

**Techniquet (Limited by Guarantee)**

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

**Registered number 1955696**

**31 July 2000**



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

The Council of Management present their annual report and the audited financial statements for the year ended 31 July 2000.

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 permanent and temporary interactive exhibitions, together with supporting educational programmes.

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 more than 200,000 visitors to its science discovery centre in Cardiff Bay. In addition, a further 200,000 people visited other exhibitions provided in the UK by Techniquet, and the exhibitions staged overseas drew an additional 205,000 people. Well supported education programmes were a key feature of all these visits.

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

### **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 CBE BSc (Eng) CEng FIMechE CIMgt

R G Thomas OBE LLB CIMgt

D P L Davies FCA

- retired 21 January 2000

Professor R H Williams FRS

### **Dividend**

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

## 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.

### 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

  
RTF PLAUT  
Council Member

Stuart Street  
Cardiff  
CF10 5BW

1 February 2001

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

Law applicable to incorporated charities in England and Wales requires the members (who are also directors of the company) 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 group at the end of the year and of its financial activities during the year then ended. 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 in operation.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and which 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 group and to prevent and detect fraud and other irregularities.



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

## **Report of the auditors to the members of Techniquet (Limited by Guarantee)**

We have audited the financial statements on pages 5 to 16.

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

As described on page 3, the members who are also 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 3, 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. 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 2000 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.

*Chartered Accountants  
Registered Auditors*

*6 feb* 2001

**Consolidated statement of financial activities**  
*for the year ended 31 July 2000*

	<i>Note</i>	Restricted funds £	Unrestricted funds £	<b>Total 2000 £</b>	Total 1999 £
<b>Incoming resources</b>					
Admission fees		-	515,303	<b>515,303</b>	524,169
Grants for operating expenses	2	-	600,000	<b>600,000</b>	622,250
Grants for refurbishment and redevelopment costs	2	180,802	-	<b>180,802</b>	-
Grants for specific projects	2	260,612	-	<b>260,612</b>	312,966
Sundry income		-	271,081	<b>271,081</b>	42,735
Interest receivable		-	24,773	<b>24,773</b>	20,772
Net income of trading subsidiary	3	-	244,861	<b>244,861</b>	83,204
Donations and sponsorship		-	1,249	<b>1,249</b>	1,000
<b>Total incoming resources</b>		<b>441,414</b>	<b>1,657,267</b>	<b>2,098,681</b>	<b>1,607,096</b>
<b>Resources expended</b>					
Direct charitable expenditure	4	(861,601)	(1,396,571)	<b>(2,258,172)</b>	(2,124,507)
<b>Net outgoing resources before taxation</b>		<b>(420,187)</b>	<b>260,696</b>	<b>(159,491)</b>	<b>(517,411)</b>
Taxation	6	-	(3,200)	<b>(3,200)</b>	-
<b>Net outgoing resources after taxation</b>		<b>(420,187)</b>	<b>257,496</b>	<b>(162,691)</b>	<b>(517,411)</b>
Fund balances brought forward		420,187	491,715	<b>911,902</b>	1,429,313
<b>Fund balances carried forward</b>		<b>-</b>	<b>749,211</b>	<b>749,211</b>	<b>911,902</b>

**Statement of reserves**

	Restricted capital £	Unrestricted general £	Unrestricted Designated £	Total £
Balance at 1 August 1999	420,187	(58,285)	550,000	911,902
Net outgoing resources for the year	(420,187)	257,496	-	(162,691)
Balance at 31 July 2000	-	199,211	550,000	749,211

Turnover and operating results 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.

**Consolidated balance sheet**  
*at 31 July 2000*

	Note	2000	1999
		£	£
<b>Fixed assets</b>			
Tangible assets	9	89,122	553,783
<b>Current assets</b>			
Stock	10	45,056	59,590
Debtors	11	233,197	110,918
Cash at bank and in hand		735,136	527,774
		<u>1,013,389</u>	<u>698,282</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(353,300)</u>	<u>(340,163)</u>
<b>Net current assets</b>		<u>660,089</u>	<u>358,119</u>
<b>Net assets</b>		<u>749,211</u>	<u>911,902</u>
<b>Income funds</b>			
Restricted funds - capital funds	13	-	420,187
Unrestricted funds:			
General funds	13	199,211	(58,285)
Designated funds	13	550,000	550,000
		<u>749,211</u>	<u>491,715</u>
	14	<u>749,211</u>	<u>911,902</u>

These financial statements were approved by the Council of Management on 1 February 2001 and were signed on its behalf by:

  
Council member R. F. PLANT



**Company balance sheet**  
*at 31 July 2000*

	Note	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		48,804		507,017
Investment			2		2
			<hr/>		<hr/>
			48,806		507,019
<b>Current assets</b>					
Stock	10	1,377		969	
Debtors	11	310,565		178,616	
Cash at bank and in hand		643,913		501,134	
		<hr/>		<hr/>	
		955,855		680,719	
<b>Creditors: amounts falling due within one year</b>	12	(297,474)		(296,060)	
		<hr/>		<hr/>	
<b>Net current assets</b>			658,381		384,659
			<hr/>		<hr/>
<b>Net assets</b>			707,187		891,678
			<hr/>		<hr/>
<b>Income funds</b>					
Restricted funds - capital fund	13		-		420,187
Unrestricted funds:					
General funds	13	157,187		(78,509)	
Designated funds	13	550,000		550,000	
		<hr/>		<hr/>	
			707,187		471,491
			<hr/>		<hr/>
	14		707,187		891,678
			<hr/>		<hr/>

These financial statements were approved by the Council of Management on 1 February 2001 and were signed on its behalf by:



*Council member*

**Consolidated cash flow statement**  
*for the year ended 31 July 2000*

	<i>Note</i>	2000 £	1999 £
Cash inflow from operating activities		212,637	104,742
Returns on investment and servicing of finance:			
Bank interest received		19,869	19,589
Taxation paid		-	(10,900)
Capital expenditure and financial investment:			
Payments to acquire tangible fixed assets		(25,144)	(64,666)
		<hr/>	<hr/>
Increase in cash in the year		207,362	48,765
		<hr/>	<hr/>

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

	<i>Note</i>	2000 £	1999 £
Increase in cash in the year		207,362	48,765
Net liquid funds at beginning of year		527,774	479,009
		<hr/>	<hr/>
Net liquid funds at end of year	18	735,136	527,774
		<hr/>	<hr/>

**Reconciliation of net outgoing resources to cash flow from operating activities**

	2000 £	1999 £
Operating results	(159,491)	(517,411)
Interest receivable	(24,773)	(20,772)
	<hr/>	<hr/>
Net outgoing resources excluding interest	(184,264)	(538,183)
Depreciation charge	489,805	497,927
Decrease/(increase) in stocks	14,534	(17,307)
(Increase)/decrease in debtors	(117,375)	94,001
Increase in creditors	9,937	68,304
	<hr/>	<hr/>
Net cash inflow from operating activities	212,637	104,742
	<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 Techniquet. The financial statements have been prepared in accordance with 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	-	20-25% 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

#### *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.

#### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### Deferred income and grants

Capital grants are included within income as restricted funds in the statement of financial activities and released to unrestricted funds over the estimated useful economic lives of the assets to which they relate.

Grants and donations for specific projects are taken to the income and expenditure account when the related expenditure has been incurred, all other grants are taken to income when received. Income from franchised exhibits is recognised over the lifetime of the agreement.

#### Taxation

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

Taxation is based on the subsidiary's 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 received

	Restricted £	Unrestricted £	2000 £
Ongoing operational grant	-	600,000	600,000
Grant for refurbishment and redevelopment costs	180,802	-	180,802
Other grants	260,612	-	260,612
	<hr/>	<hr/>	<hr/>
	441,414	600,000	1,041,414
	<hr/>	<hr/>	<hr/>

### 3 Net income from trading activities of subsidiary

Techniquet has a wholly owned subsidiary, Techniquet Enterprises Limited, which is incorporated in the UK. Techniquet Enterprises Limited markets and retails goods and services at Techniquet'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:

	2000 £	1999 £
Turnover	874,814	485,387
Cost of sales	(503,174)	(297,845)
	<hr/>	<hr/>
Gross profit	371,640	187,542
Administrative expenses	(126,779)	(104,338)
	<hr/>	<hr/>
Profit before taxation	244,861	83,204
Amount covenanted to Techniquet	-	(73,204)
Charitable donation to parent organisation	(219,861)	-
	<hr/>	<hr/>
Profit retained in the subsidiary before taxation	25,000	10,000
Consolidation adjustments		
Covenants	-	73,204
Other – charitable donation to parent organisation	219,861	-
	<hr/>	<hr/>
Profit for year	244,861	83,204
	<hr/>	<hr/>

## Notes (continued)

### 4 Direct charitable expenditure

	Restricted £	Unrestricted £	2000 £	1999 £
Establishment	-	179,000	179,000	322,709
Staff costs	-	771,291	771,291	788,301
Professional fees	-	31,263	31,263	16,639
Administrative support	-	155,223	155,223	75,043
Travelling	-	12,935	12,935	4,184
Marketing	-	50,510	50,510	47,599
Workshop materials	11,732	151,011	162,743	-
Special projects	429,682	-	429,682	397,726
Depreciation	420,187	45,338	465,525	472,306
	<u>861,601</u>	<u>1,396,571</u>	<u>2,258,172</u>	<u>2,124,507</u>

### 5 Staff numbers and costs

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

	2000	1999
Management	6	5
Administration	10	10
Support	90	95
	<u>106</u>	<u>110</u>

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	1,037,071	995,969
Social security costs	78,278	79,167
	<u>1,115,349</u>	<u>1,075,136</u>

No employee earned over £40,000 per annum.

**Notes** *(continued)*

**6 Taxation**

	2000 £	1999 £
UK corporation tax at 20%	3,200	-

**7 Net outgoing resources**

	2000 £	1999 £
<i>Net outgoing resources for the financial year are stated after charging</i>		
Depreciation of tangible fixed assets	489,805	497,927
Auditors' remuneration	8,518	8,864

**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 (1999: £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
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Cost</b>												
At 1 August 1999	46,997	216,600	310,459	876,090	1,344,611	2,794,757	46,997	200,145	310,459	876,090	1,137,510	2,571,201
Additions	-	7,312	-	-	17,832	25,144	-	7,312	-	-	-	7,312
At 31 July 2000	46,997	223,912	310,459	876,090	1,362,443	2,819,901	46,997	207,457	310,459	876,090	1,137,510	2,578,513
<b>Depreciation</b>												
At 1 August 1999	38,317	171,580	288,259	661,810	1,081,008	2,240,974	38,317	161,815	288,259	661,810	913,983	2,064,184
Charge for year	8,680	40,737	20,235	174,638	245,515	489,805	8,680	38,445	20,235	174,638	223,527	465,525
At 31 July 2000	46,997	212,317	308,494	836,448	1,326,523	2,730,779	46,997	200,260	308,494	836,448	1,137,510	2,529,709
<b>Net book value</b>												
At 31 July 2000	-	11,595	1,965	39,642	35,920	89,122	-	7,197	1,965	39,642	-	48,804
At 1 August 1999	8,680	45,020	22,200	214,280	263,603	553,783	8,680	38,330	22,200	214,280	223,527	507,017

## Notes (continued)

### 10 Stock

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Raw materials	1,377	969	1,377	969
Work in progress	15,359	28,018	-	-
Finished goods	28,320	30,603	-	-
	<u>45,056</u>	<u>59,590</u>	<u>1,377</u>	<u>969</u>

### 11 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	185,164	49,345	14,578	7,196
Amounts owed by subsidiary company	-	-	248,378	122,806
Interest receivable	6,217	1,313	6,217	1,313
Other debtors	16,781	28,289	16,732	16,837
Prepayments	25,035	31,971	24,660	30,464
	<u>233,197</u>	<u>110,918</u>	<u>310,565</u>	<u>178,616</u>

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

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	147,266	106,050	142,649	103,849
Taxation and social security other than corporation tax	7,181	55,189	-	38,352
Other creditors	10,000	10,000	10,000	10,000
Accruals	26,309	28,234	20,112	20,982
Deferred income	159,344	140,690	124,713	122,877
Corporation tax	3,200	-	-	-
	<u>353,300</u>	<u>340,163</u>	<u>297,474</u>	<u>296,060</u>



## Notes (continued)

### 13 Analysis of funds

Group	Restricted capital £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 1999	420,187	(58,285)	550,000	911,902
Net outgoing resources	(420,187)	257,496	-	(162,691)
<b>Balance at 31 July 2000</b>	<b>-</b>	<b>199,211</b>	<b>550,000</b>	<b>749,211</b>

Company	Restricted capital £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 1999	420,187	(78,509)	550,000	891,678
Net outgoing resources	(420,187)	235,696	-	(184,491)
<b>Balance at 31 July 2000</b>	<b>-</b>	<b>157,187</b>	<b>550,000</b>	<b>707,187</b>

### 14 Analysis of net assets between funds

	2000	1999	1999	1999
Group	Unrestricted funds Total £	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	89,123	420,187	133,596	553,783
Net current assets	660,088	-	358,119	358,119
<b>Total net assets</b>	<b>749,211</b>	<b>420,187</b>	<b>491,715</b>	<b>911,902</b>
<b>Company</b>	<b>2000 Total £</b>	<b>Restricted funds £</b>	<b>Unrestricted funds £</b>	<b>1999 Total £</b>
Tangible fixed assets	48,806	420,187	86,832	507,019
Net current assets	658,381	-	384,659	384,659
<b>Total net assets</b>	<b>707,187</b>	<b>420,187</b>	<b>471,491</b>	<b>891,678</b>

As at 31 July 2000 all funds are unrestricted.

**Notes (continued)**

**15 Capital commitments**

At 31 July 2000 the company had no capital commitments (1999: £Nil).

**16 Analysis of liquid funds**

	Cash at bank and in hand £
At 31 July 1998	479,009
Cash flows	48,765
	<hr/>
At 31 July 1999	527,774
Cashflows	207,362
	<hr/>
At 31 July 2000	735,136
	<hr/>

**17 Deferred tax**

There is a deferred tax asset of £7,800 (1999: £9,500) which has not been provided for. The deferred tax represents the difference between accumulated depreciation and capital allowances.

**18 Related party transactions**

The exemption given under Financial Reporting Standard No 8 from the requirement to disclose transactions with related parties where 90% of the voting rights are controlled by the same group has been adopted.