

**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 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 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 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 2005 which comprise pages 29 to 34. 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 Directors' Report is not consistent with the financial statements, 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 whether it is consistent with the audited 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 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 15 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 2005 and of its surplus 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 14 February 2006

**THE INSTITUTE OF TRADEMARK ATTORNEYS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £	2004 £
INCOME	2	890,361	941,964
Cost of sales		(385,102)	(412,926)
Gross surplus		<u>505,259</u>	<u>529,038</u>
Administrative expenses		(517,228)	(500,908)
Interest receivable	3	44,717	41,943
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>32,748</u>	<u>70,073</u>
Tax on surplus on ordinary activities	5	(5,899)	(6,861)
SURPLUS FOR YEAR	10	<u><u>26,849</u></u>	<u><u>63,212</u></u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	6	4,909	7,392
CURRENT ASSETS			
Debtors	7	96,092	88,568
Cash at bank and in hand		<u>1,204,299</u>	<u>1,153,722</u>
		1,300,391	1,242,290
CREDITORS: amounts falling due within one year			
	8	(276,084)	(247,315)
NET CURRENT ASSETS		<u>1,024,307</u>	<u>994,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,029,216</u>	<u>1,002,367</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	9	(8,000)	(8,000)
		<u>1,021,216</u>	<u>994,367</u>
CAPITAL AND RESERVES			
Income and expenditure account	10	<u>1,021,216</u>	<u>994,367</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).

Dr S R James

M Ramage

Members of the Council
Approved by the Council on 14 February 2006

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

3 INTEREST RECEIVABLE	2005	2004
	£	£
On bank deposits	44,704	41,943
Other interest	13	-
	<u>44,717</u>	<u>41,943</u>

4 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2005	2004
	£	£

Surplus before taxation is stated after charging the following:

Depreciation of owned fixed assets	4,108	4,229
Pension costs-defined contribution	15,701	13,367
Operating lease rentals on land and buildings	23,223	23,218
Operating lease rentals on equipment	13,075	11,154
Auditors' remuneration	<u>6,500</u>	<u>10,000</u>

5 TAX ON SURPLUS ON ORDINARY ACTIVITIES	2005	2004
	£	£

UK corporation tax	<u>5,899</u>	<u>6,861</u>
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6 TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2005	49,954
Additions	1,625
At 31 December 2005	<u>51,579</u>
Depreciation	
At 1 January 2005	42,562
Charge for the year	4,108
At 31 December 2005	<u>46,670</u>
Net book value	
At 31 December 2005	<u>4,909</u>
At 31 December 2004	<u>7,392</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

7 DEBTORS	2005	2004
	£	£
Amounts owed by Joint Examination Board (see note 14)	41,418	14,918
Prepayments and accrued income	43,511	65,965
Other debtors	11,163	7,685
	<u>96,092</u>	<u>88,568</u>
8 CREDITORS: amounts falling due within one year	2005	2004
	£	£
Trade creditors	32,727	27,335
Corporation tax	5,899	6,861
Other taxes and social security costs	5,999	5,421
Accruals and deferred income	121,176	140,927
Subscriptions received in advance	79,226	52,486
Overpayments for events - amounts to be refunded	25,736	5,246
Amounts held as security for costs on behalf of members	900	900
CIPA (Warwick Course)	4,421	8,139
	<u>276,084</u>	<u>247,315</u>
9 PROVISIONS FOR LIABILITIES AND CHARGES	2005	2004
	£	£
Provision for dilapidations and refurbishment of assets	<u>8,000</u>	<u>8,000</u>
10 INCOME AND EXPENDITURE ACCOUNT	2005	2004
	£	£
Balance brought forward	994,367	931,155
Surplus for the year	26,849	63,212
Balance carried forward	<u>1,021,216</u>	<u>994,367</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

11 LEASING COMMITMENTS	2005	2004
	£	£
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
within two to five years	8,752	10,841
in over five years	24,370	23,218
	<u>33,122</u>	<u>34,372</u>

12 OTHER COMMITMENTS

In July 2004 the company 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 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 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 2005 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.

15 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 2005
FOR THE INFORMATION OF THE DIRECTORS ONLY**

	2005	2004
	£	£
INCOME		
Subscriptions	389,541	377,522
Registration fees	67,232	67,275
Credit notes issued	(43,977)	(26,928)
Provision re: unpaid subscriptions, registrations	-	(2,607)
Function receipts	253,224	274,558
Income from Educational courses	141,522	183,660
Royalties and other income (including student tape fees)	30,227	26,300
Website and advertising	18,425	13,733
JEB recharge (previous year)	7,625	15,250
Surplus on JEB (previous year)	26,542	13,201
	<u>890,361</u>	<u>941,964</u>
COST OF SALES		
Events	253,209	268,391
Education	131,893	144,535
	<u>385,102</u>	<u>412,926</u>
	<u>505,259</u>	<u>529,038</u>
GROSS SURPLUS		
Administrative expenses (includes the cost of running the Register)		
Secretariat services	217,683	200,938
Rent and rates	37,580	35,178
Insurance	7,669	6,572
Printing and stationery	48,017	42,618
Postage, telephone and fax	20,526	23,693
Meeting, room hire	3,396	2,791
General expenses (includes cleaning, repairs, travel and electricity)	17,567	15,269
Audit, accountancy, quarterly accounts and VAT returns	30,709	35,873
Legal and professional fees	2,583	4,984
Bank charges	359	546
Public relations expenses	70,248	92,719
Computer consultancy and internet costs	8,359	12,407
Depreciation and loss on disposals	4,108	4,229
Operating lease rentals	13,075	11,154
Continuing Professional Development	16,276	14,700
Recruitment expenses	1,150	-
(Recoverable) / irrecoverable VAT	17,923	(2,763)
	<u>517,228</u>	<u>500,908</u>
INCOME LESS EXPENSES	(11,969)	28,130
Bank deposit and other interest	44,717	41,943
SURPLUS FOR THE YEAR BEFORE TAXATION	<u>32,748</u>	<u>70,073</u>