

**Registered number**

00294396

**THE INSTITUTE OF TRADE MARK ATTORNEYS**

**Report and Accounts**

**31 December 2010**

# THE INSTITUTE OF TRADE MARK ATTORNEYS

## Report and accounts

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**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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing these 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 adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) 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 2010 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Institute's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibility Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Institute's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 December 2010 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Institute's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

**Keeley Edwards**  
(Senior Statutory Auditor)

For and on behalf:  
Sawin & Edwards, Statutory Auditors  
15 Southampton Place  
London WC1A 2AJ

15 February 2011

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

|   | Notes | 2010<br>£               | 2009<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>INCOME</b>   | 2     | 826,492                 | 943,500                 |
| Cost of sales   |       | (298,284)               | (353,021)               |
| <b>Gross surplus</b>                                      |       | <u>528,208</u>          | <u>590,479</u>          |
| Administrative expenses                                   |       | (678,774)               | (849,826)               |
| Interest receivable                                       | 3     | 1,580                   | 4,425                   |
| <b>DEFICIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 4     | <u>(148,986)</u>        | <u>(254,922)</u>        |
| Tax on results on ordinary activities                     | 5     | -                       | 3,403                   |
| <b>DEFICIT FOR YEAR</b>                                   | 12    | <u><u>(148,986)</u></u> | <u><u>(251,519)</u></u> |

**THE INSTITUTE OF TRADEMARK ATTORNEYS**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**  
Company Registration Number: 00294396

|  | Notes | 2010<br>£      | 2009<br>£      |
|--|-------|----------------|----------------|
| <b>FIXED ASSETS</b>  |       |                |                |
| Intangible assets  | 6     | 27,871         | 37,161         |
| Tangible assets  | 7     | 47,021         | 8,282          |
|  |       | <u>74,892</u>  | <u>45,443</u>  |
| <b>CURRENT ASSETS</b>  |       |                |                |
| Debtors  | 8     | 141,517        | 151,385        |
| Cash at bank and in hand                                       |       | 723,218        | 829,204        |
|  |       | <u>864,735</u> | <u>980,589</u> |
| <b>CREDITORS: amounts falling due within one year</b>          | 9     | (288,708)      | (244,236)      |
| <b>NET CURRENT ASSETS</b>                                      |       | <u>576,027</u> | <u>736,353</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <u>650,919</u> | <u>781,796</u> |
| <b>CREDITORS: amounts falling due after more than one year</b> | 10    | (11,109)       | -              |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>                   | 11    | (15,000)       | (8,000)        |
|  |       | <u>624,810</u> | <u>773,796</u> |
| <b>CAPITAL AND RESERVES</b>                                    |       |                |                |
| Income and expenditure account                                 | 12    | <u>624,810</u> | <u>773,796</u> |

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Mrs M A Ramage**

**Ms K O'Rourke**  
Members of the Council

Approved by the Council on 15 February 2011

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**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 April 2008).

**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) Intangible assets**

Intangible fixed assets comprise of website development expenses and been capitalised at cost. Amortisation has been provided at the following rate in order to write off the asset over its estimated useful life.

|               |         |
|---------------|---------|
| Website costs | 5 years |
|---------------|---------|

The directors reviewed the remaining expected useful life of the website in 2009 and decided to reduce the expected useful life from 10 years to 5 years. This resulted in an increase in the amortisation charge amounting to £4,252 in the previous year.

**d) 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  |
| Leasehold improvement | 10 years |

**e) Foreign Currencies**

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

**f) 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.

**g) 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.

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1 ACCOUNTING POLICIES (continued)**

**h) Finance leases**

Assets acquired under finance leases are capitalised in the balance sheet and depreciated over their useful lives.

| <b>2 INCOME</b>                    | <b>2010</b>    | <b>2009</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Subscriptions                      | 487,235        | 493,543        |
| Registration fees                  | -              | 145,485        |
| Credit notes issued                | (53,090)       | (67,724)       |
| Provision for unpaid subscriptions | (6,431)        | -              |
| Function receipts                  | 192,723        | 181,807        |
| Educational income                 | 109,286        | 118,143        |
| Other income                       | 96,769         | 63,903         |
| Surplus on JEB (previous year)     | -              | 8,343          |
|                                    | <u>826,492</u> | <u>943,500</u> |

The income was generated entirely within the United Kingdom.

| <b>3 INTEREST RECEIVABLE</b> | <b>2010</b>  | <b>2009</b>  |
|------------------------------|--------------|--------------|
|                              | <b>£</b>     | <b>£</b>     |
| On bank deposits             | 1,580        | 4,293        |
| Other interest               | -            | 132          |
|                              | <u>1,580</u> | <u>4,425</u> |

| <b>4 DEFICIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | <b>2010</b> | <b>2009</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |

Deficit before taxation is stated after charging the following:

|   |              |              |
|---|--------------|--------------|
| Depreciation of owned fixed assets            | 15,014       | 4,883        |
| Amortisation of intangible fixed assets       | 9,290        | 9,290        |
| Pension costs - defined contribution          | 23,202       | 23,340       |
| Operating lease rentals on land and buildings | 56,785       | 30,600       |
| Operating lease rentals on equipment          | 10,635       | 10,470       |
| Auditors' remuneration                        | <u>6,500</u> | <u>6,500</u> |

THE INSTITUTE OF TRADEMARK ATTORNEYS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 DECEMBER 2010

| 5 TAX ON RESULTS ON ORDINARY ACTIVITIES | 2010     | 2009           |
|---|----------|----------------|
|   | £        | £              |
| UK corporation tax                      | -        | -              |
| Under provision previous year           | -        | (3,403)        |
|   | <u>-</u> | <u>(3,403)</u> |

There is no charge to corporation tax for the year due to the availability of tax losses.

6 INTANGIBLE FIXED ASSETS

|                       | Website<br>£  |
|-----------------------|---------------|
| <b>Cost</b>           |               |
| At 1 January 2010     | 50,383        |
| At 31 December 2010   | <u>50,383</u> |
| <b>Amortisation</b>   |               |
| At 1 January 2010     | 13,222        |
| Charge for the year   | 9,290         |
| At 31 December 2010   | <u>22,512</u> |
| <b>Net book value</b> |               |
| At 31 December 2010   | <u>27,871</u> |
| At 31 December 2009   | <u>37,161</u> |

The directors reviewed the remaining expected useful life of the website in 2009 and decided to reduce the expected useful life from 10 years to 5 years. This resulted in an increase in the amortisation charge amounting to £4,252 in the previous year.

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

| <b>7 TANGIBLE FIXED ASSETS</b> | <b>Office<br/>Equipment</b> | <b>Leasehold<br/>Property</b> | <b>Leasehold<br/>Improvement</b> | <b>Total</b>  |
|--------------------------------|-----------------------------|-------------------------------|----------------------------------|---------------|
| <b>Cost</b>                    | <b>£</b>                    | <b>£</b>                      | <b>£</b>                         | <b>£</b>      |
| At 1 January 2010              | 68,820                      | -                             | -                                | 68,820        |
| Additions                      | 37,643                      | 5,544                         | 11,957                           | 55,144        |
| Disposals                      | (55,861)                    | -                             | -                                | (55,861)      |
| <b>At 31 December 2010</b>     | <b>50,602</b>               | <b>5,544</b>                  | <b>11,957</b>                    | <b>68,103</b> |
| <b>Depreciation</b>            |                             |                               |                                  |               |
| At 1 January 2010              | 60,538                      | -                             | -                                | 60,538        |
| Charge for the year            | 13,563                      | 554                           | 897                              | 15,014        |
| Disposals                      | (54,470)                    | -                             | -                                | (54,470)      |
| <b>At 31 December 2010</b>     | <b>19,631</b>               | <b>554</b>                    | <b>897</b>                       | <b>21,082</b> |
| <b>Net book value</b>          |                             |                               |                                  |               |
| At 31 December 2010            | 30,971                      | 4,990                         | 11,060                           | 47,021        |
| At 31 December 2009            | 8,282                       | -                             | -                                | 8,282         |

The net book value of leased assets included in the overall total amounted to £17,644 (2009: £Nil) and the related depreciation charge amounted to £5,881 (2009:£Nil)

| <b>8 DEBTORS</b>                                      | <b>2010</b>    | <b>2009</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Amounts owed by Joint Examination Board (see note 16) | 25,252         | 50,256         |
| Prepayments and accrued income                        | 77,784         | 60,661         |
| Other debtors   | 38,481         | 27,424         |
| Corporation tax recoverable                           | -              | 13,044         |
|   | <b>141,517</b> | <b>151,385</b> |

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

|   |                |                |
|---|----------------|----------------|
| <b>9 CREDITORS: amounts falling due within one year</b>           | <b>2010</b>    | <b>2009</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Trade creditors   | 30,401         | 22,511         |
| Other creditors   | 34,181         | -              |
| Finance lease   | 7,842          | -              |
| Other taxes and social security costs                             | 8,294          | 8,410          |
| Accruals and deferred income                                      | 76,519         | 88,301         |
| Subscriptions received in advance                                 | 95,279         | 101,327        |
| Overpayments for events - amounts to be refunded                  | 32,024         | 19,519         |
| Amounts held as security for costs on behalf of members           | 900            | 900            |
| CIPA (Aston Course)   | 3,268          | 3,268          |
|   | <u>288,708</u> | <u>244,236</u> |
| <br>  |                |                |
| <b>10 CREDITORS: amounts falling due after more than one year</b> | <b>2010</b>    | <b>2009</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Finance lease   | <u>11,109</u>  | <u>-</u>       |
| <br>  |                |                |
| <b>11 PROVISIONS FOR LIABILITIES AND CHARGES</b>                  | <b>2010</b>    | <b>2009</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Provision for dilapidations and refurbishment of assets           | <u>15,000</u>  | <u>8,000</u>   |
| <br>  |                |                |
| <b>12 INCOME AND EXPENDITURE ACCOUNT</b>                          | <b>2010</b>    | <b>2009</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Balance brought forward   | 773,796        | 1,025,315      |
| Deficit for the year  | (148,986)      | (251,519)      |
| Balance carried forward   | <u>624,810</u> | <u>773,796</u> |

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

| <b>13 LEASING COMMITMENTS</b>   | <b>2010</b>   | <b>2009</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| At the year end the Institute had annual commitments under non-cancellable operating leases as set out below: |               |               |
| Operating leases which expire:  |               |               |
| within 1 year   | 865           | -             |
| within two to five years  | 39,601        | 40,504        |
| after 5 years   | 32,959        | -             |
|   | <u>73,425</u> | <u>40,504</u> |

**14 OTHER COMMITMENTS**

In November 2008 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 £2,496.

**15 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.

**16 JOINT EXAMINATION BOARD**

The surplus or deficit of the Joint Examination Board in each year is shared 50:50 with CIPA. The results for the year ended 31 December 2010 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 amount not to be material.

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**17 THE INTELLECTUAL PROPERTY REGULATION BOARD LIMITED**

The Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys are the two guarantors of the Intellectual Property Regulation Board Limited. The company was formed to undertake the regulation of the professions of Patent Attorneys and Trade Mark Attorneys. The company was incorporated on 19 June 2008.

**18 CONTINGENT LIABILITY**

There is the possibility of an additional VAT liability arising following an ongoing investigation by HMRC to determine the correct formula for the partial exemption calculation. The final outcome and extent of the liability is not known at the date of approval of these financial statements.

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

*(for the information of the directors only)*

|   | <b>2010</b>    | <b>2009</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| <b>INCOME</b>   |                |                |
| Subscriptions   | 487,235        | 493,543        |
| Registration fees   | -              | 145,485        |
| Credit notes issued   | (53,090)       | (67,724)       |
| Provision for unpaid subscriptions                                    | (6,431)        | -              |
| Function receipts   | 192,723        | 181,807        |
| Income from Educational courses                                       | 109,286        | 118,143        |
| Royalties and other income  | 27,246         | 40,518         |
| Website and advertising   | 29,079         | 23,385         |
| Surplus on JEB (previous year)  | -              | 8,343          |
| IPREG recharge  | 40,444         | -              |
|   | <u>826,492</u> | <u>943,500</u> |
| <b>COST OF SALES</b>  |                |                |
| Events  | 209,702        | 240,554        |
| Education   | 88,582         | 112,467        |
|   | <u>298,284</u> | <u>353,021</u> |
| <b>TOTAL COST OF SALES</b>  | <u>298,284</u> | <u>353,021</u> |
| <b>GROSS SURPLUS</b>  | <u>528,208</u> | <u>590,479</u> |
| <b>Administrative expenses</b>  |                |                |
| Staff salaries and pension  | 330,587        | 346,470        |
| Rent and rates  | 91,257         | 44,842         |
| Insurance   | 7,514          | 7,178          |
| Printing and stationery   | 38,588         | 37,021         |
| Postage, telephone and fax  | 31,410         | 38,731         |
| Meeting room hire   | 5,325          | 8,889          |
| General expenses (includes cleaning, repairs, travel and electricity) | 16,521         | 18,860         |
| Audit, accountancy, quarterly accounts and VAT returns                | 27,167         | 27,383         |
| Legal and professional fees   | 29,854         | 204,851        |
| Bank and credit card charges  | 9,375          | 7,150          |
| Public relations expenses   | 20,528         | 44,862         |
| Computer consultancy and internet costs                               | 11,669         | 26,019         |
| Depreciation  | 15,014         | 4,883          |
| Balance carried forward   | <u>634,809</u> | <u>817,139</u> |

**THE INSTITUTE OF TRADEMARK ATTORNEYS  
 DETAILED INCOME AND EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 31 DECEMBER 2010**

*(for the information of the directors only)*

|   | <b>2010</b>             | <b>2009</b>             |
|---|-------------------------|-------------------------|
|   | <b>£</b>                | <b>£</b>                |
| <b>Administrative expenses</b><br>(continued) |                         |                         |
| Balance brought forward                       | 634,809                 | 817,139                 |
| Amortisation of intangible assets             | 9,290                   | 9,290                   |
| Loss on disposals of fixed assets             | 1,390                   | -                       |
| Operating lease rentals                       | 10,635                  | 10,470                  |
| Continuing Professional Development           | -                       | (300)                   |
| Recruitment and training expenses             | 105                     | 1,166                   |
| Irrecoverable VAT                             | 8,565                   | 12,061                  |
| Provision for dilapidation                    | 7,000                   | -                       |
| Deficit on JEB (previous year)                | 6,980                   | -                       |
|   | <u>678,774</u>          | <u>849,826</u>          |
| <b>INCOME LESS EXPENSES</b>                   | <b>(150,566)</b>        | <b>(259,347)</b>        |
| Bank deposit and other interest               | 1,580                   | 4,425                   |
| <b>DEFICIT FOR THE YEAR BEFORE TAXATION</b>   | <b><u>(148,986)</u></b> | <b><u>(254,922)</u></b> |