillpotts[14] Director from 16 May 2022	90-95	85-90	0-5	0-5	1,000	1,000	36	35	130-135	125-130
Steph Bell[14] Interim Director from 29 January 2024 to 28 January 2025 Director from 29 January 2025	80-85	15-20 (FYE 80-85)	0-5	-	-	-	55	33	135-140	50-55
Lorna Dukes[13] Interim Director from 1 November 2024	30-35 (FYE 80-85)	-	-	-	-	-	21	-	50-55	-
Pippa Hall[14] Director from 31 August 2016 to 30 April 2024	115-120 (FYE 85-90)	80-85	0-5	0-5	-	-	3	33	115-120	115-120
Ben Llewellyn-Jones[14 15] Director from 14 August 2023 to 31 October 2024	50-55 (FYE 85-90)	50-55 (FYE 85-90)	0-5	-	-	-	44	9	95-100	60-65

11 The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.
12 Restated from £34k (2023/24) and total remuneration restated from £120-125k (2023/24)
13 Temporary promotion to board
14 Is a member of the Senior Civil Service
15 On loan from another government department

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The total remuneration bands have been calculated using actual figures.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the IPO and thus recorded in these accounts.

Non-cash benefits

The monetary value of benefits in kind covers any benefits provided by the IPO and treated by HM Revenue and Customs as a taxable emolument. Penny Phillpotts and Chris Mills received non-cash vouchers.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2024/25 relate to performance in 2023/24 and the comparative bonuses reported for 2023/24 relate to the performance in 2022/23. Directors and all other staff, apart from the Chief Executive, are eligible for a share of the office bonus.

Pension benefits - Audited

	Accrued pension at pension age as at 31/03/25 and related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV[16] at 31/03/25 or leaving Office	CETV[16] at 31/03/24[17] or taking Office	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000
Adam Williams Chief Executive from 12 December 2022	30-35	0-2.5	514	438	29
Andy Bartlett Director and Deputy CEO from 1 August 2022	45-50 plus a lump sum of 125-130	2.5-5 plus a lump sum of 2.5-5	1,115	1,009	61
Neil Hartley Director from 1 April 2015	55-60	2.5-5	1,194	1,071	77
Chris Mills Director from 12 April 2021	20-25	0-2.5	253	211	18
Sian-Nia Davies Director from 24 September 2021	10-15	2.5-5	156	106[18]	26
Penny Phillpotts Director from 16 May 2022	5-10	0-2.5	79	48	20
Steph Bell Interim Director from 29 January 2024 to 28 January 2025 Director from 29 January 2025	20-25	2.5-5	374	320	36
Lorna Dukes Interim Director from 1 November 2024	20-25	0-2.5	368	350	14
Pippa Hall Director from 31 August 2016 to 30 April 2024	25-30	0-2.5	357	328	1
Ben Llewellyn-Jones Director from 14 August 2023 to 31 October 2024	25-30 plus a lump sum of 65-70	0-2.5 plus a lump sum of 0-2.5	540	500	31

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022.

16 Cash equivalent transfer values

17 The pension benefits of any members affected by the public service pensions remedy which were reported in 2022/23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023/24 on the basis of PCSPS membership for the same period

18 Restated from £88k (2023/24)

The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

Pension benefits 2023/24 and CETV at 31/03/24 for one member of the Executive Board have been restated from the figures previously published. Due to an error in the information provided by the scheme administrator MyCSP, additional pension was not included in the previous year's results. Whilst not material, prior year figures have been restated for clarity to users and to aid comparatives.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium and classic plus provide benefits on a final salary basis, whilst the nuvos scheme provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy[19] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, cash equivalent transfer value (CETV) and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details regarding pension arrangements can be found at the Civil Service Pensions website[20].

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

19 www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension
20 www.civilservicepensionscheme.org.uk

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair pay disclosures – Audited

	2024/25		2023/24	
	Salary and allowances	Performance pay and bonuses payable	Salary and allowances	Performance pay and bonuses payable
Band of highest paid director total remuneration excluding pension increase (£000)	105-110	0-5	100-105	0-5
Percentage change in the remuneration of the highest paid director	5%	224%	6%	(86%)
Average percentage change in the remuneration of the employees of the entity as a whole	4%	(47%)	8%	115%

The salary of the highest paid director increased by 5% due to the pay award for SCS employees.

Performance pay and bonuses paid to the highest paid director increased by 224% due to a non-consolidated bonus of £0-5k in 2024/25 (2023/24 £Nil).

Salary and allowances increased by 4% to employees as a whole due to a 5% average headline pay award for delegated IPO employees.

Performance pay and bonuses decreased by 47% for employees as a whole due to a one-off cost of living payment of £1,500 in 2023/24 (2024/25 £Nil).

	2024/25	2023/24
Number of persons receiving remuneration in excess of highest paid director	12	13
Remuneration range for employees including highest paid director (£000)	19-208	18-171

The persons receiving remuneration in excess of the highest paid director in 2024/25 are senior technical contractors supporting the transformation programme. No permanent employees received remuneration in excess of the highest paid director in 2024/25 (2023/24 1).

	25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Total pay and benefits	£33,943	£33,375	£47,928	£47,429	£67,230	£65,355
Salary component of total pay and benefits	£31,783	£30,269	£46,262	£44,482	£64,990	£61,988
Pay ratio	3.2	3.1	2.2	2.2	1.6	1.6

The pay ratios for 2024/25 have remained largely unchanged in comparison to the 2023/24 figures. This reflects the pay policy approach implemented for both SCS and delegated grades during the year. The pay award for SCS employees in 2024/25 was 5% whilst the average headline award for delegated grades A1 to D1 was 5%. The delegated pay award was targeted to an extent towards lower grades and focussed on improving the position in pay range for those lower down their pay span. This has helped to keep pay ratios relatively consistent.

The 25th percentile ratio has increased slightly which can be attributed to the headline awards that were able to be paid to both SCS and delegated grades. A 5% increase to SCS salaries was more in real terms to SCS employees than the 5% headline award for delegated grades, but targeting the delegated award to lower grades and those in the lower quartiles helped to offset this and kept ratios relatively stable. Joiners to the organisation generally start on the minimum of the pay span when joining at B2 grade and above so we would have expected to see a slight increase in the 25th percentile pay ratio as employees higher up their pay spans leave the organisation and are replaced with new starters joining on the pay span minima.

Steering Board members – Audited

The independent board members and their remuneration are:

	2024/25 Remuneration £000	2023/24 Remuneration £000
Harry Rich **Chair** Appointed from 1 October 2021 to 20 September 2027	15-20	15-20
Andrew Lawrence Appointed from 31 July 2018 to 30 July 2025	10-15	10-15
Laurie Benson Appointed from 1 January 2020 to 31 December 2025	5-10	5-10
Hilary Newiss Appointed from 1 October 2021 to 30 September 2027	5-10	5-10
Harriet Kelsall Appointed from 1 October 2021 to 30 September 2027	5-10	5-10
Timothy Render Appointed from 3 September 2024 to 3 September 2027	0-5 (FYE 5-10)	-
Catherine Salway Appointed from 3 September 2024 to 3 September 2027	0-5 (FYE 5-10)	-
Kirsty Whitehead Appointed from 3 September 2024 to 3 September 2027	0-5 (FYE 5-10)	-
Lopa Patel Reappointed from 31 July 2021 to 30 July 2024	0-5 (FYE 5-10)	5-10

The Steering Board members did not receive any bonuses, benefits in kind, or pension benefits in 2024/25 (2023/24: Nil).

Alexandra Jones is Director General, Industrial Strategy, Science, Innovation and Growth at DSIT with responsibility for the IPO throughout the year.

The Director General is a member of the Steering Board and provides a designated deputy, the Deputy Director of DSIT, Lindsay Jamieson.

Lindsay Jamieson is a civil servant and not remunerated by the IPO for serving on the Steering Board.

Chris Pleass served as an independent member on the Audit and Risk Committee. Chris Pleass is a civil servant and not remunerated by the IPO for serving on the committee.

The minister appoints independent board members for a fixed term, which may be renewed.

Staff report

Staff costs – Audited

	Permanently employed staff	Short-term employment contract and agency staff	2024/25 Total	2023/24 Total
	£000	£000	£000	£000
Wages and salaries	81,793	8,529	90,322	89,170
Social security costs	9,497	-	9,497	8,957
Other pension costs	22,352	-	22,352	19,557
Subtotal	**113,642**	**8,529**	**122,171**	**117,684**
Capitalised staff costs included in above	(6,158)	(885)	(7,043)	(8,632)
Total net costs	**107,484**	**7,644**	**115,128**	**109,052**

Consultancy and the use of contingent labour

	2024/25	2023/24
	£000	£000
Consultancy expenditure	77	51
Capitalised costs included above	-	-
Total net costs	77	51

	2024/25	2023/24
	£000	£000
Contingent labour expenditure	8,529	9,113
Capitalised costs included above	(885)	(1,662)
Total net costs	7,644	7,451

IPO continue to use contingent labour to support our transformation programme and to provide difficult to recruit skills.

Off-payroll engagements

Highly paid off-payroll worker engagements as of 31 March, for more than £245 per day[21] or greater

	2024/25	2023/24
Number of existing engagements as of 31 March	30	40
Of which:		
Number that have existed for less than one year at the time of reporting	5	12
Number that have existed for between one and two years at the time of reporting	6	6
Number that have existed for between two and three years at the time of reporting	6	9
Number that have existed for between three and four years at the time of reporting	7	7
Number that existed for between four or more years at the time of reporting	6	6

Highly paid off-payroll workers engaged at any point during the year ended 31 March earning £245 per day[22] or greater

	2024/25	2023/24
Number of temporary off-payroll workers[23] engaged during the year ended 31 March	43	56
Of which:		
Not subject to off-payroll legislation	40	-
Subject to off-payroll legislation and determined as in-scope of IR35	2	55
Subject to off-payroll legislation and determined as out-of-scope of IR35	1	1
Number of engagements reassessed for compliance or assurance purposes during the year	-	-
Of which:		
Number of engagements that saw a change to IR35 status following review	-	-

21 The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
22 The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
23 A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

Off-payroll engagements of board members and/or senior officials with significant financial responsibility

	2024/25	2023/24
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	-	-
Total number of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant responsibility", during the financial year	10	10

Post-employment benefits

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "alpha" – are unfunded multi-employer defined benefit schemes, but IPO is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the PCSPS as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation[24].

For 2024/25 employers' contributions of £22,192,932 were payable to the CSOPS (2023/24 £19,409,863) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024/25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £112,767 (2023/24 £96,430) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,888 (2023/24 £2,423), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £Nil (2023/24 £Nil). Contributions prepaid at that date were £Nil (2023/24 £Nil).

Ill-health retirement

One individual retired early on ill-health grounds in 2024/25 (2023/24 1). The total additional accrued pension liabilities in 2024/25 amounted to £Nil (2023/24 £Nil).

24 https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/

Average number of persons employed - Audited

The average number of persons employed (including agency and contract staff) and including staff on secondment to other organisations during the period is analysed in the following table:

	2024/25 (FTE)	2023/24 (FTE)
Directors[25]	8	8
Staff	1,658	1,605
Seconded in staff	4	6
Seconded out staff	3	3
Total	**1,673**	**1,622**
Agency/contract staff	109	98

25 Includes one loan-in on payroll

Reporting of Civil Service and other compensation schemes – Exit packages – Audited

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Pippa Hall left under voluntary exit terms on 30 April 2024 and received a compensation payment of £90k-£95k.

Exit package cost (£)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
<10,000	-	-	3	-	3	-
10,000-25,000	-	-	9	1	9	1
25,000-50,000	-	-	18	1	18	1
50,000-100,000	-	-	5	-	5	-
100,000-150,000	-	-	-	1	-	1
150,000-200,000	-	-	-	-	-	-
Total number of exit packages	-	-	35	3	35	3
Total cost (£)	-	-	1,267,197	160,831	1,267,197	160,831

Staff composition

The staff composition as at 31 March was as follows:

	2024/25		2023/24	
	Male	Female	Male	Female
Total staff	53.3%	46.7%	53.0%	47.0%
Directors	50.0%	50.0%	55.6%	44.4%
Senior Civil Servants	80.0%	20.0%	86.8%	13.2%
All other staff	53.2%	46.8%	52.7%	47.3%

SCS band	2024/25	2023/24
Band 2	2	2
Band 1	16	22
Total	**18**	**24**

Sickness absence data

During 2024/25, we averaged 7.3 (2023/24: 7.8) working days lost per person against our internal target of an average of 7 working days lost per person.

Staff turnover

The staff turnover percentage for 2024/25 is 6.7% (2023/24 6.1%). The staff turnover figure is calculated as the number of leavers within the financial year divided by the average number of staff in post over the financial year. Leavers reported are aligned to the Cabinet Office guidelines; therefore include retirements and resignations, however, do not include transfers to another department.

Staff policies

The IPO is committed to being a high-performing organisation with skilled people connected by shared purpose. Employees are offered flexibility and development, we embrace diversity and provide equal opportunities, and everybody's contribution is recognised.

Employee policies were applied during the year:

- to actively attract and recruit disabled people to IPO by making our recruitment process inclusive and accessible by making adjustments to remove any barriers faced. We achieve this through our Disability Confident scheme (DCS) guaranteeing an interview for those who meet the minimum standard against all essential criteria

- to support and continue to develop colleagues who become disabled or acquire a health condition, including becoming aware of a neurodiversity, during their employment with IPO

- for promoting a working environment free from discrimination, harassment and victimisation

- for ensuring that all decisions relating to the IPO employment practices are objective, free from bias and based solely on work criteria and individual merit, with due account taken of an individual's personal circumstances and the needs of the IPO

We regularly consult our people using a variety of engagement channels including employee networks on a number of topics.

Staff engagement

In the 2024 People Survey, we were pleased to see our overall engagement score rise to 66% from 63% in 2023. This ranked us 35th out of 103 participating Civil Service organisations and was based on a return rate of 77% of IPO colleagues, a 5% increase from 2023.

We have increased or maintained our scores for all key engagement themes, notably in relation to our leadership and management of change and our approach to pay and benefits. This can in part be attributed to the publication of a new leadership and management strategy, a focus on our desired culture and our work to help people better understand our overall employee package.

We have a plan of action for the IPO to nudge behaviours towards our desired culture and the People Survey will be crucial in measuring our progress and informing any adjustments to the plan over the next few years. Locally, our directors will decide on actions to address specific issues that might have been identified in their areas.

The people survey isn't the only way we listen to our people. In addition, we have "always-on" feedback and suggestion channels, allow people monthly access to our IPOB to ask questions and give feedback, and we engage in regular formal consultation and negotiation with our recognised Trade Union representatives on topics such as pay, employment matters and health and safety.

Diversity and inclusion

We know that organisations with a diverse workforce provide improved customer outcomes, are more effective and innovative problem solvers and attract and retain the best talent. Creating an inclusive environment where our people feel a psychological safety to be themselves cultivates strong communities with a sense of belonging. Those communities are at the heart of our approach to building an environment of openness, trust and respect, enabling us to deliver our organisational culture.

Like most organisations, we have work to do internally to reduce our pay gaps, remove unintended barriers and reduce instances of bullying, harassment and discrimination and this work is increasingly being undertaken by all areas of the business. For example through our strategic workforce planning, our leadership and management strategy, our approach to recruitment, our change management processes; it's no longer the role of one team to diversify the organisation, but instead, is becoming woven throughout all we do and we are beginning to capitalise on the innovative brilliance a diverse workforce creates.

Over the last year we delivered our second Empowering Women Programme, with the aim of having open conversations in safe environments, designed to stretch and inspire. We have worked with IP Offices around the world to share best practice and drive more inclusive IP systems. We have maintained our successful Code First Girls relationship and have continued with our Science, Technology, Engineering, and Mathematics (STEM) Returners programmes, both of which, focus on improving representation of women in STEM roles.

Our networks have been particularly effective working in conjunction with our HR teams to develop neurodiversity training, targeting specialist support at our managers, whilst also improving understanding of neurodiversity for all staff. We have continued to build on the previous two years following an organisational readiness survey, which looked to explore and unpick issues with reporting bullying, harassment and discrimination. We've developed anonymous reporting portals, improved access to support and shared our learning with other government departments.

We continue to publish our inclusion and diversity annual report, which celebrates the work of our staff networks as well as sharing data about our demographic makeup as an organisation and action plans we have to improve year on year. One of the milestones from our mission led government is "More people in good jobs and improved employment prospects, skills and productivity". Therefore, more than ever, our focus on universal accessibility is critical. Removing barriers for all people, so they can participate in meaningful work or participate effectively in the IP system to support economic growth.

Gender pay gap

We are fully committed to fair pay and recognise that reducing the gap is complex and therefore needs consistent and proactive action. It is something that we, as an organisation, take very seriously and reducing our pay gap will remain an IPO priority until it has been brought to a satisfactory level.

You can find further information on our pay gap, as well as our action plans to reduce the gap and our approach and commitment to diversity on our equality and diversity pages.[26]

26 https://www.gov.uk/government/organisations/intellectual-property-office/about/equality-and-diversity

Trade union facility time

Relevant union officials

The following table summarises the total employees who were relevant union officials between 1 April and 31 March.

	2024/25	2023/24
Number of employees who were relevant officials during the financial year	31.0	33.0
FTE number	29.3	31.0

Percent of time spent on facility time

	2024/25	2023/24
0%	4.0	4.0
1% - 50%	27.0	29.0
51% - 99%	-	-
100%	-	-

Percent of paybill spent on facility time

	2024/25	2023/24
	£000	£000
Total cost of facility time	90	99
Total paybill	113,642	108,571
Percentage of total paybill spent on facility time	0.08%	0.09%

Paybill costs relate to permanent members of staff only during the accounting period.

Paid trade union activities

	2024/25 (%)	2023/24 (%)
Time spent on paid trade union activities as a percentage of total paid facility time hours	0.5	0.5

Parliamentary accountability and audit report

Regularity of expenditure - Audited

All expenditure has complied with the regularity of expenditure requirements set out in HM Treasury guidance.

Losses and special payments – Audited

A debtor of £435K has been written off which represents the IPO’s initial contribution to the establishment of the Unified Patent Court (UPC) prior to the UK’s exit from the European Union and subsequent withdrawal from the UPC Agreement. The initial contributions were made on the basis that they would be deducted from future member state funding rounds for the UPC. Following the UK’s withdrawal, the UK is not contributing to these funding rounds and has been unable to identify any other feasible route to recover these payments. In line with Managing Public Money this is considered a waived or abandoned claim and has therefore been written off.

Government functional standards

Compliance with the Government functional standards, as explained in the Governance statement, is monitored and reported to the Audit and Risk Committee.

Special severance payments - Audited

No special severance payments were made during the year.

Gifts - Audited

Gifts made during the year were below the reporting threshold of £300k (cumulative).

Fees and charges - Audited

The IPO provides statutory services registering or granting rights for patents, trade marks and designs. In common with all major rights granting organisations throughout the world, costs are recovered across the life of the rights. To encourage economic growth and innovation, access to the IP system includes low initial fees that are not a significant barrier to entry, with renewal fees covering the majority of our costs. This also acts as an incentive to maintain only valuable rights.

When fees are set, they are designed to avoid any cross-subsidy between rights. On average the fees paid across each class of rights are intended to be equal to the average costs of the service provided. Although there have been significant surpluses in recent years, these have been due to exceptional circumstances such as Brexit and the pandemic. Which resulted in a large increase in workloads. Retained surpluses are fully allocated to fund known commitments and forecasts for future years are that costs will broadly match income.

In addition to the income that we receive from those seeking UK rights, we also receive renewal income for European patents which have been granted by the EPO and which give the patent owners protection in the UK. This income is for a UK patent and is treated in the same way as other renewal income.

The following information summarises the income and expenditure for each of the main activities of the IPO:

2024/25	Patents	Trade marks	Designs	Other	Grant	Total
	£000	£000	£000	£000	£000	£000
Income	86,286	66,726	8,528	442	99	162,081
Expenditure	(79,781)	(55,082)	(11,651)	(4,329)	(99)	(150,942)
Subtotal before financing and dividend	**6,505**	**11,644**	**(3,123)**	**(3,887)**	**-**	**11,139**
Financial income	-	-	-	4,058	-	4,058
Financial expenditure	-	-	-	(73)	-	(73)
Dividend	(1,824)	(3,264)	-	-	-	(5,088)
Retained surplus/ (deficit) before additional dividend and other expenditure	**4,681**	**8,380**	**(3,123)**	**98**	**-**	**10,036**
Investment - non-capital						(6,857)
Voluntary exit scheme						125
Additional dividend (funded from reserves)						(2,624)
Retained surplus/ (deficit)						**680**

2023/24	Patents	Trade marks	Designs	Other	Grant	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Income	83,854	62,302	8,441	382	99	155,078
Expenditure	(79,913)	(51,916)	(10,421)	(3,192)	(99)	(145,541)
Subtotal before financing and dividend	**3,941**	**10,386**	**(1,980)**	**(2,810)**	**-**	**9,537**
Financial income	-	-	-	4,821	-	4,821
Financial expenditure	-	-	-	(11)	-	(11)
Dividend	(1,380)	(3,638)	-	-	-	(5,018)
Retained surplus/ (deficit) before additional dividend and other expenditure	**2,561**	**6,748**	**(1,980)**	**2,000**	**-**	**9,329**
Investment - non-capital						(2,066)
Voluntary exit scheme						(1,605)
Additional dividend (funded from reserves)						(3,113)
Retained surplus/ (deficit)						**2,545**

Each of our rights areas has costs directly allocated, e.g. examiners and other frontline staff, any non-pay costs specific to that rights area. All other costs, support functions, overheads etc., are apportioned to the different rights.

IPO also carries out other non-statutory copyright activity, for which a fee is not charged and this is reported separately. Using the same methodology we have allocated direct costs and included an appropriate share of indirect costs.

Financial income and expenditure is shown separately to our rights areas.

Investment activity and other one-off costs are presented separately as expenditure funded from cash reserves.

Remote contingent liabilities - Audited

In addition to contingent liabilities reported within the meaning of IAS 37, the IPO also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There are no such liabilities that the IPO is aware of. Liabilities of the EPO and other multi-national organisations lie with the Secretary of State.

Adam Williams

Adam Williams
Chief Executive and Accounting Officer
7 July 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Intellectual Property Office (the Patent Office) for the year ended 31 March 2025 under the Government Trading Funds Act 1973.

The financial statements comprise the Patent Office's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Patent Office's affairs as at 31 March 2025 and its retained surplus for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024).* My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Patent Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Patent Office'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Patent Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Patent Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Patent Office from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- assessing the Patent Office'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 Accounting Officer anticipates that the services provided by the Patent Office will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

My 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 a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Patent Office's accounting policies, key performance indicators and performance incentives.

- inquired of management, the Patent Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Patent Office's policies and procedures on:

    - identifying, evaluating and complying with laws and regulations;

    - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Patent Office's controls relating to the Patent Office's compliance with the Government Trading Funds Act 1973, Managing Public Money;

- inquired of management, the Patent Office's head of internal audit and those charged with governance whether:

    - they were aware of any instances of non-compliance with laws and regulations;

    - they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Patent Office for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Patent Office's framework of authority and other legal and regulatory frameworks in which the Patent Office operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Patent Office. The key laws and regulations I considered in this context included Government Trading Funds Act 1973, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 10 July 2025

Financial statements to 31 March 2025

Statement of comprehensive income

For the year ended 31 March		2024/25	2023/24
	Notes	£000	£000
Revenue from contracts with customers	3(a)	161,540	154,597
Other operating income	3(b)	541	481
Total operating income		**162,081**	**155,078**
Staff costs	4	(115,128)	(109,052)
Other operating costs	5	(39,300)	(34,902)
Write back / creation of provision	5	125	(1,605)
Depreciation and amortisation	5	(3,371)	(3,653)
Unwinding of discount on provision	5	(61)	-
Operating surplus before financing and dividend		**4,346**	**5,866**
Financial income	6(a)	4,058	4,821
IFRS 16 financial cost	6(b)	(12)	(11)
Operating surplus on ordinary activities		**8,392**	**10,676**
Dividend	7	(5,088)	(5,018)
Surplus before additional dividend		**3,304**	**5,658**
Additional dividend	7	(2,624)	(3,113)
Retained surplus for the year		**680**	**2,545**
Other comprehensive income			
Net gain on revaluation of property, plant and equipment	8	**297**	**297**
Net gain on revaluation of intangible assets	9	**1,250**	**1,369**
Total comprehensive income		**2,227**	**4,211**

The notes on pages 89 to 111 form part of these accounts.

Statement of financial position

As at 31 March 2025		2024/25	2023/24
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	8(a)	21,809	21,873
Right of use assets	8(b)	1,001	1,212
Intangible assets	9	83,315	67,022
Trade and other receivables	10(a)	410	281
Total non-current assets		**106,535**	**90,388**
Current assets			
Trade and other receivables	10(b)	14,668	13,370
Cash and cash equivalents	11	82,380	95,408
Total current assets		**97,048**	**108,778**
Total assets		**203,583**	**199,166**
Current liabilities			
Contract liabilities - grant income	12(b)	(99)	(99)
Trade and other payables	12(b)	(26,973)	(26,932)
IFRS 16 lease liabilities	12(b)	(354)	(347)
Other liabilities	12(b)	(34,122)	(30,595)
Provision for liabilities and charges	13	(590)	(1,187)
Total current liabilities		**(62,138)**	**(59,160)**
Total assets less current liabilities		**141,445**	**140,006**
Non-current liabilities			
Contract liabilities – grant income	12(a)	(453)	(552)
IFRS 16 lease liabilities	12(a)	(531)	(684)
Provision for liabilities and charges	13	(184)	(720)
Total non-current liabilities		**(1,168)**	**(1,956)**
Total assets less total liabilities		**140,277**	**138,050**
Capital and Reserves			
Public dividend capital		6,325	6,325
Revaluation reserve		6,118	4,821
General reserve		127,834	126,904
Total equity		**140,277**	**138,050**

The notes on pages 89 to 111 form part of these accounts.

Adam Williams
Chief Executive and Accounting Officer
7 July 2025

Statement of cash flows

For the year ended 31 March	Notes	2024/25 £000	2023/24 £000
Net cash inflow from operating activities			
Net operating surplus before financing and dividend		4,346	5,866
Adjustment for non-cash items	5	3,307	5,258
(Increase) / decrease in trade and other receivables	10(a) & (b)	(1,428)	3,305
Increase in trade payables	12	3,476	4,161
Movements relating to items not passing through the SOCI	7	(80)	(305)
Use of provisions	13	(1,062)	-
Net cash inflow from operating activities		**8,559**	**18,285**
Cash flows from investing activities			
Purchase of property, plant and equipment	8(a)	(856)	(520)
Purchase of right of use assets	8(b)	(219)	(19)
Purchase of intangible assets	9	(16,770)	(20,567)
Interest received	6(a)	4,058	4,821
Net cash outflow from investing activities		**(13,787)**	**(16,285)**
Cash flows from financing activities			
Dividends paid	7	(7,642)	(7,825)
IFRS 16 payment of lease liabilities	12	(146)	(332)
IFRS 16 interest paid	6(b)	(12)	(11)
Net cash outflow from financing activities		**(7,800)**	**(8,168)**
Net decrease in cash and cash equivalents in year		**(13,028)**	**(6,168)**
Cash and cash equivalents at the beginning of the year	**11**	**95,408**	**101,576**
Cash and cash equivalents at the end of the year	**11**	**82,380**	**95,408**

The notes on pages 89 to 111 form part of these accounts.

Statement of changes in taxpayers' equity

The revaluation reserve and public dividend capital (PDC) are non-distributable.

	Notes	PDC	Revaluation reserve	General reserve	Total capital and reserves
		£000	£000	£000	£000
Balance at 31 March 2023		**6,325**	**4,078**	**123,436**	**133,839**
Changes in capital and reserves for 2023/24					
Net gain on revaluation of property, plant and equipment	8	-	297	-	297
Net gain on revaluation of intangible assets	9	-	1,369	-	1,369
Transfer of (excess)/realised depreciation between reserves		-	(923)	923	-
Retained surplus		-	-	2,545	2,545
Balance at 31 March 2024		**6,325**	**4,821**	**126,904**	**138,050**
Changes in capital and reserves for 2024/25					
Net gain on revaluation of property, plant and equipment	8	-	297	-	297
Net gain on revaluation of intangible asset	9	-	1,250	-	1,250
Transfer of (excess)/realised depreciation between reserves		-	(250)	250	-
Retained surplus		-	-	680	680
Balance at 31 March 2025		**6,325**	**6,118**	**127,834**	**140,277**

A description of the nature and purpose of each reserve is provided in note 1(r).

The notes on pages 89 to 111 form part of these accounts.

Notes to the accounts

1) Accounting policies

1(a) Statement of accounting policies

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards. The accounting policies contained in the government financial reporting manual (FReM) apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged the most appropriate to the particular circumstances of the IPO for the purpose of giving a true and fair view has been selected. The particular policies adopted by the IPO are described as follows. They have been applied consistently in dealing with items that are considered material to the accounts.

1(b) Accounting convention, significant judgements and estimates Accounting convention

The accounts have been prepared under the going concern assumption and in accordance with historic cost convention with the historical cost convention modified to include revaluation of property, plant and equipment and intangible assets, in a form determined by the Treasury in accordance with section 4(6)(a) of the Government Trading Funds Act 1973. The Accounting Officer has prepared forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the IPO will have sufficient funds to meet its liabilities as they fall due for that period.

Significant judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported assets, liabilities, revenue, and expenditure. Actual results can differ from those estimates. The accounting policy descriptions set out those areas where judgement needs exercising.

The most significant estimates and judgements in management's view are asset valuation, impairment of intangibles and income recognition (contract liabilities).

1(c) Capitalisation recognition and threshold

Property, plant and equipment is capitalised where:

- the asset is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits associated with the item will flow to, or service potential be provided to, the IPO
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has a cost of at least £5,000 excluding VAT
- collectively, a number of items have a cost of at least £5,000 and where assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control

Where a large asset, for example a building, or plant and equipment, includes a number of components with significantly different asset lives then these components are treated as separate assets and depreciated over their own useful lives.

New expenditure on IT systems development is written off in the period in which it is incurred, unless a beneficial relationship to a future period can be established with reasonable certainty, in which case the charge is capitalised.

Assets are depreciated to estimated residual values on a straight-line basis over their estimated useful lives.

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits, or service potential deriving from the cost incurred to replace a component of such item, will flow to the IPO and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of comprehensive income in the period in which it is incurred.

1(d) Non-current assets: property, plant and equipment valuation

A professional revaluation of our property portfolio is undertaken on 31 March each financial year in accordance with the requirements of the FReM.

The IPO has adopted depreciated historical cost as a proxy for fair value of plant and equipment. Any difference between these figures is not considered material for the accounts.

The last land and building valuation was performed on 31 March 2025 on an existing value in use basis as in previous years.

Surpluses and deficits arising on revaluation are charged to the Revaluation Reserve. Where it is not possible for any such deficit to be offset by previous surpluses in the Revaluation Reserve, it is charged to revenue as permanent diminutions in the value of the fixed assets. We continue to review our Non-Current Assets and report in line with our accounting policy.

Sensitivity analysis has shown that the valuation would have to increase/decrease by 13.17% before there was a material financial reporting impact on our financial statements. We conclude our property valuations and assets values remain applicable as reported in note 8.

1(e) Non-current assets: intangible assets

Intangible assets consist of specialist software developed for the IPO.

Software development intangible assets are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the IPO over a period of more than one year and where the cost of the asset can be measured reliably.

Intangible assets are recognised initially at cost, comprising all directly attributable costs (including the costs of third-party work and the direct costs of in-house staff effort) needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Excluding additions in the financial year, software assets are revalued annually by applying an index. As the major cost of developing computer software is IT labour costs, the index used is Office of National Statistics – ‘AWE: Information and Communication Index: Non Seasonally Adjusted Total Pay Including Arrears’.

This index focuses on tracking changes in pay within the Information and Communications Industries.

Any assets under construction held at the reporting date are reviewed against the criteria set out in IAS 38 - Intangible Assets to ensure they are correctly categorised. At the point the asset is capable of operating as intended and economic benefit flows from the asset, it will be classified as being in use and depreciation/amortisation will commence.

1(f) Depreciation and amortisation

Depreciation is provided on property, plant, and equipment, except freehold land, at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life using the following guide:

- information technology - five years
- plant and machinery - five years

Depreciation is charged from the date of acquisition.

The estimated remaining life of the building and car park on 31 March 2025 is 47 years.

Amortisation is provided on intangible assets, at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life using the following guide:

- major software developments - 10 years
- other software - five years

Amortisation is charged from the date the asset is available to use.

The estimated useful lives are reviewed regularly and revised when necessary. An alternative expected useful life may be applied where evidence exists to support this.

1(g) Impairment of PPE and intangible non-current assets

IPO reviews carrying amounts at each reporting date. If an indicator for impairment occurs, then the recoverable amount of the asset (the higher of fair value less costs to sell and value in use) is estimated and an impairment loss recognised to the extent that it is lower than the carrying amount. Losses arising from a clear consumption of economic benefit are charged to net expenditure for the year. Losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that a revaluation reserve exists for the impaired asset; otherwise, to net expenditure for the year.

1(h) Income

IPO adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018. This standard has been adapted by the FReM to include revenue from fees and charges arising from legislation within the definition of a contract with customers. Income from fees and charges, including statutory fees is now classified as income from contracts with customers. Income outside the scope of IFRS 15 is classified as income from other operating activities. Liabilities arising as a result of customers paying in advance of delivery of service are now reported as contract liabilities, previously reported as deferred income.

Receipt of payment from a customer forms a contract with a performance obligation being placed on the IPO. Income is recognised when this obligation is satisfied.

The following sets out our income recognition approach for each service:

Nature, timing of satisfaction of performance obligations and significant payment terms

Patents

Customers apply for a patent to be registered with associated rights granted to them. We identify three obligation points for these transactions: application, search and rights granting stage. Payment is made for this service immediately at the point of transacting with the relevant form at each stage.

Performance obligations are met at various stages throughout the transaction cycle with each stage initiated by the customer completing the relevant form and making payment.

- application - the customer receives a filing date and preliminary report typically within two weeks
- search - a report is issued within six months with publication completing twelve months later
- rights granting - the final stage is upwards of four years from the initial contact point and completes with the right being either granted and republished or refused

Further details on patent application timings[27]
The fees applicable to each stage[28]

Income relating to patent renewal transactions is recognised at the point of processing a system transaction i.e., when payment and a transaction form is received, and the rights register is updated.

Trade marks and designs

Customers apply for a trade mark or design to be registered, with associated rights granted to them. Payment for this service is made immediately at the point of transacting, with revenue recognised at two obligation points: completion of examination and rights granting stage.

This is an area where judgement is applied over the transaction price due to one fee being charged at the start of the transaction to cover both obligation points. These estimates consider the average time and effort relating to the satisfaction of each performance obligation. The assumptions are:

- based on time to complete the application process it is estimated that 80% of time and effort is incurred at the first obligation point, examination. Income of 80% is therefore recognised at this stage

- the remaining 20% is recognised when an application has been completed and rights granted or refused

For 2024/25, there have been no material changes to the variables or assumptions in our established methodology since the review in 2023/24.

Therefore, our methodology for revenue recognition remains unchanged for 2024/25 with 80% of income recognised at the first performance obligation (examination) and 20% recognised at the final performance obligation (rights granting or refusal).

Detailed sensitivity analysis has shown that the deferral rate can move 22 percentage points before causing a material difference. It is again worth noting that the deferral rate does not apply to the full population of deferred transactions, since a significant proportion are deferred at 100% (application received, not yet started).

Trade marks:

- examination – feedback is provided within the agreed customer service standard of 10 working days

- rights granting – providing there are no issues or opposition filed, it usually takes around three to four months from application for a trade mark to be registered

Designs:

- examination – feedback is provided within the agreed customer service standards of 10 working days

- rights granting – providing there are no issues, registration takes place within 24 hours of the case being examined

Income relating to renewal transactions is recognised at the point of processing a system transaction i.e., when payment and a transaction form is received, and the Rights register is updated.

Further details on trade mark application timings[29]

Details on trade mark fees[30]

Further details on design application timings[31]

Details on design fees[32]

For the transactions listed above the customer purchases a service covering assessment, searches and rights granting.

27 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083588/Trade-Marks-Timeline.pdf
28 https://www.gov.uk/government/publications/patent-forms-and-fees/patent-forms-and-fees
29 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/826521/TrademarkTimeline.pdf
30 https://www.gov.uk/government/publications/trade-mark-forms-and-fees/trade-mark-forms-and-fees
31 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/829853/designs-timeline.pdf
32 https://www.gov.uk/government/publications/design-forms-and-fees/design-forms-and-fees

The fees charged are set in statute and non-variable. The fee is due from the customer irrespective of the outcome of the service i.e., whether or not the right is granted. No obligation exists for IPO to provide refunds.

The timings associated with the above transactions result in a contract liability being held at any point in time and released as performance obligations are met (as outlined in note 1(h), note 3(a) and note 12(b)).

Other transactions

All other income is recognised when the performance obligation is completed.

1(i) Grant income

Where government grant income is received relating to assets, it is treated as contract liabilities and subsequently recognised in the Statement of comprehensive income, in line with the utilisation of the asset, and in accordance with IAS 20 as interpreted by the FReM. As a trading fund we apply this interpretation to provide a consistent approach across government and align timing relating to income and costs. Grant funded projects are scrutinised to ensure progress in delivering project milestones, and to ensure the grant offer letter's terms and conditions are not breached.

1(j) Taxation

As a trading fund we are not liable to pay Corporation Tax. VAT is not chargeable on statutory services.

Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets. Expenditure is otherwise shown net of VAT. The IPO is not registered separately for VAT as it falls within the DSIT registration.

1(k) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction.

All exchange differences (as outlined in note 5) are taken to the Statement of comprehensive income.

1(l) Leases IFRS 16 'Leases'

In accordance with IFRS 16, at inception of a contract we assess whether or not a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is identified in a contract we recognise a right of use asset and a lease liability at the lease commencement date.

The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date. Also included are any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, HM Treasury issued incremental borrowing rate is used.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if we change our assessment of whether we will exercise a purchase, extension or termination option. We present right of use assets in property, plant and equipment and lease liabilities within other payables in the balance sheet.

We have applied the recognition exemption of low value leases (less than £5,000) and short-term leases (duration less than 12 months). These

leases are recognised as operating leases with the lease payments charged to the Statement of comprehensive income on a straight-line basis over the lease term.

IPO has used the cost model basis as a proxy for Fair Value.

Operating leases

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

1(m) Financial instruments

The IPO has very limited powers to borrow or to invest surplus funds; financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the IPO in undertaking its activities.

1(n) Provisions

All provisions where the time value of money is significant are discounted using a nominal rate and an inflation rate outlined in guidance issued by HM Treasury.

1(o) Dividends

Under Section 4(1) of the Government Trading Funds Act the IPO may be set further financial objectives which impact on plans and charges. The current financial objective and performance is shown in the Performance report. This objective is in part to reflect the cost of capital utilised by the IPO and fees and charges are set to recover costs and meet this further financial objective. This cost of capital equivalent charge is then paid as a dividend to DSIT. The Treasury Minute detailing the ordinary dividend charge can be found in Appendix A. DSIT is also able to withdraw additional dividends if there are surplus funds held by the IPO. This arrangement is currently being used to cover the funding requirements for the Police Intellectual Property Crime Unit (PIPCU).

1(p) Pension costs

Present and past employees are covered by the provisions of PCSPS and the CSOPS scheme known as ‘alpha’, which is described in the Remuneration report. These are multi- employer defined benefit schemes where we are unable to identify our share of the underlying assets and liabilities and are accounted for as if they are defined contribution schemes. In accordance with IAS 19, we do not recognise liabilities associated with these schemes, though information on the schemes in total is available in the Civil Superannuation accounts. We recognise the expected cost of providing pensions on a systematic and rational basis, over the period during which it benefits from employees’ services, by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and alpha. In respect of the defined contribution schemes, we recognise the contributions payable for the year.

1(q) Cash and cash equivalents

Cash and cash equivalents comprise cash balances in government and commercial bank accounts. They are carried in the Statement of financial position at face value (as outlined in note 11). The IPO does not have any bank overdrafts. Cash not required for short-term operational needs can be deposited with National Loans Fund (NLF). No deposits were made with NLF at the reporting date however this will be considered for future periods.

1(r) Capital and reserves

The nature and purpose of Reserves held by IPO are detailed as follows:

Public dividend capital

Public dividend capital represents the capital invested in IPO by the Secretary of State for Trade and Industry on IPO becoming a trading fund on 1 October 1991.

Further Machinery of Government changes were announced in February 2023 with BEIS disbanded and replaced by four new departments. IPO were confirmed as an executive agency of the new Department for Science, Innovation and Technology (DSIT) with accounting officer responsibilities formally transferred from 1st April 2023.

Public Dividend Capital is not an equity instrument as defined in IAS 32 Financial Instruments: Presentation.

General reserve

The general reserve represents the cumulative retained net income (after dividends) since the IPO became a trading fund.

Revaluation reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets. Increases arising on revaluation are taken to the revaluation reserve. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the income statement.

1(s) Adoption of new and revised standards

The IPO provides disclosure where it has not yet applied a new accounting standard and known or reasonably estimable information relevant to assessing the possible impact that the initial application of a new standard would have on the financial statements.

IFRS 17 Accounting for insurance contracts

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the Statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

Following a comprehensive review of IPO's contractual arrangements it has been determined that IFRS 17 has no impact on the financial statements.

This will be monitored going forward to ensure compliance with the standard.

Non-investment assets thematic review

In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025/26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using one of the following processes:

- a quinquennial revaluation supplemented by annual indexation
- a rolling programme of valuations over a five-year cycle, with annual indexation applied to assets during the four intervening years
- for non-property assets only, appropriate indices
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year three
- the option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025

2) Segmental reporting

Decisions are taken based on the overall position described in the Statement of comprehensive income and the Statement of financial position. As such, management consider there is only one segment. The IPO is managed as an integrated whole and decisions made on that basis.

3) Income

Analysis of operating income by classification and activity:

3(a) Revenue from contracts with customers

For the year ended 31 March	2024/25	2023/24
	£000	£000
Patents		
Application, search and examination fees	4,503	4,525
Renewals for UK patents	13,416	13,204
UK EP Renewal Income	66,634	64,288
Other	1,733	1,837
	86,286	**83,854**
Trade marks		
Application fees	40,422	38,056
Renewal fees	23,644	21,739
Other	2,660	2,507
	66,726	**62,302**
Designs		
Application fees	1,265	1,221
Renewal fees	6,811	6,780
Other	452	440
	8,528	**8,441**
Total revenue from contracts with customers	**161,540**	**154,597**

3(b) Other operating income

	2024/25	2023/24
	£000	£000
Publications	17	30
Commercial services	425	352
Grant income	99	99
Total other operating income	**541**	**481**

Note 3(a) Individual application lines include revenue relating to contract liabilities movement. This was also the case in 2023/24.

The following table shows the movement in these liabilities (note12(b)) over the reporting period.

	2024/25	2023/24
	£000	£000
Patents	15	(72)
Trade marks	(9)	(160)
Designs	(3)	(10)
	3	**(242)**

Income is from the payment of statutory or non-statutory fees for services plus commercial services provided and all is attributable to turnover arising in the UK.

4) Staff costs

Staff costs comprise of salaries and wages, social security cost, pension contributions and contractor costs less capitalised staff costs to create software assets. Further details are shown in the Accountability report.

	2024/25	2023/24
	£000	**£000**
Salaries and wages	81,793	80,057
Social security costs	9,497	8,957
Pension costs	22,352	19,557
Agency/contract staff	8,529	9,113
Capitalised staff costs included above	(7,043)	(8,632)
	115,128	**109,052**

5) Other non-staff costs

	2024/25	2023/24
	£000	**£000**
IT and telecoms	18,101	14,178
European Patent Office costs	2,822	512
Access to online IP databases	1,699	2,693
Innovation support	2,098	2,313
Banking and card commissions	2,452	2,318
Research co-operation and seminars	512	1,334
Subscriptions to international bodies	1,046	1,048
Legal and hearings	1,281	1,328
Outreach and marketing	298	359
Recruitment and other staffing costs	579	546
Travel	872	777
Training	1,161	1,186
Office supplies and equipment inc. postage	733	717
Accommodation ex leases	4,324	4,847
Property lease costs	23	12
Hire of office machinery	76	80
Departmental overheads	97	106
Audit fee[33]	95	86
Exchange rate (gains)	29	(12)
Enforcement support	143	116
Consultancy	77	51
Other admin costs	782	307
Total	**39,300**	**34,902**
Non cash items		
Amortisation	1,727	2,039
Depreciation - PPE	1,213	1,206
Depreciation - IFRS 16 leases	431	408
(Provision not required – written back) / creation of provisions	(125)	1,605
Unwinding of discount on provisions	61	-
Total non cash	**3,307**	**5,258**
Total cash and non cash	**42,607**	**40,160**

33 This represents the cost for audit services. There have been no non-audit services provided by the auditors.

6) Financial income and cost

6(a) Financial income

	2024/25	2023/24
	£000	**£000**
Short term deposits - operating activities	4,058	4,821
	4,058	**4,821**

The interest derives from deposits with the Government Banking Service.

6(b) Financial cost

	2024/25	2023/24
	£000	**£000**
Interest payable on IFRS 16 lease liabilities	12	11
	12	**11**

7) Dividends

	2024/25	2023/24
	£000	**£000**
Dividend	5,088	5,018
Additional dividend	2,624	3,113
	7,712	**8,131**

A dividend of £5,088k is due to DSIT for 2024/25 (2023/24 £5,018k) in line with our trading fund financial objective (as outlined in note 1(o)).

DSIT is able to utilise IPO surpluses through taking additional dividends and currently does so to fund other IP related initiatives, specifically the funding of the Police Intellectual Property Crime Unit (PIPCU); the amount of £2,624k paid in 2024/25 covers PIPCU's costs (on an actuals basis) since the last additional dividend of £3,113k in 2023/24.

The cashflow statement reflects payments made 2024/25 being the 2023/24 dividend of £5,018k, plus the additional dividend of £2,624k (2023/24 amounts paid were 2022/23 dividend of £4,712k plus, additional dividend of £3,113k).

8) Fixed assets

8(a) Property, plant and equipment

2024/25	Land	Buildings	Assets under construction	Plant and machinery	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2024	**3,400**	**14,825**	**84**	**5,768**	**5,045**	**29,122**
Additions	-	-	-	397	87	484
Additions (accruals)	-	-	372	-	-	372
Reclassifications	-	-	(83)	83	(6)	(6)
Revaluation	-	-	-	-	-	-
Disposals	-	-	-	(233)	(1,647)	(1,880)
At 31 March 2025	**3,400**	**14,825**	**373**	**6,015**	**3,479**	**28,092**
Depreciation						
At 1 April 2024	-	-	-	**3,020**	**4,229**	**7,249**
Provided during the year	-	297	-	474	442	1,213
Reclassification	-	-	-	-	(2)	(2)
Deficit on revaluation	-	(297)	-	-	-	(297)
Disposals	-	-	-	(233)	(1,647)	(1,880)
At 31 March 2025	-	-	-	**3,261**	**3,022**	**6,283**
Net book value at 31 March 2025	**3,400**	**14,825**	**373**	**2,754**	**457**	**21,809**

2023/24	Land	Buildings	Assets under construction	Plant and machinery	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2023	**3,400**	**14,825**	**-**	**5,604**	**4,775**	**28,604**
Additions	-	-	84	164	273	521
Revaluation	-	-	-	-	-	-
Disposals	-	-	-	-	(3)	(3)
At 31 March 2024	**3,400**	**14,825**	**84**	**5,768**	**5,045**	**29,122**
Depreciation						
At 1 April 2023	-	-	-	**2,541**	**3,802**	**6,343**
Provided during the year	-	297	-	479	430	1,206
(Deficit) on revaluation	-	(297)	-	-	-	(297)
Disposals	-	-	-	-	(3)	(3)
At 31 March 2024	**-**	**-**	**-**	**3,020**	**4,229**	**7,249**
Net book value at 31 March 2024	**3,400**	**14,825**	**84**	**2,748**	**816**	**21,873**

The land and buildings referred to above are freehold and have been revalued at £18.23 million on the basis of existing use (2023/24 £18.23 million) by the Valuation Office Agency (VOA), Newport, South Wales on 31 March 2025. Following discussion with their professional valuer VOA are satisfied the valuation method applied in 2024/25 is appropriate, based on both professional guidance and available market information. The valuation method adopted this year followed a consistent approach to prior years.

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book.

8(b) Right of use assets

2024/25	Buildings	Equipment	Vehicles	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2024	**1,847**	**158**	**20**	**2,025**
Additions	-	40	42	82
Reclassifications	-	-	-	-
Revaluation	192	(52)	(2)	138
Disposals	-	-	-	-
At 31 March 2025	**2,039**	**146**	**60**	**2,245**
Depreciation				
At 1 April 2024	**708**	**87**	**18**	**813**
Provided during the year	379	40	12	431
Reclassifications	-	-	-	-
Surplus/(deficit) on revaluation	17	(14)	(3)	-
Disposals	-	-	-	-
At 31 March 2025	**1,104**	**113**	**27**	**1,244**
Net book value at 31 March 2025	**935**	**33**	**33**	**1,001**

2023/24	Buildings	Equipment	Vehicles	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2023	**1,846**	**140**	**20**	**2,006**
Additions	-	18	-	18
Reclassifications	-	-	-	-
Revaluation	1	-	-	1
Disposals	-	-	-	-
At 31 March 2024	**1,847**	**158**	**20**	**2,025**
Depreciation				
At 1 April 2023	**354**	**42**	**9**	**405**
Provided during the year	354	45	9	408
Reclassifications	-	-	-	-
Surplus/(deficit) on revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	**708**	**87**	**18**	**813**
Net book value at 31 March 2024	**1,139**	**71**	**2**	**1,212**

9) Intangible assets

2024/25	Software in use	Software under construction	Software Total
	£000	£000	£000
Cost or valuation			
At 1 April 2024	**25,499**	**59,108**	**84,607**
Additions	-	16,770	16,770
Reclassifications	-	-	-
Revaluation	1,250	-	1,250
Disposals	-	-	-
At 31 March 2025	**26,749**	**75,878**	**102,627**
Amortisation			
At 1 April 2024	**17,585**	**-**	**17,585**
Provided during the year	1,727	-	1,727
Revaluation	-	-	-
Disposals	-	-	-
At 31 March 2025	**19,312**	**-**	**19,312**
Net book value at 31 March 2025	**7,437**	**75,878**	**83,315**

2023/24	Software in use	Software under construction	Software Total
	£000	£000	£000
Cost or valuation			
At 1 April 2023	**24,130**	**38,541**	**62,671**
Additions	-	20,567	20,567
Reclassifications	-	-	-
Revaluation	1,369	-	1,369
Disposals	-	-	-
At 31 March 2024	**25,499**	**59,108**	**84,607**
Amortisation			
At 1 April 2023	**15,546**	**-**	**15,546**
Provided during the year	2,039	-	2,039
Revaluation	-	-	-
Disposals	-	-	-
At 31 March 2024	**17,585**	**-**	**17,585**
Net book value at 31 March 2024	**7,914**	**59,108**	**67,022**

Intangible assets are revalued annually by reference to the most appropriate price indices (as outlined in note 1(e)). At the end of 2024/25 there were no systems in our software in use that were considered material. All software is internally generated.

Software under construction includes one project with a carrying value of £75,877k (2023/24 £59,108k). The patents element of the IPO's new digital system has commenced a partial roll-out to selected customers in Private Beta, building up to an expected wider release in Public Beta by December 2025. Following this, the delivery of the trade marks and designs elements are expected to gradually become available to customers from October 2027. The useful economic life of the new system is expected to be 13 years from the patents element coming into general use.

10) Trade receivables

10(a) Non-current trade receivables

	2024/25	2023/24
	£000	**£000**
Prepayments and accrued income	410	281
	410	**281**

10(b) Current trade receivables

	2024/25	2023/24
	£000	**£000**
Trade receivables	5,178	7,599
Prepayments/(accruals)	6	(4)
Prepayments and accrued income	9,484	5,776
	14,668	**13,371**

11) Cash and cash equivalents

	2024/25	2023/24
	£000	**£000**
Balance at 1 April	**95,408**	**101,576**
Net change in cash and cash equivalent balances	(13,028)	(6,168)
Balance at 31 March	**82,380**	**95,408**
The following balances at 31 March were held at:		
Government Banking Service	81,570	94,509
Commercial banks and cash in hand	810	899
	82,380	**95,408**

At the end of 2024/25 our cash and cash equivalents reduced to £82.4m (2023/24 £95.4m). This balance remains fully allocated to fund the planned completion of our transformation programme, cover other known liabilities such as funds held on behalf of deposit account customers, the EPO and given our trading fund status, provide a sufficient level of working capital coverage.

12) Liabilities

12(a) Non-current liabilities

	2024/25	2023/24
	£000	**£000**
Amounts falling due after one year		
IFRS 16 lease liabilities	531	684
Contract liabilities - grant income	453	552
	984	**1,236**

12(b) Current liabilities

	2024/25	2023/24
	£000	**£000**
Trade and other payables		
Amounts falling due within one year:		
User deposit accounts	8,975	9,156
Trade payables	17,998	17,776
	26,973	**26,932**
Other liabilities		
Contract liabilities - revenue from contracts with customers	5,300	5,303
Contract liabilities - other	15	12
Contract liabilities - grant income	99	99
Taxation and social security	2,164	2,153
Superannuation	2,331	2,068
Other liabilities	60	56
IFRS 16 lease liability	354	347
Dividend payable	5,088	5,018
Employee benefits - untaken leave owed	4,642	4,987
Accruals	14,522	10,998
	34,575	**31,041**

No changes have been made to accounting estimates or judgements in 2024/25.

The £3k movement in 'contract liabilities - revenue from contact with customers' is further analysed across the different rights in Note 3.

IFRS16 lease liabilities as included above comprises:

	2024/25	2023/24
	£000	**£000**
Buildings		
Not later than 1 year	314	304
Later than 1 year and not later than 5 years	446	586
Later than 5 years	75	90
Present value of obligations	**835**	**980**
Equipment		
Not later than 1 year	25	40
Later than 1 year and not later than 5 years	10	29
Later than 5 years	-	-
Present value of obligations	**35**	**69**
Vehicles		
Not later than 1 year	15	3
Later than 1 year and not later than 5 years	20	-
Later than 5 years	-	-
Present value of obligations	**35**	**3**
Less interest element	(20)	(21)
Total present value of obligations	**885**	**1,031**
Current	354	347
Non-current	531	684
Total	**885**	**1,031**

13) Provision for liabilities and charges

2024/25	Dilapidation provision	Other provisions	Total
	£000	£000	£000
At 1 April 2024	**302**	**1,605**	**1,907**
Provision made in year	-	86	86
Provisions not required written back	-	(211)	(211)
Payments offset against the provision	-	(1,062)	(1,062)
Unwinding of discount on provision	(7)	61	54
Balance at 31 March 2025	**295**	**479**	**774**

Analysis of expected timing of discounted cash flows

	Dilapidation provision	Other provisions	Total
	£000	£000	£000
Within 1 year	111	479	590
Between 1 and 5 years	184	-	184
After 5 years	-	-	-
Balance at 31 March 2025	**295**	**479**	**774**

2023/24	Dilapidation provision	Other provisions	Total
	£000	£000	£000
At 1 April 2023	**300**	**-**	**300**
Provision made in year	-	1,605	1,605
Provisions not required written back	-	-	-
Payments offset against the provision	-	-	-
Unwinding of discount on provision	2	-	2
Balance at 31 March 2024	**302**	**1,605**	**1,907**

Analysis of expected timing of discounted cash flows

	Dilapidation provision	Other provisions	Total
	£000	£000	£000
Within 1 year	-	1,187	1,187
Between 1 and 5 years	302	418	720
After 5 years	-	-	-
Balance at 31 March 2024	**302**	**1,605**	**1,907**

14) Commitments under leases

Total future minimum lease payments under operating leases are given in the following table for each of the following periods:

	2024/25	2024/25	2023/24	2023/24
	£000	£000	£000	£000
Leases falling due:	**Buildings**	**Other**	**Buildings**	**Other**
Within 1 year	21	12	17	7
Between 1 and 5 years	55	2	60	-
After 5 years	-	-	-	-
	76	**14**	**77**	**7**

There are no commitments under non-cancellable contracts apart from leases.

15) Future income due under non-cancellable operating leases

There are no non-cancellable operating leases at 31 March 2025 (2023/24 Nil).

16) Contingent liabilities

In 2022/23 IPO was in receipt of a legal challenge relating to a court judgement on UK copyright law. Discussions have continued throughout 2023/24 and 2024/25 but no agreement has been reached and litigation is ongoing. A contingent liability is being recognised as opposed to a provision due to the uncertainty around whether the liability exists and the potential amount. In line with IAS 37 paragraph 92 no information is being disclosed as it is believed it could seriously prejudice IPO's position in the dispute. (2023/24 Nil)

17) Related party transactions

The IPO is an executive agency of DSIT. DSIT is regarded as a related party. During the year, the IPO had various material transactions with DSIT. These were the dividend and some payments for central services provided by DSIT. In addition, the IPO had a small number of material transactions with other government departments and other central government bodies. Most of these transactions were with the UK Statistics Authority, HM Treasury, the Cabinet Office, Crown Commercial Service and UK SBS for services such as accommodation and legal services.

None of the Steering Board members, directors or other related parties have undertaken any material transactions with the IPO during the year.

18) Financial instruments

We are required to disclose the role which financial instruments have had during the period in creating or changing the risks the IPO faces in undertaking its activities. The key risk for the IPO arising from financial instruments is interest rates. Financial instruments play a more limited role in creating or changing risk than would be typical of the listed companies to which this mainly applies. The IPO has very limited powers to borrow or to invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the IPO in undertaking its activities.

Liquidity risk

The IPO is not exposed to liquidity risk given the present net liquid asset position.

Market risk

All of the IPO's liabilities carry nil or fixed rates of interest.

Interest bearing financial assets comprise cash balances which are held at floating rates of interest. Given that cash is available on demand or is placed on short term deposit at fixed rates and given that interest is budgeted conservatively, interest rate risk is limited but remains a factor because of the level of cash balances held. Longer term cash deposits do not exceed six months. Sufficient cash and cash equivalents are maintained to meet any demands in that time frame.

Credit risk

There is no material credit risk to the IPO.

19) Events after the reporting period

There have been no significant events between the Statement of financial position and the date of authorising these financial statements.

These financial statements were authorised for issue on the date of the Comptroller and Auditor General's certificate and report.

These financial statements are laid before the House of Commons by the Department for Science, Innovation and Technology (DSIT). IAS 10 required us to disclose the date on which the accounts are authorised for issue. This is the date that the Comptroller and Auditor General signs the certificate.

The Accounting Officer authorised these financial statements for issue on 7 July 2025.

Appendix

Treasury Minute for the Patent Office

Presented to the House of Commons pursuant to section 4(1)(b) of the Government Trading Funds Act 1973

The Patent Office Trading Fund:

1. Section 4(1) of the Government Trading Funds Act 1973 provides that a trading fund established under that Act shall be under the control and management of the responsible Minister and in discharge of his function in relation to the fund it shall be his duty:

   (a) to manage the funded operations so that the revenue of the fund:

      (i) consists principally of receipts in respect of goods or services provided in the course of the funded operations, and

      (ii) is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to revenue account; and

   (b) to achieve such further financial objectives as the Treasury may from time to time, by minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.

2. A trading fund known as The Patent Office was established on 1 October 1991 in pursuance of The Patent Office Trading Fund Order 1991 (S.1 1991 No. 1796).

3. The Secretary of State for Department for Science Innovation and Technology being the responsible minister, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by The Patent Office Trading Fund for the 5-year period from 1 April 2024 to 31 March 2029 shall be to achieve a return, averaged over the period as a whole, of 3.5 per cent in the form of a surplus on ordinary activities before interest payable on long term Treasury loans and dividends payable expressed as a percentage of average capital employed. Capital employed shall equate to the capital and reserves, i.e. the Public Dividend Capital, long-term element of Exchequer loans and reserves.

4. This minute supersedes that dated 18 March 2021.

5. Let a copy of this minute be laid before the House of Commons pursuant to section 4(1)(b) of the Government Trading Funds Act 1973.

HM TREASURY

1 July 2025

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