

# **Techniquet (Limited by Guarantee)**

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

**31 July 1996**

Registered number 1955696

Registered charity 517722



# Techniquet (Limited by Guarantee)

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

<i>Contents</i>	<i>Page</i>
Council of Management's report	1 - 2
Auditors' report	3
Consolidated Statement of Financial Activities	4
Consolidated Balance sheet	5
Company Balance sheet	6
Consolidated Cash flow Statement	7
Notes	8 - 15

# **Techniquet (Limited by Guarantee)**

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

The Council of Management present their annual report and audited financial statements for the year ended 31 July 1996.

Techniquet is a registered charity limited by guarantee.

### **Business review**

The principal activity of the group is to promote the advancement of education and improve the public perception of science and technology by establishing an exhibition in which visitors can interact with the exhibits.

Techniquet Enterprises Limited, a wholly owned subsidiary of Techniquet was formed in 1988 to generate supportive income through trading activities.

During the year Techniquet attracted over a quarter of a million visitors to its science discovery centre which is situated in Cardiff Bay. Throughout the academic year it provided a well supported education programme.

The consolidated results for the year are shown in the attached financial statements. Prior to considering the write back of provisions no longer required, there was a small deficit on operating activities in the year of £8,738 compared with a surplus of £33,368 in the prior period.

### **Council of Management**

The members of the Council of Management hold the powers of directors of the Company for the purposes of the Companies Act 1985. The liability of each member is limited to £1.

Those who held office during the year were:

R T F Plaut  
R G Thomas  
D P L Davies  
Professor R Williams FRS

D P L Davies retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

No members of the Council were in receipt of remuneration from Techniquet during the year covered by these financial statements.

### **Dividend**

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

# Techniquet (Limited by Guarantee)

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

### Tax status

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

### Statement of 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 group and of the surplus or deficit of the group for that year. In preparing those financial statements, the members of the Council of Management 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 group will continue in business.

The members of the Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

### Auditors

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

By order of the Council of Management



**R G Thomas**  
*Council of Management Member*

Fitzalan House  
Fitzalan Road  
CARDIFF  
CF2 1XZ

3 December

1996



Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff CF2 1TE

## Auditors' report to the members of Techniquest (Limited by Guarantee)

We have audited the financial statements on pages 4 to 15.

### *Respective responsibilities of members of the Council of Management and auditors*

As described on page 2 the company's members of the Council of Management are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 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 the company and the group's affairs as at 31 July 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
Registered Auditors

 5 December 1996

# Techniquest (Limited by Guarantee)

## Consolidated Statement of Financial Activities for the year ended 31 July 1996

	Note	Restricted funds	Unrestricted funds	Total 1996	Total 16 months ended 31 July 1995
		£	£	£	£
<b>Incoming resources:</b>					
Admission fees		-	494,186	494,186	269,466
Grants for operating expenses and development costs	2	402	938,554	938,956	2,409,813
Grants for specific projects		105,029	128	105,157	113,695
Sundry income		-	104,329	104,329	112,001
Interest receivable		-	38,297	38,297	43,384
Net income of trading activities	3	-	26,245	26,245	17,820
Donations and sponsorship		-	2,052	2,052	-
<b>Total incoming resources</b>		<b>105,431</b>	<b>1,603,791</b>	<b>1,709,222</b>	<b>2,966,179</b>
<b>Resources expended:</b>					
Direct charitable expenditure	4	(105,431)	(1,612,529)	(1,717,960)	(2,932,811)
<b>Operating result</b>		<b>-</b>	<b>(8,738)</b>	<b>(8,738)</b>	<b>33,368</b>
Release of provisions	5	-	323,814	323,814	-
<b>Resources after release of provisions</b>		<b>-</b>	<b>315,076</b>	<b>315,076</b>	<b>33,368</b>
Taxation		-	-	-	(190)
<b>Net incoming resources after taxation</b>		<b>-</b>	<b>315,076</b>	<b>315,076</b>	<b>33,178</b>
Fund balances brought forward		-	385,802	385,802	352,624
<b>Fund balances carried forward</b>		<b>-</b>	<b>700,878</b>	<b>700,878</b>	<b>385,802</b>

## Statement of reserves

	Restricted General £	Unrestricted General £	Unrestricted Designated £	Total £
Balance at 1 June 1995	-	85,802	300,000	385,802
Surplus for the year	-	315,076	-	315,076
Transfer	-	(250,000)	250,000	-
<b>Balance at 31 July 1996</b>	<b>-</b>	<b>150,878</b>	<b>550,000</b>	<b>700,878</b>

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

# Techniquest (Limited by Guarantee)

## Consolidated Balance sheet at 31 July 1996

	Note	1996		1995	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		1,737,871		1,909,136
<b>Current assets</b>					
Stock	10	65,538		22,753	
Debtors	11	123,430		620,636	
Cash at bank and in hand		791,562		514,217	
		<u>980,530</u>		<u>1,157,606</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(284,773)</u>		<u>(726,619)</u>	
<b>Net current assets</b>			<u>695,757</u>		<u>430,987</u>
<b>Total assets less current liabilities</b>			<u>2,433,628</u>		<u>2,340,123</u>
<b>Deferred income</b>	13		<u>(1,732,750)</u>		<u>(1,954,321)</u>
<b>Net assets</b>			<u>700,878</u>		<u>385,802</u>
<b>Reserves</b>					
General funds			150,878		85,802
Designated funds			550,000		300,000
	14		<u>700,878</u>		<u>385,802</u>

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

3 December 1996

*R T F Plaut*

R T F Plaut  
Council member

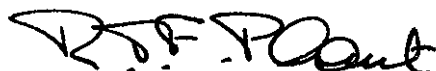
# Techniquet (Limited by Guarantee)

## Company Balance sheet at 31 July 1996

	Note	1996		1995	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9	1,733,621		1,905,554	
Investment			2		2
		<u>1,733,623</u>		<u>1,905,556</u>	
<b>Current assets</b>					
Debtors	11	168,922		638,953	
Cash at bank and in hand		780,980		478,692	
		<u>949,902</u>		<u>1,117,645</u>	
<b>Creditors: amounts falling due within one year</b>	12	(241,885)		(681,248)	
<b>Net current assets</b>		<u>708,017</u>		<u>436,397</u>	
<b>Total assets less current liabilities</b>		<u>2,441,640</u>		<u>2,341,953</u>	
Deferred income	13	(1,732,750)		(1,954,321)	
<b>Net assets</b>		<u>708,890</u>		<u>387,632</u>	
<b>Reserves</b>					
General funds		158,890		87,632	
Designated funds		550,000		300,000	
	14	<u>708,890</u>		<u>387,632</u>	

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

3 December 1996



R T F Plaut  
Council member



# Technique (Limited by Guarantee)

## Consolidated Cash Flow statement for the year ended 31 July 1996

	Note	1996	1995
		£	£
Net cash inflow/(outflow) from operating activities	17	257,328	(313,985)
Return on investments and servicing of finance			
Interest received		38,297	43,384
UK corporation tax (paid)/recovered		(40)	150
Investing activities			
Purchase of tangible fixed assets		(277,569)	(1,359,329)
Capital grant received		298,222	1,351,592
Disposed proceeds from sale of fixed assets		2,200	-
Net cash inflow/(outflow) from investing activities		22,853	(7,737)
Net cash inflow/(outflow)		318,438	(278,188)
Increase/(Decrease) in cash and cash equivalents	18	318,438	(278,188)

# Techniquet (Limited by Guarantee)

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention 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 and comply with the requirements of the Statement of Recommended Practice Accounting by Charities.

#### *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% per annum
Fixtures, fittings and equipment	-	20-30% per annum
Exhibits	-	20% per annum
Motor vehicles	-	25% per annum

No depreciation is provided on assets in the course of construction.

#### *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.

#### *Grants and donations*

General grants and donations are credited to income during the accounting year in which they are received. Grants and donations for specific projects are credited to income in the period that the expenses are incurred.

#### *General funds*

The surplus or deficit on the income and expenditure account for the year is transferred to general 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 general funds.

# Techniquet (Limited by Guarantee)

## Notes (continued)

### 1 Principal accounting policies (continued)

#### *Deferred income*

Non-capital grants and donations are taken to the income and expenditure account when the related expenditure has been incurred.

Capital grants are taken to the income and expenditure account to correspond with the related capital assets' depreciation charge.

#### *Taxation*

Taxation is based on the subsidiaries results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made only to the extent that it is probable that an actual liability will crystallise.

### 2 Grants for operating expenses and development costs

	Restricted £	Unrestricted £	1996 £
Ongoing operational grant	-	563,000	563,000
Development grant	-	298,222	298,222
Other grants	402	77,332	77,734
	<hr/>	<hr/>	<hr/>
	402	938,554	938,956
	<hr/>	<hr/>	<hr/>

# Techniquest (Limited by Guarantee)

## Notes (continued)

### 3 Net income from trading activities of subsidiary

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. A summary of their trading results before adjustment for intercompany trading is set out below:

	£
Turnover	369,055
Cost of sales	(217,261)
Gross profit	151,794
Administrative expenses	(117,800)
Profit before taxation	33,994
Amount covenanted to Techniquest	(34,000)
Loss retained in the subsidiary	(6)
Net consolidation adjustments	26,251
Profit for year	26,245

### 4 Direct charitable expenditure

	Restricted £	Unrestricted £	1996 £	1995 £
Establishment		329,846	329,846	808,074
Staff costs		823,750	823,750	949,403
Professional fees		30,759	30,759	114,519
Administrative support		176,388	176,388	220,148
Travelling		49,155	49,155	20,870
Marketing		60,977	60,977	142,518
Special projects	105,431	59,036	164,467	96,067
Non capital development costs		19,610	19,610	299,365
Exhibit purchases		63,008	63,008	281,847
	<u>105,431</u>	<u>1,612,529</u>	<u>1,717,960</u>	<u>2,932,811</u>

### 5 Release of provisions

There have been a number of provisions written back during the year. The majority of these provisions relate to warranties set aside during 1995 to take account of the uncertainty surrounding the commercial viability of internally developed exhibits.

# Techniquet (Limited by Guarantee)

## Notes (continued)

### 6 Staff numbers and costs

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

	1996	1995
Management	5	5
Administration	9	8
Support	90	77
	<hr/>	<hr/>
	104	90
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1996 £	1995 £
Wages and salaries	883,215	1,040,324
Social security costs	70,206	86,646
	<hr/>	<hr/>
	953,421	1,126,970
	<hr/>	<hr/>

### 7 Surplus for the financial year

Surplus for the financial year is stated after charging	1996 £	1995 £
Depreciation of tangible fixed assets	448,834	10,931
Hire of equipment	-	577
Auditors' remuneration	5,818	4,350
	<hr/>	<hr/>

Depreciation of tangible assets is shown before crediting the release of capital grants of £433,188, which is set off within direct charitable expenditure against the depreciation to which it relates.

### 8 Emoluments of the Council of Management

Members of the Council of Management did not receive any remuneration during the year under review (1995 - £Nil).

# Technique (Limited by Guarantee)

## Notes (continued)

### 9 Consolidated 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
Cost	£	£	£	£	£	£	£	£	£	£	£	£
At 1 August 1995	20,379	110,679	281,308	612,763	1,121,908	2,147,037	20,379	103,389	281,308	612,763	1,123,793	2,141,632
Additions	32,627	14,008	15,608	165,567	49,759	277,569	32,627	14,008	6,941	165,567	55,935	275,078
Disposals	(6,009)	-	-	-	-	(6,009)	(6,009)	-	-	-	-	(6,009)
At 31 July 1996	46,997	124,687	296,916	778,330	1,171,667	2,418,597	46,997	117,397	288,249	778,330	1,179,728	2,410,701
<b>Depreciation</b>												
At 1 August 1995	9,602	12,942	215,357	-	-	237,901	9,602	11,119	215,357	-	-	236,078
Charge for year	11,749	28,863	18,223	155,666	234,333	448,834	11,749	27,040	18,223	155,666	234,333	447,011
Disposals	(6,009)	-	-	-	-	(6,009)	(6,009)	-	-	-	-	(6,009)
At 31 July 1996	15,342	41,805	233,580	155,666	234,333	680,726	15,342	38,159	233,580	155,666	234,333	677,080
<b>Net Book Value</b>												
At 31 July 1996	31,655	82,882	63,336	622,664	937,334	1,737,871	31,655	79,238	54,669	622,664	945,395	1,733,621
At 1 August 1995	10,777	97,737	65,951	612,763	1,121,908	1,909,136	10,777	92,270	65,951	612,763	1,123,793	1,905,554

# Techniquest (Limited by Guarantee)

## Notes (continued)

### 10 Stock

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Finished goods	35,408	22,753	-	-
Work in progress	28,966	-	-	-
Raw materials	1,164	-	-	-
	<u>65,538</u>	<u>22,753</u>	<u>-</u>	<u>-</u>

### 11 Debtors

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Trade debtors	77,224	15,789	26,277	4,469
Amounts owed by subsidiary company	-	-	101,494	29,637
Interest receivable	1,060	1,060	1,060	1,060
Other debtors	7,879	55,153	7,881	55,153
Prepayments	37,267	14,219	32,210	14,219
Accrued grants	-	534,415	-	534,415
	<u>123,430</u>	<u>620,636</u>	<u>168,922</u>	<u>638,953</u>

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

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank overdraft	-	41,093	-	41,093
Trade creditors	110,420	172,527	86,640	151,226
Customer deposits in advance	-	20,916	-	-
Taxation and social security other than corporation tax	35,581	21,998	31,086	20,954
Other creditors	50,000	226,803	50,000	226,803
Accruals	44,856	173,614	43,207	171,544
Deferred income	43,916	69,628	30,952	69,628
Corporation tax	-	40	-	-
	<u>284,773</u>	<u>726,619</u>	<u>241,885</u>	<u>681,248</u>

# Techniquet (Limited by Guarantee)

## Notes (continued)

### 13 Deferred income

	Capital grants	Maintenance provision	Group and company 1996 Total	1995
	£	£	£	£
At beginning of year	1,904,321	50,000	1,954,321	552,729
Receivable during year	298,222		298,222	1,351,592
Provision	-	-		50,000
Released to income and expenditure account	(469,793)	(50,000)	(519,793)	-
At end of year	1,732,750	-	1,732,750	1,954,321

### 14 Reconciliation of movements in reserves

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Surplus for the financial year	315,076	33,178	321,258	35,048
Opening reserves	385,802	352,624	387,632	352,584
Closing reserves	700,878	385,802	708,890	387,632

### 15 Capital commitments

At 31 July 1996 the company had no capital commitments (1995: £Nil).

### 16 Restricted funds

Techniquet receives income to complete special projects and there is usually an element of match funding provided by Techniquet to complete the project.



# Techniquest (Limited by Guarantee)

## Notes (continued)

### 17 Reconciliation of net incoming resources to net cash inflow/[outflow] from operating activities

	1996 £	1995 £
Net incoming resources, excluding interest	276,779	(10,206)
Depreciation charge	448,834	12,754
Grant release	(469,793)	
Profit on sale of tangible fixed assets	(2,200)	-
(Increase)/decrease in stocks	(42,785)	(8,768)
(Increase)/decrease in debtors	497,206	(587,144)
Increase/(decrease) in creditors	(400,713)	229,379
Increase/(decrease) in deferred grants	(50,000)	50,000
Net cash inflow/(outflow) from operating activities	<u>257,328</u>	<u>(313,985)</u>

### 18 Analysis of changes in cash and cash equivalents

	Bank overdrafts £	Short term deposits £	Cash at bank and in hand £	Total £
At beginning of year	(41,093)	400,000	114,217	473,124
Increase/(decrease)	41,093	369,460	(92,115)	318,438
At end of year	<u>-</u>	<u>769,460</u>	<u>22,102</u>	<u>791,562</u>