

TPMI (TRADING) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2007



Horwath Clark Whitehill

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COMPANIES HOUSE

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TPMI (TRADING) LIMITED

COMPANY INFORMATION

DIRECTOR	Dr J L Madigan
SECRETARY	DJ Payne
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 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 year ended 31 March 2007**

The director presents her report and the financial statements for the year ended 31 March 2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

So far as the director is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activity of the company is to deliver trading activities that are not within the primary purpose/charitable trading remit of the parent charity but are still aligned with the mission and purpose of the organisation as determined by the Board of the Trading Company and parent Board of Trustees. Any profit generated by virtue of this trading activity is returned to the parent charity to be reapplied for the purpose of the charity.

In this capacity TPMI (Trading) Ltd acts as the deliverer of the Manufacturing Advisory Service under contract with NWDA for the North West Region.

REVIEW OF THE BUSINESS

During the year the company made a loss of £281,959 (2006 - profit of £3,124). This loss is made after donations through gift aid of £nil (2006 - £804,233) to the ultimate parent, The Manufacturing Institute. The loss for the year prior to donations was £281,959 (2006 - profit of £807,357).

DIRECTOR

The director who served during the year were:

Dr J L Madigan

L N Chamberlain (resigned 19 May 2006)

C Beadsworth (appointed 7 April 2006 & resigned 12 July 2007)

TPMI (TRADING) LIMITED

DIRECTOR'S REPORT
For the year ended 31 March 2007

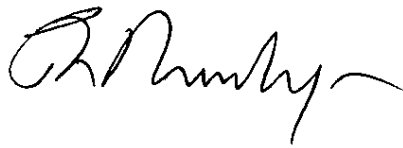
AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

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 7 December 2007 and signed on its behalf

Dr J L Madigan
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 year ended 31 March 2007 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Annual 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

TPMI (TRADING) LIMITED

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

Horwath Clark Whitehill LLP

HORWATH CLARK WHITEHILL LLP

Chartered Accountants
Registered Auditors

Arkwright House
Parsonage Gardens
Manchester
M3 2HP

7 December 2007

TPMI (TRADING) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2007

	Note	2007 £	2006 £
TURNOVER	1	3,796,145	4,559,448
Cost of sales		<u>(3,614,567)</u>	<u>(3,285,957)</u>
GROSS PROFIT		181,578	1,273,491
Administrative expenses		(693,670)	(717,553)
Other operating income	2	<u>204,841</u>	<u>207,720</u>
OPERATING (LOSS)/PROFIT	3	(307,251)	763,658
Gift Aid		-	(804,233)
Interest receivable		36,917	43,699
Interest payable		<u>(11,625)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(281,959)	3,124
Tax on (loss)/profit on ordinary activities		<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>(281,959)</u>	<u>3,124</u>

The notes on pages 7 to 11 form part of these financial statements

TPMI (TRADING) LIMITED

BALANCE SHEET
As at 31 March 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	5		<u>199,441</u>		<u>381,860</u>
CURRENT ASSETS					
Debtors	6	939,876		1,123,700	
Cash at bank and in hand		<u>236,742</u>		<u>1,327,106</u>	
		1,176,618		2,450,806	
CREDITORS: amounts falling due within one year	7	<u>(368,320)</u>		<u>(2,041,517)</u>	
NET CURRENT ASSETS			<u>808,298</u>		<u>409,289</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,007,739</u>		<u>791,149</u>
ACCRUALS AND DEFERRED INCOME	8		<u>(1,326,251)</u>		<u>(827,702)</u>
NET LIABILITIES			<u><u>(318,512)</u></u>		<u><u>(36,553)</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		<u>100</u>		<u>100</u>
Profit and loss account	10		<u>(318,612)</u>		<u>(36,653)</u>
SHAREHOLDERS' FUNDS			<u><u>(318,512)</u></u>		<u><u>(36,553)</u></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 January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2007

Dr J L Madigan
Director

The notes on pages 7 to 11 form part of these financial statements

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

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 January 2005)

1.2 Going concern

The financial statements have been prepared on a going concern basis as the directors have concluded, following a review of trading and cash flow forecasts, that the company can continue to meet its liabilities as they fall due

The directors believe that it is appropriate for the accounts to be prepared on a going concern basis given the continued support of the parent company

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.5 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

Office improvements	-	3 years straight line
Office equipment	-	3 years straight line
Computer equipment	-	3 years straight line
Furniture	-	3 years straight line

1.6 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 to match the expenditure towards which they are intended to contribute

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

2. OTHER OPERATING INCOME

	2007 £	2006 £
Government grants receivable	<u>204,841</u>	<u>207,720</u>

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets - owned by the company	228,663	239,606
Auditors' remuneration	5,230	3,700
Pension costs	<u>110,923</u>	<u>91,961</u>

4. DIRECTORS' REMUNERATION

	2007 £	2006 £
Aggregate emoluments	<u>178,720</u>	<u>103,276</u>

During the year retirement benefits were accruing to 2 directors (2006 - 1) in respect of money purchase pension schemes

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

5. TANGIBLE FIXED ASSETS

	Office improvements £	Office equipment £	Computer equipment £	Furniture £	Total £
Cost					
At 1 April 2006	306,933	113,234	593,895	57,543	1,071,605
Additions	-	1,378	42,486	2,380	46,244
At 31 March 2007	306,933	114,612	636,381	59,923	1,117,849
Depreciation					
At 1 April 2006	218,759	95,766	327,959	47,261	689,745
Charge for the year	55,062	10,400	156,373	6,828	228,663
At 31 March 2007	273,821	106,166	484,332	54,089	918,408
Net book value					
At 31 March 2007	33,112	8,446	152,049	5,834	199,441
At 31 March 2006	88,174	17,468	265,936	10,282	381,860

6. DEBTORS

	2007 £	2006 £
Trade debtors	529,799	530,756
Other debtors	410,077	592,944
	939,876	1,123,700

7. CREDITORS:
Amounts falling due within one year

	2007 £	2006 £
Trade creditors	60,330	69,759
Amounts owed to group undertakings	201,340	1,896,441
Social security and other taxes	104,966	72,853
Other creditors	1,684	2,464
	368,320	2,041,517

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

8 ACCRUALS AND DEFERRED INCOME

	31 March 2007 £	31 March 2006 £
Accruals and deferred income	<u>1,326,251</u>	<u>827,702</u>

9. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. RESERVES

	Profit and loss account £
At 1 April 2006	(36,653)
Loss retained for the year	<u>(281,959)</u>
At 31 March 2007	<u>(318,612)</u>

11. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £110,923 (2006 - £91,961).

12. DEBENTURES AND CHARGES

By a debenture dated 3 June 2004 the assets of the company are charged to secure obligations under a funding agreement of 3 March 2004 in favour of the North West Development Agency.

As a result of funding received the North West Development Agency has a fixed charge over assets with a net book value as at 31 March 2007 of £199,441 (2006 - £381,860).

TPMI (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

13. RELATED PARTY TRANSACTIONS

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

The corporate 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

	2007 £	2006 £
Airbus UK Limited	206	405
Great Lakes (UK) Limited	-	4,150
Manchester Metropolitan University	-	50
Siemens plc	21,291	39,734
University of Salford	-	50

In addition the company made payments for goods and services from the following members

	2007 £	2006 £
Siemens plc	1,027	-
University of Manchester	14,897	1,968

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In the opinion of the directors, the immediate parent company is TMI Enterprises Limited, a company incorporated in England and Wales which controls 100% of the issued share capital of the company

The ultimate parent company and controlling party is The Manufacturing Institute, a registered charity incorporated in England and Wales

The statutory accounts of both the immediate and ultimate parent can be obtained from the Registrar of Companies