

THE INSTITUTE OF TRADEMARK ATTORNEYS STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF TRADE MARK ATTORNEYS

We have audited the accounts of The Institute of Trade Mark Attorneys for the year ended 31 December 2003 which comprise pages 29 to 34. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Institute's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Institute's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the Institute's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Institute's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Institute has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Institute is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion the accounts give a true and fair view of the state of the Institute's affairs as at 31 December 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sawin & Edwards

Chartered Accountants & Registered Auditors

15 Southampton Place

London WC1A 2AJ

Date 17 February 2004

**THE INSTITUTE OF TRADEMARK ATTORNEYS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 £	2002 £
INCOME	2	861,683	809,475
Cost of sales		(443,250)	(405,841)
Gross surplus		<u>418,433</u>	<u>403,634</u>
Administrative expenses	3	(503,042)	(444,812)
Interest receivable	4	36,240	40,763
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(48,369)</u>	<u>(415)</u>
Tax on deficit on ordinary activities	6	1,346	(1,123)
DEFICIT FOR YEAR	11	<u><u>(47,023)</u></u>	<u><u>(1,538)</u></u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
BALANCE SHEET
AS AT 31 DECEMBER 2003**

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	5,698	8,023
CURRENT ASSETS			
Debtors	8	111,890	106,413
Cash at bank and in hand		<u>1,056,482</u>	<u>1,105,588</u>
		1,168,372	1,212,001
CREDITORS: amounts falling due within one year			
	9	(234,915)	(233,846)
NET CURRENT ASSETS		<u>933,457</u>	<u>978,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>939,155</u>	<u>986,178</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	10	(8,000)	(8,000)
		<u>931,155</u>	<u>978,178</u>
CAPITAL AND RESERVES			
Income and expenditure account	11	<u>931,155</u>	<u>978,178</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

I A BUCHAN

G DEAS

Members of the Council
Approved by the Council on 17 February 2004

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

1 ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Income

The income shown in the Income and Expenditure Account is exclusive of Value Added Tax.

c) Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Office equipment 3 years

d) Foreign Currencies

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

e) Pensions

The Institute makes defined contributions to the personal pension schemes of its employees. The scheme assets are held separately from those of the Institute in an independently administered fund.

f) Operating Leases

Rentals in respect of operating leases are charged to the Income and Expenditure Account as incurred.

2 INCOME	2003	2002
	£	£
Subscriptions	329,162	256,363
Registration fees	67,896	62,908
Function receipts	260,855	292,871
Educational income	174,988	176,545
Provision re: unpaid subscriptions, registrations, functions	(23,792)	(11,850)
Other income	35,845	36,614
Recharges to the Joint Examination Board (see note 14)	15,250	14,500
Surplus / (Deficit) on JEB (previous year)	1,479	(18,476)
	<u>861,683</u>	<u>809,475</u>

The income was generated entirely within the United Kingdom.

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

3 ADMINISTRATIVE EXPENSES	2003	2002
	£	£
Includes the following staff costs:		
Wages and salaries	145,274	127,452
Social security costs	15,195	12,192
Other pension costs	15,297	10,504
	<u>175,766</u>	<u>150,148</u>

The average weekly number of persons employed by the Institute during the year was 6 (2002:6).
No member of the Council received any remuneration from the Institute during the year.

4 INTEREST RECEIVABLE	2003	2002
	£	£
On bank deposits	36,240	40,748
Other interest	-	15
	<u>36,240</u>	<u>40,763</u>

5 DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2003	2002
	£	£
Deficit before taxation is stated after charging the following:		
Depreciation of owned fixed assets	5,390	7,458
Operating lease rentals on land and buildings	23,639	22,399
Operating lease rentals on equipment	11,154	13,193
Auditors' remuneration	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

6 TAX ON DEFICIT ON ORDINARY ACTIVITIES	2003	2002
	£	£
UK corporation tax @ 10% (2002:10%)	-	1,535
Adjustment in respect of prior years	(1,346)	(412)
	<u>(1,346)</u>	<u>1,123</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

7 TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2003	40,967
Additions	3,064
At 31 December 2003	<u>44,031</u>
Depreciation	
At 1 January 2003	32,944
Charge for the year	5,389
At 31 December 2003	<u>38,333</u>
Net book value	
At 31 December 2003	<u>5,698</u>
At 31 December 2002	<u>8,023</u>

8 DEBTORS

	2003 £	2002 £
Amounts owed by Joint Examination Board (see note 14)	32,539	15,709
Prepayments and accrued income	61,146	75,615
Other debtors	18,205	15,089
	<u>111,890</u>	<u>106,413</u>

9 CREDITORS: amounts falling due within one year

	2003 £	2002 £
Trade creditors	30,881	119,261
Corporation tax		1,535
Other taxes and social security costs	4,593	3,735
Accruals and deferred income	113,014	66,162
Subscriptions received in advance	65,286	25,193
Overpayments for events - amounts to be refunded	7,385	5,060
Amounts held as security for costs on behalf of members	900	900
CIPA (Warwick Course)	12,856	12,000
	<u>234,915</u>	<u>233,846</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

10 PROVISIONS FOR LIABILITIES AND CHARGES	2003	2002
	£	£
Provision for dilapidations and refurbishment of assets	<u>8,000</u>	<u>8,000</u>
11 INCOME AND EXPENDITURE ACCOUNT	2003	2002
	£	£
Balance brought forward	978,178	979,716
Deficit for the year	(47,023)	(1,538)
Balance carried forward	<u>931,155</u>	<u>978,178</u>
12 LEASING COMMITMENTS	2003	2002
	£	£
At the year end the Institute had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within one year	313	313
within two to five years	10,841	10,841
in over five years	23,218	22,400
	<u>34,372</u>	<u>33,554</u>

13 LIMITED LIABILITY AND CONTROL

The Institute is a company limited by guarantee, the liability of the members being limited to £1 each. There is therefore no share capital and no ultimate controlling party.

14 JOINT EXAMINATION BOARD

The Institute administers a joint examination board with the CIPA and this operates from Canterbury House, 2 - 6 Sydenham Road, Croydon, Surrey. The surplus or deficit is shared 50:50 with CIPA. The results for the year ended 31 December 2003 have not been included in these accounts, nor have the recharges from the Institute, as the financial statements of the Board had not been prepared at the date of approval of these financial statements. The directors consider the amount not to be material.

**THE INSTITUTE OF TRADEMARK ATTORNEYS
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003
FOR THE INFORMATION OF THE DIRECTORS ONLY**

	2003	2002
	£	£
INCOME		
Subscriptions	329,162	256,363
Registration fees	67,896	62,908
Function receipts	260,855	292,871
Income from Educational courses	174,988	176,545
Provision re: unpaid subscriptions, registrations, functions	(23,792)	(11,850)
Royalties and other income (including student tape fees)	22,429	22,664
Website and advertising	13,416	13,950
JEB recharge (previous year)	15,250	14,500
Surplus / (Deficit) on JEB (previous year)	1,479	(18,476)
	<u>861,683</u>	<u>809,475</u>
COST OF SALES		
Events		
Venue hire and catering	165,449	176,620
Consultancy	21,732	20,785
Printing, stationery, postage and telephone	42,024	43,294
Administration, travel and sundry	12,932	13,494
Speakers' expenses	9,691	11,952
Rental of equipment	7,411	7,320
	<u>259,239</u>	<u>273,465</u>
Education and training	184,011	132,376
	<u>443,250</u>	<u>405,841</u>
TOTAL COST OF SALES		
	<u>418,433</u>	<u>403,634</u>
GROSS SURPLUS		
Administrative expenses (includes the cost of running the Register)		
Secretariat services	175,766	150,148
Rent and rates	35,734	32,471
Insurance	6,001	4,333
Printing and stationery	32,255	39,567
Postage, telephone and fax	26,516	27,471
Meeting, room hire	3,102	3,354
General expenses (includes cleaning, repairs, travel and electricity)	16,124	16,598
Audit, accountancy, quarterly accounts and VAT returns	33,629	27,085
Legal and professional fees	4,002	31,965
Bank charges	617	184
Public relations expenses	124,196	59,107
Computer consultancy and internet costs	16,476	21,423
Depreciation and loss on disposals	5,390	7,458
Operating lease rentals	11,154	13,193
Continuing Professional Development	10,700	9,275
Recruitment expenses	1,380	1,180
	<u>503,042</u>	<u>444,812</u>
INCOME LESS EXPENSES	(84,609)	(41,178)
Bank deposit interest	36,240	40,763
DEFICIT FOR THE YEAR BEFORE TAXATION	<u>(48,369)</u>	<u>(415)</u>