

Techniquet (Limited by Guarantee)

Council of Management's report and  
consolidated financial statements

Registered company number 1955696

Registered charity number 517722

31 July 2005



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

### **Council of management**

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

### **Secretary**

EH Jones FCCA – resigned 7<sup>th</sup> August 2005  
IA Gilbert FCA – appointed 7<sup>th</sup> August 2005

### **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 2005.

### **Constitution**

Techniquet 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, Techniquet Enterprises Limited. The principal activities of the subsidiary are the marketing and retailing of goods and services at Techniquet'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.

Techniquet 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. Techniquet also maintains exhibit design and production facilities in Cardiff.

### **Business review**

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

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

During the year Techniquet attracted 189,363 visitors to its Cardiff Bay site, of which a relatively high proportion (32%) were in organised school groups underlining Techniquet's strong educational focus. In addition, we estimate that half a million people visited other exhibitions provided by Techniquet elsewhere in Wales and the UK.

Techniquet 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 Techniquet Enterprises Ltd has been quieter this year due to the exhibit design and production facilities being committed to grant funded projects.

Techniquet was successful in renewing its Charter Mark, the UK government's accreditation scheme for high quality customer service, for a further three years following an intensive inspection exercise, receiving two distinctions. Techniquet also achieved accreditation under the Visitor Attraction Quality Assurance Scheme (VAQUAS) during the year. This is the Wales Tourist Board's scheme for recognising excellence in visitor attractions and is only awarded to those achieving the highest standards.

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

The total on-site attendance was 189,363 for the year (2004: 172,272) at Techniquet in Cardiff Bay, a 9% increase. 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 2004/05 Techniquet received 60,015 students in booked groups (2004: 59,292). This was 1.2% more than last year, and is regarded as a particularly good figure in view of the increasing costs of schools transport, the difficulties in organising cover for absent teachers in secondary schools, and reducing pupil numbers in primary schools.

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

Schools could select from 52 different education programmes aimed at early years to post-16 audiences as part of a structured visit when planning a trip to Techniquet. 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 104 practising teachers received direct support by attending CPD (continuing professional development) courses run by Techniquet.

Techniquet was responsible for the education arm of the Wales Gene Park initiative, a major partnership with Cardiff University, the National Health Service Trust for Wales and others. Those staff concerned with education and public engagement relating to genetics, were based at Techniquet.

The MSc course in Communicating Science run by Techniquet and the University of Glamorgan was completed by 9 students. One member of staff completed the Certificate in Communicating Science module.

Special events during the year included a Robot Weekend and a Dinosaur Weekend, both of which more than doubled visitor numbers compared to the equivalent periods in the previous year.

Techniquet participated in Einstein activities during National Science Week as part of the International Year of Physics, and featured prominently in the C4 TV series "Big Bangs – Five Musical Revolutions".

"Choices", an interactive exhibition on food and diet, was developed with funding from the Welsh Assembly as part of the Health Challenge Wales scheme. This opened to the public in February.

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

Techniquet's Kits Programme, comprising some 30 sets of curriculum linked hands-on activities designed to motivate pupils and support teachers, travelled to 180 schools and served an estimated 9,000 pupils.

A substantial Wales-wide outreach initiative known as 'mathcymru' continued throughout the year, reaching approximately 10,000 pupils, teachers and others. The programme provided roadshows, lectures, teaching resources, a bilingual website, competitions, grant awards and coordinated a national Maths Week event for Wales.

Techniquet's popular travelling planetarium outreach programme reached approximately 9,200 pupils through sessions at 57 different schools.

Techniquet continued to operate the Wales-wide outreach initiative known as Science Café. This is a European scheme providing opportunities for the community to engage in debate and dialogue on science issues in a comfortable environment. The scheme has been supported by the Royal Society's 'Copus' fund.

A popular public programme: "The Microwave Show" was performed to 12 community groups around Wales.

The Nuffield Bursary Scheme, organised through Techniquet, provided workplace experience in science for around 20 sixth-form students.

Four CPD courses were run by Techniquet working through the Gatsby-funded Teacher-Scientist Network at locations in Cardiff, Swansea and Wrexham, involving 76 teachers.

Techniquet@NEWI, a partner science centre on the campus of the North East Wales Institute in Wrexham completed its second full year of operation, with around 38,000 visitors. The centre features Techniquet-style exhibitions and programmes.

A Techniquet exhibition at Oakwood theme park in South West 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.

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

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

### ***Special projects***

A major new science exhibition called Musiquet was opened in July 2005. The exhibition uses the theme of music to help increase participation by those in the hard to reach 14-19 age range. The project has been 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 expected to help generate new visitors for the Cardiff Bay site.

Techniquet launched a new pilot project began in May 2005 in North West Wales, working with partners and sponsors in the area. This pilot included a small new exhibition at the Electric Mountain visitor centre in Llanberis, Gwynedd, and attracted 2,175 school visitors and 4,017 public visitors in the two months to July. Preparations were completed for two further elements of the pilot project, involving public outreach and schools outreach in the area.

Techniquet collaborated with Cardiff University, the National Museums and Galleries of Wales, and Cardiff County Council (who also provided funding) to plan and run the Cardiff Science Festival for four days in July 2005. Some 45 events took place at 14 venues around Cardiff attended by approximately 2,100 people, and generated extensive media coverage.

Techniquet, with the Wales Gene Park and the University of Glamorgan, ran an innovative Citizens' Jury for young people on 'genetics and reproductive decision making'. The verdict was presented to the Welsh Assembly Government, the Human Fertilisation and Embryo Authority and the Human Genetics Commission. The event attracted good publicity, particularly from the print media.

Techniquet Enterprises Limited achieved 33 separate contracts during the year.

### ***International affairs***

Through its trading arm, Techniquet provided a range of programmes and exhibits to the Genoa Science Festival, and ran a series of Chemistry workshops for the British Council in Hong Kong. Exhibits were provided to science events in Dubai, Singapore and to the Cork Science Festival. Other services were provided to organisations in Singapore, Germany, Portugal, Azores and Mexico.

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

Filming and interviews took place in Techniquet for science programmes in Brazil and China with audiences of around 40m.

### ***Summary of Techniquet visitors, 1st August 2004 – 31st July 2005***

Region	Attendance 000
Wales:	
Cardiff Bay	189
Cardiff events*	2
Oakwood (S.W. Wales)*	75
Wrexham (N.E. Wales)	38
Wales outreach	36
Wales TOTAL*	340
Other parts of the UK:	
General exhibit hire contracts*	68
The Look Out, Bracknell (long-term hire)	101

\* conservative estimates

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

### **Results**

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

There was a deficit of £28,041 (2004: *surplus* £214,463) on day to day activities, shown within unrestricted funds resulting in an unrestricted funds balance at the end of the year of £1,287,326 (2004: £1,315,367).

There was a surplus of £34,750 (2004: *Deficit* £39,338) on restricted funds representing an excess of grant income received for specific purposes over related expenditure. The balance on restricted funds at the year-end was £34,750 (2004: £Nil).

No charitable donation (2004: £49,547) was received from Techniquet Enterprises Limited in the year.

The financial results of the trading subsidiary, Techniquet Enterprises Limited, yielded a net profit for the financial year of £5,190 after charitable donations to the company of £nil (2004: £49,547). 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 Techniquet'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 (2004: 44).

### **Reserves policy**

The reserves policy is to retain a sum broadly equal to four months of the company's total operating expenses. This amount (£1,000,000) has been included in unrestricted general funds. There are free reserves of £1,192,205.

## **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 4.5% - 4.75% 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 bi-monthly 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 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 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

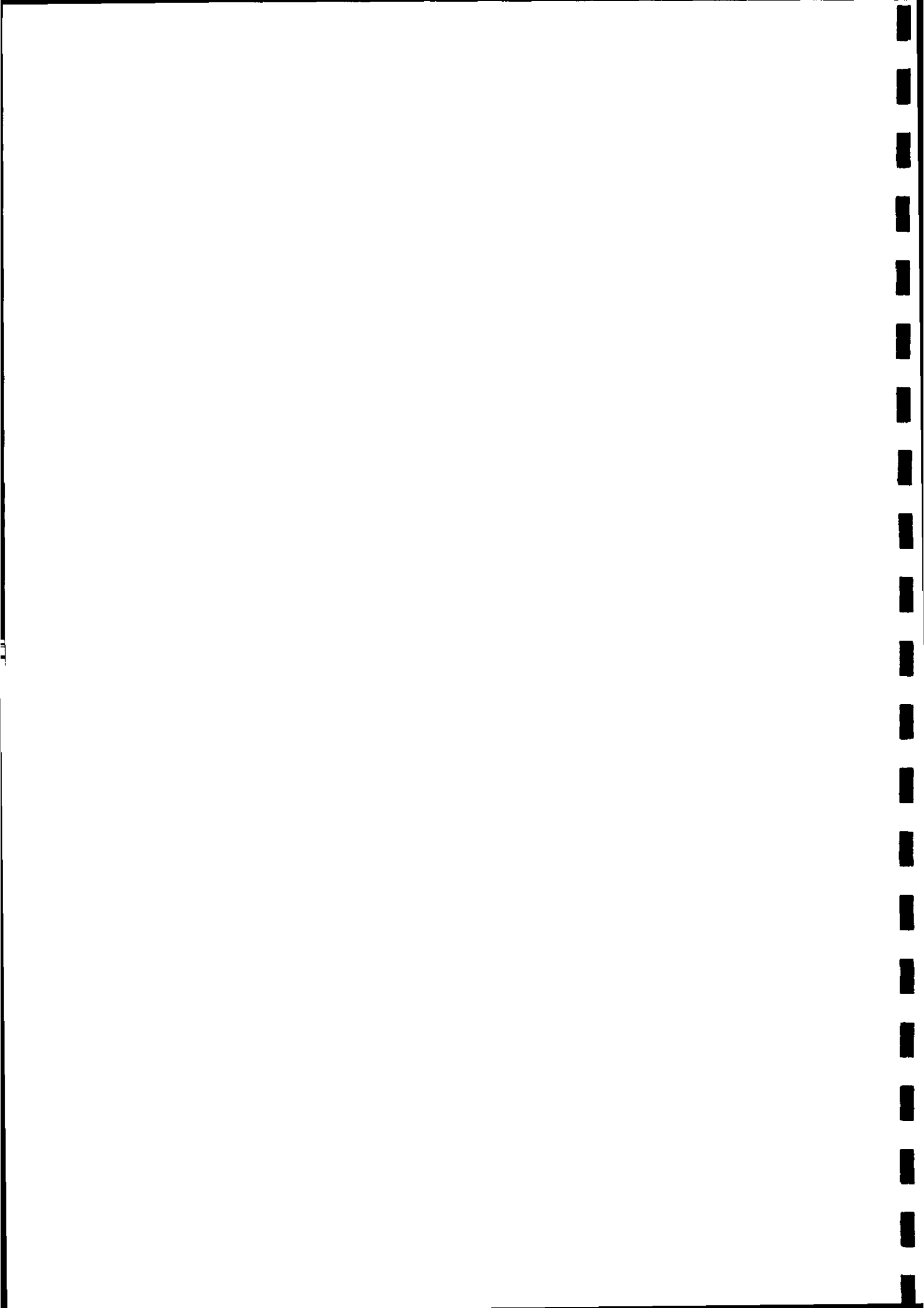
22 March 2006

## **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 Techniquet (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 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 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 2005 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

*27th March 2006*



**Consolidated statement of financial activities**  
**(incorporating an income and expenditure account)**  
*for the year ended 31 July 2005*

	Note	Restricted funds	Unrestricted funds	Total 2005	Total 2004 (Restated, see Note 1)
		£	£	£	£
<b>Incoming resources</b>					
Donations and sponsorship		-	45,990	<b>45,990</b>	6,420
Activities in furtherance of the company's objects:					
Admission fees		-	595,958	<b>595,958</b>	520,637
Grants	2, 13	893,610	983,783	<b>1,877,393</b>	1,698,890
Activities for generating funds:					
Shop and café		-	204,191	<b>204,191</b>	192,872
Workshop sales		-	218,115	<b>218,115</b>	549,902
Interest receivable		-	56,925	<b>56,925</b>	41,142
Other incoming resources	3	-	139,643	<b>139,643</b>	201,462
<b>Total incoming resources</b>		<b>893,610</b>	<b>2,244,605</b>	<b>3,138,215</b>	<b>3,211,325</b>
<b>Resources expended</b>					
Costs of generating funds:					
Shop and café		-	(145,537)	<b>(145,537)</b>	(134,760)
Workshop		(156,228)	(25,867)	<b>(182,095)</b>	(503,757)
Costs of activities in furtherance of the company's objects	4	(702,632)	(2,101,242)	<b>(2,803,874)</b>	(2,397,683)
<b>Total resources expended</b>	13	<b>(858,860)</b>	<b>(2,272,646)</b>	<b>(3,131,506)</b>	<b>(3,036,200)</b>
<b>Net incoming/(outgoing) resources, being net income/(expenditure) for the year</b>	5-8	<b>34,750</b>	<b>(28,041)</b>	<b>6,709</b>	<b>175,125</b>
Fund balances brought forward		-	1,315,367	<b>1,315,367</b>	1,140,242
<b>Fund balances carried forward</b>	13	<b>34,750</b>	<b>1,287,326</b>	<b>1,322,076</b>	<b>1,315,367</b>

**Statement of reserves**

	Restricted funds	Unrestricted general funds	Unrestricted designated funds	Total
	£	£	£	£
Balance at 1 August 2004	-	1,315,367	-	1,315,367
Net incoming/(outgoing) resources for the year	34,750	(28,041)	-	6,709
<b>Balance at 31 July 2005</b>	<b>34,750</b>	<b>1,287,326</b>	<b>-</b>	<b>1,322,076</b>

**Consolidated statement of financial activities**  
**(incorporating an income and expenditure account)**  
*for the year ended 31 July 2005 (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.

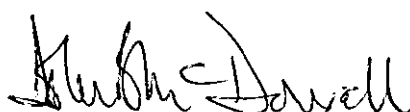
The profit for the year for Companies Act purposes equals the net incoming resources for the year of £6,709 (2004: £175,125).



**Consolidated balance sheet**  
*at 31 July 2005*

	<i>Note</i>	2005	2004
		£	£
<b>Fixed assets</b>			
Tangible assets	9	95,121	135,978
<b>Current assets</b>			
Stock	10	160,117	50,569
Debtors	11	537,710	553,226
Cash at bank and in hand		1,405,541	1,225,787
		<u>2,103,368</u>	<u>1,829,582</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(876,413)</u>	<u>(650,193)</u>
<b>Net current assets</b>		<u>1,226,955</u>	<u>1,179,389</u>
<b>Net assets</b>		<u>1,322,076</u>	<u>1,315,367</u>
<b>Income funds</b>			
Unrestricted funds:			
General funds	13	1,287,326	1,315,367
Designated funds	13	-	-
		<u>1,287,326</u>	<u>1,315,367</u>
Restricted funds	13	34,750	-
	13, 14	<u>1,322,076</u>	<u>1,315,367</u>

These financial statements were approved by the Council of Management on 30 November 2005 and were signed on its behalf by:



**JB McDowall**  
*Council Member*



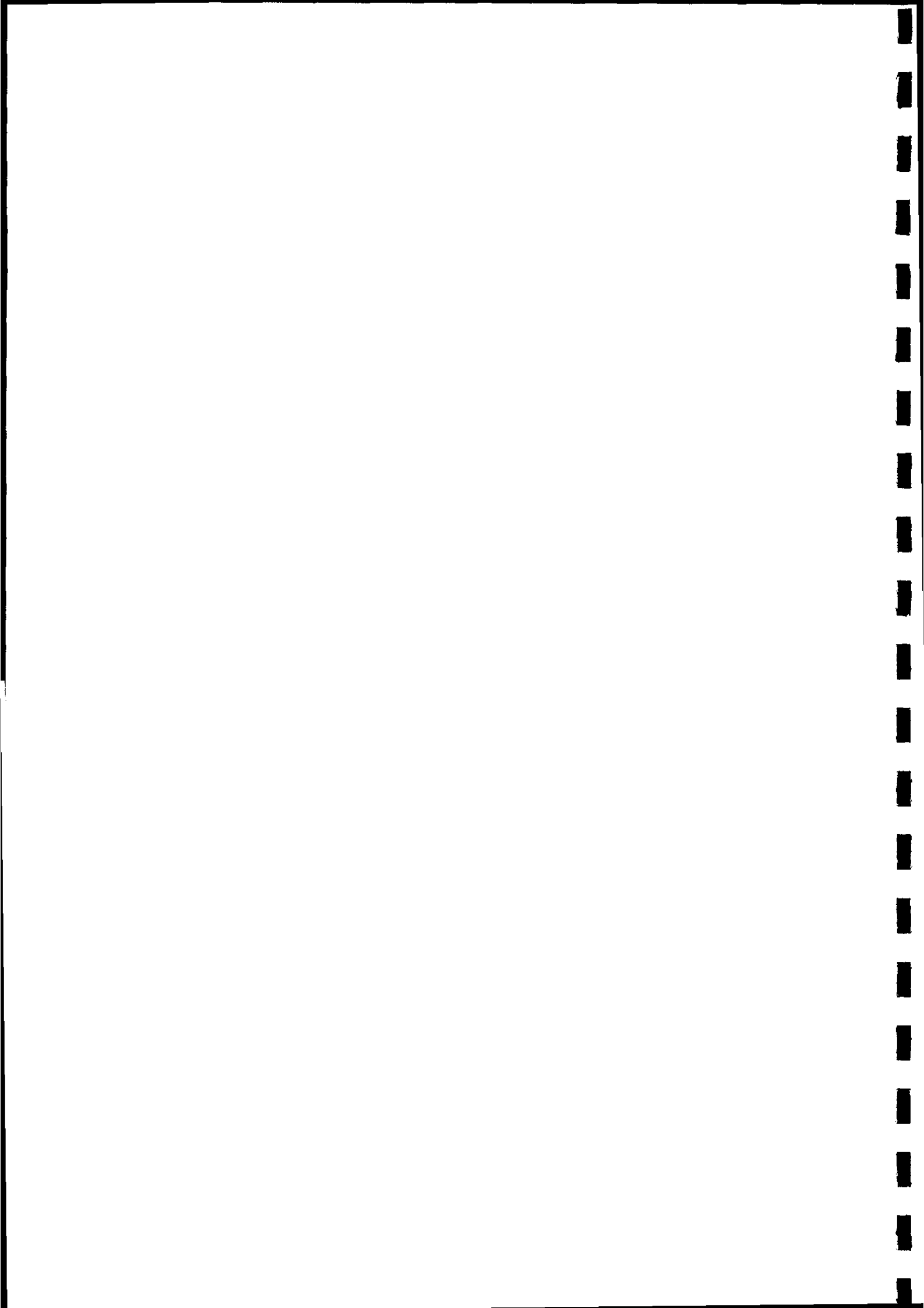
**Company balance sheet**  
*at 31 July 2005*

	<i>Note</i>	2005	2004
		£	£
<b>Fixed assets</b>			
Tangible assets	9	95,068	143,217
Investment	19	2	2
		<hr/>	<hr/>
		95,070	143,219
<b>Current assets</b>			
Stock	10	131,711	22,330
Debtors	11	347,723	440,475
Cash at bank and in hand		1,365,112	1,211,389
		<hr/>	<hr/>
		1,844,546	1,674,194
<b>Creditors:</b> amounts falling due within one year	12	(691,862)	(563,117)
		<hr/>	<hr/>
<b>Net current assets</b>		1,152,684	1,111,077
		<hr/>	<hr/>
<b>Net assets</b>		1,247,754	1,254,296
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted funds:			
General funds	13	1,213,004	1,254,296
Designated funds	13	-	-
		<hr/>	<hr/>
		1,213,004	1,254,296
Restricted funds	13	34,750	-
		<hr/>	<hr/>
	13, 14	1,247,754	1,254,296
		<hr/>	<hr/>

These financial statements were approved by the Council of Management on 30 November 2005 and were signed on its behalf by:



**JB McDowall**  
*Council Member*



**Consolidated cash flow statement**  
*for the year ended 31 July 2005*

	<i>Note</i>	2005 £	2004 £
Cash inflow/(outflow) from operating activities	16	148,941	(138,730)
Returns on investment and servicing of finance:			
Bank interest received		63,174	34,942
Capital expenditure and financial investment:			
Payments to acquire tangible fixed assets		(18,235)	(112,202)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year		193,880	(215,990)
		<hr/>	<hr/>

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

	<i>Note</i>	2005 £	2004 £
Increase/(decrease) in cash in the year		193,880	(215,990)
Net funds at beginning of year		1,211,661	1,427,651
		<hr/>	<hr/>
Net funds at end of year	17	1,405,541	1,211,661
		<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 and the Companies Act 1985.

#### ***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 deficit for the year of the parent company is £6,542 (2004: £163,524).

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	-	20-33% 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.

#### ***Incoming Resources***

Incoming resources represent amounts receivable from third parties during the year.

#### ***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 are set aside for specific purposes, or to meet future commitments, they are classified as designated funds as a separate category of unrestricted funds.

#### *Resources expended*

Costs are recognised on an annual basis.

The costs of activities in furtherance of the company's objects represent the cost of the charitable day to day operations and are set out in note 4. The cost of generating funds represents those direct costs including labour associated with the operation of the shop and workshop. This represents a change in policy from previous years when certain indirect costs were included within costs of generating funds. The Council of Management consider that these indirect costs are better classified as costs of activities in the furtherance of the charity's objectives. The comparative figures have been restated in line with this change in categorisation but there is no impact on the net income in either year.

#### *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*

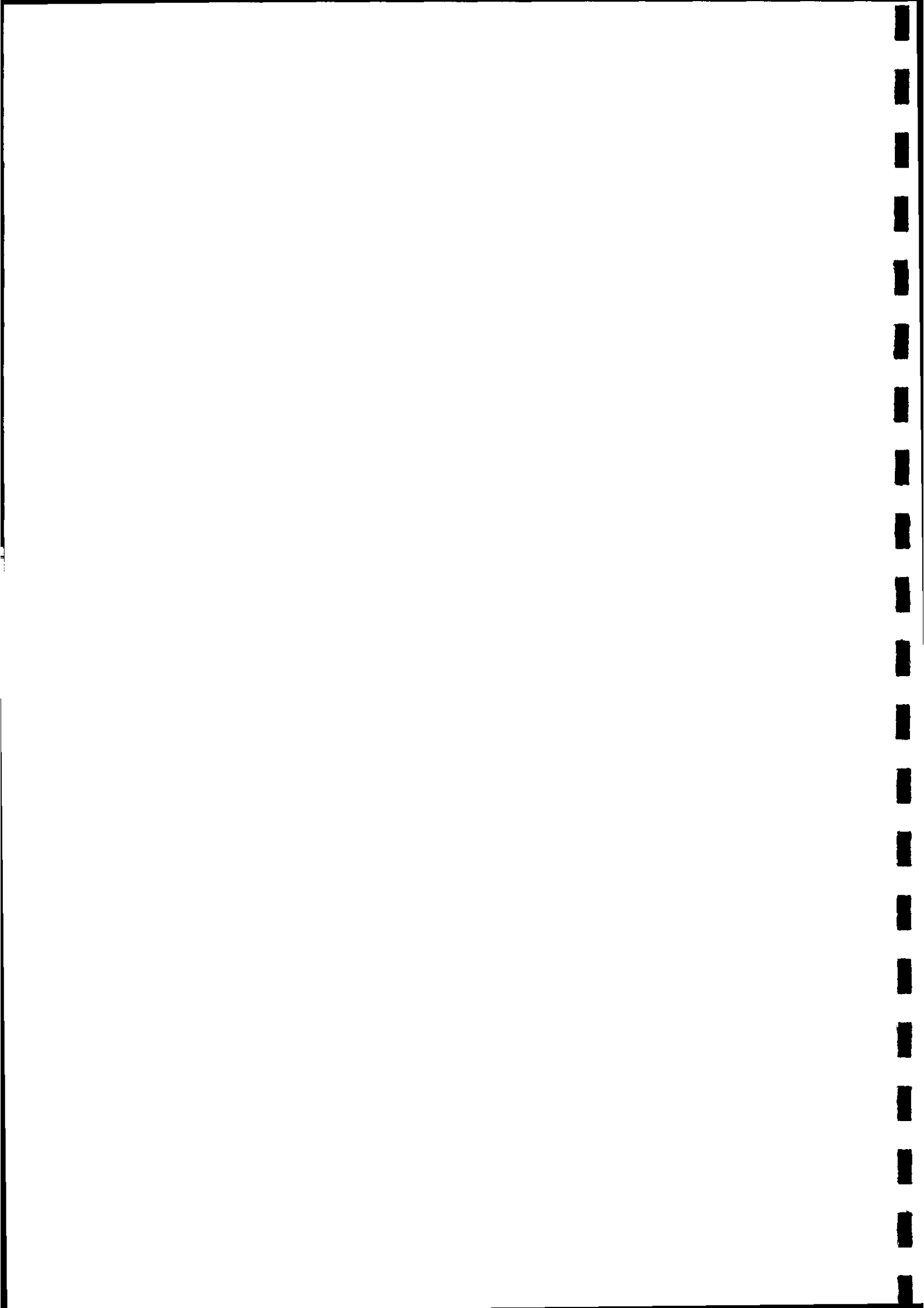
The company participates in a defined contribution pension scheme. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

#### *Taxation*

Techniquet is not subject to taxation as it is a registered 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

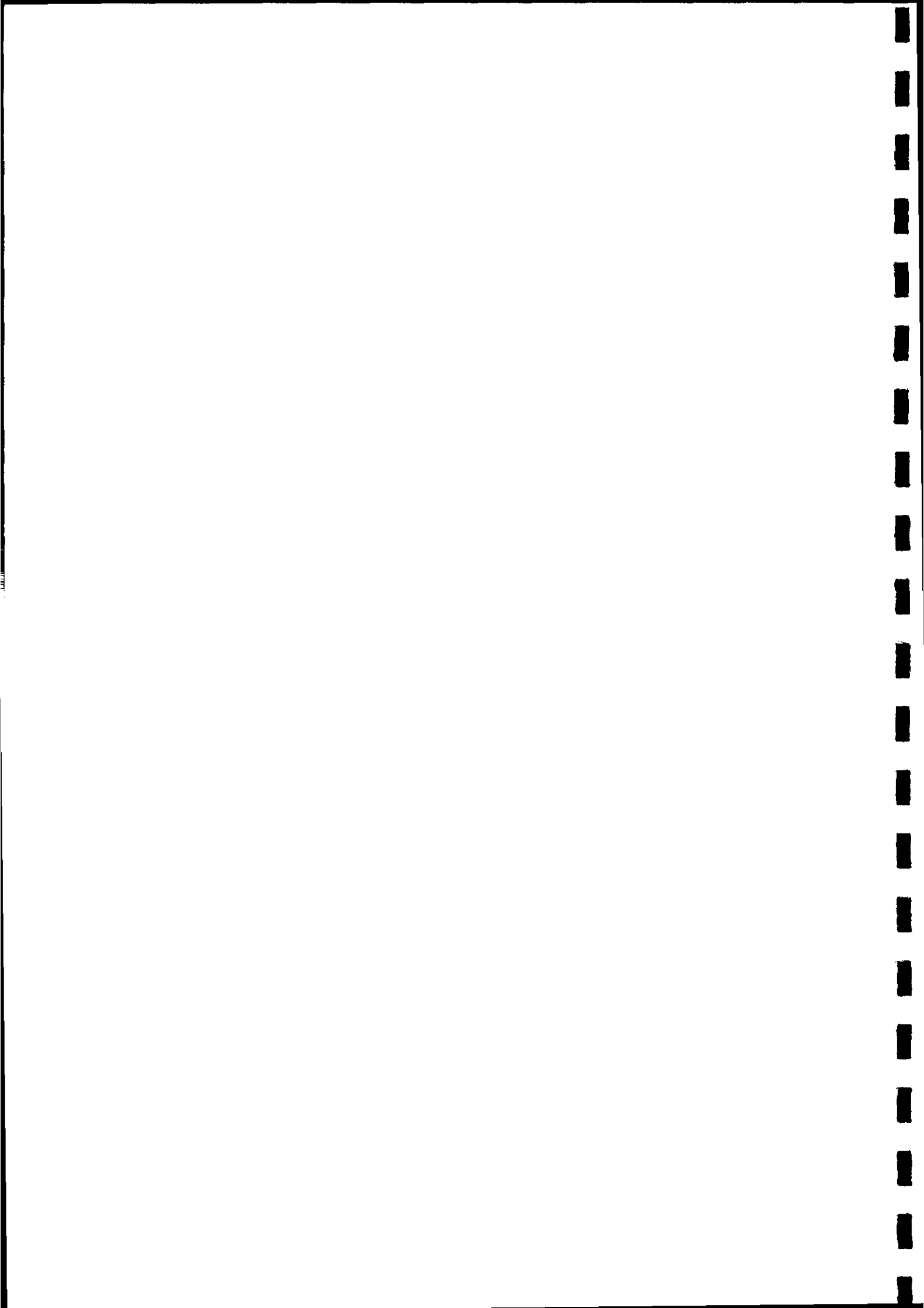
	Restricted £	Unrestricted £	2005 £	2004 £
Grant for operating expenses	-	603,783	603,783	721,151
Grant for refurbishment and redevelopment costs	-	380,000	380,000	380,000
Grants for specific projects	893,610	-	893,610	597,739
	<u>893,610</u>	<u>983,783</u>	<u>1,877,393</u>	<u>1,698,890</u>

### 3 Other incoming resources

	Restricted £	Unrestricted £	2005 £	2004 £
Support services	-	93,939	93,939	108,000
Lectures to third parties	-	-	-	15,510
Education services	-	27,188	27,188	31,541
Consultancy fees	-	2,813	2,813	8,673
Building rental	-	5,907	5,907	31,143
Other income	-	9,796	9,796	6,595
	<u>-</u>	<u>139,643</u>	<u>139,643</u>	<u>201,462</u>

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

	Restricted £	Unrestricted £	2005 £	2004 (Restated) £
Establishment	21,812	546,296	568,108	409,419
Staff costs	516,452	1,151,075	1,667,527	1,516,594
Professional fees	27,316	72,064	99,380	74,703
Administrative costs	113,163	186,440	299,603	235,403
Travelling	16,051	24,541	40,592	35,924
Marketing	7,838	53,673	61,511	57,282
Depreciation	-	67,153	67,153	68,358
	<u>702,632</u>	<u>2,101,242</u>	<u>2,803,874</u>	<u>2,397,683</u>



## Notes (continued)

### 5 Staff numbers and costs

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

	2005	2004
Management	7	7
Administration	5	6
Support	116	110
	<u>128</u>	<u>123</u>

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:

	2005 £	2004 £
Wages and salaries	1,586,093	1,453,792
Social security costs	137,932	125,055
Pension costs	26,091	24,366
	<u>1,750,116</u>	<u>1,603,213</u>

The number of staff whose emoluments exceeded certain limits was as follows:

	2005	2004
£60,000-£69,999	1	-

The number of staff earning over £50,000 for whom retirement benefits are accruing under the deferred contribution scheme is one.

### 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

	2005 £	2004 £
<i>Net incoming resources for the financial year are stated after charging:</i>		
Depreciation of tangible fixed assets	67,153	68,358
Auditors' remuneration		
- Audit fees	22,226	7,600
- Other	5,000	3,250
	<u></u>	<u></u>

### 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 (2004: £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 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
Additions	9,617	3,953	3,416	-	9,310	26,296	9,617	3,953	3,416	-	1,249	18,235
At 31 July 2005	79,827	362,657	392,758	876,090	1,409,445	3,120,777	79,827	339,578	392,758	876,090	1,198,106	2,886,359
<b>Depreciation</b>												
At 1 August 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
Charge for year	7,005	29,389	23,532	-	7,227	67,153	7,005	28,620	23,532	-	7,227	66,384
At 31 July 2005	56,420	333,411	356,595	876,090	1,403,140	3,025,656	56,420	310,385	356,595	876,090	1,191,801	2,791,291
<b>Net book value</b>												
At 31 July 2005	23,407	29,246	36,163	-	6,305	95,121	23,407	29,193	36,163	-	6,305	95,068
At 1 August 2004	20,795	54,682	56,279	-	4,222	135,978	20,795	53,860	56,279	-	12,283	143,217

# Notes (continued)

## 10 Stock

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Raw materials	223	1,039	223	1,039
Work in progress	131,488	21,291	131,488	21,291
Finished goods	28,406	28,239	-	-
	<u>160,117</u>	<u>50,569</u>	<u>131,711</u>	<u>22,330</u>

## 11 Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	315,121	359,182	128,397	132,866
Amounts due from subsidiary undertaking	-	-	-	128,355
Interest receivable	-	6,249	-	-
Other debtors	204,837	171,049	201,574	165,211
Prepayments	17,752	16,746	17,752	14,043
	<u>537,710</u>	<u>553,226</u>	<u>347,723</u>	<u>440,475</u>

## 12 Creditors: amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank overdraft	-	14,126	-	8,955
Trade creditors	246,491	168,395	235,865	156,562
Amounts owed by subsidiary undertaking	-	-	45,813	42
Taxation and social security other than corporation tax	65,857	60,463	60,966	60,463
Other creditors	75,500	75,500	75,500	75,500
Accruals	78,429	38,830	69,458	33,186
Deferred income	410,136	292,879	204,260	228,409
	<u>876,413</u>	<u>650,193</u>	<u>691,862</u>	<u>563,117</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 2004	292,879	228,409
Amount deferred during the year	385,446	196,438
Release of amounts previously deferred	(268,189)	(220,587)
<b>Balance at 31 July 2005</b>	<b>410,136</b>	<b>204,260</b>

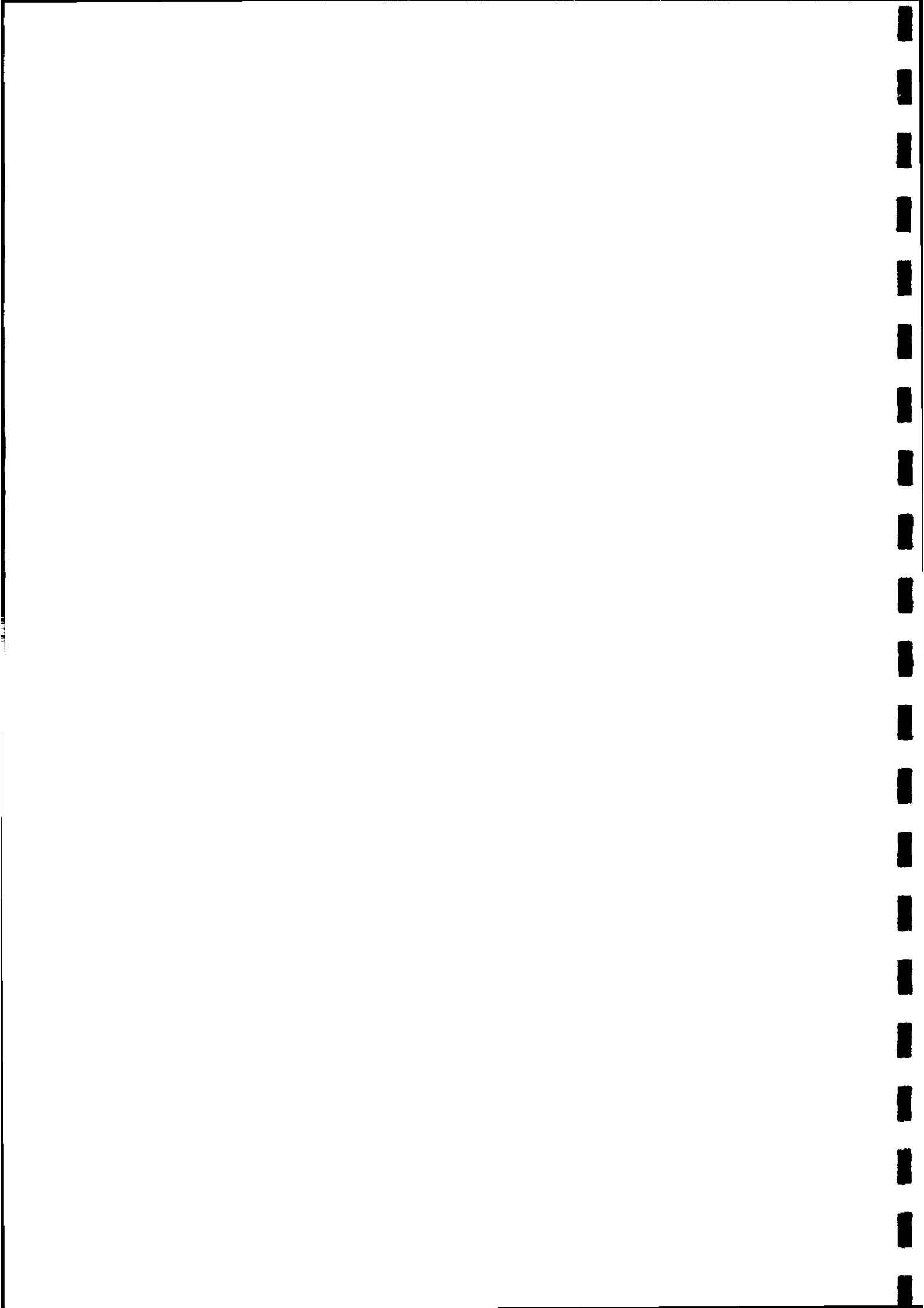
### 13 Analysis of funds

Group	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2004	-	1,315,367	-	1,315,367
Net incoming/(outgoing) resources	34,750	(28,041)	-	6,709
<b>Balance at 31 July 2005</b>	<b>34,750</b>	<b>1,287,326</b>	<b>-</b>	<b>1,322,076</b>

Company	Restricted general £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 2004	-	1,254,296	-	1,254,296
Net incoming/(outgoing) resources	34,750	(41,292)	-	(6,542)
<b>Balance at 31 July 2005</b>	<b>34,750</b>	<b>1,213,004</b>	<b>-</b>	<b>1,247,754</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 £1,000,000 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/Musiquist	-	659,891	(633,947)	25,944
<b>Educational projects</b>				
Mathcymru	-	103,370	(107,768)	(4,398)
Education projects	-	130,349	(117,145)	13,204
	-	893,610	(858,860)	34,750

### 14 Analysis of net assets between funds

#### Group

	Restricted funds £	Unrestricted funds £	Total £	2004 £
Fixed assets	-	95,121	95,121	135,978
Net current assets	34,750	1,192,205	1,226,955	1,179,389
	34,750	1,287,326	1,322,076	1,315,367

#### Company

	Restricted funds £	Unrestricted funds £	Total £	2004 £
Fixed assets	-	95,070	95,070	143,219
Net current assets	34,750	1,117,934	1,152,684	1,111,077
	34,750	1,213,004	1,247,754	1,254,296

The Council of Management consider that sufficient resources are held to enable each fund to be applied in accordance with any restriction imposed.



**Notes (continued)**

**15 Capital commitments**

At 31 July 2005 the company had no capital commitments (2004: £Nil).

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

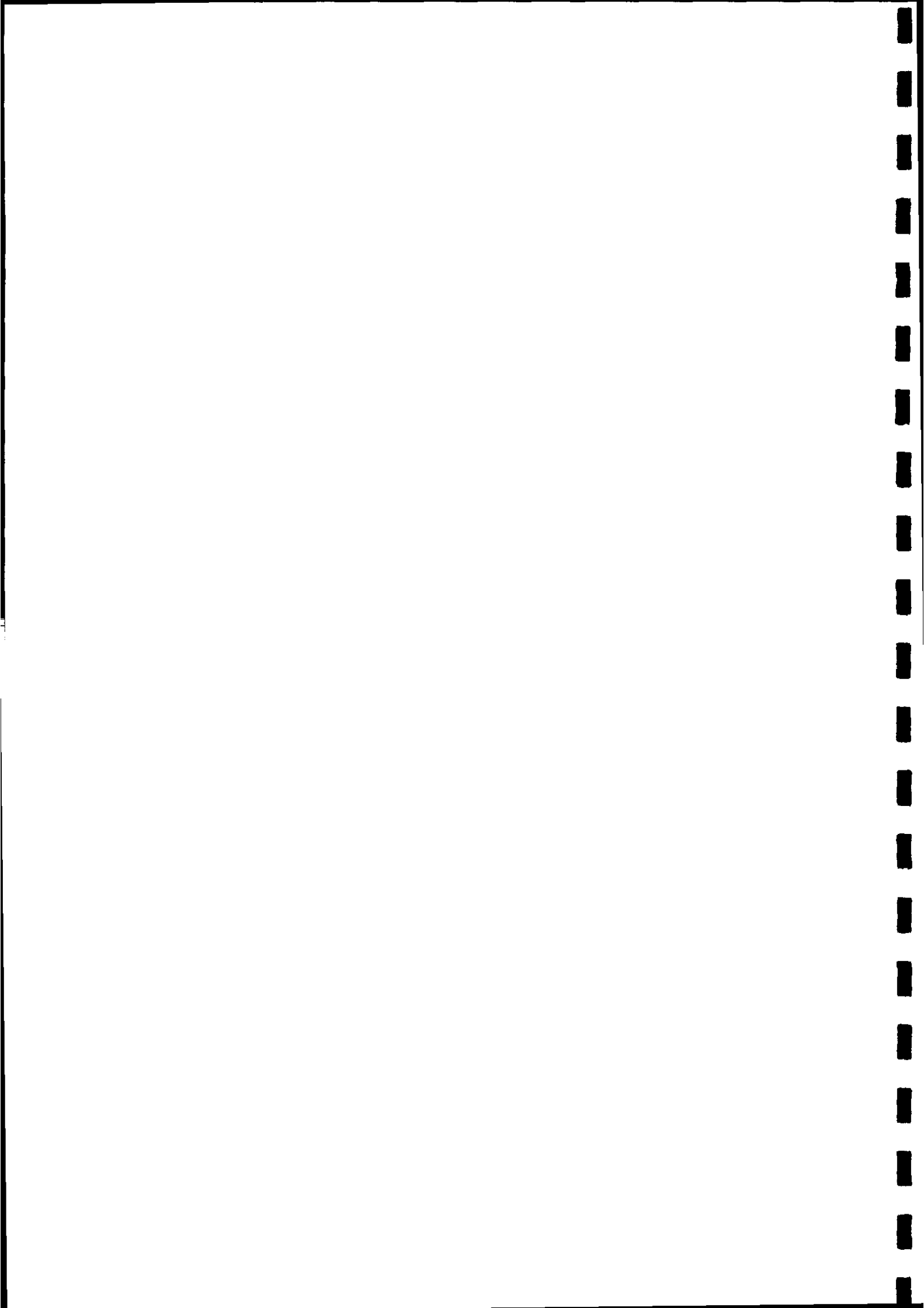
	2005 £	2004 £
Net incoming resources for the year	6,709	175,125
Interest receivable	(56,925)	(41,142)
Net (outgoing)/incoming resources excluding interest	(50,216)	133,983
Depreciation charge	67,153	68,358
(Increase)/decrease in stocks	(109,548)	22,100
Decrease/(increase) in debtors	9,267	(285,498)
Increase/(decrease) in creditors	232,285	(77,673)
Net cash inflow/(outflow) from operating activities	148,941	(138,730)

**17 Analysis of net funds**

	Cash at bank and in hand £	Bank overdraft £	Total £
At 31 July 2004	1,225,787	(14,126)	1,211,661
Cash flows	179,754	14,126	193,880
At 31 July 2005	1,405,541	-	1,405,541

**18 Deferred tax**

There is a deferred tax asset relating to the company's subsidiary company of £2,960 (2004: £3,800) 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 2005 £</b>	<b>Total 2004 £</b>
<b>Turnover</b>	<b>431,303</b>	761,784
Cost of sales	(209,791)	(468,925)
<b>Gross profit</b>	<b>221,512</b>	292,859
Administrative expenses	(217,064)	(232,316)
Charitable donation to parent	-	(49,547)
<b>Operating profit</b>	<b>4,448</b>	10,996
Interest receivable	742	604
<b>Profit for the year</b>	<b>5,190</b>	11,600

The aggregate of the assets and liabilities was:

	<b>2005 £</b>	<b>2004 £</b>
<b>Assets</b>	<b>304,688</b>	284,564
<b>Liabilities</b>	<b>(230,365)</b>	(215,431)
	<b>74,323</b>	69,133
<b>Share capital</b>	<b>2</b>	2
<b>Profit and loss account</b>	<b>74,321</b>	69,131
	<b>74,323</b>	69,133



## Notes (continued)

### 20 Related party transactions

North Wales Science Ltd is considered to be a related party since JB McDowall and P Trevitt, the chief executive officer are directors of that company. Techniquet has an agreement in place to provide certain exhibits and associated maintenance services to 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 (2004: £108,000);
- The sale of exhibits generating income of £nil (2004: £41,998);
- Passed on grant income on behalf of the Welsh Assembly Government amounting to £315,000 (2004: £315,000); 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.

### 21 Pension Scheme

The company operates a defined contribution pension scheme. The pension scheme cost charge for the year represents contributions payable by the company to the scheme and amounted to £26,091 (2004: £24,366). Contributions amounting to £1,822 (2004: Nil) were payable to the scheme and are included in creditors.

