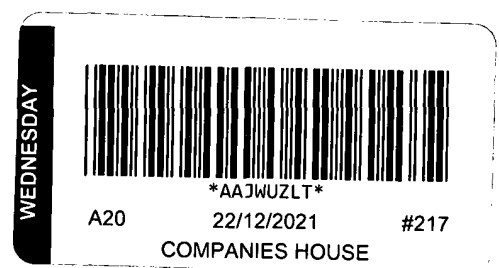


THE MANUFACTURING INSTITUTE

Report and Financial Statements

Year ended 31 March 2021



Company Registration Number: 02996104
Charity Registration Number: 1043019

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THE MANUFACTURING INSTITUTE COMPANY INFORMATION

Trustees

M A Hughes MBE

D E Edwards

P A Simpson

Company Secretary

P A Simpson

Registered office

Lee House

90 Great Bridgewater Street

Manchester

M1 5JW

External Auditor

RSM UK Audit LLP

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Bankers

National Westminster Bank PLC

19 Market Street

Manchester

M1 1WR

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report and consolidated financial statements of the charity for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The legal and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting By Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) (effective 1 January 2015).

Trustees

M A Hughes MBE

D E Edwards

P A Simpson

S A Burrows (Resigned 18 December 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal and administrative information

The charity is a company limited by guarantee, without share capital and is governed by its Memorandum and Articles of Association. The charity was incorporated in England and Wales and has company number 02996104 and charity number 1043019.

The charity also pursues its objects by providing funding to its wholly owned trading company subsidiary, TMI Practitioner Services Limited and through its wholly owned non-trading subsidiaries, TPMI (Trading) Limited and TMI Enterprises Limited.

Board of trustees

The charity is governed by its board of trustees, who for the purposes of the Companies Act 2006, act as directors of the charity. The trustees who served during the year and up to the date of approval of the financial statements, are set out above.

Cessation of charity activities

The Manufacturing Institute accounts have been prepared on a non-going concern basis following the decision by the Trustees on 7 October 2021 to wind the company and therefore also the group, up, however the information in the trustees report including the aims and objectives continue to be true for the year under audit.

Qualifying third party indemnity provisions

The Growth Company Limited group has made qualifying third-party indemnity provisions for the benefit of its trustees during the year. These provisions remain in force at the reporting date.

Method of appointment and training of trustees

Trustees are appointed in accordance with the company's Articles of Association. Trustees' meetings take place on a quarterly basis, where the performance of the charity is monitored and reported upon.

New trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

Trustees are encouraged to attend appropriate external training events, where these will facilitate the undertaking of their role.

The board of trustees meets at least quarterly to:

- develop and approve the charity's strategy;
- approve the charity's financial plans;
- review the charity's progress against its strategy;
- review the financial position and results of the charity and variations from the financial plans;
- identify and manage risks;

evaluate the impact of the charity's activities.

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

Pay policy for senior staff

The trustees consider that the board of directors, who are the company's trustees, and the senior management team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the company on a day to day basis. Details of the trustees' remuneration and expenses are disclosed in note 11 to the financial statements. Pay for senior staff is reviewed annually.

Organisational structure

The charity board appoints the directors of its subsidiaries.

Group structure and relationships

The charity has three subsidiaries, TMI Enterprises Limited, TPMI (Trading) Limited and TMI Practitioner Services Limited and has a dominant influence over the entities. These financial statements show the consolidated results of the group. The charity itself is a wholly owned subsidiary of The Growth Company Limited and is included in its consolidated financial statements.

Audit committee

Internal and external audit scrutiny is provided by The Growth Company Limited's audit committee, which meets on a quarterly basis. Mark Hughes and Paul Simpson attend these meetings and are both trustees of The Manufacturing Institute and board members of The Growth Company Limited.

Governing members

The Growth Company Limited is the sole member of The Manufacturing Institute. The day to day management of the charity is undertaken by the group senior management team, specifically the managing director of The Growth Company Limited and The Manufacturing Institute operations director.

RISK MANAGEMENT

The Trustees have identified the major strategic and financial risks to which The Manufacturing Institute is exposed and, through regular reviews, these risks are managed. The most significant risks to the charity are:

The principal risks are as follows:

Loss of key members of staff

The charity relies heavily on its staff and their experience and knowledge of the organisation and the manufacturing sector. Loss of key staff would inhibit growth and performance and so staff are managed through The Growth Company Limited's performance management system and are able to participate in group benefits, such as agile working and flexible day working.

Capacity and Capability following Covid -19

The impact of coronavirus on the charity will continue if we are unable to return to face to face delivery from September. We have adapted fairly well to an online delivery format for our services in the short to medium term but recent customer intelligence points towards a preference for face to face delivery.

Brexit & Economic uncertainty

Changes to the economic environment post Brexit could still impact on the manufacturing sector, which in turn, could impact on the charity. The ongoing fallout of Brexit continues to be mitigated through regular dialogue with national government agencies and at group level.

The company regularly reviews health and safety and engages the services of The Growth Company Limited's health and safety manager, who monitors changes in the law, puts them into place and monitors the process.

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the charity are:

- to advance education for the public benefit, with a particular emphasis on the manufacturing sector;
- to promote manufacturing;
- by educating the general public in the needs and capabilities of manufacturing;
- by fostering research and development in order to encourage and improve the efficiency of manufacturing and to develop manufacturing for the benefit of the public;
- by promoting awareness of the quality and capacities of the physical and intellectual outputs of manufacturing;
- by providing information and the results of research in connection with manufacturing to the general public.

The board of trustees continuously review the charity's activities and the benefits delivered to ensure its objects are furthered, paying due regard to the "General Guidance on Public Benefit" published by the Charity Commission. The success of activities is reviewed as part of the annual planning process, in the context of benefits they bring to those groups of people the charity is set up to help.

Principal activities

The Manufacturing Institute is a registered charity which has been creating, supporting, and celebrating manufacturing excellence since 1994. Developed by manufacturers for manufacturers with a remit to inspire, educate and improve the manufacturing sector through high quality education, training, and support services.

Since our inception in 1994, we have educated over 80,000 individuals, engaged with 60,000 school children through our Make It campaign and worked directly with 25,000 members of the community through our Fab Lab in Greater Manchester.

Through our trading subsidiaries, we have helped drive over £1.5 billion of quality, cost, and delivery improvements in the sector. In 2008, we became the Shingo Institute's first European affiliate and remain one of their most successful to date, helping more companies achieve a Shingo Prize recognition than any other affiliate in Europe.

Aims and intended impact

The charity's aim is to provide facilities and support to allow the charity to meet its charitable objects. These are to create, support and celebrate manufacturing excellence across the sector. This is undertaken through education, training and support services.

Objectives for the year

The objectives of the charity were as follows:

- To educate and improve manufacturers through engagement on our Education and Training Programmes;
- To improve digital communication channels to enable and facilitate peer to peer learning across the sector;
- To further develop relationships with international business partners, to establish and international brand presence and enhance our service offering.

These were met, as explained in the achievements and performance section below.

Strategies for achieving objectives

TMI's strategic objectives are aligned to those of the Growth Company which are:

- To be a market leader
- Increasing reach
- Attracting and retaining the brightest and the best
- Financial sustainability
- Social value and environmental sustainability

The GC strategy sets out a series of strategic priorities and defined measures of success. It is then delivered through the production of an annual business plan for the group. TMI produces its own business plan which is approved by the TMI board and managed and monitored through quarterly performance reports aligned to the strategic priorities.

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Progress in the year, aligned to each of our charitable objects, is as follows:

"Educating the general public in the needs and capabilities of manufacturing"

- Our Make It campaign targeted at engaging young people with manufacturing was halted due to the pandemic and school closures.
- Given our ability to adapt quickly to a virtual delivery model we were still able to engage a total of 1,213 individuals directly with manufacturing education delivered through our educational programmes.
- Our Framework for Excellence conference scheduled to take place in Manchester in March 2020 was successfully moved to October 2020 on a digital platform and re-branded as a virtual Festival of Manufacturing Excellence.
- TMI continued to deliver short courses alongside the MSc in Manufacturing Leadership, accredited by Lancaster University, and apprenticeship programmes throughout 2020/21. These short courses were in the form of events, study tours and masterclasses and a total of 25 virtual courses were delivered throughout the year.

FUTURE DEVELOPMENTS

During 2021/22 and beyond, any outstanding trade of The Manufacturing Institute will be transferred into TMI Practitioner Services and will therefore:

- Continue to learn, evaluate and improve.
- Focus on the three areas, inspire the next generation of talent into manufacturing, increase the number of delegates that go through our education programmes and support manufacturing businesses to deliver bottom line improvements.
- Develop our corporate relationships with Lancaster University and the Shingo Institute to drive public benefit.
- Learn from external partners to further develop our offer and impact.
- Increase our income from Educational bookings, corporate bookings and bids.
- Further develop the website and social media presence.
- Continue to listen to our beneficiaries and customers.

FINANCIAL REVIEW

Review of the group's financial position

The results for the year are shown on page 12. The overall net movement on funds for year is a deficit of £168,980 (2020: £78,438). The Manufacturing Institute cash is pooled across the group and The Growth Company Limited is able to provide a letter of guarantee, given that The Manufacturing Institute consolidated balance sheet position at the end of the year had net liabilities of £742,029 (2020: £573,049). The standalone charity operates on a net deficit position of £246,345 (2020: £246,210).

Income has decreased in the year, largely due to the impact of Covid-19 on commercial income. Regarding the balance sheet, the main decrease has been on debtors and accrued income, with the lower level of activity.

Principal funding sources and how expenditure supports key objectives

The main sources of income for the charity and group are charitable gift aid, returns from the operation of the Shingo Prize, consultancy and educational courses delivered to manufacturers. Expenditure covers the cost of delivering education and training courses, together with the cost of running educational events for school children, and expenditure on activities promoting and advocating the manufacturing sector.

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

Reserves policy

The charity had developed a minimum reserves policy based on the assumption that, in the event of a wind up of the company, there will be sufficient funds to settle all outstanding liabilities, taking account of any potential redundancy costs, lease commitments and legal costs associated with winding up. The reserves policy also ensured that there would be sufficient reserves and cash balances to support the charity's ongoing operational requirements and charitable commitments.

The minimum level of reserves (calculated on an annual basis) that the charity aimed to meet was £100,000. The level of free reserves at 31 March 2021 was a deficit of £682,685 (2020: deficit of £513,705). The Trustees believe this level of free reserves is no longer adequate for the charity's forthcoming year of trading hence the rationale for the financial statements being prepared on a non-going concern basis. As a consequence on 7 October 2021 the Trustees decided to cease activities through The Manufacturing Institute and wind up the charity.

Investment policy

In accordance with the Memorandum of Association, the trustees can invest the funds of the charity as they see fit. On closure of The Manufacturing Institute all funds will be transferred into TMI Practitioner Services.

PUBLIC BENEFIT

The Trustees have had due regard to the Charity Commission's guidance on public benefit. We provide public benefit by engaging individuals who are in need, motivating them and giving them the self-confidence and skills that will help them become economically active and to add value to both their local community and society as a whole. This means we deal with many groups. For example, we deal with the individuals who are in danger of being excluded from school and help keep them engaged and motivated. We deal with individuals who misuse drugs and alcohol to help them get motivated to change their lifestyles and work with other agencies to stop the misuse. We work with individuals who are offenders or cause anti-social behaviour and work with the police, fire service and Princes' Trust to provide programmes of team building and awareness that help to change these behaviours. We work with individuals with disabilities to give the experiences and activities that they could not normally undertake and help them to realise their full potential.

We check that we are achieving this by gaining feedback, before and after our programmes have been delivered, from both participants and group leaders, as well as by constantly reviewing our programmes and talking to the Agencies, Organisations, Charities and Partners we work with and incorporating feedback as appropriate.

Going concern

The Trustees have adopted a non-going concern basis in preparing the group and parent Financial Statements as subsequent to the year end the Trustees have taken the decision to wind up the charity. The Trustees have made this decision after consideration of the charity's forecast cash flow, and level of ongoing financial support required and operational challenges of continuing to trade. In making this assessment the Trustees gave consideration to the potential impact of the Covid-19 pandemic on the cashflow and liquidity of the charity over the next 12-month period. This assessment has taken into account both previous and potential measures put in place by the charity to preserve cash and reduce discretionary expenditure in the event of future restrictions. The charity's financial modelling has considered the impact of additional downside scenarios with a more severe impact on the charity's cash flows and liquidity as a result of potential further loss of revenue. Despite this decision, there is a social value in the continuation of the work completed by TMI Practitioner Services and as a consequence this trading subsidiary has been transferred to the ownership of The Growth Company Limited, the ultimate parent of this group to continue trading within a more streamlined group structure.

The Trustees have concluded that the ongoing potential impact of the Covid-19 pandemic on future revenues has affected the charity's ability to continue as a going concern. For these reasons, plus other factors set out they have adopted a non-going concern basis for the preparation of the Financial Statements.

The subsidiary, TMI Practitioner Services Limited's ownership has been transferred to The Growth Company Limited and will continue to trade as a going concern.

Responsibilities of the trustees

**THE MANUFACTURING INSTITUTE
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2021**

The trustees (who are also directors of The Manufacturing Institute for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as that trustee is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the trustees



P A Simpson

Director

16 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANUFACTURING INSTITUTE FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of The Manufacturing Institute (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account) the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – non going concern basis

We draw attention to note 1 of the charitable company and group financial statements which describes the preparation of the financial statements of the charitable company and group on a non-going concern basis. As described in note 1, post year end the trustees of the charitable company have decided to wind up the charitable company which will result in the group no longer existing and have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements of the charitable company and group as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANUFACTURING INSTITUTE FOR THE YEAR ENDED 31 MARCH 2021

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANUFACTURING INSTITUTE FOR THE YEAR ENDED 31 MARCH 2021

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the safeguarding of associates. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Guest
JOHN GUEST (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 16/12/21

THE MANUFACTURING INSTITUTE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED
INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2021

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from charitable activities; Education fees	4	294,648	-	294,648	413,116
Income from other trading activities: Commercial trading operations	5	1,079,919	-	1,079,919	1,553,054
Other income	6	21,365	-	21,365	-
Total income		<u>1,395,932</u>	<u>-</u>	<u>1,395,932</u>	<u>1,966,170</u>
Expenditure on charitable activities: Education fees	7	837,036	-	837,036	1,055,289
Costs of raising funds: Commercial trading operations		<u>730,677</u>	<u>-</u>	<u>730,677</u>	<u>989,639</u>
Total expenditure		<u>1,567,713</u>	<u>-</u>	<u>1,567,713</u>	<u>2,044,928</u>
Net expenditure before tax		(171,781)	-	(171,781)	(78,758)
Taxation receivable		<u>2,801</u>	<u>-</u>	<u>2,801</u>	<u>320</u>
Net expenditure after tax		<u>(168,980)</u>	<u>-</u>	<u>(168,980)</u>	<u>(78,438)</u>
Transfers between funds		-	-	-	-
Net movement in funds		(168,980)	-	(168,980)	(78,438)
Reconciliation of funds					
Total deficit brought forward		<u>(513,705)</u>	<u>(59,344)</u>	<u>(573,049)</u>	<u>(494,611)</u>
Total deficit carried forward		<u>(682,685)</u>	<u>(59,344)</u>	<u>(742,029)</u>	<u>(573,049)</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities in the subsidiary company, TMI Practitioner Services Limited.

The notes on pages 16 to 30 form part of these financial statements.

THE MANUFACTURING INSTITUTE
CONSOLIDATED BALANCE SHEET
For the year ended 31 March 2021

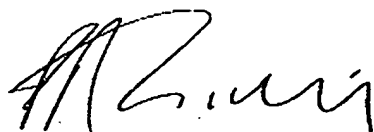
Company Registration No. 02996104

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors falling due within one year	15	365,775	646,374
Cash at bank and in hand		342,652	231,098
		<u>708,427</u>	<u>877,472</u>
CREDITORS: amounts falling due within one year	16	<u>(1,450,456)</u>	<u>(1,450,521)</u>
NET CURRENT LIABILITIES		<u>(742,029)</u>	<u>(573,049)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(742,029)</u>	<u>(573,049)</u>
Net liabilities		<u>(742,029)</u>	<u>(573,049)</u>
CHARITY FUNDS			
Restricted income funds	19	(59,344)	(59,344)
Unrestricted income funds	19	<u>(682,685)</u>	<u>(513,705)</u>
		<u>(742,029)</u>	<u>(573,049)</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies 2006 and are for circulation to members of the company.

These financial statements were approved and authorised for issue by the Board of Trustees on 16 December 2021 and signed on its behalf by:



P A Simpson
Director

The notes on pages 16 to 30 form part of these financial statements.

THE MANUFACTURING INSTITUTE
CHARITY BALANCE SHEET
For the year ended 31 March 2021

Company Registration No. 02996104

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	13	100	100
		<u>100</u>	<u>100</u>
CURRENT ASSETS			
Debtors	15	-	55
Cash at bank and in hand		<u>8,467</u>	<u>9,477</u>
		8,467	9,532
CREDITORS: amounts falling due within one year	16	(254,912)	(255,842)
Net current liabilities		<u>(246,445)</u>	<u>(246,310)</u>
Total assets less current liabilities		<u>(246,345)</u>	<u>(246,210)</u>
Net liabilities		<u>(246,345)</u>	<u>(246,210)</u>
CHARITY FUNDS			
Restricted income funds	19	(59,942)	(59,942)
Unrestricted income funds	19	<u>(186,403)</u>	<u>(186,268)</u>
Total deficit		<u>(246,345)</u>	<u>(246,210)</u>

As permitted by s408 Companies Act 2006, the charity has not presented its own profit and loss account and related notes as it prepares group accounts. The charity's deficit for the year was £135 (2020 - £3,823).

These financial statements were prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of trustees and authorised for issue on 16 December 2021 and are signed on its behalf by:



P A Simpson
Director

The notes on pages 16 to 30 form part of these financial statements.

THE MANUFACTURING INSTITUTE
CONSOLIDATED AND CHARITY'S STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash generated from/(used in) operating activities	<u>108,753</u>	<u>152,709</u>	<u>(1,010)</u>	<u>10,867</u>
Income tax received	<u>2,801</u>	<u>13,022</u>	<u>-</u>	<u>-</u>
Net cash generated from/(used in) operating activities	<u>111,554</u>	<u>165,731</u>	<u>(1,010)</u>	<u>10,867</u>
 Increase/ (decrease) in cash and cash equivalents in the year	 <u>111,554</u>	 <u>165,731</u>	 <u>(1,010)</u>	 <u>10,867</u>
Cash and cash equivalents at the beginning of the year	<u>231,098</u>	<u>65,367</u>	<u>9,477</u>	<u>(1,390)</u>
Total cash and cash equivalents at the end of the year	<u>342,652</u>	<u>231,098</u>	<u>8,467</u>	<u>9,477</u>
Relating to:				
Cash at bank and in hand	342,652	231,098	8,467	9,477
Bank overdrafts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>342,652</u>	<u>231,098</u>	<u>8,467</u>	<u>9,477</u>

1. ACCOUNTING POLICIES

Company information

The company is a private limited company by guarantee without share capital and is registered, domiciled, and incorporated in England and Wales. The registered office is Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

The group consists of The Manufacturing Institute and all its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Trustees' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £.

The company constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' — Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The financial statements of the company are consolidated in the financial statements of The Growth Company Limited and are available from its registered office, Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

Basis of consolidation

The consolidated financial statements incorporate those of The Manufacturing Institute and its wholly owned trading subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

1. ACCOUNTING POLICIES (CONTINUED)

Going concern

The Trustees have adopted a non-going concern basis in preparing the charitable and group Financial Statements as subsequent to the year end the Trustees have taken the decision to wind up the charity, and as a result of the subsidiary, TMI Practitioner Services Limited's ownership has been transferred to The Growth Company Limited and therefore the group will cease to exist. A special resolution to wind up the subsidiaries TMI Enterprises Limited and TPMI Trading Limited was passed on 7 December 2021.

The Trustees have made this decision after consideration of the charity's forecast cash flow, and level of ongoing financial support required and operational challenges of continuing to trade. In making this assessment the Trustees gave consideration to the potential impact of the Covid-19 pandemic on the cashflow and liquidity of the charity and the group over the next 12-month period. This assessment has taken into account both previous and potential measures put in place by the charity and the group to preserve cash and reduce discretionary expenditure in the event of future restrictions. The charity and the group's financial modelling has considered the impact of additional downside scenarios with a more severe impact on the charity and the group's cash flows and liquidity as a result of potential further loss of revenue.

The Trustees have concluded that the ongoing potential impact of the Covid-19 pandemic on future revenues has affected the charity and the group's ability to continue as a going concern. For these reasons, plus other factors set out they have adopted a non-going concern basis for the preparation of the charitable company and group Financial Statements. There is no impact on the reported numbers as a result of the accounts being prepared on a non-going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donated professional services and donated services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market. A corresponding amount is then recognised as expenditure in the period of receipt. Charitable income arises from the provision of education and training courses. Other trading income arises from the provision of practitioner advisory services.

Income from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, income is recognised only to the extent of the expenses recognised that are recoverable.

Grants of a revenue nature are credited to the statement of comprehensive income in the period to which they relate.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The government grant income received during the year ended 31 March 2021 related to the government's Coronavirus Job Retention Scheme. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Resources expended

Expenditure that is directly attributable to specific activities has been included in the relevant cost categories. Other costs, which are attributable to more than one activity, are apportioned across direct charitable, management and administration expenditure on the basis of time spent by staff.

Fixed asset investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all its financial instruments. Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, prepayments and accrued income and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except for investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Tax status

The charity itself is exempt from tax on income and gains falling within Chapter 3 Part 11 Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

Fund accounting

Funds held by the charity are either:

- Unrestricted funds, being funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- Restricted funds, being funds that can only be used for a particular restricted purpose within the objects of the charity. Restrictions arise when specified by a funder.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined. All translation differences are taken to profit or loss.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees consider that there are no estimates, judgements and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries that deliver training, consultancy, and the Shingo programme to manufacturing organisations.

The summary performance of the charity alone is:

	2021	2020
	£	£
Income	-	1,997
Expenditure on charitable activities	(135)	1,826
Net expenditure	(135)	3,823
Total deficit brought forward	(246,210)	(250,033)
Total deficit carried forward	(246,345)	(246,210)
Represented by:		
Restricted income funds	(59,942)	(59,942)
Unrestricted income funds	(186,403)	(186,268)
	(246,345)	(246,210)

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Education and training course fees	296,898	-	296,898	356,323
Make It programme	(2,250)	-	(2,250)	56,793
	<u>294,648</u>	<u>-</u>	<u>294,648</u>	<u>413,116</u>

In 2021, of the total income from charitable activities, £294,648 (2020: £413,116) was to unrestricted funds and £nil (2020: £nil) was to restricted funds.

Education and training course income derives from the group's MSc and Diploma programmes, as well as short courses covering a variety of technical and managerial skills for manufacturing companies, which may be run as public or in house programmes.

Make It income derives mainly from sponsorship of the charity's educational programmes for schools by large manufacturing companies.

5. INCOME FROM OTHER ACTIVITIES – COMMERCIAL TRADING

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Practitioner advisory services	<u>1,079,919</u>	<u>-</u>	<u>1,079,919</u>	<u>1,553,054</u>

In 2021, of the total income from other activities, £1,079,919 (2020: £1,553,054) was to unrestricted funds and £nil (2020: £nil) was to restricted funds.

Practitioner advisory services consist of a variety of consultancy interventions, to help manufacturing companies to improve the efficiency of their operations.

6. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Furlough grant income	<u>21,365</u>	<u>-</u>	<u>21,365</u>	<u>-</u>

Income received from the government's Coronavirus Job Retention Scheme.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Education and training £	Make It £	Total £
Delivery	278,271	398	278,669
Marketing	46,462	-	46,462
Payroll	364,556	-	364,556
Direct establishment costs	114,980	-	114,980
Support costs (see note 9)	26,544	-	26,544
Governance (see note 10)	5,825	-	5,825
	<u>836,638</u>	<u>398</u>	<u>837,036</u>

In 2021, of the total expenditure on charitable activities, £837,036 (2020: £1,054,968) was charged to unrestricted funds and £nil (2020: £321) to restricted funds.

8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

The table shows the costs of the two main charitable activities and the sources of income directly attributable to them.

	Education and training £	Make It £	Total £
Costs	(836,638)	(398)	(837,036)
Revenue	<u>296,898</u>	<u>(2,250)</u>	<u>294,648</u>
Net expenditure funded from other income and reserves	<u>(539,740)</u>	<u>(2,648)</u>	<u>(542,388)</u>

9. SUPPORT COSTS

	Staff costs £	Establishment costs £	Financial costs £	Total £
Costs	<u>14,020</u>	<u>12,524</u>	<u>-</u>	<u>26,544</u>

Support costs are apportioned between charitable activities based on the income of each activity, as a fair approximation of the scale of each operation and its consumption of resources.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

10. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Legal and professional costs	-	-	-	250
Auditor's remuneration	-	-	-	-
Audit services	1,723	-	1,723	23,248
Non audit services	4,102	-	4,102	2,738
	<u>5,825</u>	<u>-</u>	<u>5,825</u>	<u>26,236</u>

Governance costs are either directly allocated to charitable activities to reflect their specific association with a particular revenue stream or apportioned between charitable activities based on the income of each activity. This is considered a fair approximation of the scale of each operation and its consumption of resources.

11. EMPLOYEES

The aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	474,482	565,097
Social security costs	52,666	62,214
Pension costs	40,785	45,080
	<u>567,933</u>	<u>672,391</u>

The average monthly number of persons (including trustees) employed during the year was 11 (2020: 13).

Emoluments for higher paid employees fell into the following bands:

	2021 No.	2020 No.
£80,000 - £90,000	<u>1</u>	<u>1</u>

The trustees received no remuneration nor were they reimbursed any expenses during the year (2020: £nil).

The key management personnel of the group comprise the trustees and the Operations director. Their total employee benefits were £96,211 (2020: £134,583).

The group operates a defined contribution scheme for employees and the assets of the scheme are held separately from those of the group. The contributions represent the amount payable in the year.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

12. NET EXPENDITURE FOR THE YEAR

	2021	2020
	£	£
Net expenditure for the year is stated after charging:		
Auditor's remuneration		
- for audit services (charity)	6,988	5,812
- for audit services (subsidiaries)	(5,265)	17,436
- for non-audit services (tax advisory and compliance)	4,102	2,738
Other governance related fees	-	250
Operating lease rentals		
- land and buildings	<u>10,066</u>	<u>29,943</u>

13. FIXED ASSET INVESTMENTS

	Investments in subsidiaries £
Valuation	
At 1 April 2020 and 31 March 2021	<u>100</u>
Impairment	
At 1 April 2020 and 31 March 2021	<u>-</u>
Net carrying amount	
At 31 March 2021	<u>100</u>
At 31 March 2020	<u>100</u>

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

14. SUBSIDIARIES

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Company number	Nature of business	Class of shares held	% Held	
				Direct	Indirect
TMI Enterprises Limited	05774175	Holding company	Ordinary	100	-
TMI Practitioner Services Limited	05774920	Commercial practitioner advisory services and educational provision	Ordinary	-	100
TPMI (Trading) Limited	03004124	Dormant	Ordinary	-	100

The registered office of the above companies is Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

TMI Enterprises Limited is exempt from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and TPMI (Trading) Limited is exempt from audit under section 480 of the Companies Act 2006 relating to dormant companies. These companies are in the process of being wound up.

The shares in TMI Practitioner Services Limited were transferred to The Growth Company Limited in November 2021.

	2021 £	2020 £
Aggregate capital and reserves		
TMI Enterprises Limited	-	-
TMI Practitioner Services Limited	(673,000)	(504,000)
TPMI (Trading) Limited	-	-
(Surplus)/ deficit for the year		
TMI Enterprises Limited	-	(2,000)
TMI Practitioner Services Limited	169,000	80,000
TPMI (Trading) Limited	-	(152,000)

15. DEBTORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	155,120	270,544	-	55
Amounts due from group undertakings	10,165	22,688	-	-
Other debtors	4,810	100	-	-
Prepayments and accrued income	195,680	353,042	-	-
	<u>365,775</u>	<u>646,374</u>	<u>-</u>	<u>55</u>

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	24,257	110,217	-	72
Amounts due to group undertakings	944,991	951,912	216,391	194,465
Other taxation and social security	53,289	81,207	38,521	61,305
Other creditors	35,364	14,370	-	-
Accruals	183,943	65,000	-	-
Deferred income	208,612	227,815	-	-
	<u>1,450,456</u>	<u>1,450,521</u>	<u>254,912</u>	<u>255,842</u>

17. DEFERRED INCOME

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 April 2020	227,815	70,458	-	-
Amount released to income earned	(427,589)	(500,133)	-	-
Amount deferred in the year	<u>408,386</u>	<u>657,490</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>208,612</u>	<u>227,815</u>	<u>-</u>	<u>-</u>

Deferred revenue in subsidiary companies consist of course fees receivable in advance, for long term programmes, such as the Diploma and MSc programmes, where the revenue will not be earned until after the balance sheet date, or for onsite support and coaching.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

18. ANALYSIS OF CHARITABLE FUNDS

Analysis of movement in unrestricted funds

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 April 2020	(513,705)	(435,588)	(186,268)	(190,412)
Incoming resources	1,395,932	1,966,170	-	1,997
Outgoing resources	<u>(1,564,912)</u>	<u>(2,044,287)</u>	<u>(135)</u>	<u>2,147</u>
At 31 March 2021	<u>(682,685)</u>	<u>(513,705)</u>	<u>(186,403)</u>	<u>(182,268)</u>

Analysis of movement in restricted funds

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 April 2020	(59,344)	(59,023)	(59,942)	(59,621)
Incoming resources	-	-	-	-
Outgoing resources	<u>-</u>	<u>(321)</u>	<u>-</u>	<u>(321)</u>
At 31 March 2021	<u>(59,344)</u>	<u>(59,344)</u>	<u>(59,942)</u>	<u>(59,942)</u>

The purpose of the restricted fund was to provide publicly available, state of the art, photocopying and manufacturing workshop in Ellesmere Port and Altrincham respectively. On closure these deficit funds will be transferred to TMI Practitioner Services Limited.

THE MANUFACTURING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

19. ANALYSIS OF GROUP AND CHARITY NET ASSETS BETWEEN FUNDS

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
2021			
Tangible assets	-	-	-
Cash at bank and in hand	342,652	-	342,652
Other net current liabilities	(401,996)	(682,685)	(1,084,681)
Total net liabilities	(59,344)	(682,685)	(742,029)
2020			
Tangible assets	-	-	-
Cash at bank and in hand	231,098	-	231,098
Other net current liabilities	(290,442)	(513,705)	(804,147)
Total net liabilities	(59,344)	(513,705)	(573,049)
Charity	Restricted funds £	Unrestricted funds £	Total funds £
2021			
Tangible assets	100	-	100
Cash at bank and in hand	8,467	-	8,467
Other net current liabilities	(68,509)	(186,403)	(254,912)
Total net liabilities	(59,942)	(186,403)	(246,345)
2020			
Tangible assets	100	-	100
Cash at bank and in hand	9,477	-	9,477
Other net current liabilities	(69,519)	(186,268)	(255,787)
Total net liabilities	(59,942)	(186,268)	(246,210)

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Net movement in funds	(168,980)	(78,438)	(135)	3,823
Tax credit	(2,801)	(320)	-	-
Decrease in debtors	280,599	43,840	55	15,349
(Decrease)/ increase in creditors	(65)	187,627	(930)	(8,305)
Net cash generated from/ (used in) operating activities	108,753	152,709	(1,010)	10,867

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21. 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 £40,785 (2020: £45,080). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.

22. MEMBERS' LIABILITY

The company is incorporated as a company limited by guarantee and therefore has no share capital. The liability of the member is limited to £1.

23. RELATED PARTY TRANSACTIONS

During the year, total costs of £166k (2020: £205k) were incurred by The Growth Company Limited (the ultimate parent company) on behalf of The Manufacturing Institute and total income received was £150k (2020: £50k). Total costs of £82k (2020: £40k) were incurred by Improvement Development Growth Limited and £6k (2020: £16k) by Skills & Work Solutions Limited, and income of £130k (2020: £275k) was received from Skills & Work Solutions Limited.

At the balance sheet date, the total amount due to The Growth Company Limited was £945k (2020: £943k) and to Improvement Development Growth Limited was £Nil (2020: £9k). The total amount owed by Skills & Work Solutions Limited was £10k (2020: £23k).

Improvement Development Growth Limited and Skills & Work Solutions Limited are related parties by virtue of a common ultimate parent undertaking.

24. CONTROLLING PARTY

The company's immediate parent company, ultimate parent undertaking and controlling party is The Growth Company Limited (company number 02443911), a company registered in England and Wales, which includes the company in its consolidated financial statements.

Copies of the consolidated financial statements are available from its registered office at Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

25. SECURITY

The company has the following security over its subsidiary companies:

Name of undertaking	Date	Nature of security
TMI Enterprises Limited	22 June 2007	Loan agreement - All monies, to a maximum of £662,000
TMI Practitioner Services Limited	30 July 2010	Debenture - Fixed and floating charge over the assets
TPMI (Trading) Limited	30 July 2010	Debenture - Fixed and floating charge over the assets

Those of TMI Enterprises Limited and TPMI (Trading) Limited were satisfied on 15 April 2021 and that of TMI Practitioner Services Limited on 16 September 2021.

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26. POST BALANCE SHEET EVENTS

On 7 October 2021, The Manufacturing Institute board decided to close the parent company and transfer any outstanding balances and activity into the subsidiary TMI Practitioner Services Limited. As such TMI Practitioner Services Limited has transferred ownership to The Growth Company parent and the charity will be dissolved.

On 6 December 2021, The Growth Company board decided to waive the inter-company loan to The Manufacturing Institute.