

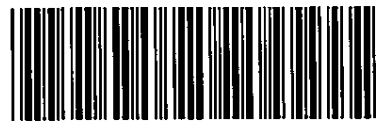


THE INTELLECTUAL PROPERTY INSTITUTE
(A company limited by guarantee)

REPORT AND ACCOUNTS

31 March 2009

THURSDAY



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COMPANIES HOUSE

Company No.1557489

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Status

The organisation is a charitable company limited by guarantee, incorporated on 22 April 1981 and registered as a charity on 30 September 1981.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, one third of the governors (those longest in office since their last election or appointment) retire from office - and are eligible for re-election - at each AGM.

Governors

Mr Ian Harvey, Chairman
Dr Mike Barlow
Mr Henry Carr QC
Prof. Sir Hugh Laddie (died 28.11.08)
Dr Stephen Smith
Professor David Vaver

Secretary

Dr Paul Leonard

Registered office

1st Floor, 36 Great Russell Street
London WC1B 3QB

Independent examiner

Richard Hewson
Chartered Accountant
21 Corner Green
London SE3 9JJ

Solicitors

Denton Wilde Sapte LLP
One Fleet Place
London
EC4M 7WS

Charity Registration Number

283150

The governors present their report and the financial statements for the year ended 31 March 2009.

CHAIRMAN'S STATEMENT

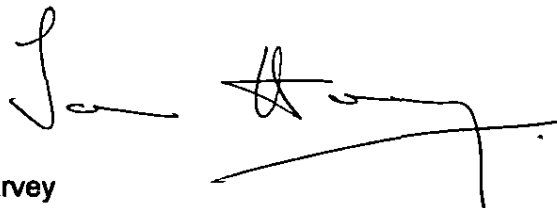
IP practitioners understand how important Intellectual Property Rights are in helping create the health and wealth of today's society. They also recognise that evidence needs to be gathered, studied, analysed and discussed about the way IPRs are used and managed for the overall benefit of society both domestically and globally. Too often debate, and even policy, has been based around emotion or casual "consultation" rather than evidence-based analysis. The expansion of the policy side of the UKIPO, the appointment of a UK Minister responsible for IP and the developing agenda of SABIP create the expectation that IP policy in the UK, and promoted by the UK in EU and global fora, will be better founded in the future.

It is to this area that IPI brings its evidence-based and informed research and analysis of global IP issues. Working on areas identified as important by both our members and external bodies such as the UK IPO and SABIP, the IPI brings together the different parties involved in the IP system - business users, IP practitioners, academia and the judiciary. As a result the IPI's research is high quality, well informed and balanced. The independence of our research is well respected by those who use it. Funded as we are by our members, in order to maintain both the fact and the perception of this independence, we have formalised both the role of the Council in the peer review of research and the Board's oversight of the process.

As the Director notes, it is harder in today's economic climate to win private and public funding for IP-related research. Yet in the area of climate change and low-carbon technologies the debate about the role of IP is coming quickly into sharp focus - the forthcoming COP15 Copenhagen Climate Change Conference is likely to drive major decisions on the role of IPRs. These decisions are likely to have ramifications well beyond that of climate change. Similarly, the rapid evolution of the web brings vigorous and often polarised debate into media and copyright issues. The need for the IPI's high quality research to inform these debates has never been greater.

The seminars and lectures noted by the Director also play a significant part in airing the issues with which the IP community needs to engage. The eminent lecturers and participants have been generous in giving their time to this side of the IPI's work.

Finally, I would thank the Council, the Director, my colleagues on the Board and all our members for giving unstintingly of their time to helping the Institute fulfil its objectives.

A handwritten signature in black ink, appearing to read 'Ian Harvey', followed by a long horizontal line that extends to the right and then curves downwards.

Ian Harvey

Objectives and principal activities of the charity

The charity's objectives and its principal activities continue to be to promote a greater understanding of education in and research into all legal, social, economic and other matters relating to or connected with the creation, protection, use and exploitation of intellectual property rights throughout the world. The Intellectual Property Institute does this by liaising with its membership and externally to generate a timely and authoritative package of objective research, the results of which are published usually through our own publications. Research findings are also used to inform decision-making bodies in the UK, the EU and overseas. The IP Institute has strong links with related research establishments.

Ensuring our work meets our objectives

We have kept in mind the Charity Commission's general guidance on public benefit at our governors' meetings throughout the year, when we review our activities, consider their outcomes and plan future activities. Our meetings also help us to ensure that our activities remain focused on our objectives. The Institute continues to provide public policy makers with independent, authoritative information and advice across all areas of intellectual property law, practice and regulation: our research and events programmes have informed students, businesses, legal practitioners, government and those from without the specialised IP arena.

DIRECTOR'S REVIEW

Report on activities for the year ended 31 March 2009

The IP landscape continues to change rapidly: new structures within the IPO (with a welcome increase in resources for policy development); a new head for WIPO, Francis Gurry, and yet again, a new Minister with responsibility for IP issues, David Lammy. There is a palpable sense that the profile of IP is rising and becoming a key policy priority for government. The Institute was successful in becoming part of the SABIP Research Framework, and the work of SABIP in setting a research agenda has begun in earnest. We will naturally be looking to achieve a high profile as a major research supplier for SABIP over the next few years.

The Institute continues to work hard to present itself as a primary partner and resource for government under its policy agenda: we believe that our approach to research (employing interdisciplinary teams with input from IP professionals in industry, the legal profession etc.) is the appropriate way to support credible, evidence-based policy development, and our unique network of IP academics, professionals and industry experts (who come together under our events programme) provides the right forum in which to test, discuss and disseminate policy recommendations and initiatives.

Below is a summary of our work under the research and events programmes this year.

Research Summary 2008/09

Our research programme continues to be set out under five major themes, spearheaded by a separate Research Director.

Our current research themes and the associated Research Directors are as follows:

- Addressing Fragmented and Cumbersome IP Systems in Europe – Prof. Michael Blakeney
- Enforcement, Cost-Reduction and Accessibility – Dr Puay Tang
- The IP / Innovation Link – Prof. Jeremy Phillips
- IP and Competition – Dr Robert Pitkethly
- China Programme – Dr Victoria Wang

Our work this year has covered a range of legal, economic, procedural and regulatory issues. The work has been guided by the particular concerns of our members, and all of the research outlined below has been privately funded. We were successful in our bid to be included in the SABIP Research Framework, and we hope to be able to report on new projects under this initiative next year.

The Limits of Compulsory Licensing: this project examines the factors which have in the past, and are currently influencing decisions to grant compulsory licences across a range of industries and technologies. The Paris Convention sets out general conditions for the granting of such instruments, but economies, business practices and technologies have changed enormously since the Convention was drafted, and some major global issues (such as climate change) have caused the competition authorities to reconsider the appropriate scope for applying implementing licenses. Our research seeks to shed light on how effective (in terms of economic performance and competition) such licences have been in the past, how they are now being applied, and what the likely effects will be on businesses, economies and technological development. Prof. Mark Rogers, Dr Robert Pitkethly and Prof. Jeremy Phillips are leading this work.

IP and Inward Investment: under the guidance of IPI Research Director, Prof. Jeremy Phillips, Kaori Minami has examined the feasibility of developing a “meta-analysis” for research in this contentious area. Do IP laws and their enforcement have a direct bearing upon economic development and inward investment? There is much published work in this field but it varies substantially in focus and quality. The Institute has worked to find methodologies to analyse the existing research and make informed qualitative assessments of its contribution to our understanding. We are looking to use this work to guide more in-depth study, examining the effects of specific IP rights in particular jurisdictions and industry sectors.

The Applications Backlog in the European Patent Office - Options for Improvement: again under the guidance of Jeremy Phillips, Christopher de Mauny has set out most, if not all, of the major options available to address the current backlog of patent applications at the EPO. Each option is described and assessed for its feasibility and impact in lessening pendency times, but there are other factors to consider, not least the degree of certainty and expediency any new system might offer to users. To this end, and following the publication of a joint German, Danish and Dutch paper on the subject, the Institute plans to address the option of deferred examination in particular.

Perceptions of Intellectual Property – A Review: Dr Roya Ghafele has published research this year on behalf of the Institute (funded by the British Brands Group) which examines the nature of discourse about IP in key media in the major developed countries over the past five years. The results show that discourse in the media is overwhelmingly negative. There is a polarisation of views between the extremes of business and NGOs with the language often used by IP professionals helping detract from the benefits of IP in the

innovation process. The work provided a data baseline for the next stage of the project. The project brings together marketing, communications and IP professionals to identify and address the causes of the poor perceptions of IP. The work streams coming out of the project will address both the behaviours of the IP community in contributing to the problems as well as the widespread lack of understanding of the role of IP in the innovation process. The current participants in the project are major companies representing a cross section of industries which depend on IP.

Papers

Intellectual Property Rights: the Catalyst to Deliver Low Carbon Technologies: Institute Chairman, Ian Harvey, wrote this paper for Tony Blair's "Breaking the Climate Deadlock" initiative for the G8 Summit in June 2008. The Institute is currently using this as a platform for further work to examine the effects of the IP system on the development and uptake of environmental technologies. The paper argues that patents will be a catalyst for creating and developing low carbon technologies, stimulating investment, facilitating technology transfer and preventing the blockage of follow-on inventions. The paper sets out a number of policy recommendations, including emphasising the importance of IPRs for promoting the development of low carbon technologies, anti-trust "safe harbours" for those who wish to pool low carbon technologies and a call for an independent assessment of the likely impact of introducing limited compulsory licensing in this area, if proposals such as put forward in the WTO Doha Declaration for pharmaceuticals were to be considered for low carbon technologies.

Comments on the Preliminary Findings of the European Commission Pharmaceutical Sector Inquiry: in January this year the Institute took the opportunity to respond to the DG Competition Inquiry into the pharmaceutical sector, addressing only those aspects which related to IP: patent filing strategies; patent-related exchanges and litigation; and oppositions and appeals. The Commission Report had at its core the premise that innovative pharmaceutical companies employed tactics which unfairly delayed the launch of generic products in the market place. The Institute response, drafted by Council members Dr Duncan Curley and Dr Steve Smith, expressed regret that the Commission's approach to methodology and statistical analysis in addressing this issue lacked rigour, and the Institute challenged a number of the Preliminary Report's findings. The Institute's paper has been published by the Commission, on the IPI web site, and a summary has been published in the Bioscience Law Review (Vol. 9, Issue 6. pp: 231-238).

Improving the Global Standards System: in November 2008 Christopher Stothers drafted an IP Institute paper in response to a request from the European Commission ahead of a major policy workshop in Brussels. The IPI paper set out the problems to be faced at the interface between IP and standardisation, including such issues as royalty stacking, patent thickets and the danger of collusive pricing. The paper also set out and examined the merits of possible options to take which might help to address such potential pitfalls, including the exclusion of IP rights from standards or specific regulatory implements for IP within the standards arena.

The IP Quarterly – Privacy and Confidentiality: Prof. Margaret Llewelyn continues to edit our Journal, ensuring that the research that we publish is of the highest quality, and of relevance to the interests of our stakeholders and this year we have undertaken an initiative to increase its impact by collecting and editing papers around specific themes to create stand-alone publications. The first of these is now under way on the topic of privacy and confidentiality.

Events Summary 2008/09

This year we launched a new lecture series under the title "The Future of IP". The IP landscape is changing perhaps faster now than it ever has, and throughout this year the Institute invited a series of eminent individuals from the UK and abroad to set out what they felt the future might hold for the IP scene from their individual perspectives. Our initial speakers have been the people who lead some of the most influential institutions in the IP world: the USPTO, the EPO, the UK IPO, WIPO and the newly-created Strategic Advisory Board for IP Policy in the UK, SABIP. The lecture series continues with leading thinkers from the business community. We also plan to invite those who criticise the IP system, to stimulate what we hope will be lively, robust and useful debate. The Institute provides the ideal forum for such debate.

In addition to the "Future of IP" lectures, we have organised an extremely diverse series of seminars and events on behalf of our members. In fact, this year has been the busiest for the Institute in this regard for a very long time. Always the highlight of the events calendar, the 2008 Stephen Stewart Lecture is worthy of particular mention. Since he was soon to be stepping down from his position as Director of the Oxford IP Research Centre, we took the opportunity to invite Professor David Vaver, a leading member of our Board and Council, to deliver this year's lecture: "Reforming IP Law – An Obvious and Not-so-obvious Agenda". David presented a superb analysis of how the law has developed and how it fits (or rather doesn't, in many instances) with the commercial and technological realities of the 21st Century.

Below is a brief summary of our events programme this year. The Institute would like to thank all those member firms who made these events possible by kindly allowing us use of their premises, and also laying on refreshments at their own expense.

2008

16th April: Surgical Exceptions to Patentability – Florian Leverage and Prof. Jeremy Phillips set out the results of this IPI research project based on a detailed study of decisions rendered by the Boards of Appeal of the EPO. The event was Chaired by Trevor Cook of Bird & Bird and hosted by Olswang.

18th June: IP and Small Firms in the UK – Who's doing what and does it help? – Dr Mark Rogers, Oxford University, discussed the creation and analysis of a major new database that maps the IP activity of all UK firms. Ian Harvey chaired the event which was hosted by Bristows.

30th June: Jon Dudas on "The Future of IP" – the US Under-Secretary of Commerce for IP, and Director of the USPTO delivered the first talk in this new lecture series. Proceedings were chaired by IPI President, The Rt. Hon. Lord Justice Jacob, and our hosts were Clifford Chance.

10th September: Ian Fletcher on "The Future of IP" – the CEO of the UK Intellectual Property Office gave his view of the future for IP in the second lecture of the series. Ian Harvey was in the chair for the evening, and our hosts were BATMark.

15th October: Joly Dixon on "The Future of IP" – in the third lecture in the series the Chairman of the Strategic Advisory Board for IP Policy set out his vision of the challenges that he and his colleagues on SABIP were set to address. Dame Lynne Brindley, Dr Cathy

Gamer, Prof. John Pickering, Dr Jonathan Spencer CB, and Iain Wilcock (SABIP members) also gave short presentations. Once again, Ian Harvey chaired the evening, hosted by Marks & Clerk.

22nd October: The Annual BLACA/IPI Seminar, "Parody and Copyright: A Comparative Review" – Trevor Cook, Brigitte Lindner and Pascal Kamina took a comparative look at the treatment of parody in the UK, Germany and France, under the stewardship of Guy Tritton. Trevor and his colleagues at Bird & Bird also provided us with a venue for the evening.

26th November: The 2008 Stephen Stewart Lecture, Prof. David Vaver on "Reforming IP Law – An Obvious and Not-so-obvious Agenda" – the flagship event was kindly hosted by Slaughter and May (now a firm tradition!) and the discussion after the lecture was moderated by The Rt. Hon. Lord Justice Jacob.

2nd December: Perceptions of Intellectual Property – A Review – Dr Roya Ghafele presented the results of work carried out for the Institute under our "Brand of IP" project which has been generously supported by the British Brands Group, and continues throughout the coming year. Ian Harvey chaired a round table discussion hosted by Lewis Silkin, with refreshments kindly sponsored by Olswang.

2009

22nd January: Alison Brimelow on "The Future of IP" – the President of the European Patent Office presented the future of the IP scene from her viewpoint in the fourth lecture in this series. Baker & McKenzie hosted the event which was chaired by The Rt. Hon. Lord Justice Jacob.

28th January: Interim Remedies in Intellectual Property Actions – Giles Fernando considered recent IP case law and the various gateways to the grant of interim injunctive relief in the UK. The proceedings were chaired by Iain Purvis QC, and our hosts were CMS Cameron McKenna.

16th March: Francis Gurry on "The Future of IP" – the recently appointed Director General of WIPO set out his thoughts on the shape of the future for IP and its many challenges across a range of IP rights. Former lecturer, Ian Fletcher, was in the chair for the evening and Nabarro hosted the event.

18th March: Authors, Editors, Originality and Antiquity – Prof. Hector MacQueen of Edinburgh University and the SCRIPT centre gave a fascinating talk on the meaning and role of authorship in copyright law. Milbank Tweed Hadley & McCloy hosted the event with David Perkins in the chair.

Director's Assessment of Performance for the Year

The overriding priority for the Institute this year (as stated in last year's Annual Report) was to improve our financial position and make a contribution towards increasing our reserves. The wider economic situation has made achieving this goal all the more challenging, but by implementing what has been an outstanding programme of events (especially the "Future of IP" lecture series, and by a significant reduction in running costs (by moving to almost paperless communications and publications) we have managed to increase our reserves this year, albeit by a very small margin.

Next year poses even greater challenges and, if we are to meet them, we must continue to implement an outstanding series of events, and maintain strict control over our costs. Above all, we will also need to increase our research income, which has been disappointingly low this year. We tendered unsuccessfully for four research projects through government funding sources: all of our research this year was privately supported by our members. We cannot rely on such support over the coming twelve months, given the economic climate.

Given the resources that the Institute has, I am extremely proud of what we have managed to achieve this year, and I am very grateful for the wide and generous support that we receive from our members; in terms of advice and expertise, as well as the invaluable financial contributions. I would like to express particular thanks to our Chairman, Ian Harvey and all of the members of our Board, the Research Directors and the Council. I am looking forward to working with them next year as we take on the challenges I have outlined. Finally, I would like to thank Anne Goldstein and Sue Hanstead for their superb efforts at the coal face: their contribution to the success of the events programme, and the reduction in running costs, has been enormous.



Dr P A Leonard
Director

Financial Review

The statement of financial activities shows a surplus for the year of £2,553. Income was down by £13,905 on the previous year due to a decrease in subscriptions, bank interest received and research income, but there was an increase in conference and seminar income and publication sales. Expenditure was down by £17,155 due mainly to a general cutting of overhead expenditure.

Reserves Policy

The Institute does not have a formal reserves policy which has been discussed and agreed by the governors. The management of the Institute nevertheless recognises the need to maintain an appropriate level of reserve financial resource, with a minimum level equivalent to 3 months' operations (currently £30,000, excluding funded research). At the year end, 31 March 2009, the Institute's free reserves were £35,161 (not including fixed assets). For the coming year, we intend that future research costs will continue to be fully funded.

Governors and Trustees

The governors, who are also trustees of the charity, are members of the Executive Committee and all work on a voluntary basis.

The names of the governors are listed on page 1.

Governors' Responsibilities

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of the charitable company's affairs at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements the governors should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis; and
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements.

The governors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent examiner

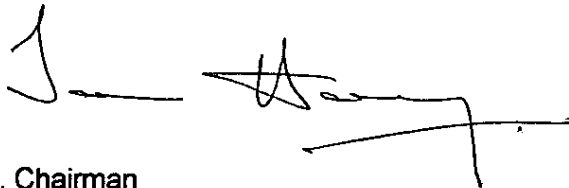
Richard Hewson, Chartered Accountant, has indicated that he is willing to be reappointed at the forthcoming annual general meeting.

Exemption Statement

For the financial year ended 31 March 2009, the company was entitled to exemption from audit under Section 249A(2) of the Companies Act 1985. Under Section 249B(2), each member of the company may give notice requiring the financial statements to be audited. The notice should be in writing and should be given at the Registered Office at least one month before the end of the financial year in question.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board,

A handwritten signature in black ink, appearing to read 'Ian Harvey', with a long horizontal stroke extending to the right.

Ian Harvey, Chairman

Date: 2 July 2009

**Independent examiner's report to the trustees of
The Intellectual Property Institute**

I report on the financial statements of the company for the year ended 31 March 2009 set out on pages 12 to 18.

Respective responsibilities of trustees and examiner

The company's trustees (who are also the company's directors - or 'governors' - for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 ('the 1993 Act') and that an independent examination is needed. I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as governors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and my report is limited to those matters set out in the statement below.

Independent examiner's statement


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 221 of the Companies Act 1985; and
- to prepare financial statements which accord with the accounting records, and which comply with the accounting requirements of section 226 of the Companies Act 1985 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Richard Hewson
Chartered Accountant

21 Corner Green
London SE3 9JJ

DWA: 2 July 2009

The Intellectual Property Institute
Statement of financial activities (including Income and Expenditure Account)
for the year ended 31 March 2009

	Notes	Unrestricted Funds 2009 £	2008 £
Incoming resources			
Voluntary income - donations and subscriptions		92,826	112,651
Incoming resources from charitable activities	2	85,598	78,958
Investment income – bank interest		236	1,353
Other incoming resources		554	157
Total incoming resources		<u>179,214</u>	<u>193,119</u>
Resources expended			
Charitable activities	3	166,330	174,597
Governance costs	3	10,331	19,219
Total resources expended		<u>(176,661)</u>	<u>(193,816)</u>
Net incoming resources (resources expended)			
- net surplus (deficit) for the year	4	2,553	(697)
Total funds at 1 April 2008		<u>33,966</u>	<u>34,663</u>
Total funds at 31 March 2009		<u>£36,519</u>	<u>£33,966</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 18 form part of these financial statements

The Intellectual Property Institute
Balance Sheet
31 March 2009

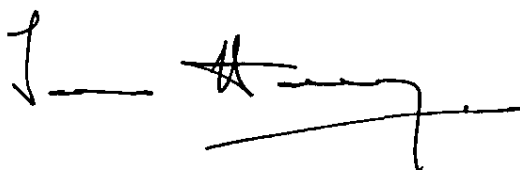
	Notes	Unrestricted funds			
			2009		2008
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		1,358		1,810
Current assets					
Debtors	8	37,400		42,238	
Cash at bank and in hand		28,372		37,207	
Total current assets		65,772		79,445	
Creditors					
Amounts falling due within one year	9	(30,611)		(47,289)	
Net current assets			35,161		32,156
Net assets			£36,519		£33,966
Unrestricted funds			36,519		33,966
Total funds			£36,519		£33,966

For the year ended 31 March 2009 the company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985 ('the Act') and the governors confirm that no notice has been deposited under Section 249B(2) requiring an audit of these financial statements.

The governors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2009 and of its income and expenditure for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board of Governors on 2 July 2009 and signed on its behalf:



Ian Harvey, Chairman

The notes on pages 14 to 18 form part of these financial statements

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

- (a) The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities and the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.
- (b) Voluntary income is received by way of donations and subscriptions and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- (c) Incoming resources from charitable activities and in respect of bank interest are included when receivable.
- (d) Resources expended are recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.
Salary costs have been attributed as follows:
Charitable activities – 90%
Governance costs (see also note 3) – 10%
- (e) Rentals payable under operating leases are charged on a time basis over the lease term.
- (f) Depreciation is calculated to write off the cost of each tangible fixed asset at 25% per annum by the reducing balance method.
- (g) Liabilities are recognised as soon as there is a legal or constructive obligation to pay our resources.
- (h) Unrestricted funds are donations, subscriptions and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2 Incoming resources from charitable activities (all unrestricted)

	2009	2008
	£	£
Research and study projects	61,242	66,700
Conferences and seminars	9,395	2,620
Publications and sales	14,961	9,638
	<u>£85,598</u>	<u>£78,958</u>

3 Total resources expended

	Charitable activities £	Governance costs £	2009 Total £	2008 Total £
Conferences and seminars	622	-	622	2,505
Research and study costs	33,957	-	33,957	34,447
China project expenses	2,986	-	2,986	(1,340)
Publication expenses	5,230	-	5,230	5,611
Staff costs (note 5)	94,360	10,485	104,845	111,565
Rent and rates	21,353	-	21,353	21,536
Insurance	499	-	499	499
Repairs and maintenance	140	-	140	758
Other premises expenses	689	-	689	703
Telephone, fax and internet	2,335	-	2,335	2,647
Postage, printing and stationery	757	-	757	1,961
Sundry expenses	255	-	255	420
Travel and subsistence	2,146	-	2,146	2,228
Legal and professional	-	15	15	15
Reporting accountants' fees	-	782	782	1,095
Bookkeeping	-	5,691	5,691	6,048
Office equipment depreciation	452	-	452	604
Bank charges/exchange (gains)	-	(6,642)	(6,642)	905
Subscriptions	399	-	399	409
Scholarship	-	-	-	-
CPD points course	150	-	150	200
Commission	-	-	-	1,000
	<u>£166,330</u>	<u>£10,331</u>	<u>£176,661</u>	<u>£193,816</u>

	2009 £	2008 £
4 Net incoming resources for the year		
This is stated after charging/(crediting):		
Bank deposit interest	(236)	(1,353)
Independent examiner's fees	782	1,095
Depreciation of tangible fixed assets	452	604
Operating lease charges	<u>19,000</u>	<u>19,000</u>

5 Staff costs

Staff costs during the year were as follows:

Wages and salaries	94,180	99,476
Social security costs	<u>10,665</u>	<u>12,089</u>
	<u>£104,845</u>	<u>£111,565</u>

One employee received emoluments in the range of £70,001 - £80,000 during the year (2008 - 1 in the range of £80,001 - £90,000).

The average weekly number of employees (excluding governors) during the year, calculated on the basis of full-time equivalents, was as follows:

	2009 No.	2008 No.
In charitable activities	1	1
In governance	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

The above information relates to regular employees. In the previous year, a further salary of £8,000 was paid to a temporary researcher and was included under 'research and study costs'.

6 Taxation

The company is exempt from corporation tax on its charitable activities.

7 Tangible fixed assets

	Office equipment		
	£		
Cost			
At 1 April 2008	25,702		
Additions	-		
Disposals	-		
	<u>25,702</u>		
At 31 March 2009	25,702		
Depreciation			
At 1 April 2008	23,892		
Charge for year	452		
	<u>24,344</u>		
At 31 March 2009	24,344		
Net book values			
At 31 March 2009	<u>£1,358</u>		
At 31 March 2008	<u>£1,810</u>		
	2009	2008	
	£	£	

8 Debtors

Trade debtors	30,293	34,930
Other debtors and prepayments	7,107	7,308
	<u>£37,400</u>	<u>£42,238</u>

9 Creditors: amounts falling due within one year

Trade creditors	25,436	42,829
Other creditors and accruals	5,175	4,460
	<u>£30,611</u>	<u>£47,289</u>

10 Commitment under operating lease

The company is committed to make rental payments of £19,000 next year under an operating lease on its premises which expires within less than five years.

11 Transactions with governors

There were no transactions with or for governors during the year.

12 Liability of members

As the company is limited by guarantee (having no share capital) every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up, in accordance with the Memorandum and Articles of Association. At 31 March 2009 there were 5 members (2008 - 6).