

**The CORGI Trust**

Report and Financial Statements

Year Ended

31 March 2007

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# The CORGI Trust

## Report and financial statements for the year ended 31 March 2007

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### Information

#### Trustees

##### *Independent trustees*

Mary Benwell	Trustee throughout, Chair (from 15 January 2007)
Chris Bielby	from 21 May 2007
Jon Butterworth	from 29 May 2007
Paul Everall	from 21 May 2007
Katherine Howard	from 26 July 2006

Susan Bews	to 19 June 2006
Stanley Williams	to 19 June 2006
Ralph Ellis	from 6 January 2006 to 15 January 2007 (Chair)

##### *CGL trustees (appointed by CORGI Group Limited)*

Mike Thompson	to 13 September 2006 and from 15 January 2007
John Lillicrapp	to 13 September 2006

The directors of the charitable company The CORGI Trust ( the charity ) are its trustees for the purposes of charity law.

#### Secretary

Phillippa Caine	to 12 September 2006
Ian Powney	from 12 September 2006

#### Registered office

1 Elmwood, Chineham Park, Crockford Lane, Basingstoke, Hampshire RG24 8WG

#### Charity number

1110624

#### Company number

5492850

#### Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

#### Bankers

NatWest Bank Plc, PO Box 6451, 3 London Street, Basingstoke, Hampshire, RG21 7FP  
Kleinwort Benson Private Bank Limited, 30 Gresham Street, London, EC2V 7PG

#### Solicitors

Bates, Wells & Braithwaite, 2-6 Cannon Street, London, EC4M 6YH

#### Risk and insurance advisers

Heath Lambert Limited, 175 Kings Road, Reading, Berkshire, RG1 4EY

## The CORGI Trust

### Report of the trustees for the year ended 31 March 2007

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The trustees present their report and the audited financial statements for the year to 31 March 2007.

#### **Appointment of trustees**

The names of the trustees during the year appear on the information sheet on page 2.

The trustees have instituted a programme of training on their roles and responsibilities under charity law.

#### **Remuneration of trustees**

Up to two CGL trustees were remunerated as directors of CORGI Group Limited and its subsidiaries.

There is provision for the remuneration of one independent trustee. Ralph Ellis was remunerated during the year.

#### **Principal activities**

The principal activity of the charity is to promote gas safety.

The charity is the ultimate holding company of CORGI Group Limited. The principal activity of CORGI Group Limited is to act as the holding company for CORGI Gas Registration and CORGI Services Limited. CORGI Group Limited did not trade during the year.

The principal activity of CORGI Gas Registration is the administration of registration schemes for gas installers and their operatives to ensure quality, safety and competence.

The principal activities of CORGI Services Limited are incident investigations, seminars and consultancy services, the sale of merchandise, advertising sales, the operation of competent person schemes sponsored by the Department for Communities and Local Government and an industry-wide trade show.

#### **Organisation, objectives, activities, performance and future plans**

The CORGI Trust is a charity that was set up in 2005 primarily to promote and support gas safety. The Trust is funded by Gift Aid from the commercial activities of CORGI Group.

The CORGI Trust is the sole shareholder of CORGI Group Limited, which operates the Health and Safety Executive sponsored gas registration scheme and Competent Persons Schemes for electrical, plumbing and ventilation work, all on a not-for-profit basis. CORGI Group also operates commercial activities that generate a profit that goes to the Trust and this is currently our key source of income. While the Trust exercises the responsibility as shareholder of the CORGI Group in approving the general direction, it does not get involved in detailed operational issues.

The Trust has identified raising awareness of carbon monoxide poisoning and supporting research that will reduce the risk of death or injury from gas, as its two key priorities. We are also looking to work with partner organisations, particularly in sharing funding for key activities.

The affairs of the Trust are directed by a Board of Trustees, the majority of whom are independent and unpaid under charity law. There are up to 20 Trust Members whose role is to exercise a general overview of the work of the Board of Trustees. The Members have to agree to the reappointment of Trustees and any change to the constitution.

**Organisation, objectives, activities, performance and future plans (*continued*)**

Members are appointed in a personal capacity and are not there to represent their employer or any other organisation. While the balance of Members is selected to represent a cross section of those interested in gas safety (for example consumer bodies, gas installers, CORGI employees) all Members should seek to consider the wider interests of gas users.

The CORGI Trust was pleased to make new appointments to the CORGI Group Board effective from 1 April 2007. Former Chief Executive Mike Thompson has now been appointed as non-executive Chair of CORGI Group Limited and remains a Trustee to facilitate communication between the Trust and Group Boards. Ian Powney, CORGI's Finance Director since 2003, has been appointed the new Chief Operating Officer. Matt Sharp is now Resources Director and Matthew Stammers is Strategy and Communications Director. I wish them all the best in their new roles.

At the beginning of 2007 the Trust funded a very successful campaign to raise awareness of the dangers of carbon monoxide. The campaign was integrated across a number of channels such as television, print, email and online, to reach low income families and specifically housewives with children at home.

The campaign centred around three case studies on film that were first aired on television in 2006 after being produced in conjunction with CORGI and the Royal Society for the Prevention of Accidents (RoSPA). Each film featured the real-life story of someone who had lost a loved one to carbon monoxide poisoning and aimed to highlight the dangers of carbon monoxide poisoning and the importance of using a CORGI registered member. The films were broadcast on digital television over a month.

A media campaign that targeted key regional and trade press supported the broadcast, as well as a targeted email campaign to approximately 140,000 consumers (40,000 of whom had not had their boiler serviced in the last four years). These consumers were directed to the [Trustcorgi.com](http://Trustcorgi.com) website and a competition to win a CO detector. 500 carbon monoxide detectors were given away free. Google and Yahoo search engine advertising also directed internet users to the [Trustcorgi.com](http://Trustcorgi.com) website.

[Trustcorgi.com](http://Trustcorgi.com) now has the top search position for searches on carbon monoxide, carbon monoxide poisoning and comes third for find an installer. The results of this campaign continue to be productive, with the visits to the website increasing month on month.

The CORGI Trust has also funded a significant review document of gas safety issues and priorities for The Trust, carried out by external consultants PACE. The Trust has presented the study to all participants and other interested parties on the CORGI website.

The recommendations from the report mean the Trust will now develop a long-term strategy for raising awareness on carbon monoxide poisoning and will aim to provide targeted support to other organisations currently researching toxicology. The Trust will also work as a pressure group to lobby against the sale of gas appliances and fittings to those other than CORGI registered members.

The CORGI Trust is determined to ensure that its programme is such that it can build results long-term. The Trust has decided not to produce an open-ended grant system. It will invite competitive bids on a project-by-project basis and openly invite bids.

**Organisation, objectives, activities, performance and future plans (*continued*)**

A key set of projects began in June 2007, with the sponsorship of a joint seminar with the Health Protection Agency and the Royal Society of Medicine. The seminar enabled The CORGI Trust to understand what is known by the medical professions of the incidents of carbon monoxide poisoning, it also identified ways to foster the recognition by the profession of early symptoms of exposure. During the year 2007 to 2008 the outcomes of this event will enable the Trust to find ways of working with key agencies outside the gas industry to prevent members of the public from continuing exposure. Among the actions planned are the sponsorship of research to identify levels of exposure in homes and the relationship between exposure level and the age installation and maintenance of appliances in those homes.

The Trust will concentrate on campaigning to raise awareness of the risk of carbon monoxide targeting users in vulnerable groups and those dealing in a range of capacities with end users. Vulnerable groups include the elderly, the poor, students, those in the private rental sector, and tourists renting property. Intermediaries such as retailers and insurers are also seen as requiring targeting as a means of working towards universal safe installation for example, through warnings and reminders on packaging and through enforcing a link between regular servicing/safe installation and insurance premiums.

The Trust will explore ways to educate those working with the vulnerable groups via their own networks, like college and university fairs, the National Students Union, local authorities and housing associations. An integrated advertising and PR campaign in selected journals or national newspapers may also be considered.

The Trust will aim to get close to key influencers to persuade them into co-funding some of these activities, as well as gaining support for messages about safe installation and regular servicing of gas appliances. We believe that education, training and professional development are the best way to inform and raise awareness within the medical and safety services sectors. This will be pursued by working closely with the Department of Health and the organisations to which these professionals belong to. This should include vets also, as pets may be the first to show symptoms of carbon monoxide poisoning and these symptoms should be recognised.

The CORGI Trust has been created in order to be able to further gas safety in the UK. If it were not for the commercial activities undertaken by the CORGI Group then the means for the Trust to operate would not exist. In-line with all the other current and positive activity being worked on by the CORGI Group, the Trust is making sure to utilise the various industry contacts we have in order to unite all interested parties and make an impact on the current levels of awareness on the UK's gas safety issues.

There are up to 20 Trust Members whose role is to exercise a general overview of the work of the Board of Trustees. The Members have to agree to the reappointment of Trustees and any change to the constitution.

Members are appointed in a personal capacity and are not there to represent their employer or any other organisation. While the balance of members is selected to represent a cross section of those interested in gas safety, all members should seek to consider the wider interests of gas users.

### **Financial review**

The charitable group statement of financial activities is set out on page 10 and shows the funds of the charitable group at 31 March 2007 at £8,055,571. The charity received £250,000 in gift aid from CORGI Services Limited in the year ended 31 March 2007. The charity was also gifted certain intellectual property rights from CORGI Gas Registration valued at £350,000. These were subsequently sold to CORGI Group Limited.

### ***Investment policy and performance***

There is no limitation on the charity's investment powers. In exercising its duties to diversify its investment, the charity is under no obligation to dispose of all or any of its shares in CORGI Group Limited. The trustees seek to maximise the value of CORGI Group Limited and review the business plans of CORGI Group Limited and its subsidiary companies. In the year under review the net asset value of CORGI Group Limited has increased in line with its budgeted growth.

### ***Reserves policy***

The charity will maintain reasonable reserves against future fluctuations both in its income from gift aid and in its expenditure. It plans to use all other resources for charitable activity.

### ***Risk management***

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems and procedures have been established to manage those risks.

### **Responsibilities of the trustees**

Company law applicable to charities in England and Wales requires the trustees to prepare financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and 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 assume that the charity will continue in operation.

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

In accordance with company law, as the directors of the company, we certify that so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware. We have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the board of trustees and signed on its behalf by:

Mary Benwell  
**Chair**

Date: 26 July 2007

We have audited the financial statements of The CORGI Trust for the year ended 31 March 2007 on pages 10 to 23 which comprise the charitable group statement of financial activities, charitable group and charity balance sheets, charitable group cash flow statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of trustees and auditors*

The trustees 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 responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the information given in the report of the trustee directors is consistent with those financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees directors' remuneration and transactions with the charity is not disclosed.

We read the report of the trustees 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 International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charitable group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable group's affairs as at 31 March 2007, and of its incoming resources and resources expended, including its income and expenditure, for the year then ended;
- the charity financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2007;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information in the trustees' report is consistent with the financial statements.

**BDO STOY HAYWARD LLP**

*Chartered Accountants and Registered Auditors*

*Epsom, Surrey*

Date: 26 July 2007

The CORGI Trust

Charitable group statement of financial activities for the year ended 31 March 2007

	Note	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
<b>Incoming resources from generated funds</b>					
Funds arising through corporate restructuring:					
CORGI Services Limited		-	-	-	2,538,810
CORGI Gas Registration		-	-	-	3,345,886
Voluntary income:					
Gift of intellectual property rights		350,000	-	350,000	-
Activities for generating funds:					
Trading operations	3	8,170,383	17,205,068	25,375,451	15,980,466
Interest receivable		106,278	476,036	582,314	348,842
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total incoming resources		8,626,661	17,681,104	26,307,765	22,214,004
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Resources expended</b>					
Cost of generating funds:					
Trading operations	3	7,648,553	17,239,778	24,888,331	15,198,651
Charitable expenditure		204,710	-	204,710	-
Governance costs		115,342	-	115,342	59,164
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total resources expended		7,968,605	17,239,778	25,208,383	15,257,815
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net incoming resources and net movements in funds</b>	5, 14	658,056	441,326	1,099,382	6,956,189
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance brought forward at 1 April 2006		3,165,852	3,790,337	6,956,189	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance carried forward at 31 March 2007</b>		3,823,908	4,231,663	8,055,571	6,956,189
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All amounts relate to continuing activities. All recognised gains and losses in the current year and prior period are included above. There are no movements in the funds of the charitable group in the current year and prior period apart from those included above.

The notes on pages 14 to 23 form part of these financial statements.

The CORGI Trust

Charitable group balance sheet at 31 March 2007

	Note	2007		2006	
		£	£	£	£
<b>Fixed assets</b>					
Tangible	7		160,014		225,969
Investments	8		-		-
<b>Current assets</b>					
Stocks	9	387,354		297,370	
Debtors	10	5,450,466		4,626,446	
Investments		15,408,000		15,190,000	
Cash at bank and in hand		1,330,225		1,921,448	
			22,576,045		22,035,264
<b>Creditors: amounts falling due within one year</b>					
	11	14,680,488		15,305,044	
<b>Net current assets</b>			7,895,557		6,730,220
<b>Net assets</b>	13		8,055,571		6,956,189
<b>Financed by:</b>					
<b>Funds</b>					
Unrestricted funds	14, 19		3,823,908		3,165,852
Restricted funds	18, 19		4,231,663		3,790,337
			8,055,571		6,956,189

Current asset investments comprise term deposits with bankers.

The financial statements were approved by the board of trustees and authorised for issue on 26 July 2007

Mary Benwell  
Chair

The notes on pages 14 to 23 form part of these financial statements

The CORGI Trust

Charity balance sheet at 31 March 2007

	Note	2007		2006	
		£	£	£	£
<b>Fixed assets</b>					
Investments	8		2,350,000		2,350,000
<b>Current assets</b>					
Debtors	10	7,247		659	
Investments		958,000		690,000	
Cash at bank and in hand		48,836		10,883	
		1,014,083		701,542	
<b>Creditors: amounts falling due within one year</b>					
	11	13,765		8,310	
<b>Net current assets</b>			1,000,318		693,232
<b>Net assets</b>	13		3,350,318		3,043,232
<b>Financed by:</b>					
<b>Funds</b>					
Unrestricted funds	14, 19		3,350,318		3,043,232
Restricted funds	18, 19		-		-
			3,350,318		3,043,232

Current asset investments comprise term deposits with bankers.

The financial statements were approved by the board of trustees and authorised for issue on 26 July 2007

Mary Benwell  
Chair

The notes on pages 14 to 23 form part of these financial statements

The CORGI Trust

Charitable group cash flow statement for the year ended 31 March 2007

	Note	2007		2006	
		£	£	£	£
Net cash inflow from operating activities	15		(597,621)		4,752,921
<b>Returns on investments and servicing of finance</b>					
Interest receivable			582,314		348,842
<b>Taxation</b>					
Corporation tax paid			(378,892)		-
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets	7	(78,024)		(110,074)	
Sale of tangible fixed assets		99,000		-	
			20,976		(110,074)
<b>Funds received through corporate restructuring</b>					
Receipt of cash at bank and in hand:					
CORGI Services Limited		-		161,009	
CORGI Gas Registration		-		158,750	
			-		319,759
Cash inflow before use of liquid resources	17		(373,223)		5,311,448
<b>Management of liquid resources</b>					
Receipt of current asset investments		15,190,000		11,800,000	
Purchase of current asset investments		(15,408,000)		(15,190,000)	
			(218,000)		(3,390,000)
Increase in cash at bank and in hand	16,17		(591,223)		1,921,448

The notes on pages 14 to 23 form part of these financial statements

## The CORGI Trust

### Notes forming part of the charitable group financial statements for the year ended 31 March 2007

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#### 1 Status

The CORGI Trust ("the charity") is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

#### 2 Accounting policies

##### *Accounting period*

The 2006 results are for the 277 day period ended 31 March 2006.

##### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the Statement of Recommended Practice Accounting Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### *Group financial statements*

The 2006 comparative figures in these financial statements consolidate the results of the charity from registration on 28 June 2005, its wholly owned subsidiary CORGI Group Limited from 1 August 2005, and CORGI Services Limited for the period 31 July 2005 to 31 January 2006, on a line by line basis using the acquisition method of accounting. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act and of the SORP 2005.

##### *Incoming resources*

Income from trading activities is recognised as earned (as the related goods and services are provided).

Voluntary income including gifts that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Measurement of the value of these gifts is as follows:

- Shares in legal entities at the market value of the shares; or
- Gift aid income is valued at the cash value of these receipts.

Investment income is recognised on a receivable basis.

## 2 Accounting policies (*continued*)

### *Resources expended*

Expenditure is recognised when a liability is incurred.

- Costs of generating funds are those costs incurred in trading activities that raise funds;
- Charitable activities included expenditures associated with the objectives of the charity and include both the direct costs and support costs relating to these activities; and
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

### *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:

Leasehold property	- over the initial term of the lease of 15 years
Plant and machinery	- 20% on a straight line basis per annum
Fixtures and fittings	- 20% on a straight line basis per annum
Computer equipment	- 33 1/3% on a straight line basis per annum

Tangible fixed assets costing less than £5,000 per individual item are written off to the income and expenditure 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 group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted to take account of the time value of money.

### *Leased assets*

Rental costs under operating leases are charged to the statement of financial activities when incurred.

## The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

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### 2 Accounting policies (*continued*)

#### *Development prepayments*

Where the company or its subsidiaries incur significant development costs in establishing new processes in advance of future income streams, these costs will be set as prepayments on the balance sheet to be released against such income either on a volume or time basis. Normally such amounts will be written off within four years.

#### *Current asset investments*

Current asset investments represent term deposits with bankers.

#### *Intangible assets*

Intangible assets are recognised at cost less appropriate provision for accumulated amortisation and impairment.

#### *Fund accounting*

The unrestricted fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustee directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

### 3 Trading operations

The results of CORGI Group Limited which has consolidated the results of CORGI Gas Registration and CORGI Services Limited are shown below:

	2007 £	2006 £
Turnover	25,375,451	15,980,466
Cost of sales and administration expenses	(24,308,617)	(14,882,224)
Exceptional item - surplus arising on change of ownership of CORGI Gas Registration	-	3,345,886
Interest receivable	535,176	346,446
Interest payable	-	(3,647)
Gift aid to The CORGI Trust	(250,000)	(750,000)
Taxation	(559,714)	(312,780)
	—————	—————
Net profit	792,296	3,724,147
	=====	=====

## The CORGI Trust

### Notes forming part of the charitable group financial statements for the year ended 31 March 2007 (*continued*)

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#### 3 Trading operations (*continued*)

The 2006 comparative figures consolidate the results of CORGI Group Limited from 1 August 2005 to 31 March 2006 and the results of CORGI Services Limited from 31 July 2005 to 31 January 2006.

In the consolidated statement of financial activities interest received of £535,176 (2006: £45,140) has been allocated to interest receivable and taxation of £559,714 (2006: £43,410) has been allocated to trading operations expenditure.

During the year CORGI Services Limited has made gift aid payments of £250,000 (2006: £750,000) to The CORGI Trust. The gift aid has been eliminated on consolidation.

The net assets of CORGI Group Limited as at 31 March 2007, which has consolidated the net assets of CORGI Services Limited and CORGI Gas Registration, are as follows:

	2007 £	2006 £
Fixed assets	160,014	225,969
Net current assets	6,895,239	6,036,988
	<hr/>	<hr/>
Net assets	7,055,253	6,262,957
	<hr/>	<hr/>

#### 4 Trustees and employees

There is provision for the remuneration of one independent trustee director as permitted under clause 5.7 of the Memorandum of Association of The CORGI Trust. Ralph Ellis was remunerated £42,770 (2006: Nicholas Ward was remunerated £6,667 and also received £1,410 for office costs).

The two CGL trustees, Mike Thompson and John Lillicrapp, were remunerated as directors of CORGI Group Limited and its subsidiaries as permitted under clause 6 of the Memorandum of Association of The CORGI Trust. They received remuneration totalling £129,702 and £10,250 respectively (2006: £89,806 and £13,333 respectively). Company pension contributions of £13,290 and £nil respectively (2006: £8,800 and £nil respectively) were made to a money purchase scheme on their behalf. They received compensation for loss of office of £120,000 and £nil respectively (no payments in 2006).

Five trustee directors received reimbursement of expenses for travel totalling £3,610 (2006: £1,340).

There were no employees of the charity during the year to 31 March 2007. Numbers and the cost of employees of subsidiary companies are shown in their own financial statements.

## The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

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### 5 Net incoming resources

This is arrived at after charging:	2007 £	2006 £
Depreciation of tangible fixed assets	82,755	145,112
Intangible assets written off (see note below)	350,000	-
Hire of plant and machinery - operating leases	559,774	335,255
Hire of other assets - operating leases	267,300	178,200
Auditors' remuneration:		
Charitable group - audit services (including £5,500 (2006: £4,000) for the charity)	32,000	26,000
Charitable group - non-audit services (including £13,128 (2006: £20,223) for the charity)	63,548	124,841

During the year, the charity was gifted certain intellectual property rights from CORGI Gas Registration. These intellectual property rights were subsequently sold to CORGI Group Limited for £350,000. At the year end, the trustees reviewed the carrying value of these intangible assets and concluded that it was inappropriate to carry forward any value in the charitable group balance sheet. Accordingly, this amount has been written off and is included in cost of generating funds: trading operations.

### 6 Taxation

The CORGI Trust is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as they fall within various exemptions available to registered charities. The subsidiary companies are liable to corporation tax which is shown in their own financial statements.

The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended 31 March 2007 (*continued*)

7 Tangible fixed assets

Charitable group	Leasehold land and Buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>					
At 31 March 2006	58,973	905,962	385,545	831,552	2,182,032
Additions	-	20,661	-	57,363	78,024
Disposals	-	(568,114)	(43,152)	(25,494)	(636,760)
At 31 March 2007	<b>58,973</b>	<b>358,509</b>	<b>342,393</b>	<b>863,421</b>	<b>1,623,296</b>
<i>Depreciation</i>					
At 31 March 2006	38,333	815,734	372,192	729,804	1,956,063
Charge for the year	3,932	15,985	10,595	52,243	82,755
Disposals	-	(518,054)	(42,081)	(15,401)	(575,536)
At 31 March 2007	<b>42,265</b>	<b>313,665</b>	<b>340,706</b>	<b>766,646</b>	<b>1,463,282</b>
<i>Net book value</i>					
At 31 March 2007	<b>16,708</b>	<b>44,844</b>	<b>1,687</b>	<b>96,775</b>	<b>160,014</b>
At 31 March 2006	20,640	90,228	13,353	101,748	225,969

The charity does not hold any tangible fixed assets directly.

8 Investments

Charity	Subsidiary undertaking £
<i>Cost</i>	
At 1 April 2006 and 31 March 2007	2,350,000

The undertakings in which the charity has an interest are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
CORGI Group Limited	Ordinary	100%	Holding company
CORGI Services Limited*	Ordinary	100%	Incident investigations, seminars and consultancy services, the sale of merchandise and advertising sales.
CORGI Gas Registration*	Limited by Guarantee	Sole member	Administration of registration schemes for gas installers and their operatives.

\* - held through CORGI Group Limited

The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

9 Stocks

	Charitable group 2007 £	Charitable group 2006 £	Charity 2007 £	Charity 2006 £
Work in progress	-	1,056	-	-
Finished goods and goods for resale	<b>387,354</b>	296,314	-	-
	<u>387,354</u>	<u>297,370</u>	<u>-</u>	<u>-</u>

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

10 Debtors

	Charitable group 2007 £	Charitable group 2006 £	Charity 2007 £	Charity 2006 £
<i>Amounts receivable within one year:</i>				
Trade debtors	1,135,133	687,062	-	-
Other debtors	405,997	433,655	7,247	659
Prepayments and accrued income	3,741,067	3,331,229	-	-
	<u>5,282,197</u>	<u>4,451,946</u>	<u>7,247</u>	<u>659</u>
<i>Amounts receivable after more than one year</i>				
Deferred tax asset	168,269	174,500	-	-
	<u>5,450,466</u>	<u>4,626,446</u>	<u>7,247</u>	<u>659</u>

The deferred tax asset relates to depreciation on fixed assets charged in excess of capital allowances.

The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

11 Creditors: amounts falling due within one year

	Charitable group 2007 £	Charitable group 2006 £	Charity 2007 £	Charity 2006 £
Amounts owed to subsidiary undertaking	-	-	8,250	1,293
Trade creditors	1,794,848	875,267	-	-
Tax and social security	1,852,968	2,479,225	-	-
Deferred income	9,982,121	10,809,808	-	-
Accruals	1,050,551	1,140,744	5,515	7,017
	<u>14,680,488</u>	<u>15,305,044</u>	<u>13,765</u>	<u>8,310</u>

12 Commitments under operating leases

The charitable group had annual commitments under non-cancellable operating leases as set out below:

	2007 Land and Buildings £	2006 Land and Buildings £	2007 Motor Vehicles £	2006 Motor Vehicles £
Operating leases which expire:				
Within one year	-	-	12,742	18,365
In two to five years	267,300	-	586,756	494,033
After five years	-	267,300	-	-
	<u>267,300</u>	<u>267,300</u>	<u>599,498</u>	<u>512,398</u>

13 Net assets of The CORGI Trust

The net assets of the charity reconcile with those of the charitable group as follows:

	2007 £	2006 £
Net assets of the charity	3,350,318	3,043,232
Net assets of subsidiary undertaking CORGI Group Limited	7,055,253	6,262,957
Investment by the charity in subsidiary undertaking	(2,350,000)	(2,350,000)
	<u>8,055,571</u>	<u>6,956,189</u>

## The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

### 14 Results of The CORGI Trust

Included in the charitable group statement of financial activities are the following amounts in respect of the charity (all unrestricted funds):

	2007	2006
	£	£
Incoming resources:		
<i>Voluntary income:</i>		
Gift aid from CORGI Services Limited	250,000	750,000
Gift of intangible assets	350,000	-
<i>Activities for generating funds:</i> Interest receivable	47,138	2,396
<i>Funds arising through corporate restructuring:</i>		
Gift of shares in CORGI Services Limited from CORGI Gas Registration	-	2
Sale of CORGI Services Limited to CORGI Group Limited	-	2,349,998
	<u>647,138</u>	<u>3,102,396</u>
Total incoming resources		
Resources expended:		
Charitable activities	204,710	-
Governance costs	135,342	59,164
	<u>340,052</u>	<u>59,164</u>
Total resources expended		
Net incoming resources and movement in funds	<u>307,086</u>	<u>3,043,232</u>

### 15 Reconciliation of net incoming resources to net cash inflow from operating activities

	2007	2006
	£	£
Net incoming resources	1,099,382	6,956,189
Funds arising through corporate restructuring from CORGI Services Limited	-	(2,538,810)
Funds arising through corporate restructuring from CORGI Gas Registration	-	(3,345,886)
Gift of intangible assets	(350,000)	-
Interest receivable	(582,314)	(348,842)
Corporation tax charge incurred in trading operations	559,714	-
Depreciation of tangible fixed assets	82,755	145,112
Impairment of intangible fixed assets	350,000	-
Profit on disposal of fixed assets in trading operations	(37,776)	-
Decrease in debtors	(830,251)	812,391
Decrease in stocks	(89,984)	114,898
Increase in creditors	(799,147)	2,957,869
	<u>(597,621)</u>	<u>4,752,921</u>
Net cash (outflow)/inflow from operating activities		

The CORGI Trust

Notes forming part of the charitable group financial statements for the year ended  
31 March 2007 (*continued*)

16 Reconciliation of net cash flow to movement in net funds

	2007 £	2006 £
Increase in cash at bank and in hand	(591,223)	1,921,448
Cash inflow from changes in liquid resources (increase in investments)	218,000	3,390,000
	<u>                    </u>	<u>                    </u>
Movement in net funds	(373,223)	5,311,448
Current asset investments acquired	-	11,800,000
	<u>                    </u>	<u>                    </u>
Movement in net funds	(373,223)	17,111,448
Opening net funds	17,111,448	-
	<u>                    </u>	<u>                    </u>
Closing net funds (investments and cash at bank and in hand)	16,738,225	17,111,448
	<u>                    </u>	<u>                    </u>

17 Analysis of net funds

	1 April 2006 £	Cash flows £	31 March 2007 £
Cash at bank and in hand	1,921,448	(591,223)	1,330,225
Current asset investments	15,190,000	218,000	15,408,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	17,111,448	(373,223)	16,738,225
	<u>                    </u>	<u>                    </u>	<u>                    </u>

18 Restricted funds

The funds of CORGI Gas Registration totalling £4,231,663 (2006: £3,790,337) are not distributable as the company is limited by guarantee and is not permitted to make a distribution.

19 Analysis of net assets between funds

Charitable group	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
Tangible fixed assets	78,024	81,990	160,014	225,969
Net current assets	3,745,884	4,149,673	7,895,557	6,730,220
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	3,823,908	4,231,663	8,055,571	6,956,189
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The charity does not hold any restricted funds directly.