

2513984

The Test House (Cambridge) Limited

Financial Statements

for the year ended 31 December 2005



The Test House (Cambridge) Limited

Company Information

Company Number: 2513984

Directors

D Ellin
RVM Dawkins
CS Wiesner

Secretary

R V M Dawkins

Registered office

Granta Park
Great Abington
Cambridge
CB1 6AL

Auditors

Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank plc
21 High Street
Sawston
Cambridge
CB2 4BG

The Test House (Cambridge) Limited

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2005.

Business review

The principal activity of the Company is the provision of metallurgical testing facilities to industry.

Directors and their interests

The directors of the company during the year were:

D Ellin
RVM Dawkins
CS Wiesner

None of the directors held any interest in the share capital of the company during the year. The parent undertaking, The Welding Institute, is a company limited by guarantee.

Statement of directors' responsibilities

Company law requires the directors 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 profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

Auditors

A resolution for the re-appointment of Peters Elworthy & Moore as auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



R V M DAWKINS
Secretary
16 May 2006

The Test House (Cambridge) Limited

Independent Auditors' Report to the Shareholder

for the year ended 31 December 2005

We have audited the financial statements on pages 4 to 9, which have been prepared under the accounting policies set out therein.

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.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 directors' 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 company 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 the 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, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors' report is consistent with the financial statements.



PETERS, ELWORTHY & MOORE
Chartered Accountants and Registered Auditors

CAMBRIDGE
16 May 2006

The Test House (Cambridge) Limited

Profit and Loss Account

for the year ended 31 December 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|-----------|-----------|
| Turnover | | 1,070,675 | 958,564 |
| Cost of sales | | (142,118) | (160,404) |
| Gross profit | | 928,557 | 798,160 |
| Administrative expenses | | (682,414) | (647,927) |
| Operating profit | 2 | 246,143 | 150,233 |
| Interest payable | 5 | - | - |
| Profit on ordinary activities before taxation | | 246,143 | 150,233 |
| Gift aid | | (150,000) | (100,000) |
| Tax on ordinary activities | 6 | (30,000) | (13,000) |
| Retained profit for the financial year | | 66,143 | 37,233 |
| Retained profit brought forward | | 176,688 | 139,455 |
| Retained profit carried forward | | 242,831 | 176,688 |

The attached notes form part of these financial statements.

The Test House (Cambridge) Limited

Balance Sheet

as at 31 December 2005

| | Notes | 2005 £ | 2005 £ | 2004 £ | 2004 £ |
|---|-------|------------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 96,811 | | 73,051 |
| Current assets | | | | | |
| Stocks and work in progress | 8 | 14,381 | | 13,860 | |
| Debtors | 9 | 53,576 | | 67,305 | |
| Cash at bank and in hand | | 497,586 | | 171,058 | |
| | | <u>565,543</u> | | <u>252,223</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(418,523)</u> | | <u>(147,586)</u> | |
| Net current assets | | | 147,020 | | 104,637 |
| Net assets | | | <u>243,831</u> | | <u>177,688</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 1,000 | | 1,000 |
| Profit and loss account | | | 242,831 | | 176,688 |
| Equity shareholders' funds | | | <u>243,831</u> | | <u>177,688</u> |

These financial statements have been prepared in accordance with the special provisions for smaller companies under part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD



R V M DAWKINS
Director

Approved by the board on 16 May 2006

The attached notes form part of these financial statements

The Test House (Cambridge) Limited

Notes to the Financial Statements

for the year ended 31 December 2005

1 Accounting policies

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).

Cash flow statement

In accordance with Financial Reporting Standard Number One, no cash flow statement is included in these financial statements as the company is covered by the small company exemption.

Turnover

Turnover represents the net invoiced value of services provided, excluding value added tax.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments over five years.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value.

Pensions

Employees are members of The Welding Institute Pension and Life Assurance Scheme, providing benefits based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account as they fall due. The financial statements of the parent company include the disclosures required under the provisions of Financial Reporting Standard 17.

| | | | |
|---|---|---------|---------|
| 2 | Operating profit | 2005 | 2004 |
| | | £ | £ |
| | Operating profit is shown after charging: | | |
| | Depreciation of tangible fixed assets | 21,231 | 18,361 |
| 3 | Auditors' remuneration | 2,005 | 1,680 |
| | | | |
| | Staff costs | 2005 | 2004 |
| | | £ | £ |
| | Staff costs, including directors' remuneration, comprise: | | |
| | Wages and salaries | 417,988 | 390,924 |
| | Social security costs | 34,044 | 31,019 |
| | Other pension costs | 60,394 | 57,378 |
| | | 512,426 | 479,321 |

The Test House (Cambridge) Limited

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2005

| | | | |
|----------|--|---------------|---------------|
| 3 | Staff costs <i>(continued)</i> | 2005 | 2004 |
| | The average number of employees during the year was: | Number | Number |
| | Office and management | 3 | 3 |
| | Testing | 13 | 12 |
| | | <hr/> | <hr/> |
| | | 16 | 15 |
| | | <hr/> | <hr/> |
| 4 | Directors' emoluments | 2005 | 2004 |
| | | £ | £ |
| | Management remuneration, including benefits in kind | 58,645 | 59,016 |
| | Contributions to defined benefit pension scheme in respect of one director | 8,856 | 8,640 |
| | | <hr/> | <hr/> |
| | | 67,501 | 67,656 |
| | | <hr/> | <hr/> |
| | Pension obligations in respect of all the directors are covered by contributions to the The Welding Institute Pension and Life Assurance Scheme, a defined benefit scheme (see note 13). | | |
| 5 | Interest payable | 2005 | 2004 |
| | | £ | £ |
| | On bank loans and overdrafts, repayable within five years | - | - |
| | | <hr/> | <hr/> |
| 6 | Taxation | 2005 | 2004 |
| | | £ | £ |
| | Payable for group relief | 30,000 | 13,000 |
| | | <hr/> | <hr/> |

The Test House (Cambridge) Limited

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2005

| 7 | Tangible fixed assets | Motor | Fixtures, | Total |
|----|--|--------------------------|--|-----------|
| | | vehicles & plant £ | fittings & office equipment £ | |
| | Cost at beginning of year | 260,755 | 32,493 | 293,248 |
| | Additions | 44,991 | - | 44,991 |
| | Cost at end of year | 305,746 | 32,493 | 338,239 |
| | Accumulated depreciation at beginning of year | 187,704 | 32,493 | 220,197 |
| | Charged in year | 21,231 | - | 21,231 |
| | Accumulated depreciation at end of year | 208,935 | 32,493 | 241,428 |
| | Net book value at end of year | 96,811 | - | 96,811 |
| | Net book value at beginning of year | 73,051 | - | 73,051 |
| 8 | Stocks and work in progress | | 2005 £ | 2004 £ |
| | Raw material stocks | | 14,381 | 13,860 |
| 9 | Debtors | | 2005 £ | 2004 £ |
| | Due within one year: Trade debtors | | 53,576 | 67,305 |
| 10 | Creditors: amounts falling due within one year | | 2005 £ | 2004 £ |
| | Trade creditors | | 15,046 | 15,312 |
| | Other taxes and social security costs | | 37,894 | 38,353 |
| | Accruals | | 12,270 | 5,581 |
| | Amounts owed to group undertaking | | 353,313 | 88,340 |
| | | | 418,523 | 147,586 |

The Test House (Cambridge) Limited

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2005

| | | | |
|-----------|---|-------------|-------------|
| 11 | Called up share capital | 2005 | 2004 |
| | | £ | £ |
| | Authorised, allotted, called up and fully paid: 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| | | <hr/> | <hr/> |

12 Pensions

The company's pension obligations are covered by contributions paid to The Welding Institute Pension and Life Assurance Scheme, a defined benefit arrangement. Employer contributions paid during the year totalled £60,394 (2004: £57,378). The disclosures required by Financial Reporting Standard 17 in respect of The Welding Institute Pension and Life Assurance Scheme are included in the financial statements of the parent company.

13 Ultimate holding company

The directors consider that The Welding Institute, a company incorporated in England, is the company's parent undertaking and ultimate holding company. Copies of the group financial statements of The Welding Institute may be obtained from the Institute's Registered Office at Granta Park, Great Abington, Cambridge, CB1 6AL.