

COMPANY REGISTRATION NUMBER 3076190

**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

31 MARCH 2010

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010**

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UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Lord Lindsay
Mr Paul Stennett
Dr Jane Beaumont
Sir Duncan Nichol
Sir Paul Judge
Dame Suzi Leather
Professor Michael Mainelli
Mr Graham Talbot
Mr Alan Hill

COMPANY SECRETARY

Mr Alan Hill

REGISTERED OFFICE

Accreditation House
21-47 High Street
Feltham
Middlesex
TW13 4UN

AUDITOR

Menzies LLP
Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group in the year under review was that of being the sole national body responsible for providing accreditation of calibration, testing, inspection and certification organisations, and the provision of an independent external audit service for pathology departments.

The results for the year are set out on page 6.

The group has evolved in the year ended 31 March 2010 following the acquisition of Clinical Pathology Accreditation (UK) Limited on 8 April 2009. These financial statements therefore reflect the trading activities and results of both United Kingdom Accreditation Service and Clinical Pathology Accreditation (UK) Limited. As the acquisition of Clinical Pathology Accreditation (UK) Limited took place at the beginning of the year the 2009 comparative figures only reflect the results of United Kingdom Accreditation Services. The comparative figures for 2009 have also been restated to reflect a prior year adjustment in respect of deferred taxation, see Note 12 for more details.

The integrated group has achieved an operating profit £742,734 and a gross margin of 40%.

Below we give a brief analysis of the performance of United Kingdom Accreditation Service as an individual entity.

In the year to March 2010, the company delivered over 15,737 (2009: 14,800) days of accreditation, a record performance and over 6% higher than in the previous year. The directors attribute this continued growth to the effects of the company's ongoing campaign to raise the awareness of the benefits of accreditation within government and amongst consumers.

The financial performance this year was positive and the company continues to be profitable. In monetary terms turnover was up 6.9%, resulting in an increase in gross profit of 15%. The gross margin increased from 34% to 37% due to tighter controls over expenses during the year. The control over administration and other expenses resulted in a profit after tax of £243,778, compared to the restated profit of £178,894 in the previous year. The company's balance sheet continues to show a healthy current ratio of current assets to short term creditors of 2.25 times.

The company continues to report internally on a series of Key Performance Indicators such as the number of days of assessment delivered, the number of customers visited and the efficiency and effectiveness of the service. In addition to this the company constantly survey its customer base to ensure that the quality of service is maintained at the highest levels.

FUTURE DEVELOPMENTS

During the year the company acquired Clinical Pathology Accreditation (UK) Limited, a world leader in the accreditation of medical laboratories. The company is now operating as a separate trading subsidiary. The directors believe CPA, coupled with other projects such as the launch of Imaging Services Accreditation Scheme and development of Healthcare Information Accreditation Scheme, clearly demonstrates the growing demand for UKAS accreditation to help deliver high quality healthcare services.

RESULTS

The profit for the year, after taxation, amounted to £456,270.

The company's constitution prohibits a distribution to members of the accumulated surplus.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

DIRECTORS

The directors who served the company during the year were as follows:

Lord Lindsay
Mr Paul Stennett
Dr Jane Beaumont
Sir Duncan Nichol
Professor Colin Dennis
Sir Paul Judge
Dame Suzi Leather
Professor Michael Mainelli
Mr Graham Talbot
Mr Alan Hill

Sir Duncan Nichol was appointed as a director on 6 October 2009.
Mr Alan Hill was appointed as a director on 6 October 2009.

Professor Colin Dennis retired as a director on 6 October 2009.

GOING CONCERN

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

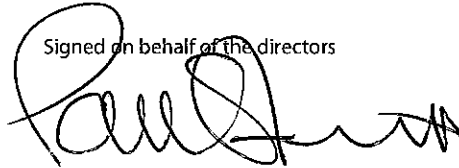
In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Morley and Scott merged its audit practice with that of Menzies LLP with effect from 18 November 2009 with the successor firm being Menzies LLP. Morley and Scott resigned as auditors on 17 November 2009 creating a casual vacancy, which the directors filled by appointing Menzies LLP on 23 February 2010. Accordingly, a resolution to appoint Menzies LLP as auditors for the ensuing year in accordance with section 485 of the Companies Act 2006 will be made.

Registered office:
Accreditation House
21-47 High Street
Feltham
Middlesex
TW13 4UN

Signed on behalf of the directors

Mr Paul Stennett
Director

Approved by the directors on 6/7/10

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED KINGDOM ACCREDITATION SERVICE

YEAR ENDED 31 MARCH 2010

We have audited the group and parent company financial statements ("the financial statements") of United Kingdom Accreditation Service for the year ended 31 March 2010 on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2010 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

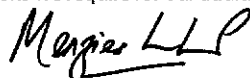
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



MALCOLM LUCAS FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

26/7/10

**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2010**

		2010		2009 (restated)	
	Note	£	£	£	£
TURNOVER	2				
Continuing operations		14,723,092		13,772,176	
Acquisitions		3,058,437		–	
		<u>17,781,529</u>		<u>13,772,176</u>	
Group Turnover			17,781,529		13,772,176
Cost of sales	3		(10,678,078)		(9,046,520)
GROSS PROFIT			7,103,451		4,725,656
Net operating expenses	3		6,360,717		4,568,096
OPERATING PROFIT:	5				
Continuing operations		435,176		157,560	
Acquisitions		307,558		–	
GROUP OPERATING PROFIT			742,734		157,560
Interest receivable and similar income	8		7,370		84,617
Interest payable and similar charges	9		(80,000)		–
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			670,104		242,177
Tax on profit on ordinary activities	10		213,834		63,283
PROFIT FOR THE FINANCIAL YEAR	11		<u>456,270</u>		<u>178,894</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 11 to 25 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2010

	2010	2009 <i>(restated)</i>
	£	£
Profit for the financial year attributable to the members of the parent company	456,270	178,894
Actuarial (loss) in respect of defined benefit pension scheme	(750,000)	(1,610,000)
Deferred tax in respect of defined benefit pension scheme	210,000	451,640
Total recognised gains and (losses) relating to the year	<u>(83,730)</u>	<u>(979,466)</u>
Prior year adjustment (see note 12)	758,800	329,560
Total gains and (losses) recognised since the last annual report	<u>675,070</u>	<u>(649,906)</u>

The notes on pages 11 to 25 form part of these financial statements.

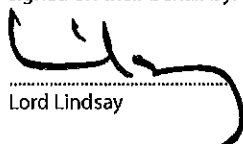
**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

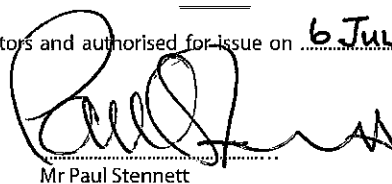
GROUP BALANCE SHEET

31 MARCH 2010

	Note	2010		2009 (restated)	
		£	£	£	£
FIXED ASSETS					
Intangible assets	13		549,121		-
Tangible assets	14		200,508		200,276
			<u>749,629</u>		<u>200,276</u>
CURRENT ASSETS					
Stocks	16	193,961		187,402	
Debtors	17	2,712,927		3,224,429	
Cash at bank and in hand		2,263,322		1,280,174	
		<u>5,170,210</u>		<u>4,692,005</u>	
CREDITORS: Amounts falling due within one year	19	<u>2,298,207</u>		<u>1,815,319</u>	
NET CURRENT ASSETS			<u>2,872,003</u>		<u>2,876,686</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,621,632</u>		<u>3,076,962</u>
PROVISIONS FOR LIABILITIES					
Other provisions; provisions for liabilities	20		244,675		69,875
NET ASSETS EXCLUDING PENSION LIABILITY			<u>3,376,957</u>		<u>3,007,087</u>
Defined benefit pension scheme liability	21		(2,404,800)		(1,951,200)
NET ASSETS INCLUDING PENSION LIABILITY			<u>972,157</u>		<u>1,055,887</u>
RESERVES	25				
Other reserves	26		300,406		300,406
Profit and loss account	26		671,751		755,481
MEMBERS' FUNDS			<u>972,157</u>		<u>1,055,887</u>

These financial statements were approved by the directors and authorised for issue on 6 July 2010 and are signed on their behalf by:


Lord Lindsay


Mr Paul Stennett

The notes on pages 11 to 25 form part of these financial statements.

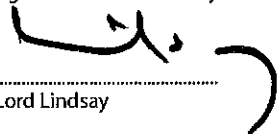
**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

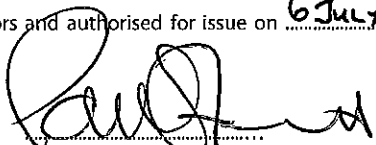
BALANCE SHEET

31 MARCH 2010

	Note	2010		2009 (restated)	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		121,003		200,276
Investments	15		715,098		-
			836,101		200,276
CURRENT ASSETS					
Stocks	16	193,961		187,402	
Debtors	17	2,575,841		3,224,429	
Cash at bank and in hand		1,543,854		1,280,174	
		4,313,656		4,692,005	
CREDITORS: Amounts falling due within one year	19	1,915,417		1,815,319	
NET CURRENT ASSETS			2,398,239		2,876,686
TOTAL ASSETS LESS CURRENT LIABILITIES			3,234,340		3,076,962
PROVISIONS FOR LIABILITIES					
Other provisions; provisions for liabilities	20		69,875		69,875
NET ASSETS EXCLUDING PENSION LIABILITY			3,164,465		3,007,087
Defined benefit pension scheme liability	21		(2,404,800)		(1,951,200)
NET ASSETS INCLUDING PENSION LIABILITY			759,665		1,055,887
RESERVES	25				
Other reserves	26		300,406		300,406
Profit and loss account	26		459,259		755,481
MEMBERS' FUNDS			759,665		1,055,887

These financial statements were approved by the directors and authorised for issue on 6 July 2010, and are signed on their behalf by:


.....
Lord Lindsay


.....
Mr Paul Stennett

Company Registration Number: 3076190

The notes on pages 11 to 25 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2010

		2010		2009 <i>(restated)</i>	
	Note	£	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	27		1,525,103		(228,318)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	27		7,370		54,617
TAXATION	27		(233,162)		(52,484)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27		(99,214)		(8,030)
ACQUISITIONS AND DISPOSALS	27		(216,949)		–
INCREASE/(DECREASE) IN CASH	27		<u>983,148</u>		<u>(234,215)</u>

The notes on pages 11 to 25 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover comprises the following, exclusive of Value Added Tax:

(i) Accreditation services

The annual accreditation fees are recognised when invoiced. All other accreditation services are recognised when the work has been carried out.

(ii) Training and contracts

Income is recognised when the project or event has occurred.

(iii) Income is recognised at the point of sale.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	over 20 years
----------	---------------

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	10% on cost
Plant & Machinery	25% straight line
Fixtures, Fittings & Equipment	between 10% and 20% on cost
Motor Vehicles	33% on cost
Computer Equipment	33% on cost

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Work in progress is contracted services performed but not invoiced at the balance sheet date. As the services are complete at the balance sheet date the work in progress is stated at the recoverable amount invoiced post year end.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES *(continued)*

Pension costs and other post-retirement benefits

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company.

Financial Reporting Standard 17 (FRS 17) has been adopted to reflect the fair value of assets and liabilities arising from the employer's retirement benefit obligations in the accounting period in which they are earned, and to reflect any unfunded liabilities of the pension fund on the balance sheet.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account as other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred taxation balance has not been discounted. Deferred taxation is not provided in respect of timing differences arising from the revaluation of fixed assets unless it is likely that the gain will not be rolled over.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Investments

Investments are stated at costs less any provision for impairment in value.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Deferred income

Deferred income constitutes the accumulated invoiced first and annual surveillance fees which are recognised in the profit and loss account when the major part of the service is performed (see accreditation services turnover policy).

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover is given below:

	2010	2009 <i>(restated)</i>
	£	£
United Kingdom	15,554,546	11,521,481
Europe	891,562	927,549
Other	1,335,421	1,323,146
	<u>17,781,529</u>	<u>13,772,176</u>

3. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Continuing operations	Acquired operations	Total
	£	£	£
YEAR ENDED 31 MARCH 2010			
Cost of sales	9,273,511	1,404,567	10,678,078
Administrative expenses	5,014,405	1,402,588	6,416,993
Other operating income	-	(56,276)	(56,276)
Net operating expenses	<u>5,014,405</u>	<u>1,346,312</u>	<u>6,360,717</u>
YEAR ENDED 31 MARCH 2009 (RESTATED)			
Turnover	13,772,176	-	13,772,176
Cost of sales	9,046,520	-	9,046,520
Gross profit	<u>4,725,656</u>	-	<u>4,725,656</u>
Administrative expenses	4,568,096	-	4,568,096
Net operating expenses	<u>4,568,096</u>	-	<u>4,568,096</u>
Operating profit	<u>157,560</u>	-	<u>157,560</u>

4. OTHER OPERATING INCOME

	2010	2009 <i>(restated)</i>
	£	£
Other operating income	<u>56,276</u>	<u>-</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

5. OPERATING PROFIT

Operating profit is stated after charging:

	2010	2009 <i>(restated)</i>
	£	£
Amortisation of intangible assets	28,901	-
Depreciation of owned fixed assets	134,686	106,599
Loss on disposal of fixed assets	2,900	-
Auditors' remuneration		
- as auditor	24,750	16,035
Operating lease costs:		
- Other	<u>561,540</u>	<u>462,688</u>

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2010	2009 <i>(restated)</i>
	No	No
Number of office management staff	76	59
Number of technical staff	109	84
	<u>185</u>	<u>143</u>

The aggregate payroll costs of the above were:

	2010	2009 <i>(restated)</i>
	£	£
Wages and salaries	7,193,578	5,696,762
Social security costs	810,311	530,540
Other pension costs	630,599	590,627
Directors' pensions	56,783	52,670
	<u>8,691,271</u>	<u>6,870,599</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 8), charged to finance costs (see note 9), and amounts recognised in the statement of recognised gains and losses.

7. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2010	2009 <i>(restated)</i>
	£	£
Aggregate remuneration	544,029	529,130
Value of company pension contributions	56,783	52,670
	<u>600,812</u>	<u>581,800</u>

**UNITED KINGDOM ACCREDITATION SERVICE
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

7. DIRECTORS' REMUNERATION (continued)

Remuneration of highest paid director:

	2010	2009 (restated)
	£	£
Total remuneration (excluding pension contributions)	152,826	139,658
Value of company pension contributions	19,989	18,144
	<u>172,815</u>	<u>157,802</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2010	2009 (restated)
	No	No
Defined benefit schemes	<u>4</u>	<u>4</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009 (restated)
	£	£
Bank interest receivable	7,370	54,617
Net finance income in respect of defined benefit pension schemes	-	30,000
	<u>7,370</u>	<u>84,617</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009 (restated)
	£	£
Net finance costs in respect of defined benefit pension scheme	<u>80,000</u>	<u>-</u>

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010	2009 (restated)
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2009 - 21%)	176,531	43,782
(Over)/under provision in prior year	3,703	-
Total current tax	<u>180,234</u>	<u>43,782</u>
Deferred tax:		
Origination and reversal of timing differences	33,600	19,501
Tax on profit on ordinary activities	<u>213,834</u>	<u>63,283</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

10. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 21%).

	2010	2009 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	670,104	242,177
Profit on ordinary activities by rate of tax	173,490	50,857
Expenses not deductible for tax purposes	2,566	(16,047)
Capital allowances for period in excess of depreciation	(99)	8,972
Adjustments to tax charge in respect of previous periods	3,703	-
Other	3,569	-
Goodwill amortisation on consolidation	7,483	-
FRS 17 pension scheme adjustments	(10,478)	-
Total current tax (note 10(a))	<u>180,234</u>	<u>43,782</u>

11. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £243,778 (2009 - £178,894).

12. PRIOR YEAR ADJUSTMENT

The company sponsors the United Kingdom Accreditation Service Pension Scheme which is a defined benefit scheme. As such the deficiency in the present value of funded obligation over the scheme assets is included in these financial statements (Note 21 refers). This year, in view of its size, these financial statements also include the deferred tax asset relating to the net pension liability. Accordingly the 2009 comparative figures have been restated to reflect the deferred tax asset for last year. This has resulted in a reduction of the 2009 defined benefit pension scheme liability by £758,800 which in turn has increased the total members' funds by £758,800 at 31 March 2009.

13. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	578,022
At 31 March 2010	<u>578,022</u>
AMORTISATION	
Charge for the year	28,901
At 31 March 2010	<u>28,901</u>
NET BOOK VALUE	
At 31 March 2010	<u>549,121</u>
At 31 March 2009	<u>-</u>

**UNITED KINGDOM ACCREDITATION SERVICE
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YEAR ENDED 31 MARCH 2010

14. TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Computer Equipment £	Total £
COST						
At 1 Apr 2009	252,130	-	447,904	51,292	306,111	1,057,437
Additions	-	76,654	6,535	2,000	19,160	104,349
Disposals	-	-	-	(8,035)	-	(8,035)
Acquisition of subsidiary	13,107	189,952	75,588	-	-	278,647
At 31 Mar 2010	<u>265,237</u>	<u>266,606</u>	<u>530,027</u>	<u>45,257</u>	<u>325,271</u>	<u>1,432,398</u>
DEPRECIATION						
At 1 Apr 2009	237,583	-	362,576	24,268	232,734	857,161
Charge for the year	2,013	33,764	28,870	1,180	68,859	134,686
Acquisition of subsidiary	13,107	161,332	65,604	-	-	240,043
At 31 Mar 2010	<u>252,703</u>	<u>195,096</u>	<u>457,050</u>	<u>25,448</u>	<u>301,593</u>	<u>1,231,890</u>
NET BOOK VALUE						
At 31 Mar 2010	<u>12,534</u>	<u>71,510</u>	<u>72,977</u>	<u>19,809</u>	<u>23,678</u>	<u>200,508</u>
At 31 Mar 2009	<u>14,547</u>	<u>-</u>	<u>85,328</u>	<u>27,024</u>	<u>73,377</u>	<u>200,276</u>
Company						
	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Computer Equipment £	Total £	
COST						
At 1 April 2009	252,130	447,904	51,292	306,111	1,057,437	
Additions	-	5,845	2,000	19,160	27,005	
Disposals	-	-	(8,035)	-	(8,035)	
At 31 March 2010	<u>252,130</u>	<u>453,749</u>	<u>45,257</u>	<u>325,271</u>	<u>1,076,407</u>	
DEPRECIATION						
At 1 April 2009	237,583	362,576	24,268	232,734	857,161	
Charge for the year	2,013	26,191	1,180	68,859	98,243	
At 31 March 2010	<u>239,596</u>	<u>388,767</u>	<u>25,448</u>	<u>301,593</u>	<u>955,404</u>	
NET BOOK VALUE						
At 31 March 2010	<u>12,534</u>	<u>64,982</u>	<u>19,809</u>	<u>23,678</u>	<u>121,003</u>	
At 31 March 2009	<u>14,547</u>	<u>85,328</u>	<u>27,024</u>	<u>73,377</u>	<u>200,276</u>	

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

15. INVESTMENTS

Company	Group companies £
COST	
Additions	715,098
At 31 March 2010	<u>715,098</u>
NET BOOK VALUE	
At 31 March 2010	<u>715,098</u>
At 31 March 2009	<u>-</u>

On 8 April 2009, United Kingdom Accreditation Service Limited acquired 100% of the issued share capital of Clinical Pathology Accreditation (UK) Limited.

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Clinical Pathology Accreditation (UK) Limited	England	Ordinary shares	100%	An external audit service for pathology departments

16. STOCKS

	Group		Company	
	2010	2009 <i>(restated)</i>	2010	2009 <i>(restated)</i>
	£	£	£	£
Work in progress	<u>193,961</u>	<u>187,402</u>	<u>193,961</u>	<u>187,402</u>

17. DEBTORS

	Group		Company	
	2010	2009 <i>(restated)</i>	2010	2009 <i>(restated)</i>
	£	£	£	£
Trade debtors	2,334,304	2,979,293	2,218,030	2,979,293
Amounts owed by group undertakings	-	-	13,763	-
Other debtors	713	-	-	-
Deferred taxation (Note 18)	813	813	813	813
Prepayments and accrued income	377,097	244,323	343,235	244,323
	<u>2,712,927</u>	<u>3,224,429</u>	<u>2,575,841</u>	<u>3,224,429</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

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18. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2010	2009 (restated)	2010	2009 (restated)
	£	£	£	£
Asset/Provision brought forward	813	(2,086)	813	(2,086)
Increase in asset	-	2,899	-	2,899
Asset carried forward	<u>813</u>	<u>813</u>	<u>813</u>	<u>813</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2010		2009	
	Provided	Unprovided	Provided (restated)	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>813</u>	<u>-</u>	<u>813</u>	<u>-</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2010		2009	
	Provided	Unprovided	Provided (restated)	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>813</u>	<u>-</u>	<u>813</u>	<u>-</u>

19. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009 (restated)	2010	2009 (restated)
	£	£	£	£
Trade creditors	-	-	7	-
Other creditors including taxation and social security:				
Corporation tax	476,649	441,375	430,163	441,375
Other taxation and social security	176,528	43,782	96,746	43,782
Other creditors	734,356	591,233	693,290	591,233
Other creditors	13,083	-	-	-
Accruals and deferred income	897,591	738,929	695,211	738,929
	<u>2,298,207</u>	<u>1,815,319</u>	<u>1,915,417</u>	<u>1,815,319</u>

20. OTHER PROVISIONS; PROVISIONS FOR LIABILITIES

	Group		Company	
	2010	2009 (restated)	2010	2009 (restated)
	£	£	£	£
Dilapidations	99,875	69,875	69,875	69,875
Redundancy	144,800	-	-	-
	<u>244,675</u>	<u>69,875</u>	<u>69,875</u>	<u>69,875</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Clinical Pathology Accreditation (UK) Limited operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £83,014 (2009 - £72,189). Contributions totalling £7,069 (2009 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

United Kingdom Accreditation Service operates a defined benefit scheme in the United Kingdom. The company sponsors the United Kingdom Accreditation Service Pension Scheme which is a defined benefit arrangement providing benefits on a career average basis. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2009 and the results of this have been updated on an approximate basis to 31 March 2010.

The contributions made by the employer over the financial year were £748,000 (2009: £700,000), equivalent to 14% of pensionable salaries. This contribution rate is to continue until reviewed following the triennial valuation of the scheme. Member contributions are payable in addition at the rate of 5% of pensionable pay.

The amounts recognised in the profit and loss account are as follows:

	2010 £	2009 £
<i>Amounts charged to operating profit:</i>		
Current service cost	550,000	650,000
Total operating charge	<u>550,000</u>	<u>650,000</u>
<i>Amounts included in other finance cost/(income):</i>		
Expected return on scheme assets	(840,000)	(920,000)
Interest on scheme liabilities	920,000	890,000
Other finance cost/(income)	<u>80,000</u>	<u>(30,000)</u>
Total charge to the profit and loss account	<u>630,000</u>	<u>620,000</u>

The total operating charge is recognised in the following line items in the profit and loss account:

	2010 £	2009 £
Administrative expenses	550,000	650,000
Total operating charge	<u>550,000</u>	<u>650,000</u>

Other finance cost is included in the profit and loss account within interest payable and similar charges.

Actuarial losses of £(750,000) (2009: £(1,610,000)) have been recognised in the statement of total recognised gains and losses.

The amounts recognised in the balance sheet are as follows:

	2010 £	2009 £
Present value of funded obligations	(18,320,000)	(12,820,000)
Fair value of scheme assets	14,980,000	10,110,000
	<u>(3,340,000)</u>	<u>(2,710,000)</u>
Related deferred tax asset	935,200	758,800
Net pension liability	<u>(2,404,800)</u>	<u>(1,951,200)</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Changes in the present value of the defined benefit obligation scheme are as follows:

	2010	2009
	£	£
Opening defined benefit obligation	12,820,000	12,830,000
Current service cost	550,000	650,000
Interest on scheme liabilities	920,000	890,000
Actuarial loss/(gain)	3,870,000	(1,560,000)
Contribution	280,000	250,000
Benefits paid	(120,000)	(240,000)
Closing defined benefit obligation	<u>18,320,000</u>	<u>12,820,000</u>

Changes in the fair value of scheme assets are as follows:

	2010	2009
	£	£
Opening fair value of scheme assets	10,110,000	11,650,000
Expected return on scheme assets	840,000	920,000
Contributions by employer	750,000	700,000
Contributions by scheme participants	280,000	250,000
Actuarial gain/(loss)	3,120,000	(3,170,000)
Benefits paid	(120,000)	(240,000)
Closing fair value of scheme assets	<u>14,980,000</u>	<u>10,110,000</u>

The actual return on the scheme assets over the period ending 31 March 2010 was £3,960,000 (2009: (£2,250,000)).

The fair value of the major categories of scheme assets are as follows:

	2010	2009
	£	£
Equity	10,630,000	6,700,000
Non - gilt bonds	1,920,000	1,540,000
Gilts	1,880,000	1,270,000
Property	520,000	470,000
Cash	30,000	130,000
Fair value of scheme assets	<u>14,980,000</u>	<u>10,110,000</u>

None of the fair values of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company.

The principal actuarial assumptions as at the balance sheet date were:

	2010	2009
	%	%
Discount rate	5.60	7.00
Inflation	3.80	3.10
Allowance for pension in payment increase of RPI or 5% p.a if less	3.80	3.10
Revaluation of pensionable pay and of post 1/10/2003 deferred pensioners' benefits	-	3.80
Revaluation rate for pre 1/10/2003 deferred pensioners	3.80	3.10

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Amounts for the current and previous four periods are as follows:

	2010 £	2009 £	2008 £	2007 £	2006 £
Defined benefit obligation	(18,320,000)	(12,820,000)	(12,830,000)	(13,510,000)	(10,670,000)
Fair value of scheme assets	14,980,000	10,110,000	11,650,000	11,240,000	9,580,000
Deficit in the scheme	<u>(3,340,000)</u>	<u>(2,710,000)</u>	<u>(1,180,000)</u>	<u>(2,270,000)</u>	<u>(1,090,000)</u>
Experience adjustments on scheme liabilities (£)	780,000	310,000	(80,000)	(290,000)	-
Experience adjustments on scheme assets (£)	3,120,000	(3,170,000)	(1,130,000)	(40,000)	1,170,000

The best estimate of contributions to be paid by the company to the scheme for the period beginning after 31 March 2010 is £760,000 (2009: £700,000).

22. COMMITMENTS UNDER OPERATING LEASES

At 2010 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2010		2009	
	Land and buildings £	Other items £	Land and buildings (restated) £	Other items £
Operating leases which expire:				
Within 1 year	34,000	-	255,000	5,657
Within 2 to 5 years	255,000	24,124	-	20,061
After more than 5 years	-	122	-	-
	<u>289,000</u>	<u>24,246</u>	<u>255,000</u>	<u>25,718</u>

At 2010 the company had annual commitments under non-cancellable operating leases as set out below.

Company	2010		2009	
	Land and buildings £	Other items £	Land and buildings (restated) £	Other items £
Operating leases which expire:				
Within 1 year	-	-	255,000	5,657
Within 2 to 5 years	255,000	21,124	-	20,061
	<u>255,000</u>	<u>21,124</u>	<u>255,000</u>	<u>25,718</u>

23. CONTROL

Ultimate control is vested in the individual members and directors as, being a company limited by guarantee, there are no shareholders.

24. RELATED PARTY TRANSACTIONS

The accounts do not include details in respect of group transactions. The group is exempt from disclosure under Financial Reporting Standard 8 'Related Party Disclosures' on the grounds that the group accounts are available.

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

25. COMPANY LIMITED BY GUARANTEE

The liability of the company's individual members is limited to an amount not exceeding £1 each. The company is prohibited from the distribution of any net surplus generated to its members. Upon a winding up or dissolution of the company, any residual net assets are to be transferred to a body with similar objects to the company including a prohibition on distribution.

26. RESERVES

Group	Other reserves £	Profit and loss account (restated) £
Balance brought forward as previously reported	300,406	(3,319)
Prior year adjustment (note 12)	–	758,800
	<u>300,406</u>	<u>755,481</u>
Restated balance as at 1 April 2009	300,406	755,481
Profit for the year	–	456,270
Defined benefit pension scheme	–	(750,000)
Deferred tax in respect of defined benefit pension scheme	–	210,000
	<u>300,406</u>	<u>671,751</u>
Balance carried forward	<u>300,406</u>	<u>671,751</u>
Company	Other reserves £	Profit and loss account (restated) £
Balance brought forward as previously reported	300,406	(3,319)
Prior year adjustment (note 12)	–	758,800
	<u>300,406</u>	<u>755,481</u>
Restated balance as at 1 April 2009	300,406	755,481
Profit for the year	–	243,778
Defined benefit pension scheme	–	(750,000)
Deferred tax in respect of defined benefit pension scheme	–	210,000
	<u>300,406</u>	<u>459,259</u>
Balance carried forward	<u>300,406</u>	<u>459,259</u>

27. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2010 £	2009 (restated) £
Operating profit	742,734	157,560
Amortisation	28,901	–
Depreciation	134,686	106,597
Loss on disposal of fixed assets	2,900	–
Increase in stocks	(6,559)	(101,933)
Decrease/(increase) in debtors	882,095	(467,200)
(Decrease)/increase in creditors	(234,454)	151,658
Increase/(decrease) in provisions	174,800	(25,000)
Defined benefit pension scheme contributions paid	(750,000)	(700,000)
Defined benefit scheme current service cost	550,000	650,000
	<u>1,525,103</u>	<u>(228,318)</u>
Net cash inflow/(outflow) from operating activities	<u>1,525,103</u>	<u>(228,318)</u>

**UNITED KINGDOM ACCREDITATION SERVICE
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010	2009 <i>(restated)</i>
	£	£
Interest received	7,370	54,617
Net cash inflow from returns on investments and servicing of finance	<u>7,370</u>	<u>54,617</u>

TAXATION

	2010	2009 <i>(restated)</i>
	£	£
Taxation	<u>(233,162)</u>	<u>(52,484)</u>

CAPITAL EXPENDITURE

	2010	2009 <i>(restated)</i>
	£	£
Payments to acquire tangible fixed assets	(104,349)	(8,030)
Receipts from sale of fixed assets	5,135	-
Net cash outflow from capital expenditure	<u>(99,214)</u>	<u>(8,030)</u>

ACQUISITIONS AND DISPOSALS

	2010	2009 <i>(restated)</i>
	£	£
Cash paid to acquire trade/business	(715,098)	-
Net cash acquired with trade/business	498,149	-
Net cash outflow from acquisitions and disposals	<u>(216,949)</u>	<u>-</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010	2009 <i>(restated)</i>
	£	£
Increase/(Decrease) in cash in the period	983,148	(234,215)
Movement in net funds in the period	983,148	(234,215)
Net funds at 1 April 2009	1,280,174	1,514,389
Net funds at 31 March 2010	<u>2,263,322</u>	<u>1,280,174</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2009	Cash flows	At 31 Mar 2010
	£	£	£
Net cash:			
Cash in hand and at bank	1,280,174	983,148	2,263,322
Net funds	<u>1,280,174</u>	<u>983,148</u>	<u>2,263,322</u>

UNITED KINGDOM ACCREDITATION SERVICE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

28. ACQUISITIONS AND DISPOSALS

Clinical Pathology Accreditation (UK) Limited was acquired on 8 April 2009. The value of its assets and liabilities on that date were as follows:

	Fair value and book value
	£
Tangible fixed assets	38,604
Debtors	370,593
Cash	498,149
Creditors	(758,341)
Accruals and deferred income	(11,929)
	<u>137,076</u>
Goodwill acquired	<u>578,022</u>
Satisfied by:	
Consideration paid - Cash	<u>715,098</u>

The previous financial period of Clinical Pathology Accreditation (UK) Limited was from 1 April 2008 to 31 March 2009. The summarised profit and loss account for this period was as follows:

Turnover	£3,022,189
Operating profit/(loss)	£500,943
Profit/(loss) before tax	£565,953
Tax	£185,673
Profit/(loss) after tax	£380,280

There was no material movement in profit and loss account for the current financial period to the date of acquisition, 1 April 2009 to 8 April 2009, other than a dividend payment of £1,500,000 on 1 April 2009.