

CORGI Services Limited

Report and Financial Statements

Year Ended

31 March 2004

CORGI Services Limited

Annual report and financial statements for the year ended 31 March 2004

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Directors

M A Thompson	Chief Executive
I G Powney	Finance Director
B Adams	Service Operations Director
S Bratt	Commercial Director

Secretary and registered office

P T Caine ACIS, 1 Elmwood, Chineham Business Park, Crockford Lane, Basingstoke, Hampshire, RG24 8WG

Company number

03268198

Auditors

BDO Stoy Hayward LLP, Connaught House, Alexandra Terrace
Guildford, Surrey, GU1 3DA

Bankers

Natwest, PO Box 6451, 3 London Street, Basingstoke, Hampshire, RG21 7FP

Solicitors

Stringer Saul, 17 Hanover Square, London, W15 1AV

Bates, Wells & Braithwaite, Cheapside House, 138 Cheapside, London, EC2V 6BB

Risk & Insurance Advisors

Aon Limited, Richmond House, College Street, Southampton, SO14 3PS

CORGI Services Limited

Report of the directors for the year ended 31 March 2004

The directors present their report together with the audited financial statements for the year ended 31 March 2004.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend payment of a final dividend.

Principal activities

The company's principal activities are incident investigations, seminars and consultancy services, printing, and the sale of merchandise. The company is a wholly owned subsidiary of CORGI - The Council for Registered Gas Installers.

Review of business and future developments

CORGI Services Limited provides commercially based services to the gas industry and other organisations. Services include direct merchandising, consultancy, training, incident investigation and specialised card printing.

During the year, the company made a profit before tax of £391,941. The results are in line with expectations, and the directors view the future with confidence.

Directors

The directors of the company during the year were:

M A Thompson	(appointed 1 January 2004)
R D Henry	(resigned 31 December 2003)
I G Powney	
B Adams	
S Bratt	

No director had any beneficial interest in the share capital of the company nor in the shares of any other group companies.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward LLP have been appointed as auditors for the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

P T Caine ACIS

Secretary

Date: 20 July 2004

To the shareholders of CORGI Services Limited

We have audited the financial statements of CORGI Services Limited for the year ended 31 March 2004 on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Guildford

Date: 3 August 2004

CORGI Services Limited**Profit and loss account for the year ended 31 March 2004**

	Note	2004 £	2003 £
Turnover	2	5,130,414	3,455,982
Cost of sales		2,356,327	1,440,567
		<hr/>	<hr/>
Gross profit		2,774,087	2,015,415
Administrative expenses		2,405,909	1,633,590
		<hr/>	<hr/>
Operating profit	3	368,178	381,825
Interest receivable and similar income		23,763	30,137
		<hr/>	<hr/>
Profit on ordinary activities before taxation		391,941	411,962
Taxation on profit on ordinary activities	4	106,600	129,888
		<hr/>	<hr/>
Profit on ordinary activities after taxation		285,341	282,074
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 12 form part of these financial statements.

CORGI Services Limited**Balance sheet at 31 March 2004**

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	5		100,703		96,366
Current assets					
Stocks	6	230,122		152,213	
Debtors	7	1,864,099		1,749,945	
Cash at bank and in hand		190,594		60,596	
		2,284,815		1,962,754	
Creditors: amounts falling due within one year	8	574,405		533,348	
Net current assets			1,710,410		1,429,406
Total assets less current liabilities			1,811,113		1,525,772
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account			1,811,111		1,525,770
Equity shareholders' funds			1,811,113		1,525,772

The financial statements were approved by the Board on 20 July 2004.

M A Thompson
Director

The notes on pages 7 to 12 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by The Council for Registered Gas Installers and the company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 33 1/3% on a straight line basis per annum
Plant and equipment	- 20% on a straight line basis per annum
Fixtures and fittings	- 20% on a straight line basis per annum

Tangible fixed assets costing less than £5,000 per individual item are written off to the profit and loss account in the year of acquisition.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted to reflect the time value of money.

Cost Allocation

All support costs are accounted for in CORGI and costs are allocated to CORGI Services Limited on the following basis. Facilities are charged pro rata on building space utilised. Support function costs are charged based on headcount in the receiving activity. CORGI operational resources engaged directly servicing CORGI Services Limited contracts are charged on a time used basis at a rate that includes a share of overhead. The cost allocations are reviewed regularly in the year to ensure appropriateness.

CORGI Services Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2004	2003
	£	£
This is arrived at after charging:		
Depreciation of tangible fixed assets	36,039	108,858
Audit services	3,500	3,500
	<u> </u>	<u> </u>

All staff are employees of CORGI and a proportion of their time is recharged to CORGI Services Limited. Therefore there are no employees or staff costs within this company.

The directors of the company receive their emoluments from CORGI for their services to the group as a whole.

4 Taxation on profit on ordinary activities

	2004	2003
	£	£
<i>UK Corporation tax</i>		
Current tax on profits of the year	105,000	130,698
Adjustment in respect of previous periods	1,600	(810)
	<hr/>	<hr/>
Total current tax	106,600	129,888
	<hr/>	<hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	391,941	411,962
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%)	117,582	123,587
Effect of:		
Expenses not deductible for tax purposes	3,776	2,173
Capital allowances for period in excess of depreciation	(6,063)	12,788
Adjustment to tax charge in respect of previous periods	1,600	(810)
Lower rate relief	(10,295)	(7,850)
	<hr/>	<hr/>
Current tax charge for period	106,600	129,888
	<hr/>	<hr/>

Factors that may affect future tax charges

The company had a deferred tax asset of £20,400 (2003 - £26,000) in respect of deferred capital allowances. This has not been recognised as it is not expected to crystallise in the foreseeable future.

5 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 April 2003	489,336	21,862	20,894	532,092
Additions	40,376	-	-	40,376
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	529,712	21,862	20,894	572,468
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2003	412,793	11,850	11,083	435,726
Provided for the year	25,989	4,371	5,679	36,039
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	438,782	16,221	16,762	471,765
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2004	90,930	5,641	4,132	100,703
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	76,543	10,012	9,811	96,366
	<hr/>	<hr/>	<hr/>	<hr/>

6 Stocks

	2004 £	2003 £
Work in progress	8,990	6,062
Finished goods and goods for resale	221,132	146,151
	<hr/>	<hr/>
	230,122	152,213
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

7 Debtors

	2004	2003
	£	£
Trade debtors	567,471	349,054
Amounts owed by group undertakings	1,182,617	1,299,840
Other debtors	63,855	51,322
Prepayments and accrued income	50,156	49,729
	<hr/>	<hr/>
	1,864,099	1,749,945
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	309,183	311,066
Corporation tax	105,000	130,698
Accruals and deferred income	160,222	91,584
	<hr/>	<hr/>
	574,405	533,348
	<hr/>	<hr/>

9 Share capital

	2004	Authorised	Allotted, called up	and fully paid
	2004	2003	2004	2003
	£	£	£	£
<i>Equity share capital</i>				
1000 ordinary shares of £1 each	1,000	1,000	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

10 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by CORGI - The Council for Registered Gas Installers on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

There were no other related party transactions during the year. In the prior year, a donation of £50,000 was made to GWINTO (Gas and Water Industry National Training Organisation), a company limited by guarantee. B Adams, a director of CORGI Services Limited, was a director of GWINTO until 21 June 2002.

11 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of CORGI - The Council for Registered Gas Installers which is the ultimate parent company.

The largest and smallest group in which the results of the company are consolidated is that headed by CORGI. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff CF4 3UZ. No other group accounts include the results of the company.

There is no ultimate controlling party.