

Techniquet (Limited by Guarantee)

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

Registered company number 1955696

Registered charity number 517722

31 July 2003



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Officials, advisers and administrative details

Council of management

RG Thomas OBE LLB CCMI
Professor RH Williams FRS
A Thomas FCA
JB McDowall CBE
Mrs J Williams OBE

Secretary

EH Jones

Auditor

KPMG LLP
Marlborough House
Fitzalan Court
Fitzalan Road
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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 2003.

Constitution

Techniquist is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association dated 7 November 1985 as amended on 23 July 1986, 10 November 1993, 21 March 2002 and 28 March 2002.

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

Principal activity and objectives

The principal activity of the charity 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.

Business review

During the year Techniquist attracted 179,079 visitors to its science discovery centre in Cardiff Bay. In addition, approximately half a million people visited other exhibitions provided by Techniquist in the UK.

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

There was a surplus, after transfers between funds, of £80,462 (2002: £252,420) on day to day activities, shown within unrestricted funds resulting in an unrestricted funds balance at the end of the year of £1,100,904 (2002: £1,020,442).

There was a deficit, after transfers between funds, of £87,351 (2002: surplus £126,689) 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 £39,338 (2002: £126,689).

No charitable donation was received from Techniquist Enterprises Limited in the year.

The financial results of the trading subsidiary, Techniquist Enterprises Limited, yielded a net profit for the financial year of £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 Techniquist's Memorandum of Association.

Council of Management's report *(continued)*

Employees

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

Disabled persons

The Charity 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 Charity 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 Charity was 49 (2002: 49).

Reserves policy

The reserves policy is to retain a sum broadly equal to three months of the Charity's operating expenses. This amount is set aside as designated funds and is represented by cash (see note 13 of these financial statements).

Risk management

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 charity 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 trustees will continue to review the adequacy of the charity's internal controls and ensure they conform to guidelines issued by the Charity Commission.

The Charity has an audit committee comprising one member of the Council of Management and two external members.

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.

Council of Management's report *(continued)*

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

21 January 2004

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 charity and of the (deficit) or excess 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 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 charity 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 charity 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 Techniquet (Limited by Guarantee)

We have audited the financial statements on pages 7 to 22.

This report is made solely to the charity'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 charity'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 charity and the charity'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 Techniquet (Limited by Guarantee) for the purposes of company law, are responsible for preparing the Council of Management's report and, as described on page 5, 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 charity 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 2003 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

6 February 2004

Consolidated statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 July 2003

	Note	Restricted funds £	Unrestricted funds £	Total 2003 £	Total 2002 £
Incoming resources					
Donations and sponsorship		-	-	-	19,350
Activities in furtherance of the charity's objects:					
Admission fees		-	518,785	518,785	509,748
Grants	2, 13	474,820	1,025,608	1,500,428	1,374,900
Activities for generating funds:					
Shop and café		-	199,501	199,501	185,714
Workshop sales		-	391,044	391,044	711,814
Interest receivable		-	46,372	46,372	27,286
Other incoming resources	3	-	10,300	10,300	1,100
Total incoming resources		474,820	2,191,610	2,666,430	2,829,912
Resources expended					
Costs of generating funds:					
Shop and café		-	(107,382)	(107,382)	(100,095)
Workshop		-	(757,424)	(757,424)	(584,575)
Costs of activities in furtherance of the charity's objects	4, 13	(581,857)	(1,226,656)	(1,808,513)	(1,766,133)
Total resources expended		(581,857)	(2,091,462)	(2,673,319)	(2,450,803)
Net (outgoing)/ incoming resources before transfers		(107,037)	100,148	(6,889)	379,109
Gross transfers between funds		19,686	(19,686)	-	-
Net (outgoing)/ incoming resources before and after tax	5-8	(87,351)	80,462	(6,889)	379,109
Fund balances brought forward		126,689	1,020,442	1,147,131	768,022
Fund balances carried forward	13	39,338	1,100,904	1,140,242	1,147,131

Statement of reserves

	Restricted funds £	Unrestricted general funds £	Unrestricted designated funds £	Total £
Balance at 1 August 2002	126,689	470,442	550,000	1,147,131
Net (outgoing)/incoming resources for the year	(87,351)	80,462	-	(6,889)
Balance at 31 July 2003	39,338	550,904	550,000	1,140,242

Consolidated statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 July 2003 (continued)

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

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

The deficit for the year for Companies Act purposes equals the net outgoing reserves for the year of £6,889 (2002: surplus £379,109).

Consolidated balance sheet
at 31 July 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets					
Tangible assets	9		92,134		110,334
Current assets					
Stock	10	72,669		109,180	
Debtors	11	261,528		171,322	
Cash at bank and in hand		1,427,651		1,296,154	
		1,761,848		1,576,656	
Creditors: amounts falling due within one year	12	(713,740)		(539,859)	
Net current assets			1,048,108		1,036,797
Net assets			1,140,242		1,147,131
Income funds					
Unrestricted funds:					
General funds	13	550,904		470,442	
Designated funds	13	550,000		550,000	
			1,100,904		1,020,442
Restricted funds	13		39,338		126,689
	13, 14		1,140,242		1,147,131

These financial statements were approved by the Council of Management on 21 January 2004 and were signed on its behalf by:



RG Thomas
Council Member

Company balance sheet
at 31 July 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets					
Tangible assets	9		97,239		113,636
Investment	19		2		2
			<hr/>		<hr/>
			97,241		113,638
Current assets					
Stock	10	52,466		80,310	
Debtors	11	176,246		111,846	
Cash at bank and in hand		1,411,170		1,268,006	
		<hr/>		<hr/>	
		1,639,882		1,460,162	
Creditors: amounts falling due within one year	12	(646,351)		(475,614)	
		<hr/>		<hr/>	
Net current assets			993,531		984,548
			<hr/>		<hr/>
Net assets			1,090,772		1,098,186
			<hr/>		<hr/>
Income funds					
Unrestricted funds:					
General funds	13	501,434		421,497	
Designated funds	13	550,000		550,000	
		<hr/>		<hr/>	
			1,051,434		971,497
Restricted funds	13		39,338		126,689
			<hr/>		<hr/>
	13, 14		1,090,772		1,098,186
			<hr/>		<hr/>

These financial statements were approved by the Council of Management on 21 June 2004 and were signed on its behalf by:



RG Thomas
Council Member

Consolidated cash flow statement
for the year ended 31 July 2003

	<i>Note</i>	2003 £	2002 £
Cash inflow from operating activities	16	132,887	591,212
Returns on investment and servicing of finance:			
Bank interest received		46,323	29,255
Capital expenditure and financial investment:			
Payments to acquire tangible fixed assets		(47,713)	(38,065)
		<hr/>	<hr/>
Increase in cash in the year		131,497	582,402
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net funds

	<i>Note</i>	2003 £	2002 £
Increase in cash in the year		131,497	582,402
Net funds at beginning of year		1,296,154	713,752
		<hr/>	<hr/>
Net funds at end of year	17	1,427,651	1,296,154
		<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 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 Techniquist. 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 Techniquist (Limited by Guarantee) and those of its subsidiary undertaking. The subsidiary is accounted for under the acquisition method.

The charity 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 charity alone.

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

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

Grant income

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

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

Notes (continued)

Restricted and unrestricted funds

The activities of the charity 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 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 unrestricted funds.

Resources expended

The costs of activities in furtherance of the charity'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 charity 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 charity.

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 £	2003 £	2002 £
Grant for operating expenses	-	645,000	645,000	620,000
Grant for refurbishment and redevelopment costs	-	380,608	380,608	278,672
Grants for specific projects	474,820	-	474,820	476,228
	<u>474,820</u>	<u>1,025,608</u>	<u>1,500,428</u>	<u>1,374,900</u>

3 Other income

	Restricted £	Unrestricted £	2003 £	2002 £
Consultancy services	-	10,300	10,300	1,100
	<u>-</u>	<u>10,300</u>	<u>10,300</u>	<u>1,100</u>

4 Costs of activities in furtherance of charity's objects

	2003 £	2002 £
Establishment	173,683	191,339
Staff costs	1,301,911	1,220,732
Professional fees	8,851	12,901
Administrative costs	172,663	160,550
Travelling	11,205	18,189
Marketing	87,099	116,344
Depreciation	53,101	46,078
	<u>1,808,513</u>	<u>1,766,133</u>

Notes (continued)

5 Staff numbers and costs

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

	2003	2002
Management	7	7
Administration	10	10
Support	100	90
	<hr/>	<hr/>
	117	107
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2003 £	2002 £
Wages and salaries	1,266,186	1,199,343
Social security costs	102,195	91,859
Pension costs	24,910	24,377
	<hr/>	<hr/>
	1,393,291	1,315,579
	<hr/>	<hr/>

No employee earned over £50,000 per annum.

6 Taxation

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

7 Net incoming resources

	2003 £	2002 £
<i>Net incoming resources for the financial year are stated after charging:</i>		
Depreciation of tangible fixed assets	53,101	46,078
Auditors' remuneration		
- Audit fees	9,150	8,800
- Other	3,250	2,500
	<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 (2002: £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
	£	£	£	£	£	£	£	£	£	£	£	£
Cost												
At 1 August 2002	46,997	305,385	321,054	876,090	1,416,085	2,965,611	46,997	282,647	321,054	876,090	1,212,807	2,739,595
Additions	-	37,453	-	-	10,260	47,713	-	37,112	-	-	10,260	47,372
Disposals	-	-	-	-	(31,045)	(31,045)	-	-	-	-	(31,045)	(31,045)
At 31 July 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
Depreciation												
At 1 August 2002	46,997	244,180	315,733	876,090	1,372,277	2,855,277	46,997	226,201	315,733	876,090	1,160,938	2,625,959
Charge for year	-	26,222	3,532	-	23,347	53,101	-	24,078	3,532	-	23,347	50,957
Eliminated on disposals	-	-	-	-	(18,233)	(18,233)	-	-	-	-	(18,233)	(18,233)
At 31 July 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
Net book value												
At 31 July 2003	-	72,436	1,789	-	17,909	92,134	-	69,480	1,789	-	25,970	97,239
At 1 August 2002	-	61,205	5,321	-	43,808	110,334	-	56,446	5,321	-	51,869	113,636

Notes (continued)

10 Stock

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Raw materials	774	508	774	508
Work in progress	51,692	79,802	51,692	79,802
Finished goods	20,203	28,870	-	-
	<u>72,669</u>	<u>109,180</u>	<u>52,466</u>	<u>80,310</u>

11 Debtors

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	216,956	116,718	141,185	22,431
Amounts due from subsidiary undertaking	-	-	-	49,373
Interest receivable	49	-	-	-
Other debtors	9,462	14,562	-	-
Prepayments	35,061	40,042	35,061	40,042
	<u>261,528</u>	<u>171,322</u>	<u>176,246</u>	<u>111,846</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Trade creditors	242,624	144,023	230,976	124,491
Amounts owed by subsidiary undertaking	-	-	8,575	-
Taxation and social security other than corporation tax	44,151	52,043	44,151	52,043
Accruals	42,869	60,532	37,889	57,587
Deferred income	384,096	283,261	324,760	241,493
	<u>713,740</u>	<u>539,859</u>	<u>646,351</u>	<u>475,614</u>

Deferred income represents 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.

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 2002	283,261	241,493
Amount deferred during the year	384,096	324,760
Release of amounts previously deferred	(283,261)	(241,493)
Balance at 31 July 2003	384,096	324,760

13 Analysis of funds

Group	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2002	126,689	470,442	550,000	1,147,131
Net (outgoing)/incoming resources	(87,351)	80,462	-	(6,889)
Balance at 31 July 2003	39,338	550,904	550,000	1,140,242

Company	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2002	126,689	421,497	550,000	1,098,186
Net (outgoing)/incoming resources	(87,351)	79,937	-	(7,414)
Balance at 31 July 2003	39,338	501,434	550,000	1,090,772

Designated funds are amounts set aside by the Council of Management to represent the minimum level of reserves to be retained.

Notes (continued)

13 Analysis of funds (continued)

The balance on restricted funds represents the unexpended elements of grants received for a specific purpose, but for which no pre-conditions to entitlement exist. In accordance with the Statement of Recommended Practice: Accounting & Reporting by Charities (October 2000), the grants have been accounted for as income during the year, even though the related expenditure will not be incurred until the following financial year. As the income is for specific purposes, the resulting balance falls within restricted funds.

Restricted funds analysis

Group and company

	Balance at beginning of year £	Transfer (to)/from unrestricted £	Movements in reserves Incoming £	Outgoing £	Balance at end of year £
NAfW – Staircase	86,250	5,274	-	(91,524)	-
Musiquest	17,785	-	7,600	(11,215)	14,170
Laser diodes	9,934	-	873	(580)	10,227
British Council	12,720	-	13,640	(26,360)	-
Education projects	-	14,412	244,704	(244,175)	14,941
Newi project	-	-	208,003	(208,003)	-
	<u>126,689</u>	<u>19,686</u>	<u>474,820</u>	<u>(581,857)</u>	<u>39,338</u>

14 Analysis of net assets between funds

Group

	Restricted funds £	Unrestricted funds £	Total £	2002 £
Fixed assets	-	92,134	92,134	110,334
Net current assets	39,338	1,008,770	1,048,108	1,036,797
	<u>39,338</u>	<u>1,100,904</u>	<u>1,140,242</u>	<u>1,147,131</u>

Company

	Restricted funds £	Unrestricted funds £	Total £	2002 £
Fixed assets	-	97,241	97,241	113,638
Net current assets	39,338	954,193	993,531	984,548
	<u>39,338</u>	<u>1,051,434</u>	<u>1,090,772</u>	<u>1,098,186</u>

Notes (continued)

15 Capital commitments

At 31 July 2003 the company had no capital commitments (2002: £Nil).

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

	2003 £	2002 £
Net (outgoing)/incoming resources before and after taxation	(6,889)	379,109
Interest receivable	(46,372)	(27,286)
Net (outgoing)/incoming resources excluding interest	(53,261)	351,823
Depreciation charge	53,101	46,078
Loss on disposal of assets	12,812	-
Decrease/(increase) in stocks	36,511	(27,331)
(Increase)/decrease in debtors	(90,157)	23,357
Increase in creditors	173,881	197,285
Net cash inflow from operating activities	132,887	591,212

17 Analysis of net funds

	Cash at bank and in hand £
At 31 July 2002	1,296,154
Cash flows	131,497
At 31 July 2003	1,427,651

18 Deferred tax

There is a deferred tax asset relating to the charity's subsidiary company of £6,800 (2002: £6,700) 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:

	Total 2003 £	Total 2002 £
Turnover	535,459	770,631
Cost of sales	(323,247)	(447,384)
Gross profit	212,212	323,247
Administration expenses	(212,160)	(258,898)
Charitable donation to parent	-	(52,587)
Operating profit	52	11,762
Interest receivable	473	591
Profit for the year	525	12,353

The aggregate of the assets and liabilities was:

	2003 £	2002 £
Assets	133,497	170,626
Liabilities	(75,964)	(113,618)
	57,533	57,008
Share capital	2	2
Profit and loss account	57,531	57,006
	57,533	57,008

Notes *(continued)*

20 Related party transactions

C H Johnson CEO of Techniquist and J B McDowall Chairman of Techniquist 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.

Techniquist has an agreement in place to provide certain exhibits and associated maintenance services to the North Wales Science Ltd. and provide certain administrative and educational assistance.

During the year the following transactions took place:

Provision of exhibition maintenance, administration and educational services £23,460

At the balance sheet date the entire amount due from North Wales Science Ltd. was outstanding, no amounts have been written off or waived during the year.

All transactions took place on an arms length basis.