

THE INTELLECTUAL PROPERTY INSTITUTE

REPORT AND ACCOUNTS

31 MARCH 2001



	Page No.
Company information	1
Report of the governors	2
Statement of governors' responsibilities	4
Accountants' report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8

Governors

Mr Ian Harvey, Chairman
Mr Henry Carr QC
Sir William Castell
Professor William Cornish QC
Mr Michael Flint
Mr Christopher Morcom QC
Mr David Rouse
Dr Stephen C Smith
Mr Jeremy Strachan

Secretary

Dr Paul Leonard

Registered office

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

Reporting accountants

Richard Hewson & Co.
Chartered Accountants
21 Corner Green
Blackheath
London SE3 9JJ

Charity Registration Number

283150

Solicitors

Denton Wilde Sapte
5 Chancery Lane
Cliffords Inn
London EC4A 1BU

The Intellectual Property Institute
Report of the governors
on the financial statements for the year ended 31 March 2001

The governors present their report, together with financial statements, for the year ended 31 March 2001.

Objects and principal activity of the charity

The charity is constituted as a company limited by guarantee and is, therefore, governed by a memorandum and articles of association.

The charity's object and its principal activity 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.

Report on activities for the year ended 31 March 2001

Despite a small drop in subscription income, our overall financial position remains healthy. We made a surplus this year, which was helped by more efficient banking arrangements.

Over the year, we have initiated research into the business and economic effects of business method patents; TRIPs (access to genetic resources and the implications for sustainable agriculture); and the social and economic effects of counterfeiting. We have not yet found a suitable research team to address our planned work on copyright in the digital environment, but we fully intend to carry this out.

The Business method patents work is being carried out by Robert Pitkethly at Oxford University and Bob Hart, who contributed so much to our work on software patents for the European Commission (published this year). Michael Blakeney at Queen Mary and Westfield College, London is leading the TRIPs work. Puay Tang, from the Science Policy Research Unit at Sussex University is working with us on the counterfeiting study.

With the exception of the counterfeiting work, each research project is being pursued on the basis of part funding (approximately 30%) from the Institute, with government sources providing the remaining funds. The counterfeiting study is a one-off piece of contract research, wholly paid for by the Institute.

We have run a series of seminars, including those in collaboration with the British Literary and Artistic Copyright Association, the Royal Society of Chemistry and the British Screen Advisory Council. The annual Stephen Stewart Memorial Lecture, given by Judge David Edward of the European Court of Justice, was a particular highlight.

An IPI web site is now up and running and it has quickly improved our external communications.

Apart from continuing to address the research projects referred to above, we plan to develop new landscape research proposals to be initiated in 2001/2002. These will continue to take the form of part and wholly funded projects, with an increase in the latter. It is hoped that

The Intellectual Property Institute
Report of the governors
on the financial statements for the year ended 31 March 2001

resources for these "one-off" projects can be gleaned from additional external sources (industry) as well as existing IPI funds.

It will be a priority for the coming year to increase the Institute's resource base and to attract new corporate members. This will increase the Institute's income and allow us to expand our activities.

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.

On 15 May 2000, David Rouse was appointed as a governor. On 4 July 2000, John Reid resigned and Paul Leonard was elected as secretary, David Barnes and Jonathan Davies retired and William Cornish and Stephen Smith were elected as governors.

The names of the current governors are listed on page 1.

Cash flow statement

In the opinion of the governors the company qualifies as a small company and as such no cash flow statement has been prepared.

Accountants

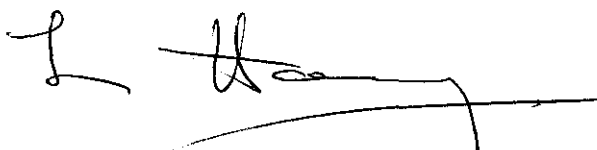
Richard Hewson & Co., Chartered Accountants, replaced Hugill during the year and have indicated that they are willing to be reappointed at the forthcoming annual general meeting.

Exemption statement

In preparing the above report, the governors have taken advantage of the special exemptions applicable to small companies.

For the financial year ended 31 March 2001, 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.

By Order of the Board,



Mr Ian Harvey, Chairman
18 July 2001

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 company's affairs and of the surplus or deficit of the company for that year. In preparing those financial statements the governors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The governors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We report on the financial statements for the year ended 31 March 2001 set out on pages 6 to 10.

Respective responsibilities of governors and reporting accountants

As described on page 7 the company's governors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

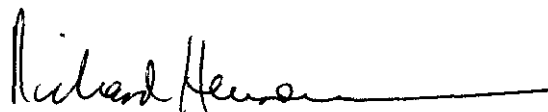
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year as specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Richard Hewson & Co.
Chartered Accountants
Reporting Accountants

21 Corner Green
Blackheath
London SE3 9JJ

18 July 2001

The Intellectual Property Institute
Statement of financial activities
for the year ended 31 March 2001

	Notes	2001 £	2000 £
Income and Expenditure			
Income resources		189,067	197,963
Resources expended			
Direct charitable expenditure		(140,932)	(164,558)
Other expenditure - Management and administration of the charity		<u>(26,686)</u>	<u>(19,758)</u>
Net incoming resources before taxation	2	21,449	13,647
Tax on incoming/(outgoing) resources		<u>-</u>	<u>-</u>
Net surplus for the year	7	<u>21,449</u>	<u>13,647</u>

All of the above derives from continuing activities.

Total recognised gains and losses

The company has no recognised gains or losses other than the above for the current and previous years.

The notes on pages 8 to 10 form part of these financial statements.

The Intellectual Property Institute
Balance Sheet
31 March 2001

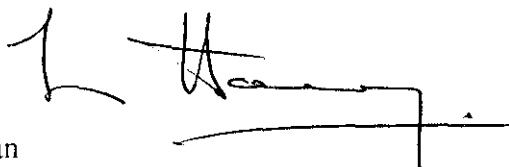
	Notes	£	2001 £	2000 £
Fixed assets				
Tangible fixed assets	4		7,324	6,052
Current assets				
Debtors	5	54,096	102,094	
Cash at bank and in hand		<u>97,820</u>	<u>30,034</u>	
		151,916	132,128	
Creditors				
Amounts falling due within one year	6	<u>(22,365)</u>	<u>(22,754)</u>	
Net current assets			<u>129,551</u>	<u>109,374</u>
Total assets less current liabilities			<u>136,875</u>	<u>115,426</u>
Capital and reserves				
Unrestricted funds			<u>136,875</u>	<u>115,426</u>
Total funds	7		<u>136,875</u>	<u>115,426</u>

The governors have taken advantage of the exemption conferred by Section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The governors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2001 and of its result for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Statement of Recommended Practice No. 2 (Accounting by Charities).

The financial statements were approved by the Board of Governors on 18 July 2001 and signed on its behalf:



Mr Ian Harvey, Chairman

The notes on pages 8 to 10 form part of these financial statements

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice No. 2 (Accounting by Charities).

Income resources

Incoming resources represent income receivable principally from subscriptions and donations.

Depreciation

Fixed assets are depreciated by the reducing balance method over their expected useful lives. The rates generally applicable are:

Office equipment	25% per annum
------------------	---------------

2 Net incoming resources for the year

	2001 £	2000 £
The surplus for the year is stated after charging/(crediting):		
Bank interest received	(2,720)	(821)
Reporting accountants' fees	947	900
Depreciation of fixed assets	<u>2,442</u>	<u>2,018</u>

3 Staff costs

Staff costs during the year were as follows:

Wages and salaries	69,353	18,313
Social security costs	<u>7,414</u>	<u>1,466</u>
	<u>76,767</u>	<u>19,779</u>

The average number of employees, excluding governors, during the year was 2 (2000 - 2).

4 Tangible fixed assets

	Office equipment £
Cost	
At 1 April 2000	25,350
Additions	<u>3,714</u>
At 31 March 2001	<u>29,064</u>
Depreciation	
At 1 April 2000	19,298
Charge for year	<u>2,442</u>
At 31 March 2001	<u>21,740</u>
Net book values	
At 31 March 2001	<u><u>7,324</u></u>
At 31 March 2000	<u><u>6,052</u></u>

	2001 £	2000 £
5 Debtors		
Trade debtors	25,881	78,128
Other debtors	<u>28,215</u>	<u>23,966</u>
	<u><u>54,096</u></u>	<u><u>102,094</u></u>

6 Creditors: Amounts falling due within one year

Trade creditors	5,755	8,996
Other creditors	<u>16,610</u>	<u>13,758</u>
	<u><u>22,365</u></u>	<u><u>22,754</u></u>

7 Reconciliation of movements in charity's funds

Surplus for the year	21,449	13,647
Opening funds of the charity	<u>115,426</u>	<u>101,779</u>
Closing funds of the charity	<u><u>136,875</u></u>	<u><u>115,426</u></u>

8 Transactions with governors

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

£5,000 was paid to the University of Sheffield for the release of John Adams from part of his duties as Professor at the University for the year ended 31 March 2000.

9 Charitable status

The Intellectual Property Institute is a company limited by guarantee incorporated otherwise than for profit and is a registered charity.

10 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 of Association. At March 2001 there were 24 members (2000 - 23).