

**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 2004 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 2004 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 22 February 2005

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £	2003 £
<b>INCOME</b>	2	941,964	861,683
Cost of sales		(412,926)	(443,250)
<b>Gross surplus</b>		<u>529,038</u>	<u>418,433</u>
Administrative expenses	3	(500,908)	(503,042)
Interest receivable	4	41,943	36,240
<b>SURPLUS / ( DEFICIT ) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<u>70,073</u>	<u>(48,369)</u>
Tax on surplus / ( deficit ) on ordinary activities	6	(6,861)	1,346
<b>SURPLUS / ( DEFICIT ) FOR YEAR</b>	11	<u><u>63,212</u></u>	<u><u>(47,023)</u></u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
BALANCE SHEET  
AS AT 31 DECEMBER 2004**

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	7	7,392	5,698
<b>CURRENT ASSETS</b>			
Debtors	8	88,568	111,890
Cash at bank and in hand		<u>1,153,722</u>	<u>1,056,482</u>
		1,242,290	1,168,372
<b>CREDITORS: amounts falling due within one year</b>			
	9	(247,315)	(234,915)
<b>NET CURRENT ASSETS</b>		<u>994,975</u>	<u>933,457</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,002,367</u>	<u>939,155</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	10	(8,000)	(8,000)
		<u>994,367</u>	<u>931,155</u>
<b>CAPITAL AND RESERVES</b>			
Income and expenditure account	11	<u>994,367</u>	<u>931,155</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).

**Dr S R James**

**M Ramage**

Members of the Council  
Approved by the Council on 28 February 2005

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**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 Institute is partially exempt for the purposes of Value Added Tax and the income shown in the Income and Expenditure Account is exclusive of Value Added Tax where appropriate.

**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 on a straight line basis over the term of the leases.

<b>2 INCOME</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Subscriptions	377,522	339,815
Registration fees	67,275	71,064
Provision re: unpaid subscriptions, registrations & credit notes issued	(29,535)	(37,613)
Function receipts	274,558	260,855
Educational income	183,660	174,988
Other income	40,033	35,845
Recharges to the Joint Examination Board (see note 14)	15,250	15,250
Surplus on JEB (previous year)	13,201	1,479
	<u>941,964</u>	<u>861,683</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 2004**

<b>3 ADMINISTRATIVE EXPENSES</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Includes the following staff costs:		
Wages and salaries	169,802	145,274
Social security costs	17,769	15,195
Other pension costs	13,367	15,297
	200,938	175,766

The average weekly number of persons employed by the Institute during the year was 6 (2003:6).  
No member of the Council received any remuneration from the Institute during the year.

<b>4 INTEREST RECEIVABLE</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
On bank deposits	41,943	36,240
	41,943	36,240

<b>5 SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Surplus / (deficit) before taxation is stated after charging the following:		
Depreciation of owned fixed assets	4,229	5,390
Operating lease rentals on land and buildings	23,218	23,639
Operating lease rentals on equipment	11,154	11,154
Auditors' remuneration	10,000	10,000
	48,601	50,183

<b>6 TAX ON SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
UK corporation tax	6,861	-
Adjustment in respect of prior years	-	(1,346)
	6,861	(1,346)

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**7 TANGIBLE FIXED ASSETS**

	<b>Office equipment £</b>
<b>Cost</b>	
At 1 January 2004	44,031
Additions	5,923
At 31 December 2004	<u>49,954</u>
<b>Depreciation</b>	
At 1 January 2004	38,333
Charge for the year	4,229
At 31 December 2004	<u>42,562</u>
<b>Net book value</b>	
At 31 December 2004	<u>7,392</u>
At 31 December 2003	<u>5,698</u>

**8 DEBTORS**

	<b>2004 £</b>	<b>2003 £</b>
Amounts owed by Joint Examination Board (see note 14)	14,918	32,539
Prepayments and accrued income	65,965	61,146
Other debtors	7,685	18,205
	<u>88,568</u>	<u>111,890</u>

**9 CREDITORS: amounts falling due within one year**

	<b>2004 £</b>	<b>2003 £</b>
Trade creditors	27,335	30,881
Corporation tax	6,861	-
Other taxes and social security costs	5,421	4,593
Accruals and deferred income	140,927	113,014
Subscriptions received in advance	52,486	65,286
Overpayments for events - amounts to be refunded	5,246	7,385
Amounts held as security for costs on behalf of members	900	900
CIPA (Warwick Course)	8,139	12,856
	<u>247,315</u>	<u>234,915</u>

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>10 PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>2004</b>	<b>2003</b>
	£	£
Provision for dilapidations and refurbishment of assets	<u>8,000</u>	<u>8,000</u>

<b>11 INCOME AND EXPENDITURE ACCOUNT</b>	<b>2004</b>	<b>2003</b>
	£	£
Balance brought forward	931,155	978,178
Surplus / ( deficit ) for the year	63,212	(47,023)
Balance carried forward	<u>994,367</u>	<u>931,155</u>

<b>12 LEASING COMMITMENTS</b>	<b>2004</b>	<b>2003</b>
	£	£
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	23,218
	<u>34,372</u>	<u>34,372</u>

**13 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.

**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 2004 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 2004  
 FOR THE INFORMATION OF THE DIRECTORS ONLY**

	<b>2004</b>	<b>2003</b>
	£	£
<b>INCOME</b>		
Subscriptions	377,522	339,815
Registration fees	67,275	71,064
Credit notes issued	(26,928)	(13,821)
Provision re: unpaid subscriptions, registrations	(2,607)	(23,792)
Function receipts	274,558	260,855
Income from Educational courses	183,660	174,988
Royalties and other income (including student tape fees)	26,300	22,429
Website and advertising	13,733	13,416
JEB recharge (previous year)	15,250	15,250
Surplus on JEB (previous year)	13,201	1,479
	<u>941,964</u>	<u>861,683</u>
<b>COST OF SALES</b>		
Events		
Venue hire and catering	175,821	165,449
Consultancy	26,381	21,732
Printing, stationery, postage and telephone	46,918	42,024
Administration, travel and sundry	9,547	12,932
Speakers' expenses	5,233	9,691
Rental of equipment	4,491	7,411
	<u>268,391</u>	<u>259,239</u>
Education and training	144,535	184,011
	<u>412,926</u>	<u>443,250</u>
<b>TOTAL COST OF SALES</b>		
	<u>529,038</u>	<u>418,433</u>
<b>GROSS SURPLUS</b>		
<b>Administrative expenses</b> (includes the cost of running the Register)		
Secretariat services	200,938	175,766
Rent and rates	35,178	35,734
Insurance	6,572	6,001
Printing and stationery	42,618	32,255
Postage, telephone and fax	23,693	26,516
Meeting, room hire	2,791	3,102
General expenses (includes cleaning, repairs, travel and electricity)	15,269	13,361
Audit, accountancy, quarterly accounts and VAT returns	35,873	33,629
Legal and professional fees	4,984	4,002
Bank charges	546	617
Public relations expenses	92,719	124,196
Computer consultancy and internet costs	12,407	16,476
Depreciation and loss on disposals	4,229	5,390
Operating lease rentals	11,154	11,154
Continuing Professional Development	14,700	10,700
Recruitment expenses	-	1,380
(Recoverable) / irrecoverable vat	(2,763)	2,763
	<u>500,908</u>	<u>503,042</u>
<b>INCOME LESS EXPENSES</b>	28,130	(84,609)
Bank deposit interest	41,943	36,240
<b>SURPLUS / ( DEFICIT ) FOR THE YEAR BEFORE TAXATION</b>	<u>70,073</u>	<u>(48,369)</u>