

**Techniquet (Limited by Guarantee)**

**Council of Management's report and  
consolidated financial statements**

**Registered company number 1955696**

**Registered charity number 517722**

**31 July 2004**



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## **Officials, advisers and administrative details**

### **Council of management**

JB McDowall CBE  
A Thomas FCA  
RG Thomas OBE LLB CCMI  
Mrs J Williams OBE  
Professor RH Williams FRS  
SH Best OBE – Appointed 31 March 2004

### **Secretary**

EH Jones FCCA

### **Auditor**

KPMG LLP  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF24 0TE

### **Solicitors**

Eversheds  
1 Callaghan Square  
Cardiff  
CF10 5BT

### **Bankers**

HSBC Bank Plc  
97 Bute Street  
Cardiff  
CF10 5NA

### **Registered office**

Stuart Street  
Cardiff  
CF10 5BW

## **Council of Management's report**

The Council of Management, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 July 2004.

### **Constitution**

Techniquest is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association.

The charitable company has one wholly owned subsidiary undertaking, Techniquest Enterprises Limited. The principal activities of the subsidiary are the marketing and retailing of goods and services at Techniquest's scientific exhibitions, the sale and leasing of exhibits and exhibitions and the provision of consultancy services.

### **Principal activity and objectives**

The principal objective of the company is to promote the advancement of education and improve the public perception of science and technology by establishing permanent and temporary interactive exhibitions, together with supporting educational programmes.

Techniquest runs a 3,500m<sup>2</sup> purpose-built science and discovery centre for public and educational visitors in Cardiff Bay. Staff at the Cardiff bay site also devise and manage a variety of outreach activities chiefly in Wales but also in other parts of the UK and overseas, often working with local partners. The organisation is a well-respected and active participant in the world-wide science centre movement. Techniquest also maintains exhibit design and production facilities in Cardiff.

### **Business review**

The Welsh Assembly Government provided substantial funds to Techniquest to help the delivery of its educational objectives for which the Council is most grateful.

The financial objectives of the Techniquest group are to produce an approximately break-even outturn each year and we comment on this further below.

During the year Techniquest attracted 172,272 visitors to its Cardiff Bay site, of which a relatively high proportion (34%) were in organised school groups underlining Techniquest's strong educational focus. In addition, we estimate that half a million people visited other exhibitions provided by Techniquest elsewhere in Wales and the UK.

Techniquest also undertook a broad spectrum of special projects to pursue its objectives and to further develop the range and depth of its activities, particularly in support of Welsh Assembly policies in education. Further details of the work achieved this year are provided below. Trading by Techniquest Enterprise Ltd has also been busy, benefiting the organisation as a whole.

The Chief Executive Officer, Colin Johnson retired at the end of the year after seven years at the helm. Council would like to record its thanks to Mr Johnson for his valuable contribution to Techniquest. Mr Johnson is succeeded as CEO by Mr Peter Trevitt.

### ***Education and life long learning on-site activity***

The total on-site attendance was 172,272 for the year (2003: 179,079) at Techniquest in Cardiff Bay. This was a strong achievement given the ever-increasing range of alternative attractions for families and leisure visitors, and despite an exceptionally hot dry summer which discourages visits to indoor venues such as Techniquest during what is traditionally its busiest period. These visitors enjoyed exhibitions comprising 150 exhibits specially designed to break down barriers and to motivate future learning and participation in science and technology.

In 2003/04 Techniquest received 59,292 students in booked groups (2003: 63,402) where pre- and post- visit support is provided for teachers. Although this was 6.5% less than last year, it is regarded as a good figure in view of the increasing costs of schools transport, and reducing pupil numbers in primary schools.

## **Council of Management's report** *(continued)*

### ***Education and life long learning on-site activity (continued)***

Schools could select from 54 different education programmes aimed at early years to post-16 audiences as part of a structured visit when planning a trip to Techniquist. In addition to covering many different areas of the curriculum, these programmes broadened participation by targeting different ages, abilities, interests and backgrounds. A further 32 different education programmes were also provided for public visitors during the course of the year.

Some 111 practising teachers received direct support by attending CPD (continuing professional development) courses run by Techniquist.

Techniquist was responsible for the education arm of the Wales Gene Park initiative, a major partnership with Cardiff University, the National Health Service of Wales and others. Staff concerned with education and public engagement relating to genetics were based at Techniquist. Events included a public debate on genetic testing in collaboration with the Progress Educational Trust.

The MSc course in Communicating Science run by Techniquist and the University of Glamorgan was completed by 6 students, including 3 from overseas.

Special events during the year included a celebration of the transit of Venus attracting 300 members of the public to Techniquist at 6am, participation in the Tracey Beaker TV show, a BBC educational programme aimed at 7-11yr old girls, and a public meeting and event for post-16 students for the Human Genetics Commission including a talk by their vice-chair Sir John Sulston.

### ***Education and life long learning outreach activity***

Techniquist's Kits Programme, comprising some 30 sets of curriculum linked hands-on activities designed to motivate pupils and support teachers, travelled to 300 schools and served an estimated 15,000 pupils.

A substantial Wales-wide outreach initiative known as 'mathcymru' continued throughout the year. The programme provided roadshows, lectures, teaching resources, a bilingual website, competitions, grant awards and coordinated a national Maths Week event for Wales.

Techniquist's popular travelling planetarium outreach programme reached approximately 12,700 pupils through sessions at 76 different schools.

A grant was secured from the Royal Society's 'Copas' fund to support a Wales-wide outreach initiative known as Science Cafés. This is a European scheme providing opportunities for the community to engage in debate and dialogue on science issues in a comfortable environment.

The Nuffield Bursary Scheme, organised through Techniquist, provided workplace experience in science for around 30 sixth-form students.

Six CPD courses were run by Techniquist working through the Gatsby-funded Teacher-Scientist Network at locations in Aberystwyth, Bangor, Wrexham and Swansea, involving 78 teachers. Five further courses involving 149 health professionals took place around Wales, run by Techniquist as part of its involvement in the Wales Gene Park partnership referred to above.

Techniquist@NEWI, a new science centre on the campus of the North East Wales Institute in Wrexham completed its first full year of operation, with around 35,000 visitors. The centre features Techniquist-style exhibitions and programmes.

A Techniquist exhibition at Oakwood theme park in SW Wales continued to be very popular with an estimated 75,000 visitors of all ages, many of whom would not previously have experienced a learning experience of this kind.

Techniquist staff had a key role in two further outreach projects run by the Women into Science and Engineering programme (WISE) in Wales, targeting girls and women.

## Council of Management's report (continued)

### Special projects

Development work continued on a major new science exhibition using the theme of music to help increase participation by those in the hard to reach 14-19 age range. The project is part funded by a substantial Millennium Commission grant and involved the recruitment of a small number of additional staff with special design and engineering skills. Innovation highlights included a state-of-the-art virtual label system with enhanced bilingual and curriculum support capabilities. The new exhibition is due to be open to the public by October 2005.

Techniquist Enterprises produced a new woodland and water zone for the Look Out Discovery centre in Bracknell with funding from the Millennium Commission.

Techniquist Enterprises Limited has achieved 18 separate exhibition hire agreements during the year.

### International affairs

An overseas professional development programme with the support of the British Council was delivered in Porto Alegre, Brazil. A planned programme in Hong Kong was postponed because of the SARS epidemic.

Techniquist contributed to many national and international events and conferences in the science communication sector.

International consultancies in the past year have included work in Thailand and New Zealand.

This year Techniquist Enterprises has sold exhibits to clients in Russia, Germany, USA, Sweden, Azores, Belgium, Mexico and Portugal and hired exhibits to clients in Italy, Russia, Eire and Singapore.

### Summary of Techniquist visitors, 1st August 2003 – 31st July 2004

Region	Attendance £'000
Wales:	
Cardiff Bay	172
Cardiff events*	20
Oakwood (S.W. Wales)*	75
Wrexham (N.E. Wales)	32
Wales outreach	35
Wales TOTAL*	334
Other parts of the UK:	
General exhibit hire contracts*	120
The Look Out, Bracknell (long-term hire)	93
Overseas:	
Lisbon*	200
SciQuest, S Africa*	35

\* conservative estimates

### Results

The consolidated results for the year are shown in the attached financial statements.

The surplus for the 2003/04 year is largely due to the effects of the timing of major projects and their implications for other activities which will increase certain costs next year. The surplus has also increased due to the release of £40,000 of long held provisions.

## **Council of Management's report** *(continued)*

### **Results** *(continued)*

There was a surplus, after transfers between funds, of £214,463 (2003: £80,462) on day to day activities, shown within unrestricted funds resulting in an unrestricted funds balance at the end of the year of £1,315,367 (2003: £1,100,904).

There was a deficit, after transfers between funds, of £39,338 (2003: £87,351) on restricted funds representing the expenditure of grant income received for specific purposes in the previous year which was included in incoming resources for 2001/02 in accordance with the Statement of Recommended Practice (SORP) for charities. The balance on restricted funds at the year-end was £Nil (2003: £39,338).

A charitable donation of £49,547 (2003: £Nil) was received from Techniquest Enterprises Limited in the year.

The financial results of the trading subsidiary, Techniquest Enterprises Limited, yielded a net profit for the financial year of £11,600, after charitable donations to the company of £49,547 (2003: £525). Efforts were made during the year to continue to shape the business around prevailing market conditions and to offer, in the case of the exhibit manufacturing and hire business, a superior product.

### **Council of Management**

The members of the Council of Management are set out on page 1.

Members of the Council of Management are appointed or removed by resolution of the Members of the Company in General Meeting.

### **Dividend**

The payment of a dividend or any other distribution to members is not permitted under the terms of Techniquest's Memorandum of Association.

### **Employees**

The company recognises the benefits of keeping employees informed as to current business performance.

### **Disabled persons**

The company has a policy of encouraging the employment of disabled persons wherever this is practicable and makes reasonable adjustments to working conditions or to physical features of its premises where disabled persons are placed at a substantial disadvantage in comparison with people who are not disabled.

### **Supplier payment policy**

The company does not follow any standard codes of payment but aims to settle supplier accounts in accordance with their individual terms of business. The number of days' purchases outstanding at the year end in respect of the company was 44 (2003: 49).

### **Reserves policy**

The reserves policy is to retain a sum broadly equal to four months of the company's total operating expenses. This amount (£800,000) has been included in unrestricted general funds.

## **Council of Management's report** *(continued)*

### **Investment policy**

The trustees invest funds in money-market bank deposits, with the aim of ensuring a reasonable return whilst minimising the level of risk. A return of 3.5% - 3.9% was achieved in the year.

### **Governance and internal control**

The Council of Management is appointed in accordance with the company's constitution. The members of the Council of Management retire by rotation at the Annual General Meeting and may be re-elected. The Council of Management meets quarterly and during each year reviews the strategy and performance and sets the operating plans and budgets.

The Council of Management has overall responsibility for ensuring that the company has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 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.

The Council of Management has introduced a formal risk management process to assess business risks and implement risk management strategies. This involved formally identifying the types of risks the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Council of Management will continue to review the adequacy of the company's internal controls and ensure they conform to guidelines issued by the Charity Commission.

The company has an audit committee comprising one member of the Council of Management and two external members. It also has a finance committee comprising one member of the Council of Management and one external member.

The Council of Management sets the overall strategy for the company and delegates day to day control to the management team.

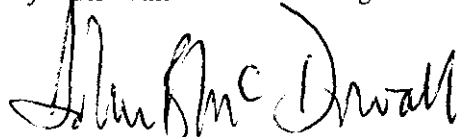
### **Tax status**

As Techniquist is a registered charity no provision has been made for taxation, however Techniquist Enterprises Limited's trading profits are subject to taxation.

### **Auditors**

A resolution for the reappointment of KPMG LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the Council of Management



**J B McDowall**  
*Council Member*

Stuart Street  
Cardiff  
CF10 5BW

10 May 2005



## **Statement of the members of the Council of Management's responsibilities**

Company law requires the members of the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the excess or (deficit) of income over expenditure for that period. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue its activities.

The members 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 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

Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF24 0TE  
United Kingdom

## **Independent auditors' report to the members of the Council of Management of Techniquist (Limited by Guarantee)**

We have audited the financial statements on pages 9 to 24.

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 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 the members of the Council of Management and auditors**

The members of the Council of Management, who are the directors of Techniquist (Limited by Guarantee) for the purposes of company law, are responsible for preparing the Council of Management's report and, as described on page 7, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31 July 2004 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

*Chartered Accountants  
Registered Auditor*

*23rd May 2005*

**Consolidated statement of financial activities  
(incorporating an income and expenditure account)  
for the year ended 31 July 2004**

	Note	Restricted funds £	Unrestricted funds £	Total 2004 £	Total 2003 £
<b>Incoming resources</b>					
Donations and sponsorship		-	6,420	6,420	-
Activities in furtherance of the company's objects:					
Admission fees		-	520,637	520,637	518,785
Grants	2, 13	597,739	1,101,151	1,698,890	1,500,428
Activities for generating funds:					
Shop and café		-	192,872	192,872	199,501
Workshop sales		-	549,902	549,902	391,044
Interest receivable		-	41,142	41,142	46,372
Other incoming resources	3	-	201,462	201,462	10,300
<b>Total incoming resources</b>		<b>597,739</b>	<b>2,613,586</b>	<b>3,211,325</b>	<b>2,666,430</b>
<b>Resources expended</b>					
Costs of generating funds:					
Shop and café		-	(103,324)	(103,324)	(107,382)
Workshop		-	(751,340)	(751,340)	(757,424)
Costs of activities in furtherance of the company's objects	4, 13	(637,077)	(1,544,459)	(2,181,536)	(1,808,513)
<b>Total resources expended</b>		<b>(637,077)</b>	<b>(2,399,123)</b>	<b>(3,036,200)</b>	<b>(2,673,319)</b>
<b>Net incoming / (outgoing) resources, being net income / (expenditure) for the year</b>	5-8	<b>(39,338)</b>	<b>214,463</b>	<b>175,125</b>	<b>(6,889)</b>
Fund balances brought forward		39,338	1,100,904	1,140,242	1,147,131
<b>Fund balances carried forward</b>	13	<b>-</b>	<b>1,315,367</b>	<b>1,315,367</b>	<b>1,140,242</b>

**Statement of reserves**

	Restricted funds £	Unrestricted general funds £	Unrestricted designated funds £	Total £
Balance at 1 August 2003	39,338	550,904	550,000	1,140,242
Net incoming/(outgoing) resources for the year	(39,338)	214,463	-	175,125
Movement from unrestricted designated	-	550,000	(550,000)	-
<b>Balance at 31 July 2004</b>	<b>-</b>	<b>1,315,367</b>	<b>-</b>	<b>1,315,367</b>

**Consolidated statement of financial activities**  
**(incorporating an income and expenditure account)**  
*for the year ended 31 July 2004 (continued)*

Incoming resources and net incoming resources relate entirely to continuing operations.

There are no recognised gains or losses in the current or previous year other than those passing through the income and expenditure account.

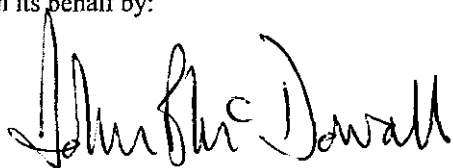
There is no difference between the results as stated and the results on a historical basis.

The profit for the year for Companies Act purposes equals the net outgoing reserves for the year of £175,125 (2003: deficit of £6,889).

**Consolidated balance sheet**  
*at 31 July 2004*

	Note	2004	2003
		£	£
<b>Fixed assets</b>			
Tangible assets	9	135,978	92,134
<b>Current assets</b>			
Stock	10	50,569	72,669
Debtors	11	553,226	261,528
Cash at bank and in hand		1,225,787	1,427,651
		<u>1,829,582</u>	<u>1,761,848</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(650,193)</u>	<u>(713,740)</u>
<b>Net current assets</b>		<u>1,179,389</u>	<u>1,048,108</u>
<b>Net assets</b>		<u>1,315,367</u>	<u>1,140,242</u>
<b>Income funds</b>			
Unrestricted funds:			
General funds	13	1,315,367	550,904
Designated funds	13	-	550,000
		<u>1,315,367</u>	<u>1,100,904</u>
Restricted funds	13	-	39,338
	13, 14	<u>1,315,367</u>	<u>1,140,242</u>

These financial statements were approved by the Council of Management on 10 May 2005 and were signed on its behalf by:

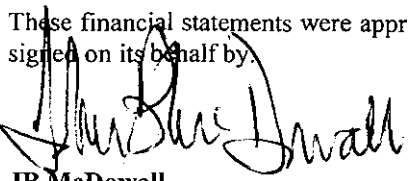


**JB McDowall**  
Council Member

**Company balance sheet**  
*at 31 July 2004*

	Note	2004		2003	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		143,217		97,239
Investment	19		2		2
			<hr/>		<hr/>
			143,219		97,241
<b>Current assets</b>					
Stock	10	22,330		52,466	
Debtors	11	440,475		176,246	
Cash at bank and in hand		1,211,389		1,411,170	
		<hr/>		<hr/>	
<b>Creditors: amounts falling due within one year</b>	12	1,674,194 (563,117)		1,639,882 (646,351)	
		<hr/>		<hr/>	
<b>Net current assets</b>			1,111,077		993,531
			<hr/>		<hr/>
<b>Net assets</b>			1,254,296		1,090,772
			<hr/>		<hr/>
<b>Income funds</b>					
Unrestricted funds:					
General funds	13	1,254,296		501,434	
Designated funds	13	-		550,000	
		<hr/>		<hr/>	
			1,254,296		1,051,434
Restricted funds	13		-		39,338
		<hr/>		<hr/>	
	13, 14		1,254,296		1,090,772
			<hr/>		<hr/>

These financial statements were approved by the Council of Management on 10 May 2005 and were signed on its behalf by:

  
**JB McDowall**  
Council Member

**Consolidated cash flow statement**  
*for the year ended 31 July 2004*

	<i>Note</i>	2004 £	2003 £
Cash (outflow)/inflow from operating activities	16	(138,730)	132,887
Returns on investment and servicing of finance:			
Bank interest received		34,942	46,323
Capital expenditure and financial investment:			
Payments to acquire tangible fixed assets		(112,202)	(47,713)
		<hr/>	<hr/>
(Decrease)/increase in cash in the year		(215,990)	131,497
		<hr/>	<hr/>

**Reconciliation of net cash flow to movement in net funds**

	<i>Note</i>	2004 £	2003 £
(Decrease)/increase in cash in the year		(215,990)	131,497
Net funds at beginning of year		1,427,651	1,296,154
		<hr/>	<hr/>
Net funds at end of year	17	1,211,661	1,427,651
		<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Principal 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 under the historical cost accounting rules modified to include the Council of Management's estimated valuation of certain exhibits of machinery and equipment, which have been donated by supporters of Techniquet. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, published in October 2000.

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Techniquet (Limited by Guarantee) and those of its subsidiary undertaking. The subsidiary is accounted for under the acquisition method.

The company has taken advantage of Section 230 of the Companies Act 1985 and paragraph 304 of the Statement of Recommended Practice and not presented a separate statement of financial activities for the company alone. The surplus for the year of the parent company is £163,524 (2003: Loss £7,414).

Details of the subsidiary undertaking are shown in note 19.

#### *Depreciation and amortisation*

The cost or valuation of tangible fixed assets is written off by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	20% per annum
Plant, machinery and equipment	-	20-25% per annum
Fixtures, fittings and equipment	-	20-33% per annum
Exhibits	-	20% per annum
Motor vehicles	-	25% per annum
Workshop exhibits	-	20% per annum
Franchised exhibits	-	over the life of the franchise agreement
Development assets	-	20% per annum

#### *Company status*

Techniquet is a company limited by guarantee. The members of the company are the Council of Management named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### *Grant income*

Income represents grants receivable in the year from outside granting bodies.

Grants are included in the Statement of Financial Activities when the company is legally entitled to the income. In other cases the income is deferred.



## Notes (continued)

### 1 Principal accounting policies (continued)

#### *Restricted and unrestricted funds*

The activities of the company are funded by various grants and other income. Some of the grants are provided on a project by project basis. All grants provided for specific purposes are shown as restricted funds. All other funds have been included in the financial statements as unrestricted funds.

The surplus or deficit on the unrestricted income and expenditure for the year is transferred to general unrestricted funds. Where such funds have been set aside for specific purposes, or to meet future commitments, these are classified as designated funds as a separate category of unrestricted funds.

#### *Resources expended*

The costs of activities in furtherance of the company's objects represent the cost of the charitable day to day operations. The cost of generating funds represents the costs associated with the operation of the shop and workshop.

#### *Stock*

Stocks are valued at the lower of cost and net realisable value.

The cost of raw materials is determined on a first in first out basis. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental costs are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

#### *Pensions*

The company participates in a defined contribution pension scheme. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

#### *Taxation*

Techniquet is not subject to taxation as it is a registered company.

Techniquet has a subsidiary company which is potentially subject to tax.

Deferred tax is recognised on the subsidiary's results 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.

## Notes (continued)

### 2 Grants received

	Restricted £	Unrestricted £	2004 £	2003 £
Grant for operating expenses	-	721,151	721,151	645,000
Grant for refurbishment and redevelopment costs	-	380,000	380,000	380,608
Grants for specific projects	597,739	-	597,739	474,820
	<u>597,739</u>	<u>1,101,151</u>	<u>1,698,890</u>	<u>1,500,428</u>

### 3 Other incoming resources

	Restricted £	Unrestricted £	2004 £	2003 £
Support services	-	108,000	108,000	-
Lectures to third parties	-	15,510	15,510	-
Education services	-	31,541	31,541	-
Consultancy fees	-	8,673	8,673	10,300
Building rental	-	31,143	31,143	-
Other income	-	6,595	6,595	-
	<u>-</u>	<u>201,462</u>	<u>201,462</u>	<u>10,300</u>

### 4 Costs of activities in furtherance of company's objects

	2004 £	2003 £
Establishment	248,151	173,683
Staff costs	1,506,296	1,301,911
Professional fees	98,969	8,851
Administrative costs	245,304	172,663
Travelling	10,282	11,205
Marketing	56,009	87,099
Depreciation	16,525	53,101
	<u>2,181,536</u>	<u>1,808,513</u>

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the company during the year was as follows:

	2004	2003
Management	7	7
Administration	6	10
Support	110	100
	<hr/> 123	<hr/> 117

A number of posts are part time. The number of FTE (full time equivalent) posts is approximately 85.

The aggregate payroll costs of these persons were as follows:

	2004 £	2003 £
Wages and salaries	1,453,792	1,266,186
Social security costs	125,055	102,195
Pension costs	24,366	24,910
	<hr/> 1,603,213	<hr/> 1,393,291

### 6 Taxation

There is no charge to taxation due to the charitable status of the company. Where profits of its subsidiary are gifted as a charitable donation to the company they come under the gift aid scheme rules.

### 7 Net incoming resources

	2004 £	2003 £
<i>Net incoming resources for the financial year are stated after charging:</i>		
Depreciation of tangible fixed assets	68,358	53,101
Auditors' remuneration		
- Audit fees	7,600	9,150
- Other	3,250	3,250
	<hr/>	<hr/>

### 8 Emoluments of the Council of Management

Members of the Council of Management did not receive any remuneration or expenses during the year under review (2003: £Nil).

## Notes (continued)

### 9 Tangible fixed assets

	Group					Company						
	Motor vehicles	Fixtures, fittings and equipment	Plant and machinery	Improvements to leasehold	Exhibits	Total	Motor vehicles	Fixtures, fittings and equipment	Plant and machinery	Improvements to leasehold	Exhibits	Total
	£	£	£	£	£	£	£	£	£	£	£	£
<i>Cost</i>												
At 1 August 2003	46,997	342,838	321,054	876,090	1,395,300	2,982,279	46,997	319,759	321,054	876,090	1,192,022	2,755,922
Additions	23,213	15,866	68,288	-	4,835	112,202	23,213	15,866	68,288	-	4,835	112,202
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
At 31 July 2004	70,210	358,704	389,342	876,090	1,400,135	3,094,481	70,210	335,625	389,342	876,090	1,196,857	2,868,124
<i>Depreciation</i>												
At 1 August 2003	46,997	270,402	319,265	876,090	1,377,391	2,890,145	46,997	250,279	319,265	876,090	1,166,052	2,658,683
Charge for year	2,418	33,620	13,798	-	18,522	68,358	2,418	31,486	13,798	-	18,522	66,224
Eliminated on disposals	-	-	-	-	-	-	-	-	-	-	-	-
At 31 July 2004	49,415	304,022	333,063	876,090	1,395,913	2,958,503	49,415	281,765	333,063	876,090	1,184,574	2,724,907
<i>Net book value</i>												
At 31 July 2004	20,795	54,682	56,279	-	4,222	135,978	20,795	53,860	56,279	-	12,283	143,217
At 1 August 2003	-	72,436	1,789	-	17,909	92,134	-	69,480	1,789	-	25,970	97,239

**Notes (continued)**

**10 Stock**

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Raw materials	1,039	774	1,039	774
Work in progress	21,291	51,692	21,291	51,692
Finished goods	28,239	20,203	-	-
	<u>50,569</u>	<u>72,669</u>	<u>22,330</u>	<u>52,466</u>

**11 Debtors**

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	359,182	216,956	132,866	141,185
Amounts due from subsidiary undertaking	-	-	128,355	-
Interest receivable	6,249	49	-	-
Other debtors	171,049	9,462	165,211	-
Prepayments	16,746	35,061	14,043	35,061
	<u>553,226</u>	<u>261,528</u>	<u>440,475</u>	<u>176,246</u>

**12 Creditors: amounts falling due within one year**

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank overdraft	14,126	-	8,955	-
Trade creditors	168,395	242,624	156,562	230,976
Amounts owed by subsidiary undertaking	-	-	42	8,575
Taxation and social security other than corporation tax	60,463	44,151	60,463	44,151
Other creditors	75,500	85,624	75,500	85,624
Accruals	38,830	42,869	33,186	37,889
Deferred income	292,879	298,472	228,409	239,136
	<u>650,193</u>	<u>713,740</u>	<u>563,117</u>	<u>646,351</u>

Deferred income includes the unexpended element of grants awarded in relation to specific periods or for specific projects which is carried forward until the pre-conditions for entitlement to the grant are met and exhibit hire relating to future periods.

## Notes (continued)

### 12 Creditors: amounts falling due within one year (continued)

The movement in deferred income may be analysed as follows:

	Group £	Company £
Balance at 1 August 2003	298,472	239,136
Amount deferred during the year	292,879	228,409
Release of amounts previously deferred	(298,472)	(239,136)
<b>Balance at 31 July 2004</b>	<b>292,879</b>	<b>228,409</b>

### 13 Analysis of funds

Group	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2003	39,338	550,904	550,000	1,140,242
Net incoming / (outgoing) resources	(39,338)	214,463	-	175,125
Movement from unrestricted designated	-	550,000	(550,000)	-
<b>Balance at 31 July 2004</b>	<b>-</b>	<b>1,315,367</b>	<b>0</b>	<b>1,315,367</b>

Company	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2003	39,338	501,434	550,000	1,090,772
Net incoming / (outgoing) resources	(39,338)	202,862	-	163,524
Movement from unrestricted designated	-	550,000	(550,000)	-
<b>Balance at 31 July 2004</b>	<b>-</b>	<b>1,254,296</b>	<b>-</b>	<b>1,254,296</b>

The reserve policy is to retain a sum broadly equal to four months of the company's operating expenses, and is represented by cash. This has been calculated at £800,000 and is included in unrestricted general funds.

**Notes (continued)****13 Analysis of funds (continued)****Restricted funds analysis****Group and company**

	Balance at beginning of year £	Movements in reserves		Balance at end of year £
		Incoming £	Outgoing £	
<b>Exhibit development</b>				
Re-discover	-	343,909	(343,909)	-
Musiquet	14,170	-	(14,170)	-
Newi project	-	41,998	(41,998)	-
<b>Educational projects</b>				
Laser diodes	10,227	-	(10,227)	-
Mathscymru	-	111,805	(111,805)	-
British Council	-	39,580	(39,580)	-
Education projects	14,941	60,447	(75,388)	-
	<u>39,338</u>	<u>597,739</u>	<u>637,077</u>	<u>-</u>

**14 Analysis of net assets between funds****Group**

	Restricted funds £	Unrestricted funds £	Total £	2003 £
Fixed assets	-	135,978	135,978	92,134
Net current assets	-	1,179,389	1,179,389	1,048,108
	<u>-</u>	<u>1,315,367</u>	<u>1,315,367</u>	<u>1,140,242</u>

**Company**

	Restricted funds £	Unrestricted funds £	Total £	2003 £
Fixed assets	-	143,219	143,219	97,241
Net current assets	-	1,111,077	1,111,077	993,531
	<u>-</u>	<u>1,254,296</u>	<u>1,254,296</u>	<u>1,090,772</u>

**Notes (continued)****15 Capital commitments**

At 31 July 2004 the company had no capital commitments (2003: £Nil).

**16 Reconciliation of net (outgoing)/incoming resources to cash flow from operating activities**

	2004 £	2003 £
Net incoming/(outgoing) resources for the year	175,125	(6,889)
Interest receivable	(41,142)	(46,372)
Net incoming/(outgoing) resources excluding interest	133,983	(53,261)
Depreciation charge	68,358	53,101
Loss on disposal of assets	-	12,812
Decrease in stocks	22,100	36,511
Increase in debtors	(285,498)	(90,157)
(Decrease)/increase in creditors	(77,673)	173,881
Net cash (outflow)/ inflow from operating activities	(138,730)	132,887

**17 Analysis of net funds**

	Cash at bank and in hand £	Bank overdraft £	Total £
At 31 July 2003	1,427,651	-	1,427,651
Cash flows	(201,864)	(14,126)	(215,990)
At 31 July 2004	1,225,787	(14,126)	1,211,661

**18 Deferred tax**

There is a deferred tax asset relating to the company's subsidiary company of £3,800 (2003: £6,800) which has not been recognised due to uncertainty regarding the timing of its recoverability. This deferred tax asset represents the difference between accumulated depreciation and capital allowances.



**Notes** (continued)

**19**      **Subsidiary company**

Techniquest has a wholly owned subsidiary, Techniquest Enterprises Limited, which is incorporated in the UK. Techniquest Enterprises Limited markets and retails goods and services at Techniquest's scientific exhibitions and sells and leases exhibits and exhibitions. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is set out below:

	<b>Total 2004 £</b>	<b>Total 2003 £</b>
<b>Turnover</b>	<b>761,784</b>	<b>535,459</b>
Cost of sales	(468,925)	(323,247)
<b>Gross profit</b>	<b>292,859</b>	<b>212,212</b>
Administrative expenses	(232,316)	(212,160)
Charitable donation to parent	(49,547)	-
<b>Operating profit</b>	<b>10,996</b>	<b>52</b>
Interest receivable	604	473
<b>Profit for the year</b>	<b>11,600</b>	<b>525</b>

The aggregate of the assets and liabilities was:

	<b>2004 £</b>	<b>2003 £</b>
<b>Assets</b>	<b>284,564</b>	<b>133,497</b>
<b>Liabilities</b>	<b>(215,431)</b>	<b>(75,964)</b>
	<b>69,133</b>	<b>57,533</b>
<b>Share capital</b>	<b>2</b>	<b>2</b>
<b>Profit and loss account</b>	<b>69,131</b>	<b>57,531</b>
	<b>69,133</b>	<b>57,533</b>

## Notes (continued)

### 20 Related party transactions

CH Johnson CEO of Techniquet and J B McDowall Chairman of Techniquet were also members of the interim body which was set up by North East Wales Institute in order to establish a Registered Charity, North Wales Science Ltd., a projected management company for the operation of informal science activities based in Wrexham. Subsequent to the year end the role of CH Johnson was passed to P Trevitt.

Techniquet has an agreement in place to provide certain exhibits and associated maintenance services to the North Wales Science Ltd., facilitate funding arrangements and provide certain administrative and educational assistance.

During the year the following transactions took place:

- The provision of exhibition maintenance and educational services, generating income of £108,000 (2003: £23,460);
- The sale of exhibits generating income of £41,998 (2003: £208,000);
- Passed on grant income on behalf of the Welsh Assembly Government amounting to £315,000 (2003: £215,262); no benefit accrued to Techniquet on these amounts.

At the balance sheet date a grant claim due from the Welsh Assembly Government amounting to £75,500 is included in Debtors awaiting settlement with an equal amount held in Creditors awaiting payment to North Wales Science.

All transactions took place on an arms length basis.