

**High Value Manufacturing Catapult
(Limited by Guarantee)**

**Directors' report and financial
statements**

Registered number 07708659

31 March 2015

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Strategic Report

Principal activities

The High Value Manufacturing Catapult works with national technology innovation centres across the UK, bringing together expertise in different and complementary areas of high value manufacturing and drawing on excellent university research to accelerate the commercialisation of new and emerging manufacturing technologies in the UK.

It operates its activities through seven National Centres: Advanced Forming Research Centre (AFRC), based at University of Strathclyde; Advanced Manufacturing Research Centre (AMRC), based at University of Sheffield; Centre for Process Innovation (CPI), based in Redcar, Sedgefield and Darlington; Manufacturing Technology Centre (MTC), based in Coventry; National Composites Centre (NCC), based at University of Bristol; Nuclear Advanced Manufacturing Research Centre (NAMRC), based at University of Sheffield; and WMG, based at University of Warwick.

The Company is limited by guarantee and its membership comprises the seven National Centres. The Company applies for grant funding from Innovate UK on behalf of itself and its members and makes grants to the members with the funding received.

Business model

Establishing and maintaining the network of National Centres with world-leading technical capabilities requires a sustained investment from both the public and private sectors. The Centres also need to create a critical mass of activity surrounding them which will anchor the activities of globally mobile companies in the UK.

The seven Centres that form the HVM Catapult plan and operate on the basis that they will receive broadly equal amounts of funding from: core funding from the Company for long term investment in infrastructure, expertise and skills development; Collaborative Research and Development projects (CR&D), funded jointly by the public and private sectors and awarded on a competitive basis; and business funded Research and Development (R&D) contracts. The HVM Catapult model requires that as the Centres grow their competitive income, then the core funding will increase to maintain equality and ensure the asset base is at the leading edge.

Business review and results

In the period from April 2014 to March 2015 the Company has delivered against £82m in grant funding. This compares with £110m achieved in the previous year. The £82m comprises of £29m of core funding and £53m of non-recurring grant income for major projects. The level of core funding in the year represented the lowest full year grant for this purpose since the company was formed. The Company's core funding from UK Government is already secured to 2017, and there is a further £27m contracted for the upcoming year alone for major projects. Investments made to increase capacity were commissioned and became operational. This included the extended facilities at AFRC and NCC, MTC's Aerospace Research Centre and the Battery Facility Scale-up Line at WMG. Construction of the National Biologics Manufacturing Centre at CPI and the MTC's Advanced Manufacturing Training Centre continues.

Other notable achievements during the year included:

- NCC winning the Stephenson Award for Engineering Innovation and the Rail Industry Innovation Award for its composite door for tube trains commissioned by London Underground.
- Barkley Plastics, one of the SMEs supported by WMG, winning the Impact Award for increasing turnover.
- NAMRC's Nuclear Sharing in Growth programme achieving Manufacturing Capability Readiness Level 4 for all of its projects as proof of industrial scale capability.
- CPI spinout PolyPhotonix winning five awards for its revolutionary treatment for diabetic retinopathy. The Nocura eye mask is now available to patients in the North East and South East through trials and prescription.
- University of Sheffield winning a Times Higher Education Award in recognition of the first full annual cohort of 250 Advanced Apprenticeships employed by high value manufacturing companies at the Advanced Manufacturing Research Training Centre.

Strategic Report *(continued)*

Business review and results *(continued)*

The Company secured National College status for Advanced Manufacturing and will work with Government and the EEF to establish a National College with HVM Catapult centres serving as a network of hubs and working with providers nationwide.

The results for the Company for the last year show a pre-tax profit of £nil (2014: £2,000). Turnover, including revenue grants, is £82,363,000 (2014: £109,995,000). The company has net current assets of £5,797,000 (2014: £5,250,000).

Key performance indicators

The Company reported the direct return on investment of 4.40 to 1 in the last year from its core Government funding, against the target of 2 to 1. The Centre's collaborative income has increased from £43m last year to £51m this year.

The Company has remained steady in its return on gross assets since last year at 29% despite a 28% growth in assets at the seven Centres.

Total employees across the Centres have increased to 1,577 as at 31 March 2015, compared with 1,238 a year earlier. Engagements with SMEs have increased by 12% and via the Centres' CR&D projects SMEs have accessed £109m of project value over the past year - a 77% increase year on year.

The company has also witnessed a 26% increase in the CR&D order book.

The Board believes that these KPIs provide a comprehensive understanding of the performance and development of the business in its complex environment of public and commercial activities.

Principal risks and uncertainties

The execution of the Company's strategy and the management and operation of the business are all subject to a number of risks. These are assessed by the Supervisory and Management Boards and the Audit Committee. The key risks going forward relate to:

- Core funding is restricted in future years and does not match delivery plan aspirations
- Lack of materialisation of relevant CR&D competitions and awards
- The company fails to deliver targeted growth (despite funding) or KPI targets
- Delay in approval of Catapult funding allocation by InnovateUK, BIS or Treasury
- State Aids are compromised
- Financial viability of Centres impacting the Company as a whole

Strategic Report *(continued)*

Future developments

Support for the Catapult programme from Government and industry remained strong during the year. The UK has a High Value Manufacturing Strategy which has supported coherent and focused government investment in the Catapult as well as programmes to support the UK manufacturers. The HVM Catapult has maintained a strong national network of support for innovation development and continues to build a broader international network – extending its capability to work with European partners and companies.

Looking forward, the Company will continue its work to develop and exploit the technology offer for target markets – maximising its capabilities and acting as a 'thought leader' for high value / advanced manufacturing. HVM Catapult will initiate and deliver large scale innovation programmes where the combination of market pull, technology development and Catapult capability can be brought together to strengthen UK manufacturing.

In 2015-16 the Company will be introducing an Impact Evaluation Framework that will provide the Company and Government with a better understanding of the current and likely future economic impact of its work on the UK manufacturing sector and in turn help inform the design of future interventions and activities.

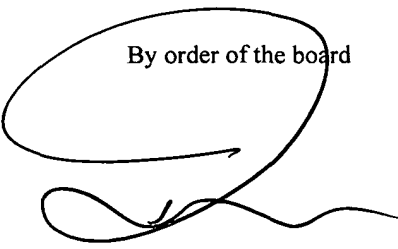
The Autumn Statement in November 2014 confirmed the additional Core funding that will enable the delivery of two new innovation programmes – HVM Reach and HVM Plus.

The HVM Reach programme will deliver a suite of manufacturing innovation activities designed for SMEs to ensure that more of the economic value generated by global OEMs and Tier 1 manufacturers is captured in the UK. By offering increased access to the world class equipment and expertise available at the HVM Catapult Centres, HVM Reach will enable UK SMEs to become more productive and to win more business.

HVM Catapult will also seek to provide an innovation boost to key manufacturing sectors by ensuring that the UK has the necessary capacity to support industry's increasing appetite for innovation and by helping more UK companies to bring new products to market. HVM Plus will equip the HVM Catapult Centres with the additional cutting edge equipment and expertise necessary to extend its services and capability into more manufacturing sectors and to new businesses.

The Directors are confident that the Company is well-placed to meet the expectations of Government as well as academic and industrial stakeholders.

By order of the board



RP Elsy
Director

The Oracle Building
Blythe Valley Business Park
Shirley
Solihull
B90 8AD

7 September 2015

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2015.

Directors and directors' interests

The directors who held office during the period and up to the date of this report were as follows:

Dr W Barton	(resigned 25 April 2014)
Mr RM Gilbert	
Prof Sir MJ Gregory	
Dr HG Mughal	
Mr DE Wright	(appointed 30 April 2014, resigned 30 April 2015)
Mr JW Maier	(resigned 30 June 2014)
Mr BA Holliday	(appointed 9 December 2014)
Mr RP Elsy	
Mr J Greenwell	
Ms JE Hackitt	

None of the directors who held office at the end of the period had any disclosable interest in the shares of the company.

Political contributions

The Company made no political donations during the year or previous period.

Dividends

No portion of the income of the Company shall be paid or transferred to any Members of the Company except where it is payment in good faith for remuneration for services rendered or Catapult grant allocation funding or repayment of out-of-pocket expenses to Directors.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

RP Elsy
Director

The Oracle Building
Blythe Valley Business Park
Shirley
Solihull
B90 8AD

7 September 2015

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the present company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of the High Value Manufacturing Catapult

We have audited the financial statements of High Value Manufacturing Catapult for the year ended 31 March 2015 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company'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 Company'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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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, and express an opinion on, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of the High Value Manufacturing Catapult (Limited by Guarantee) (continued)

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 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 the information and explanations we require for our audit.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

7 September 2015

Profit and Loss Account
for the year ended 31 March 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	<i>1,2</i>	82,363	109,995
Operating expenses		(80,392)	(107,965)
Administration expenses		(1,990)	(2,038)
Other operating income	<i>3</i>	19	10
		<hr/>	<hr/>
Operating profit	<i>4-6</i>	-	2
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Profit for the financial year before taxation	<i>2-6</i>	-	2
Taxation	<i>7</i>	-	(2)
		<hr/>	<hr/>
Profit for the financial year after taxation	<i>14</i>	-	-
		<hr/>	<hr/>

The company has no recognised gains or losses other than the profit above and therefore no statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Balance Sheet
at 31 March 2015

	<i>Note</i>	2015 £000	£000	2014 £000	£000
Fixed assets					
Tangible assets	8		28		40
Current assets					
Debtors (including £5,499,000 (2014: £4,950,000) due after more than one year)	9	26,454		60,225	
Cash at bank and in hand		1,714		39	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	10	28,168 (22,371)		60,264 (55,014)	
		<hr/>		<hr/>	
Net current assets			5,797		5,250
			<hr/>		<hr/>
Total assets less current liabilities			5,825		5,290
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	11		(5,797)		(5,250)
Deferred income	13		(28)		(40)
			<hr/>		<hr/>
Net assets			-		-
			<hr/>		<hr/>
Capital and Reserves					
Profit and loss account	14		-		-
			<hr/>		<hr/>
Reserves	15		-		-
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 7 September 2015 and were signed on its behalf by:



RM Gilbert
Director

Company registered number: 07708659

Cash Flow Statement
for the year ended 31 March 2015

Reconciliation of operating profit to net cash outflow from operating activities

	2015 £000	2014 £000
Operating profit	-	2
Depreciation charges	19	10
Capital grants received	7	25
Capital grants released	(19)	(10)
Decrease/(increase) in debtors	33,781	(28,698)
(Decrease)/increase in creditors	(32,606)	26,129
Net cash inflow/(outflow) from operating activities	1,182	(2,542)
Returns on investments and servicing of finance		
Interest paid	-	-
Interest received	-	-
Net cash outflow from returns on investment and servicing of finance	-	-
Taxation		
Corporation tax paid	-	(1)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7)	(25)
Net cash outflow from capital expenditure and financial investment	(7)	(25)
Net cash outflow before financing	1,175	(2,568)
Financing		
New advances on grant	500	2,500
Net cash inflow from financing	500	2,500
Increase/(decrease) in cash	1,675	(68)

Cash Flow Statement *(continued)*
for the year ended 31 March 2015

Reconciliation of net cash outflow to movement in net deficits (note 16)

	2015 £000	20134 £000
Increase/(decrease) in cash in the year	1,675	(68)
Increase in advances on grants	(500)	(2,500)
	<hr/>	<hr/>
Change in net deficit	1,175	(2,568)
Opening net deficit	(5,211)	(2,643)
	<hr/>	<hr/>
Closing net deficit	(4,036)	(5,211)
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The High Value Manufacturing Catapult has secured core funding to support its activities until 2016-17 following approval by UK Treasury in 2011 of the Company's long term business plan. This, together with the recent award of £33m for major national projects, enables the Company to operate with a secured grant order book from 2015-16 onwards of £118m. The core funding will cover 100% of the company's costs. The Directors are confident that the company's financial statements should be prepared on a going concern basis on the grounds that current and future potential sources of funding or support will be adequate for the company's needs.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, and revenue grants received where the revenue grants received are part of the ordinary trading activity of the company and where the company is acting as principal on behalf of member organisations of the Catapult. Grant income of £82,363,000 has been included within turnover in the year.

Research and development

Expenditure on research and development is written off in the year in which it is incurred with the exception that expenditure on development is capitalised where there is a clearly defined project for which the expenditure is separately identifiable, where the outcome of the project is believed to be technically feasible and commercially viable and where the aggregate development costs are reasonably expected to be exceeded by future revenues. Such development expenditure is capitalised at cost. Development costs are amortised on a straight line basis over the expected use of the asset commencing with the commercial application of the product.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Grants

Grants of a capital nature are credited to deferred income and released to the profit and loss account over the useful life of the assets concerned. Grants which are revenue in nature are credited to amounts owed to related parties and are released to the profit and loss account over the year in which the related expenditure is incurred.

Notes (continued)

2 Turnover

	2015 £000	2014 £000
Core funding from Innovate UK	27,030	35,780
Administration funding	1,971	2,029
Non core Innovate UK funding	53,326	72,186
Other grant funding	36	-
	<u>82,363</u>	<u>109,995</u>

3 Other operating income

	2015 £000	2014 £000
Capital grant released	<u>19</u>	<u>10</u>

4 Operating profit

The operating loss is stated after charging:

	2015 £000	2014 £000
Depreciation on owned fixed assets	19	10
Operating lease rentals	60	40
Auditor's remuneration:		
Audit of these financial statements	12	12
Other services relating to taxation	2	2
Other grant audit services	<u>8</u>	<u>6</u>

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2015 Number of employees	2014 Number of employees
Directors	7	7
Other staff	<u>4</u>	<u>3</u>
	<u>11</u>	<u>10</u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	899	562
Social security costs	95	67
Other pension costs (see note 18)	<u>31</u>	<u>49</u>
	<u>1,025</u>	<u>678</u>

Notes *(continued)*

6 Remuneration of directors

Included in staff costs (note 5) are the following amounts in respect of directors' emoluments:

	2015 £000	2014 £000
Directors' emoluments	464	353
Company contribution to money purchase pension schemes	-	30
	<u>464</u>	<u>383</u>

Retirement benefits were accruing to no directors (*2013: one director*) at 31 March 2015.

The remuneration of the highest paid director was as follows:

	2015 £000	2014 £000
Salary including benefits in kind	203	197
Salary in lieu of pension	30	-
Pensions	-	30
Bonus received during the year and not previously accrued	60	59
Bonus accrued but not yet paid	72	-
	<u>365</u>	<u>286</u>

Notes (continued)

7 Taxation

Analysis of charge in period

	2015 £000	2014 £000
Current tax		
Current tax on income in the period	10	1
Adjustment in respect of prior periods	-	1
	<hr/>	<hr/>
Total current tax	10	2
Deferred tax (see note 9)		
Origination of timing differences	(10)	-
	<hr/>	<hr/>
Total deferred tax	(10)	-
	<hr/>	<hr/>
Total tax	-	2
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK, 20% (2014: 20%).

	2015 £000	2014 £000
Current tax reconciliation		
Profit on ordinary activities	-	2
Current tax at 20%	-	-
Effects of:		
Expenses not deductible for tax purposes	-	1
Adjustments in respect of prior periods	-	1
Other short term timing differences	10	-
	<hr/>	<hr/>
Total current tax	10	2
	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Assets under construction £000	Office equipment £000	Total £000
Cost			
At beginning of year	1	50	51
Additions	-	7	7
Transfers	(1)	1	-
	<hr/>	<hr/>	<hr/>
At end of year	-	58	58
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	-	11	11
Charge for year	-	19	19
	<hr/>	<hr/>	<hr/>
At end of year	-	30	30
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2015	-	28	28
	<hr/>	<hr/>	<hr/>
At 31 March 2014	1	39	40
	<hr/>	<hr/>	<hr/>

9 Debtors

	2015 £000	2014 £000
Grant debtors	20,796	55,140
Prepayments and accrued income	145	78
Loan debtors to related parties (note 19)	5,450	4,950
Other debtor	53	57
Deferred tax asset (see below)	10	-
	<hr/>	<hr/>
	26,454	60,225
	<hr/>	<hr/>

Loan debtors include advances on grants to partners of £5,450,000 (2014: £4,950,000) due after more than one year. They are due to be repaid at the end of the core funding cycle (nominally 2017) or when alternative long term financing becomes available.

Grant debtors include £49,000 (2014: £nil) due after more than one year.

Deferred tax assets are attributable to short term timing differences.

The movement in temporary differences during the year ended 31 March 2015 was as follows:

	2015 £000
Balance at 1 April 2014	-
Credit to profit and loss account (note 7)	(10)
	<hr/>
Balance at 31 March 2015	(10)
	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	234	178
Amounts owed to related parties (note 19)	21,905	54,618
Accruals and deferred income	150	181
Other creditors	72	36
Corporation tax creditor	10	1
	<u>22,371</u>	<u>55,014</u>

11 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Creditors for advances on grants (note 12)	5,750	5,250
Accruals and deferred income	47	-
	<u>5,797</u>	<u>5,250</u>

12 Creditors for advances on grants

	2015 £000	2014 £000
Amounts falling due within one year or on demand	-	-
Amounts falling due between one and two years	5,750	-
Amounts falling due in greater than 2 years and less than 5 years	-	5,250
	<u>5,750</u>	<u>5,250</u>

These amounts are unsecured and interest free. They are repayable at the end of the core funding cycle (nominally 2017) or when alternative long term financing becomes available.

13 Deferred income

	2015 £000	2014 £000
Deferred government grants	28	40
Brought forward	40	25
Received in year	7	25
Released to profit and loss	(19)	(10)
	<u>28</u>	<u>40</u>

Notes *(continued)*

14 Reserves

	Profit and loss account £000
At start of year	-
Profit for the year	-
	<hr/>
At end of year	-
	<hr/> <hr/>

15 Reconciliation of movements in total reserves

	2015 £000	2014 £000
Profit for the financial period	-	-
	<hr/>	<hr/>
Retained profit for the period	-	-
Opening reserves	-	-
	<hr/>	<hr/>
Closing reserves	-	-
	<hr/> <hr/>	<hr/> <hr/>

16 Analysis of changes in net deficits

	2014 £000	Cash flow £000	Non-cash £000	2015 £000
Cash at bank and in hand	39	1,675	-	1,714
	<hr/>	<hr/>	<hr/>	<hr/>
	39	1,675	-	1,714
	<hr/>	<hr/>	<hr/>	<hr/>
Advances on grants (note 12)	(5,250)	(500)	-	(5,750)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(5,211)	1,175	-	(4,036)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Commitments

- (a) The company had no capital commitments outstanding at the year end.
(b) Annual commitments under non-cancellable operating leases are as follows:

	2015 Land and buildings £000	2014 Land and buildings £000
Operating leases which expire:		
Within one year	60	10
In the second to fifth years inclusive	-	-
Over five years	-	-
	<hr/>	<hr/>
	60	10
	<hr/>	<hr/>

18 Pension scheme

The company does not operate any pension scheme but administers contributions to a stakeholder pension scheme for its employees and makes contributions to the personal pension schemes of certain employees. The pension cost charge for the year represents contributions payable to the personal pension schemes and amounted to £30,998 (2014: £48,632). Contributions of £3,596 (2014: £2,438) were outstanding at the end of the financial year.

19 Related party disclosures

During 2015 the following expenditure was incurred in respect of transactions with the member organisations:

	Core Catapult and admin funding £000	Other projects £000
Centre for Process Innovation Limited	3,999	20,020
Advanced Forming Research Centre (University of Strathclyde)	4,008	-
Advanced Manufacturing Research Centre (University of Sheffield)	4,048	7,502
Nuclear Advanced Manufacturing Research Centre (University of Sheffield)	4,042	-
National Composites Centre (University of Bristol)	2,980	2,200
The Manufacturing Technology Centre Limited	4,055	21,327
WMG (University of Warwick)	4,022	2,277
	<hr/>	<hr/>
	27,154	53,326
	<hr/>	<hr/>

Notes (continued)

19 Related party disclosures (continued)

At 31 March 2015 the following balances were outstanding with the member organisations.

	Grant creditors £000	Loan debtors £000
Centre for Process Innovation Limited	9,962	2,450
Advanced Forming Research Centre (University of Strathclyde)	1,311	-
Advanced Manufacturing Research Centre (University of Sheffield)	8,151	-
Nuclear Advanced Manufacturing Research Centre (University of Sheffield)	268	-
National Composites Centre (University of Bristol)	-	-
The Manufacturing Technology Centre Limited	1,060	3,000
WMG (University of Warwick)	1,153	-
	<hr/> 21,905 <hr/>	<hr/> 5,450 <hr/>

During 2014 the following expenditure was incurred in respect of transactions with the member organisations:

	Core Catapult and admin funding £000	Other projects £000
Centre for Process Innovation Limited	6,688	11,228
Advanced Forming Research Centre (University of Strathclyde)	4,418	-
Advanced Manufacturing Research Centre (University of Sheffield)	5,095	7,855
Nuclear Advanced Manufacturing Research Centre (University of Sheffield)	4,405	-
National Composites Centre (University of Bristol)	6,296	21,437
The Manufacturing Technology Centre Limited	4,891	28,067
WMG (University of Warwick)	4,474	3,599
	<hr/> 36,267 <hr/>	<hr/> 72,186 <hr/>

At 31 March 2014 the following balances were outstanding with the member organisations.

	Grant creditors £000	Loan debtors £000
Centre for Process Innovation Limited	9,907	1,950
Advanced Forming Research Centre (University of Strathclyde)	3,043	-
Advanced Manufacturing Research Centre (University of Sheffield)	9,744	-
Nuclear Advanced Manufacturing Research Centre (University of Sheffield)	2,407	-
National Composites Centre (University of Bristol)	8,941	-
The Manufacturing Technology Centre Limited	16,476	3,000
WMG (University of Warwick)	4,100	-
	<hr/> 54,618 <hr/>	<hr/> 4,950 <hr/>

Notes *(continued)*

20 Company limited by guarantee

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association. The directors hold no shares in the company. Each member of the company is a guarantor of the company, to an amount not exceeding £1, in the event of a winding up of the company. The Articles of the Company affords, under certain circumstances, the right for the Innovate UK to exercise a step-in to become a Member of the Company.