

**THE INSTITUTE OF TRADEMARK ATTORNEYS
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institute and to enable them to ensure that the financial statements 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.

The directors confirm that so far as they are aware, there is no relevant audit information of which the Institute's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Institute's auditors are aware of that information.

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

We have audited the financial statements of The Institute of Trade Mark Attorneys for the year ended 31 December 2006 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 16. These financial statements have been prepared in accordance with the accounting policies set out therein, and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

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

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Smaller Entities, in the circumstances set out in note 16 to the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Institute's affairs as at 31 December 2006 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Sawin & Edwards

Chartered Accountants & Registered Auditors
15 Southampton Place
London WC1A 2AJ

13 February 2007

**THE INSTITUTE OF TRADEMARK ATTORNEYS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
INCOME	2	908,203	890,361
Cost of sales		(383,706)	(385,102)
Gross surplus		<u>524,497</u>	<u>505,259</u>
Administrative expenses		(574,340)	(517,228)
Interest receivable	3	44,776	44,717
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>(5,067)</u>	<u>32,748</u>
Tax on results on ordinary activities	5	(1,041)	(5,899)
(DEFICIT)/SURPLUS FOR YEAR	10	<u><u>(6,108)</u></u>	<u><u>26,849</u></u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	<u>5,759</u> 5,759	<u>4,909</u> 4,909
CURRENT ASSETS			
Debtors	7	101,124	96,092
Cash at bank and in hand		<u>1,170,488</u>	<u>1,204,299</u>
		1,271,612	1,300,391
CREDITORS: amounts falling due within one year			
	8	(254,263)	(276,084)
NET CURRENT ASSETS		<u>1,017,349</u>	<u>1,024,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,023,108</u>	<u>1,029,216</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	9	(8,000)	(8,000)
		<u>1,015,108</u>	<u>1,021,216</u>
CAPITAL AND RESERVES			
Income and expenditure account	10	<u>1,015,108</u>	<u>1,021,216</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 January 2005).

Mr P W Harris

Dr C A Wolfe

Members of the Council
Approved by the Council on 13 February 2007

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

3 INTEREST RECEIVABLE	2006	2005
	£	£
On bank deposits	44,774	44,704
Other interest	2	13
	<u>44,776</u>	<u>44,717</u>
4 (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2006	2005
	£	£
Surplus before taxation is stated after charging the following:		
Depreciation of owned fixed assets	4,183	4,108
Pension costs - defined contribution	12,974	15,701
Operating lease rentals on land and buildings	23,217	23,223
Operating lease rentals on equipment	9,432	13,075
Auditors' remuneration	7,000	6,500
	<u>7,000</u>	<u>6,500</u>
5 TAX ON RESULTS ON ORDINARY ACTIVITIES	2006	2005
	£	£
UK corporation tax	1,041	5,899
	<u>1,041</u>	<u>5,899</u>
6 TANGIBLE FIXED ASSETS		Office equipment £
Cost		
At 1 January 2006		51,579
Additions		5,033
At 31 December 2006		<u>56,612</u>
Depreciation		
At 1 January 2006		46,670
Charge for the year		4,183
At 31 December 2006		<u>50,853</u>
Net book value		
At 31 December 2006		<u>5,759</u>
At 31 December 2005		<u>4,909</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 DEBTORS	2006	2005
	£	£
Amounts owed by Joint Examination Board (see note 15)	55,383	41,418
Prepayments and accrued income	40,244	43,511
Other debtors	5,497	11,163
	<u>101,124</u>	<u>96,092</u>
8 CREDITORS: amounts falling due within one year	2006	2005
	£	£
Trade creditors	23,574	32,727
Corporation tax	1,041	5,899
Other taxes and social security costs	5,749	5,999
Accruals and deferred income	93,972	121,176
Subscriptions received in advance	103,543	79,226
Overpayments for events - amounts to be refunded	19,626	25,736
Amounts held as security for costs on behalf of members	900	900
CIPA (Warwick Course)	5,858	4,421
	<u>254,263</u>	<u>276,084</u>
9 PROVISIONS FOR LIABILITIES AND CHARGES	2006	2005
	£	£
Provision for dilapidations and refurbishment of assets	<u>8,000</u>	<u>8,000</u>
10 INCOME AND EXPENDITURE ACCOUNT	2006	2005
	£	£
Balance brought forward	1,021,216	994,367
(Deficit)/surplus for the year	(6,108)	26,849
Balance carried forward	<u>1,015,108</u>	<u>1,021,216</u>
11 LEASING COMMITMENTS	2006	2005
	£	£
At the year end the Institute had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within two to five years	9,904	8,752
in over five years	23,218	24,370
	<u>33,122</u>	<u>33,122</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

12 OTHER COMMITMENTS

In July 2004 the Institute signed a three year contract with Peninsula Business Services Limited for the provision of employment and personnel services. The charge per annum under this contract is £2,328. In November 2005 the company signed a 5 year contract with Peninsula Business Services Limited for the provision of health and safety services. The charge per annum under this contract is £1,140.

13 CAPITAL COMMITMENTS

At the balance sheet date, the company had capital commitments of £21,000 (2005:£Nil)

14 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.

15 JOINT EXAMINATION BOARD

The Institute administered a joint examination board with CIPA until May 2004, at which time the administration was transferred over to Queen Mary College. The surplus or deficit is shared 50:50 with CIPA. The results for the year ended 31 December 2006 have not been included in these accounts, 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.

16 PROVISION OF NON AUDIT SERVICES

In common with many other business of our size and nature we use our auditors to prepare and submit returns to the tax authorities, provide tax advice, prepare payroll and to assist with the preparation of management accounts and the financial statements.

**THE INSTITUTE OF TRADEMARK ATTORNEYS
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

(for the information of the directors only)

	2006	2005
	£	£
INCOME		
Subscriptions	393,665	389,541
Registration fees	66,651	67,232
Credit notes issued	(26,115)	(43,977)
Function receipts	259,186	253,224
Income from Educational courses	138,573	141,522
Royalties and other income (including student tape fees)	26,827	30,227
Website and advertising	20,930	18,425
JEB recharge (previous year)	-	7,625
Surplus on JEB (previous year)	28,486	26,542
	<u>908,203</u>	<u>890,361</u>
COST OF SALES		
Events	258,154	253,209
Education	125,552	131,893
	<u>383,706</u>	<u>385,102</u>
	<u>524,497</u>	<u>505,259</u>
GROSS SURPLUS		
Administrative expenses (includes the cost of running the Register)		
Secretariat services	223,903	217,683
Rent and rates	41,873	37,580
Insurance	6,396	7,669
Printing and stationery	46,417	48,017
Postage, telephone and fax	29,612	20,526
Meeting room hire	3,621	3,396
General expenses (includes cleaning, repairs, travel and electricity)	17,851	17,567
Audit, accountancy, quarterly accounts and VAT returns	26,669	30,709
Legal and professional fees	23,855	2,583
Bank charges	414	359
Public relations expenses	102,779	70,248
Computer consultancy and internet costs	10,794	8,359
Depreciation and loss on disposals	4,183	4,108
Operating lease rentals	9,432	13,075
Continuing Professional Development	19,499	16,276
Recruitment expenses	-	1,150
(Recoverable) / irrecoverable VAT	7,042	17,923
	<u>574,340</u>	<u>517,228</u>
INCOME LESS EXPENSES	(49,843)	(11,969)
Bank deposit and other interest	44,776	44,717
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION	<u>(5,067)</u>	<u>32,748</u>