

Registered number: 3004124

TPMI (TRADING) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
31 MARCH 2004

Horwath Clark Whitehill

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TPMI (TRADING) LIMITED

COMPANY INFORMATION

DIRECTORS	Dr J L Madigan Mr C J Tivey (resigned 3/10/03)
SECRETARY	Mr D Eckersley
COMPANY NUMBER	3004124
REGISTERED OFFICE	Quay West Trafford Wharf Road Wharfside Manchester M17 1HH
AUDITORS	Horwath Clark Whitehill LLP Chartered Accountants & Registered Auditors Arkwright House Parsonage Gardens Manchester M3 2HP
BANKERS	The Co-operative Bank PLC 1 Ballon Street Manchester M60 4EP
SOLICITORS	Kuit Steinart Levy 3 St Marys Parsonage Manchester M3 2RD

TPMI (TRADING) LIMITED

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TPMI (TRADING) LIMITED

DIRECTOR'S REPORT For the period ended 31 March 2004

The director presents her report and the financial statements for the period ended 31 March 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company is to deliver educational programmes and services to the manufacturing sector to improve their competitiveness.

REVIEW OF THE BUSINESS

During the period the company made a loss of £9,015 (2002: £1,628 loss). This loss is made after donations through gift aid of £505,204 (2002: £151,964) to the parent The Manufacturing Institute. The profit for the year prior to donations was £496,189 (2002: £150,336).

DIRECTORS

The directors who served during the period were:

Dr J L Madigan

Mr C J Tivey (resigned 3/10/03)

POLITICAL AND CHARITABLE DONATIONS

During the year donations totalling £505,204 (2002 - £151,964) were made to charitable organisations.

RISK REVIEW

The directors review the major risks to which the company is exposed on an ongoing basis and ensure that systems are established to mitigate those risks. Systems and procedures are reviewed periodically to ensure they still meet the needs of the company.

ACCOUNTING REFERENCE DATE

TPMI (Trading) Ltd is a wholly owned subsidiary of the charity, The Manufacturing Institute, and delivers activities and targeted to the beneficiary group (manufacturers) that are not directly in line with The Manufacturing Institute's charitable remit of education.

In this capacity TPMI (Trading) Ltd acts as a further delivery vehicle for activities such as the MAS practitioner team, with any profits generated returned to The Manufacturing Institute as the parent, charitable organisation.

TPMI (Trading) Ltd acted as successful deliverer for the Regional Centre for Manufacturing Excellence contract and The Manufacturing Advisory Service in the North West. The results of this activity being described in the parent charity's report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- 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 in business.

TPMI (TRADING) LIMITED

DIRECTOR'S REPORT
For the period ended 31 March 2004

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

AUDITORS

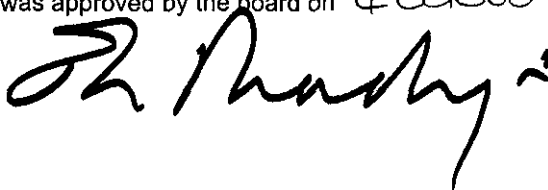
Following the transfer of substantially all of the business of Horwath Clark Whitehill to a limited liability partnership on 1 April 2004, Horwath Clark Whitehill resigned and the directors appointed their successor, Horwath Clark Whitehill LLP, as auditors.

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 4 October 2004 and signed on its behalf.

Director



TPMI (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TPMI (TRADING) LIMITED

We have audited the financial statements of TPMI (Trading) Limited for the period ended 31 March 2004 set out on pages 4 to 12. These financial statements 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 on page 7.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 company and the company'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 Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company 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 company is not disclosed.

We read the Director's 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Hansard Clark Whitehill

Chartered Accountants
Registered Auditors

Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Date: 4 Oct 2004

TPMI (TRADING) LIMITED

PROFIT AND LOSS ACCOUNT
For the period ended 31 March 2004

		15 months ended 31 March 2004 £	<i>As restated</i> 12 months ended 31 December 2002 £
	Note		
TURNOVER	1	2,964,894	1,565,685
Cost of sales		<u>(2,322,568)</u>	<u>(1,229,451)</u>
GROSS PROFIT		642,326	336,234
Administrative expenses		(308,927)	(270,430)
Other operating income	2	<u>162,580</u>	<u>85,215</u>
OPERATING PROFIT	3	495,979	151,019
Gift aid		(505,204)	(151,964)
Interest receivable		<u>210</u>	<u>436</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,015)	(509)
TAX ON LOSS ON ORDINARY ACTIVITIES	5	<u>-</u>	<u>(1,119)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>(9,015)</u></u>	<u><u>(1,628)</u></u>

The notes on pages 7 to 12 form part of these financial statements.

TPMI (TRADING) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the period ended 31 March 2004

	15 months ended 31 March 2004 £	<i>As restated</i> 12 months ended 31 December 2002 £
LOSS FOR THE FINANCIAL PERIOD	(9,015)	(1,628)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	(9,015)	(1,628)
Prior year adjustment (Note 12)	(170,429)	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS	(179,444)	

The notes on pages 7 to 12 form part of these financial statements.

TPMI (TRADING) LIMITED

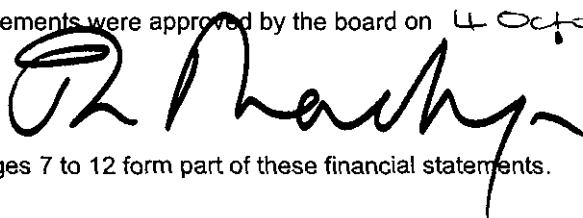
BALANCE SHEET
As at 31 March 2004

		31 March 2004	As restated 31 December 2002
	Note	£	£
FIXED ASSETS			
Tangible fixed assets	6	158,905	183,318
CURRENT ASSETS			
Debtors	7	612,764	206,920
Cash at bank and in hand		79,954	14,868
		<u>692,718</u>	<u>221,788</u>
CREDITORS: amounts falling due within one year	8	(390,184)	(82,654)
NET CURRENT ASSETS		<u>302,534</u>	<u>139,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>461,439</u>	<u>322,452</u>
ACCRUALS AND DEFERRED INCOME	9	(471,976)	(323,974)
NET LIABILITIES		<u>(10,537)</u>	<u>(1,522)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	(10,637)	(1,622)
SHAREHOLDERS' FUNDS		<u>(10,537)</u>	<u>(1,522)</u>

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 in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 4 October 2004 and signed on its behalf.

Director



The notes on pages 7 to 12 form part of these financial statements.

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 March 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

The income shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, as adjusted for payments received in advance, together with grants received in arrears in respect of the provision of courses.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture	-	3 Years straight line
Office equipment	-	3 Years straight line
Equipment	-	3 Years straight line
Office improvements	-	3 Years straight line

Government Grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.6 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account in the period.

2. OTHER OPERATING INCOME

	15 months ended 31 March 2004 £	As restated 12 months ended 31 December 2002 £
Government grants receivable	<u>162,580</u>	<u>85,215</u>

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2004

3. OPERATING PROFIT

The operating profit is stated after charging:

	15 months ended 31 March 2004 £	12 months ended 31 December 2002 £
Depreciation of tangible fixed assets:		
- owned by the company	171,052	91,645
Auditors' remuneration	5,925	6,625
Pension costs	33,646	15,239
Operating lease costs		
- land and building	90,734	46,417
- equipment	5,353	4,678
	<u> </u>	<u> </u>

4. DIRECTOR'S REMUNERATION

	15 months ended 31 March 2004 £	12 months ended 31 December 2002 £
Aggregate emoluments	98,243	67,674
	<u> </u>	<u> </u>

During the period retirement benefits were accruing to 1 director (2002 - 1) in respect of money purchase pension schemes.

5. TAXATION

	15 months ended 31 March 2004 £	12 months ended 31 December 2002 £
Adjustments in respect of prior periods	-	1,119
	<u> </u>	<u> </u>

Factors affecting tax charge for period

There are no tax charges in respect of the year due to timing differences on capital allowances.

Factors that may affect future tax charges

There are no factors affecting future tax charges.

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2004

6. TANGIBLE FIXED ASSETS

	Office Improvements £	Office Equipment £	Computers £	Furniture £	Total £
Cost					
At 1 January 2003	134,483	40,407	66,965	33,108	274,963
Additions	7,179	45,130	91,335	4,927	148,571
Disposals	-	(2,898)	-	-	(2,898)
At 31 March 2004	<u>141,662</u>	<u>82,639</u>	<u>158,300</u>	<u>38,035</u>	<u>420,636</u>
Depreciation					
At 1 January 2003	44,823	13,468	22,319	11,035	91,645
Charge for the period	59,020	34,401	61,786	15,845	171,052
On disposals	-	(966)	-	-	(966)
At 31 March 2004	<u>103,843</u>	<u>46,903</u>	<u>84,105</u>	<u>26,880</u>	<u>261,731</u>
Net book value					
At 31 March 2004	<u>37,819</u>	<u>35,736</u>	<u>74,195</u>	<u>11,155</u>	<u>158,905</u>
At 31 December 2002	<u>89,660</u>	<u>26,939</u>	<u>44,646</u>	<u>22,073</u>	<u>183,318</u>

7. DEBTORS

	31 March 2004 £	31 December 2002 £
Due within one year		
Trade debtors	245,693	74,563
Amounts due from group undertakings	163,800	79,251
Other debtors	203,271	53,106
	<u>612,764</u>	<u>206,920</u>

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2004

8. CREDITORS:

Amounts falling due within one year

	31 March 2004 £	<i>As restated</i> 31 December 2002 £
Trade creditors	132,417	59,647
Social security and other taxes	64,097	21,240
Other creditors	193,670	1,767
	<u>390,184</u>	<u>82,654</u>

9. ACCRUALS AND DEFERRED INCOME

	31 March 2004 £	<i>As restated</i> 31 December 2002 £
Accruals and deferred income	<u>471,976</u>	<u>323,974</u>

10. SHARE CAPITAL

	31 March 2004 £	31 December 2002 £
Authorised, allotted, called up and fully paid		
100 Ordinary Shares shares of £1 each	<u>100</u>	<u>100</u>

11. RESERVES

Profit and loss account	£
At 1 January 2003	168,807
Prior year adjustment (note 12)	(170,429)
At 1 January 2003 as restated	(1,622)
Loss retained for the period	(9,015)
At 31 March 2004	<u>(10,637)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2004

12. PRIOR YEAR ADJUSTMENT

The accounting policy for recognising government grant income was changed during the year to recognise the income as the assets, that were acquired with the grant, are depreciated. The directors consider that the new policy provides a fairer presentation of the result and of the financial position of the company because the income is matched with the assets useful economic life. The comparative figures in the primary statements and notes have been restated to reflect the new policy.

The effects of the change in the policy are summarised below:

	2004 £	2002 £
Profit and Loss account		
Other operating Income	<u>28,032</u>	<u>(170,429)</u>
Increase/(decrease) in profit for the year	<u>28,032</u>	<u>(170,429)</u>
Balance Sheet		
Deferred Income	<u>(142,397)</u>	<u>(170,429)</u>
Decrease in net assets	<u>(142,397)</u>	<u>(170,429)</u>

13. PENSION COMMITMENTS

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

14. OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	31 March 2004 £	31 December 2002 £
Expiry date:		
Within 1 year	-	369
Between 2 and 5 years	<u>78,205</u>	<u>78,205</u>

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the period ended 31 March 2004**

15. RELATED PARTY TRANSACTIONS

The Manufacturing Institute is considered to be a related party because it is the ultimate controlling party of the company.

The organisation members of the Manufacturing Institute, are also considered to be related parties. These members are set out in the trustees report of the Manufacturing Institute.

During the year the following members of the Manufacturing Institute made payments of fees for training as follows:-

Airbus UK Limited	£26,574
Great Lakes (UK) Limited	£264
Manchester Enterprises Limited	£46,974 (Up to July 2003)
Manchester Metropolitan Univeristy	£552
UMIST	£441

An amount of £21,393 was due from Airbus UK Limited as at 31 March 2004.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In the opinion of the directors, the ultimate controlling party of the company is The manufacturing institute, a registered charity incorporated in England and Wales, which controls 100% of the allotted share capital of the company.