

Company No: 4041367 (England and Wales)

IPPR TRADING LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

Registered address:
30-32 Southampton Street
London WC2E 7RA

Legal and administrative information

Registered office

30-32 Southampton Street
London
WC2E 7RA

Company secretary

Paul Clough

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Bankers

Unity Trust Bank plc
9 Brindley Place
4 Oozells Square
Birmingham B1 2HB

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Insurance brokers

Stackhouse Poland Ltd
New House
Bedford Road
Guildford
Surrey
GU1 4SJ

Report of the Directors

The Directors present their report and financial statements for the year ended 31 December 2006

RESULTS AND DIVIDENDS

The profit on ordinary activities prior to donations after tax amounts to £97,804 (2005: £16,592).

The Directors do not recommend the payment of a dividend.

DONATIONS

During the year the company proposed a donation of £97,804 (2005: £16,592) by way of Gift Aid to Institute for Public Policy Research Ltd (the company's ultimate parent undertaking).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company during the period under review was commissioned research on public policy.

There have been no events since the balance sheet date which materially affect the position of the Company.

FIXED ASSETS

The Company has no fixed assets.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were:

Lord Eatwell
C Powell
N Pearce

None of the Directors had any interest in the share capital of the Company or any group company.

Statement of Directors Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the Company and profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards, subject to any material departure disclosed and explained in the financial statements.
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be re-appointed auditors will be put to the Annual General Meeting.

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

ON BEHALF OF THE BOARD

P Clough
Secretary

2 April 2007

**Independent Auditors' Report to the Members of
IPPR Trading Limited**

We have audited the financial statements on pages 4 to 7. These financial statements have been prepared in accordance with the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective January 2005)

Respective responsibilities of directors and auditors

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

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

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of affairs of the company as at 31 December 2006 and of its results for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Saffery Champness
Registered auditors
Lion House
Red Lion Street
London

2 April 2007

IPPR TRADING LTD

Profit and Loss for the year ended 31 December 2006

	Notes	2006 £	2005 £
TURNOVER- continuing operations	1	278,264	336,197
Cost of sales		(183,849)	(323,974)
Gross profit		94,415	12,223
Administrative expenses		(2,300)	(2,068)
Bank interest		5,689	6,437
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION - continuing operations	2	97,804	16,592
Donations to Holding Company		(97,804)	(16,592)
Taxation on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
Accumulated profit brought forward		-	-
ACCUMULATED PROFIT CARRIED FORWARD		-	-

Statement of Total Recognised Gains and Losses

The profit on ordinary activities, after taxation, as stated above recognises all gains and losses for the year, as defined by the Financial Reporting Standard No. 3

All of the above results derive from continuing activities and there were no acquisitions in the period.

The notes on pages 6 to 7 form part of these financial statements.

IPPR TRADING LTD

Balance Sheet as at 31 December 2006

		<u>2006</u>	<u>2005</u>
	Notes	£	£
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Debtors	4	86,040	112,766
Cash at bank and in hand		<u>221,362</u>	<u>262,888</u>
		307,402	375,654
CREDITORS: Amounts falling due within one year			
	5	<u>(307,303)</u>	<u>(375,554)</u>
NET CURRENT ASSETS		100	100
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Equity Interests:			
Called up share capital	6	100	100
Profit and loss account		-	-
TOTAL SHAREHOLDERS FUNDS		<u>100</u>	<u>100</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the board of directors on 2 April 2007 and were signed on its behalf by

N Pearce Director

C Powell Director

The notes on pages 6 and 7 form part of these financial statements

IPPR TRADING LTD

Notes to the financial statements for the year ended 31 December 2006

1 ACCOUNTING POLICIES

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Cashflow

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced in the United Kingdom to third parties.

The turnover and pre-tax results are attributable to the only activity of the Company.

2 OPERATING PROFIT

This is stated after charging:

Depreciation of tangible fixed assets
Auditors remuneration

	2006	2005
	£	£
	-	-
	2,300	2,000

3 TAXATION ON PROFIT/(LOSS)

There is no charge for taxation for the year (2005: £Nil) because all taxable profits were gift-aided to a registered charity.

4 DEBTORS Amounts falling due within one year

Trade Debtors
Prepayments and accrued income
VAT receivable
Amounts due from holding company

	2006	2005
	£	£
	35,190	88,547
	2,000	24,219
	30,911	0
	17,939	0
	86,040	112,766

5 CREDITORS Amounts falling due within one year

Trade Creditors
Amounts due to holding company
Accruals and deferred income
VAT payable

	2006	2005
	£	£
	0	850
	305,003	308,138
	2,300	42,000
	0	24,566
	307,303	375,554

IPPR TRADING LTD

Notes to the financial statements for the year ended 31 December 2006(Continued)

6 SHARE CAPITAL

	2006	2005
	£	£
Equity interests		
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
No Ordinary Shares of £1 each	100	100

7 HOLDING COMPANY

The Company's ultimate holding Company is the Institute for Public Policy Research Ltd, a registered charity in England and Wales.

8 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2006 (2005: £Nil)

9 RELATED PARTY TRANSACTIONS

During the year the company incurred recharges of £176,340 (2005: £287,451) from Institute for Public Policy Research Ltd (the company's ultimate parent undertaking). At 31 December 2006 the company owed Institute for Public Policy Research Ltd £305,003 (2005: £308,138).

10 SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Opening shareholders' funds at 1 January	100	100
Profit/loss for the financial year	97,804	16,592
Donations to parent company	(97,804)	(16,592)
Closing shareholders' funds at 31 December	100	100