



CORGI Annual Report 2003



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The Board has reviewed the content of this Annual Report which is widely circulated to individuals and organisations interested in CORGI. Feedback from earlier years indicated that the inclusion of the full Annual Accounts for both CORGI and CORGI Services Ltd was not required by most readers. Audited Summary Financial Statements are therefore included instead. The full Annual Accounts are sent additionally to all members in advance of the Annual General Meeting, and are available on request from the Company Secretary. Feedback on this revised method of presentation would be welcomed by the Board, and should be addressed to the Company Secretary.

Chairman's Statement

It has been another positive year of growth and development at CORGI – we are now being seen in an increasingly positive way – fully representing the values of gas safety. These efforts are visible at every level of our work and I believe we are really making a long-lasting difference to the industry.

Within the industry we have seen the continuing growth of the Accredited Certification Scheme (ACS) and I would like to congratulate installers and their operatives for the manner in which they have responded to the new scheme.



Chairman's Statement

Our financial performance

The CORGI consolidated accounts show a surplus before tax of £531,187 (2002 £729,616). Of this surplus, £411,962 (2002 £640,876) has been generated by CORGI's commercial activities.

All surpluses generated through CORGI's commercial activities are used to help promote gas safety; assisting new entries into the gas industry, supporting new products and services that meet our corporate objectives of improving gas safety as well as subsidising the running of the gas registration scheme. The group's total reserves now stand at £3.8 million. In line with Board policy these are reviewed annually.

Income distribution

Installer fees: £7.6m	<div></div>
Additional Operative Fees: £2.8m	<div></div>
Application Fees: £0.9m	<div></div>
Magazine Revenue £0.9m	<div></div>
(CORGI Direct) Merchandise Revenue: £1.7m	<div></div>
Other Activities: £1.2m	<div></div>
Consultancies: £0.7m	<div></div>

Raising awareness

Over the past year CORGI has taken many significant steps to ensure the gas safety message reaches all areas of society.

In Autumn 2002, CORGI's campaign to raise public awareness of the dangers of carbon monoxide poisoning included the Colin the Skunk campaign targeted at UK students likely to be renting for the first time, with relatively low awareness of gas safety. Campaign posters, bookmarks and key rings were provided to higher and further education colleges, in theory giving every student in the country the opportunity to see the message at least once.

We launched an awareness-building campaign to coincide with the Spring enthusiasm for home improvements. The message was simple but powerful, "Never DIY with gas, always use a CORGI Registered Installer". As a result of the campaign we received widespread positive press coverage, much of which included an image of the CORGI ID card and

our website address. To support this a CORGI gas safety feature appeared on a number of websites and we conducted a series of live radio interviews from the Ideal Home Exhibition.

To ensure gas safety remains top of mind for installers we have maintained a flow of information to the trade press. CORGI has sponsored The National Home Improvement Council's (NHIC) Gas Safety Initiative Award 2003 targeting businesses with a responsibility for gas safety and rewarding them for initiatives aimed at improving gas safety. It could be an administrative activity which improves the efficiency of gas safety management, or an initiative or campaign designed to raise awareness of gas safety issues among residents or staff.

References to CORGI remain high in both the national and regional press, and consumer television shows such as BBC Rogue Traders have played an important part in helping to raise awareness of CORGI's gas safety role.

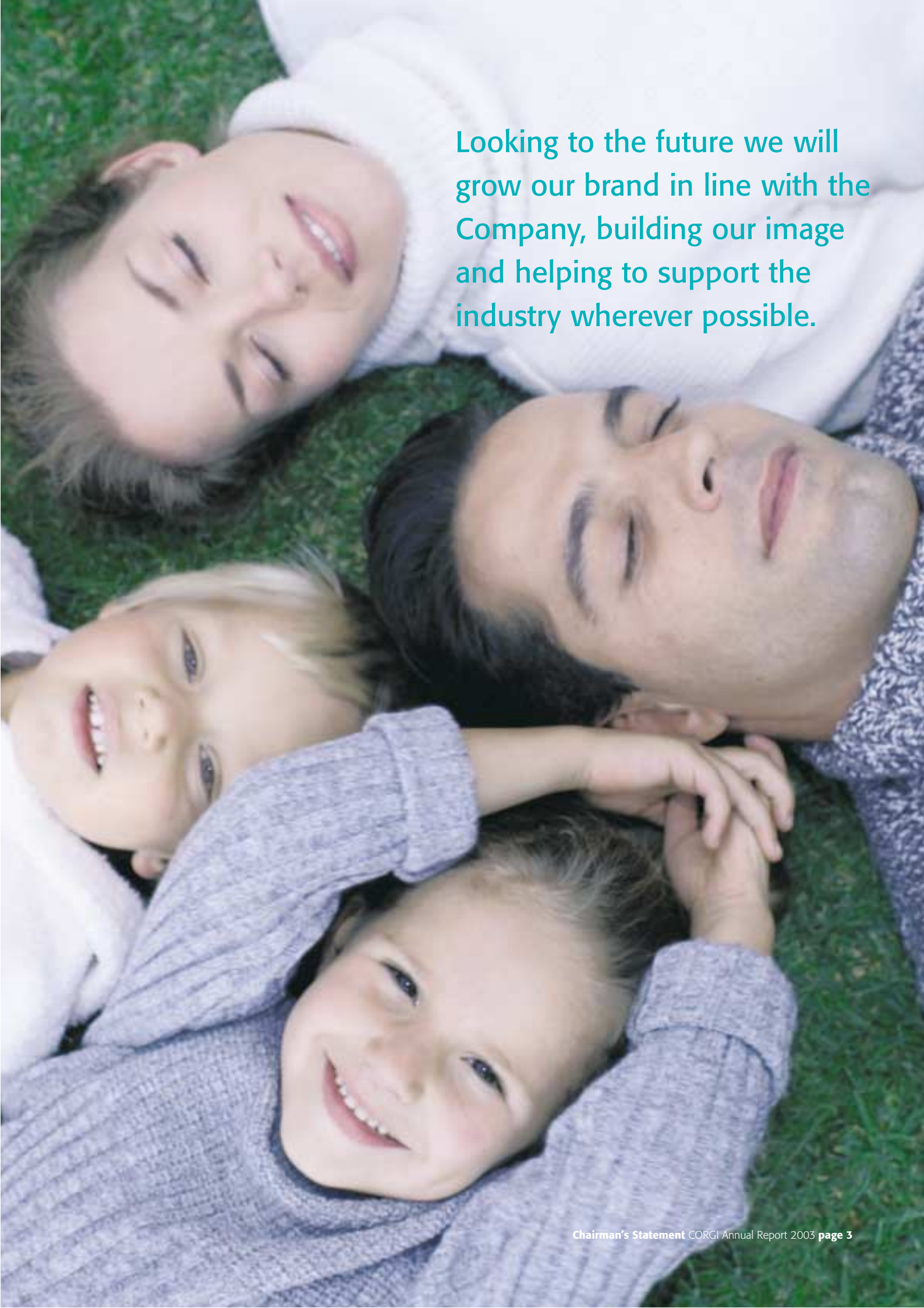
The new CORGI brand

In January we unveiled the fresh new CORGI brand. It is a strong identity designed to maintain and promote our core values: commitment, understanding, expertise and creativity.

Unlike the majority of corporate identities, ours has two separate marques – one used by CORGI itself and the other by registered businesses displaying their registration status. This has required a sophisticated approach to branding and now, some months into its life, it is clear that the hard work has paid off from the feedback we are receiving.

Already we are seeing a change in perception and a better understanding of the range of activities offered by CORGI. Feedback from CORGI installers has been favourable from the start, despite the fact that rebranding has had practical and financial implications for them. And both the general public and companies working with CORGI have been similarly impressed. It is clear that the time invested in developing the new brand ensured that the result works. As it becomes more widely recognised at events, in directories and on installers' literature and vehicles, the brand will become even stronger.

Looking to the future we will grow our brand in line with the Company, building our image and helping to support the industry wherever possible.

A photograph of a family of four lying on their backs on a green lawn. The father is on the right, wearing a grey sweater, with his eyes closed and a peaceful expression. The mother is on the left, wearing a white sweater, also with her eyes closed and a gentle smile. Between them are two young children, both wearing grey sweaters. The child on the left is looking up at the camera with a wide, happy smile. The child on the right is also looking up and smiling. The family is positioned in the center of the frame, with the grass filling the background.

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Chief Executive's Report

Over the past year, we have continued to provide a consistently high-quality service to all of our stakeholders. In this report you will find details outlining some of our many achievements, but here I would like to focus on a few specific areas.



The Accredited Certification Scheme (ACS)

On July 31st 2003 the final certificates of competence awarded under ACoP (Approved Code of Practice) will have expired and all certificates of competence now fall within either the ACS or the ACS aligned Gas Services N/SVQ (National/Scottish Vocational Qualification), heralding a new era in the gas industry. These changes mark a new higher level of gas safety competency of installers which have been embraced with real enthusiasm.

Significant progress has been achieved by operatives in obtaining ACS and/or ACS aligned N/SVQ certificates of competence. 36,657 candidates took assessments or completed their qualification during the last financial year – a great achievement. The number of operatives taking either of the above gas safety certificates for the first time averaged 3055 per month throughout the financial year. At the end of July 2003 103,214 candidates had obtained ACS certificates (3,122 of which being aligned S/NVQ certificates).

By its very nature the ACS scheme must be dynamic and able to keep pace with changes in legislation, standards and industry working practice. CORGI has joined others in the industry in working hard to not only maintain the scheme and keep it up to date, but also to ensure installers who took

ACS assessments are prepared to take re-assessment under the scheme.

This re-assessment process means installers who have been through the full initial assessment can enter into a process that supports core best practice and demonstrates that they have kept up to date with all the latest developments in gas safety.

Raising gas safety awareness

CORGI has continued to develop and implement new initiatives that raise awareness of gas safety both within the industry and in the wider stakeholder community, in particular the general public.

The CORGI identity cards continue to be well received by the public who are increasingly requesting sight of the card before allowing installers into their home. Installers are increasingly aware of the importance of their identity card and the need to voluntarily show it to customers. As a result we have received a high number of requests from individual operatives for updated cards that feature the certificates they hold, and from registered businesses wanting to obtain new cards where they have employed a new operative.

To help raise public awareness of gas safety we have launched a range of new information booklets. These publications are available in a variety of languages and in

Braille for the visually impaired. Although the cost of television advertising remains prohibitive for CORGI we have worked with a number of television producers to make sure gas safety issues are addressed in their productions. These programmes generate a great deal of public interest and provoke many enquiries.

Non-Registered Installers

Perhaps the one question we are most often asked is why we don't do more about non-registered installers? In fact we're now doing more than ever. Over the past year CORGI has investigated and reported an increasing number of non-registered installers to the Health and Safety Executive (HSE).

Our inspectors are always searching to identify non-registered installers, regularly checking local advertising and in trade and DIY outlets. Once identified they are made aware of the legal requirement to be registered if they wish to carry out gas work and then closely monitored to ensure this happens. But I believe the best way to stop non-registered installers is through educating the public – if the public know the dangers of using non-registered installers they will be gradually eradicated. For this reason we must make sure all our communications emphasise this message.

In the coming year we will be piloting a new approach targeting specific areas of the country with high numbers of non-registered installers. By carrying out this activity jointly with other agencies we can make more effective use of their enforcement powers. Non-registered installers are often not only contravening the gas safety regulations but are also involved in illegal trading, tax and VAT evasion – a combined approach is therefore likely to be more effective.

Public Affairs

Over the past year CORGI has continued to raise awareness about gas safety issues amongst parliamentarians and other opinion formers. By supporting the work of the All Party Parliamentary Gas Safety Group, we seek to facilitate debate on, and raise awareness of, issues related to gas safety. The Group has held a discussion forum with Rt Hon Nick Brown MP, the then Minister with responsibility for gas safety, as well as staging a series of successful gas safety workshops for MPs and their staff.

CORGI has also sought to contribute to the policy debate on issues such as the draft Housing Bill. In October 2002 Tony McNulty MP, the Minister responsible for housing safety,

spoke at our first ever fringe debate at Labour Party Conference on the issue of housing safety. Over the coming months we plan to work closely with the Office of the Deputy Prime Minister to ensure that any eventual legislation strengthens consumer protection on gas safety issues.

Communication

CORGI values the input we receive from all sectors of stakeholder interest and we are continuing to work with members of the CORGI Council to explore issues of mutual interest in gas safety. We aim to build and strengthen these relationships through CORGI Council workshops, newsletters and face to face meetings with Council members and their respective organisations.

We are now holding an ever-increasing number of installer forums which we find pay great dividends – helping us effectively develop our stakeholder services. This continuing dialogue is invaluable for everyone and we will continue making every effort to develop relationships and communications with the wider stakeholder group.

Investing in people

At CORGI we understand the advantage of investing in people. It is the very best way of equipping ourselves to face the challenges of a constantly changing environment. And we believe that improving our standard of service means first ensuring our people are in the right place with the right set of skills and competencies to deliver our services effectively.

In order to measure our performance in people development we have been working to attain the highest Investor in People (IiP) standards. This is an important benchmark for CORGI, and this year we achieved a significant milestone when we became one of the first companies to achieve recognition under the new IiP Profiles System which focuses on continual improvement and enables more effective external benchmarking.

We expressed an interest following our IiP post recognition review to pursue the Recruitment and Selection Model. In June 2002 we met with representatives from IiP and confirmed our wish to be included in the Recruitment and Selection Pilot established by Business Link Wessex. Various meetings were held and subsequently CORGI was assessed against the indicators for the model in April 2003. In May 2003 CORGI was recognised as meeting the Recruitment and Selection model.

Chief Executive's Report

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Employee Services

Throughout the year we have continued to develop our employment policies and progressed towards best practice in the management of people. As a result we have continued to achieve high levels of staff retention – turnover remained low at 9% in the year.

Feedback from employees, gathered through a quarterly Employee Satisfaction Questionnaire, has been impressive. Satisfaction as a whole has increased from 78% to 82%.

Pension Plan

The CORGI Pension Plan has been in place for many years, serving employees of CORGI by providing pension and lump sum benefits on retirement or in death.

The Plan is a Defined Contribution (Money Purchase) Scheme, constituted by Trust Deed. There are six Trustees including a Non-Executive Director as Chairman. The other five Trustees are beneficiaries, including three nominated by

members. All the Trustees are appointed solely to act in the best interests of the membership as a whole.

Management of the Trust is provided by Comberford Trustee Services Ltd. The investment manager is the Prudential Assurance Company and the accounts are audited by Blueprint Audit Ltd. The audited accounts at 31 March 2002 show a fund of £7.6m.

Environmental Policy

CORGI has an environmental policy in place and is currently implementing an action plan that will enable CORGI to be certificated to the ISO 14001 Environmental Management standard. As well as dealing with environmental matters within CORGI we are also looking at ways in which we might be able to support CORGI registered installing businesses cope with the increasing focus on energy efficiency which is a key component of any environmental considerations.



Directors' Profiles

EXECUTIVE DIRECTORS

Bob Henry Chief Executive

Bob Henry has been with CORGI since 1995, when he joined as Operations Director, becoming Chief Executive in 1999. With over 40 years' experience in the gas industry, Bob has worked across sectors, including personnel and development, marketing and service operations.

Brian Adams Service Operations Director

Brian Adams' responsibilities include overseeing CORGI's inspection of installers, investigation of complaints, maintenance of ACS and customer services. He is involved in various industry groups related to matters of training, competence and safety. Brian joined CORGI in 1996, after holding positions in an architectural practice and in local government.

Nigel Appleby Finance and Corporate Services Director Resigned August 2002.

Steve Bratt Client Services Director

Steve Bratt has been with CORGI for 12 years, having joined CORGI as an inspector in 1991. He previously held a variety of operational and commercial management positions both within CORGI and in the wider building services industry. Steve's responsibilities include overseeing Marketing, Public Relations, Technical Services, CORGI Services Ltd, CORGI Certification Ltd and CSL Digital Print.

Ian Powney Finance and Corporate Services Director Ian Powney is a Chartered Accountant and joined CORGI in March 2003. He has considerable experience as a Finance Director in railway operations and at the Institution of Civil Engineers. Ian's responsibilities include finance, corporate services and information technology.

NON-EXECUTIVE DIRECTORS' PROFILES

David Latham OBE Chairman

David Latham is a chartered engineer with over thirty years' experience in the utility services sector. He has extensive experience in the water industry, and was previously Managing Director of Anglia Water International.

Andrea Cook OBE

Andrea Cook spent 16 years in the energy sector as an advocate for consumers, helping them to achieve warmth and comfort in their homes. She also has a wealth of experience in environmental and employment policy and has served on

the Government's UK Round Table on Sustainable Development and the Advisory Group to the New Deal Task Force. Andrea is Chairman of Water Voice Northumbria, which represents the interests of water and sewerage customers and is the chair of CORGI's pension trustees.

Stephen Gutteridge

Stephen Gutteridge is a Director of Marwyn Investments Group and a Consultant in the energy sector. He has over 20 years experience of UK energy markets with Shell and Amerada Hess in Oil and Gas, as a Managing Director of Seaboard plc, and as Director of Business Development for the International Petroleum Exchange. He was also Chief Executive of Ferguson International plc from 1997-1999.

Katherine Howard Chairman, Audit Committee

Katherine Howard is a Chartered Management Accountant with 25 years experience in major commercial enterprises including the engineering, retail, transport and the service sectors. She is a past member of the Audit Practice Board and CIMA Council and co-founder and past executive director of the Institute of Social and Ethical Accountability. Katherine is a management consultant in finance, corporate governance and behaviour, and business ethics.

John Lillicrapp Deputy Chairman

John Lillicrapp's principal career was with British Gas, where he held a number of senior positions including HQ Director of Customer Services and HQ Director of Domestic Marketing. Since retiring from British Gas he has been an Associate Director of David Garrick Ltd., assisting medium sized companies with acquisitions and divestments. John has over 40 years experience in the gas industry.

Roy Prettie

Chairman of Remuneration and Appointments Committee
Roy Prettie founded his own company, Robert Prettie and Co Ltd, in 1960. Today it ranks in the UK's top ten privately owned firms in the plumbing, heating and mechanical services and gas servicing sector. The company was sold to its management in 1999.

Lynda Purser

Lynda Purser is Executive Director for the Learning Skills Council for Milton Keynes, Oxfordshire and Buckinghamshire. She is also a non-executive director of the Peterborough NHS Trust. Lynda spent twenty years in science and engineering in higher education becoming Deputy Director of Humberside



From left to right Bob Henry, Brian Adams, Steve Bratt, Ian Powney, David Latham OBE, Phillippa Caine, Andrea Cook OBE, Stephen Gutteridge, Katherine Howard, John Lillicrapp, Roy Prettie, Lynda Purser

Polytechnic. She was formerly principal consultant with the Teaching Company Directorate, where she ran the technology transfer group for London and the South East.

Phillippa Caine Company Secretary

Phillippa is a Chartered Secretary and has been with CORGI for six years. Her responsibilities include legal, fleet, business continuity and general Company administration.

Corporate Governance

CORGI has always striven to comply with best practice in Corporate Governance and although we are not strictly required to operate fully to the combined code on corporate governance, not being a listed company, we have always met the spirit of that code. With the recent publication of the Higgs and the Smith reports, the former concerned with the effectiveness of non-executive directors and the performance of the Board and the second with good audit practice, we have conducted a full review of our position. Whilst the new Code of Practice, which incorporates aspects of both Higgs and Smith reports, is still in the consultation phase we have benchmarked CORGI against the new code. Whilst there are some areas in which we need to review our processes in general terms we compare favourably with the key provisions of the new code.

Principal Committees

All principal committees (Audit Committee, Remuneration and Appointment Committee), required to comply with good corporate governance are already established in

CORGI. These committees are comprised solely of non-executive directors as is recommended under the code. Executive Directors' remuneration is decided by the Remuneration Committee together with the support of external benchmarking and consultancy. A similar process is adopted by the Board in respect of Non-Executive Directors remuneration.

Appeals Panel

Under its rules of registration CORGI is required to operate an appeals process to deal with removal of registered businesses from the register or refusal of entry to the register. We reviewed our processes in line with emerging guidance on Human Rights and have now instituted a fully independent appeals process. The Appeals Panel is now comprised of independent members from a wide spectrum of experience and background who have been selected through an open process. The processes adopted are similar to those of an Employment Tribunal and have now been working effectively for over a year.

Business Continuity and Risk Management

CORGI has a fully developed Business Continuity plan in place which is regularly reviewed and tested in conjunction with our external Business Continuity service provider. We also have an established Risk Management process in place which continuously monitors current and possible future risks to the business with regular reviews being carried out through the Audit Committee.

The Council

CORGI is a company limited by guarantee, and is governed by the Council.

The CORGI Council consists of 45 members representing a wide range of organisations, and associations all with an interest or involvement in matters relating to gas safety.

Age Concern, England

Age Concern England brings together local Age Concern organisations with 100 national bodies and representative groups. Its aim is to campaign and lobby to ensure that decision-makers understand and consider the needs and aspirations of older people.

Amalgamated Engineering and Electrical Union

This is the UK's largest manufacturing union.

Architects and Surveyors Institute

The Institute offers services to the construction industry and provides a common forum for architects, surveyors and engineers.

Association of Plumbing and Heating Contractors

This is a trade association that represents plumbers and central heating installers in England and Wales. The Association works closely with local authority Trading Standards and local Citizens Advice Bureaux to stamp out rogue traders.

British Combustion Equipment Manufacturers' Association

This is a trade association for those involved in the manufacture or supply of combustion equipment and services in the non-domestic sector.

British Flue and Chimney Manufacturers Association

The Association is a centre of research and development and includes manufacturers of predominantly industrial and commercial gas fires and boiler equipment.

British Gas Services

British Gas Services is part of the Centrica Group and is the UK's leading installer of domestic central heating systems. The company also maintains and services central heating and hot water systems, kitchen appliances and domestic plumbing and drains.

British Independent Gas Appliance Retailers

British Plumbing Employers Council (Training) Ltd

Recognised by government as the National Training Organisation for the plumbing industry, it has created a wide range of training materials including packages for ACS training.

British Safety Council

The Council raises awareness of safety in the workplace and provides a range of services for its members including a free information helpline and an essential online safety network.

British Standards Institution

The Institution is the world's leading standards and quality services organisation. It facilitates the production of British, European and international standards and tests and certifies household, commercial and industrial appliances.

Builders Merchants Federation

Federation members operate in 3000 outlets across the UK. The Federation supplies more than £6.7 billion of building materials annually to builders, plumbers and electricians.

Calor Group Ltd

The Calor Group has more than 65 years experience in supplying gas and is the market leader in Liquefied Petroleum Gas (LPG).

Catering Equipment Distributors Association (CEDA)

CEDA serves its members as a trade association. It provides the supply, service and installation of catering equipment and advice on issues ranging from equipment selection to design and project management.

Catering Equipment Suppliers Association

The Catering Equipment Suppliers Association aims to work towards an effective collaboration between all suppliers engaged in food service equipment supply.

Central Heating Information Council (merged with SBGI; now HHIC)

CHIC is an independent organisation. It aims to provide domestic users with information about central heating and to encourage improvements in standards.

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Chartered Institute of Building

The CIB has almost 40,000 members and is an educational charity, governed by Royal Charter that provides technical and management based qualifications.

Chartered Institution of Building Services Engineers

The Institution represents the building services profession. The Institution confers an internationally recognised badge of quality, produces information and runs events.

City & Guilds

City and Guilds is the leading provider of vocational qualifications in the UK. The organisation helps businesses to achieve their goals and improve performance.

Construction Industry Training Board

The CITB is a national organisation that trains people for all areas of the construction industry.

Convention of Scottish Local Authorities

All councils in Scotland are members. The Convention collectively represents local government in Scotland, promoting and protecting the interests of the councils.

Federation of Master Builders

The Federation aims to promote and protect builders and represents their views to members of government, sectors of the construction industry and the general public.

Energywatch

Energywatch campaigns for the rights of consumers and to raise the level of service provided by the gas and electricity companies. In particular it works on behalf of elderly and low-income customers.

Gas Teachers Association

The Gas Teachers Association works closely with the industry to improve the teaching of gas skills through shared information and knowledge. A large number of teachers at regional training centres are member of the Association.

Gastec at CRE

Gastec at CRE is approved by Zurich Certification and provides ACS assessments to gas installers as well as appliance testing service to manufacturers of gas, oil and solid fuel appliances.

Heating and Ventilating Contractors Association

The association represents the interests of UK firms that design, install and maintain heating, ventilating, air conditioning and refrigeration systems.

Institute of Domestic Heating and Environmental Engineers

The Institute is the independent professional body for specialist domestic building services engineers. To become a member, engineers must demonstrate a thorough understanding of domestic heating, hot water and ventilation technology.

Institute of Energy

The Institute promotes the cost effective and environmentally responsible provision and management of energy in all its forms.

The Council

Institute of Plumbing

The Institute is the UK's professional body for plumbers and members must be able to prove their competence through recognised qualifications. The Institute's objective is to improve the science, practice and engineering principles of plumbing in the public interest.

Institution of Gas Engineers and Managers

The Institution of Gas Engineers and Managers provides a professional forum for engineers, technologists and managers working in the field of fuel gas technology in the UK and overseas. They are a nominated and authorised body of the engineering council and a founder member of the international gas union.

LP Gas Association

The Association sets the technical and safety standards for the liquefied petroleum gas industry and represents the industry to relevant government departments.

National Association of Plumbing Teachers

The Association is a voluntary organisation whose members give their time to enhance plumbing training and standards.

National Caravan Council

The Council has over 500 member companies in manufacturing, retailing park operations and the supply of specialist products and services. They are committed to raising standards of technical and commercial excellence in the industry.

National Federation of Consumer Groups

The Federation provides a national voice for local consumer groups across the UK. The groups carry out their own surveys, represent consumers directly on local bodies and publish magazines, which are circulated regularly to members.

National Home Improvement Council

The Council aims to promote the benefits of renovation and home improvement. It is the voice of the industry to Westminster and Whitehall and actively encourages private investment in the housing sector.

National House Building Council

The Council exists to help registered builders to build better homes and to offer insurance and consumer protection for house purchasers. Every year approximately 150,000 new homes are built by around 18,000 NHBC registered builders.

National Inspection Council for Electrical Installation Contractors

The Council was established to protect consumers against the hazards of unsafe and unsound electrical installations. It has UKAS (United Kingdom Accreditation Service) accreditation for its approved contractor certification scheme.

Royal Society for the Prevention of Accidents

The purpose of the RSoPA is to enhance quality of life by exercising a powerful influence for accident prevention. It provides information, advice, resources and training and is actively involved in the promotion of safety in all areas of life.

Scottish and Northern Ireland Plumbing Employers Federation

The Federation is a trade association representing plumbing and heating businesses. It offers a guarantee of work scheme.

Scottish Qualifications Authority

The Authority is the national body in Scotland for the development, accreditation, assessment and certification of qualifications, with the exception of degrees. It devises, develops and validates qualifications, keeping them and educational establishments under review.

Selkirk Manufacturing Ltd

Selkirk has established itself as the world's leading producer within its specialist field. They invented pre-fabricated chimney systems and now manufacture insulated gas vents, chimneys and exhaust systems.

Society of British Gas Industries

The Society is a trade association that covers the whole of the onshore gas industry with the aim of promoting the UK gas industry.

Trades Union Congress

The TUC is the voice of Britain at work and campaigns for a fair deal at work and for social justice at home and abroad. It has a particular interest in representing working people in public bodies and British workers in international bodies.



Summary of Achievements

Registration Scheme

The number of CORGI registered businesses at the end of March 2003 was 44,120 with 97,214 operatives registered within those businesses with 92,936 individual operatives. This compares with last year's figures of 44,692 registered businesses and 98,566 registered operatives, with those businesses comprising of 93,780 individual operatives.

CORGI's Customer Services Department dealt with around 400,000 telephone calls during the course of the year. Around half of these calls were from members of the public who wanted to check on their installer's registration or who were looking for details of installers in their area. Additionally this information can also be accessed through our website www.corgi-group.com – this includes details of our registered installers, safety advice and gives customers the opportunity to register gas safety complaints.

Our Technical Helpline answered almost 60,000 enquiries over the year and responded to thousands of other items of correspondence with registered installers. This activity has helped us maintain the very highest safety standards and offer a very real and necessary support function to CORGI installers.

ACS Scheme

CORGI remains fully committed to the ongoing development and maintenance of the Accredited Certification Scheme (ACS) and continues to be a primary driver behind the scheme. It is an important scheme, clearly demonstrating to the public that each gas fitting operative is competent to undertake gas work safely. Since its introduction we have

seen an increase in skills displayed within the industry which will benefit both consumers and gas installers as a result.

Under the scheme, individual gas fitting operatives have their competence to safely undertake gas work assessed by a specialist Certification Body in the area of gas industry they work in – each of these Certification Bodies is accredited by the United Kingdom Accreditation Service (UKAS). ACS certificates are valid for a period of five years, by which time installers need to be reassessed.

By the end of March 2003, 91,625 operatives had taken 390,937 ACS or aligned NVQ assessments and the pass rate is over 97.5%. The number of new operatives taking ACS each month has shown an impressive increase of over 65% on last year's figures.

Many of the larger installers and their operatives have been taking ACS in advance of the expiry of their ACoP Certificates. Analysis was undertaken to determine the availability of dates for when ACoP's expire – helping to ensure that there were sufficient ACS assessment places to accommodate the remaining operatives renewing their certificates up to July 2003.

Installer Register

	Installers	Operatives
2002 – 2003	44120	97214
2001 – 2002	44692	98566
2000 – 2001	44230	98255
1999 – 2000	44221	95738
1998 – 1999	44736	100802
1997 – 1998	50127	108035

ACS Figures

2002 – 2003	36460**
2001 – 2002	22228**
2000 – 2001	18213**
1999 – 2000	14724*
1998 – 1999	–
Total	91,625

* The number of candidates as at the end of March 2000 not the number of candidates that passed during the financial year.

** The difference between the figures at the end of March 01 and end of March 00

Complaints received

Year	Reg installers	Non registered installers	Against CORGI	Other	Total
1997 – 1998	3021	879	94	60	4111
1998 – 1999	3150	1242	84	157	4734
1999 – 2000	3117	1197	156	169	4651
2000 – 2001	3271	1159	123	330	4891
2001 – 2002	3793	1322	75	404	5611
2002 – 2003	3930	1401	82	545	5868

CORGI is pleased to see that certification bodies and assessment centres can now provide coverage in most ACS assessments including specialist areas such as fish fryers and swimming pool boilers. Any businesses wishing to be admitted to the CORGI register must be able to demonstrate that their operatives hold valid certificates for the categories of gas work they practise.

At CORGI we take responsibility for the database containing certification details of individual gas operatives who have been assessed under the scheme. Relevant details are available to anyone with a legitimate interest including members of the public checking an operative's competency. This database is updated electronically by certification bodies as assessment results are concluded.

CORGI, together with the Gas and Water Industry National Training Organisation (GWINTO), has aligned the domestic natural gas ACS with the Gas Services S/NVQs for the gas safety aspects. This important move has led to 2835 operatives achieving this NVQ at levels 2 and 3 without the need to take both qualifications.

Another significant achievement came with the Health and Safety Executive's (HSE) announcement that the ACS reassessment criteria for domestic natural gas has been

ratified by the gas industry. This ratification was granted with the backing of an HSE Fundamental Review Working Group. Further work and consultation is now taking place to produce the reassessment criteria for all other areas of gas work.

Installer Events

CORGI is keen to hear the views of all installers – using this valuable feedback to improve our service. Wherever possible we aim to provide ongoing assistance to installers on all technical matters concerning gas safety. We use the Gas Installer magazine, technical visits by inspectors, the inspection process, CORGI website, publications and our technical help-line to communicate our messages and gain feedback.

This year we held 13 days of installer events around the country with three presentations throughout the day to different groups. In response to installer requests we have also carried out four non-domestic presentations for the first time. At these presentations installers are invited to hear CORGI inspectors talk about gas industry standards, regulations and developments, particularly where changes have been introduced. Attendance ranges from 60 to 120 installers each day.

Summary of Achievements

Registration Scheme

Calls Answered

	Customer Services		Technical		Customer Services		Technical
	Public	Installers			Public	Installers	
2001 April	14,193	14,204	3,664	2002 April	16,581	18,764	4,433
May	12,007	11,587	4,240	May	14,822	13,767	4,606
June	10,832	10,850	3,840	June	11,535	10,070	3,889
July	11,417	11,064	3,893	July	13,977	12,252	4,930
August	11,656	11,306	4,290	August	12,969	11,763	4,588
Sept	12,187	12,817	3,715	Sept	14,642	13,285	5,255
Oct	15,431	15,352	5,126	Oct	18,831	17,491	6,208
Nov	16,783	17,178	5,188	Nov	17,300	16,227	5,676
Dec	12,796	11,363	3,476	Dec	14,620	13,791	4,200
2002 Jan	15,182	18,861	5,415	2003 Jan	20,355	19,550	5,593
Feb	13,305	17,195	5,118	Feb	16,508	21,929	5,288
March	14,465	24,012	4,694	March	18,705	31,685	5,241
	160,254	175,789	52,659		190,845	200,574	59,907
total	336,043			total	391,419		

We have also held forums with a broad cross section of installers. For example a successful forum has been established for some years with national installers and for over two years with regional installers and those with a sector interest. CORGI has also sought to develop installer forums with groups of installers who are either sole traders or who employ few operatives. We were very pleased to work again with the Institute of Plumbing to meet and discuss with their members their experiences and views. We use this valuable knowledge to help us improve the way we operate as it is important that we obtain the views of the sole traders and smaller businesses and the Institute of Plumbing's support with this is much appreciated.

To further raise awareness of gas safety we have been working in conjunction with universities – attending student fairs to help educate both students and staff about landlords' responsibilities.

Non-Registered Installers

Non-registered installers are not only breaking the law; they also cause significant problems for registered installers and CORGI. Registered installers are at a commercial disadvantage because they have to carry the costs of

registration and certificates of competence for their operatives. There is no monitoring of the standards of gas work carried out by non-registered installers other than through the complaint process. In short, using non-registered or unqualified installers increases the risk to the general public.

During the past year CORGI received gas safety complaints about 1311 non-registered installers. These are investigated and where evidence is obtained of non-registered installers undertaking gas work they are reported to the HSE – the enforcement body for gas safety. During the year 1003 non-registered installers were reported to the HSE, an increase of 2.3% on 2001 figures (980 reported in 2001).

Technical Support Officers

At CORGI we aim to provide all our stakeholders with a consistently high standard of service. And in April last year we introduced Technical Support Officers to offer even more. These valuable new members of the CORGI team work from home, providing technical information to installers and gas safety advice to the public. This move has helped increase the labour pool that we recruit from – while keeping costs down.



The service remains seamless for the caller who is unaware of the location of the person they are calling – some members are based as far afield as the Isle of Man and Inverness. We are currently working to improve our connection with these remote workers, testing the latest broadband technology to link our offices in Basingstoke with their home offices.

Technology

At CORGI we use the latest technologies to better support our business needs and to offer better support to our customers and the industry. This innovation continues with our broad E-Strategy and more specifically with E-Products. Projects are underway to determine how this electronic media could help promote gas safety awareness among our installers. And we're helping prepare the industry to take full advantage of such technologies. The most visible of these will be the new CORGI group website which will offer a greater level of value to installers and the general public alike.

Training and Development

Over the past year we have worked to further enhance the service we offer to our customers through continuous learning. As part of their ongoing personal development a

number of our inspectors are either taking or have already passed an NVQ Level 4 qualification in Engineering Surveying of Equipment, Systems and Services. So far 28 inspectors have passed the NVQ and a further 11 are at varying stages through the course. Once these 11 are awarded their NVQ, around 25% of our inspectors will have attained this high level qualification. A further seven senior inspectors are working towards achieving the NVQ level 4 Project Manager qualification and one inspector is working towards an Energy Efficiency level 4 NVQ. What's more, 14 field staff have continued with their professional development by achieving the Internal Verifier award whilst verifying the Surveying qualification.

To help inspectors work closer with installers, we're ensuring that field staff hold the full range of domestic ACS assessments and that where appropriate inspectors now hold both non-domestic and LPG assessments.

Similarly, where CORGI's inspectors provide incident investigation services to third parties including the HSE, they will have achieved the relevant City & Guilds qualification.

CORGI Commercial Activities

One of the most exciting new developments over the past year has been the growth and success of CSL Digital Print in providing services to external customers as well as internal clients. As part of the CORGI rebranding, the department was given a distinct identity to promote it within its own marketplace.

CORGI Certification Scheme for Registered Gas Installers

The CORGI Certification Scheme for registered installers is a voluntary initiative introduced last year to show that certain installers hold a level of competency above mandatory CORGI registration. Over the past year the scheme has experienced very positive growth and all signs point to this trend continuing this year.

Achieving CORGI certification demonstrates that the installer has public liability insurance, a complaint handling process and adequate management systems. As well as this, the installer must be able to provide a full six-year guarantee for new domestic gas installation work through the CORGI Gas Work Guarantee Scheme or equivalent alternative.

Increasingly our customers now understand the benefits that certificated installers offer. In particular, recognition of the scheme is growing with local authorities, managing agents and other similar organisations. They are now placing their confidence in the fact that certificated installers have satisfied the most demanding requirements.

CORGI Certification Scheme for Asbestos Safe Working within Buildings

In response to an industry safety issue we have also developed an asbestos certification scheme for businesses - to achieve the standard they must first demonstrate that they have appropriate management systems, procedures and training in place, ensuring absolute safety in relation to asbestos containing material. This includes support systems and access to the services of a specialist in the appropriate circumstances.

The Certification Scheme was developed in consultation with members of the gas industry and is based upon safety information published by the HSE. Like the Certification Scheme for Gas Installers, the Safe Working with Asbestos scheme is accredited by the United Kingdom Accreditation Service and adds to the range of products that enable the certificated business to display the CORGI Certification and UKAS logos.

Consultancy Services

CORGI Services has further built upon the good work of previous years – enjoying a high level of repeat business as well as exciting new business initiatives.

The seminar programme continues to be a successful way of raising awareness of a broad range of safety issues with a number of different clients including housing officers, call centre operators and maintenance or contracts managers.

Our audits of social housing and communal buildings for new business customers have continued to reveal areas of concern with regard to gas safety management, the results of which have made an important contribution to the registration scheme. CORGI Services consultancy has successfully improved tenant safety – reducing these risks and increasing contract efficiencies for these customers.

During the last year, the Technical Services team has continued to expand the number of investigations it has undertaken. Investigations increased from 102 to 122.

Installer Services

This area of CORGI continues to provide preferential services to CORGI installers – in particular the flagship “CORGI



Insurance Services". This service now provides policies to over a quarter of all CORGI installers.

This year also saw the launch of a new voluntary scheme to help support installers – the income replacement scheme. This scheme provides financial security and peace of mind if installers are unable to work for a period of time due to illness or accident.

Best Practice

As part of our ongoing review of standards and procedures CORGI has worked with other industry leaders and agencies to identify and promote best practice. Major changes have taken place with building regulations particularly in relation to energy efficiency, chimneys and flues. We have been at the forefront of this change, ensuring that our views are taken into account at every stage.

CORGI Direct

The products and services business within CORGI has experienced significant development over the last year with a number of initiatives driving the business forward. One key factor has been the change in name from CORGI Merchandise to CORGI Direct.

The move has been accompanied by the publication of a new twice-yearly CORGI Direct brochure containing an expanded range of products for CORGI installers. The publication of this brochure in March has helped the Company promote the new installer identity with a wide range of newly branded products including vehicle signage, stationery, forms and labels.

Order processing has also been improved with the introduction of a new fulfilment provider – over 80% of stocked products are now delivered within 72 hours. The business has also established a formalised customer satisfaction process enabling it to monitor how customers view the purchasing experience and how it can be improved.

The business has also had a great year, achieving a 24% growth in sales from the previous year.

CSL Digital Print

One of the most exciting new developments over the past year has been the growth and success of CSL Digital Print in providing services to external customers as well as internal clients. As part of the CORGI rebranding, the department was given a distinct identity to promote it within its own marketplace.

In October it achieved notable success by becoming PrintWeek Digital Printer of the Year. An award won by offering its customers a combination of innovative products and solutions combined with a high-quality, flexible service. The department continues to grow, with an increase of a massive 52% on the previous years sales. To offer a wider range of print services – both internally and to external consumers – CSL Digital Print is investing in new state-of-the-art print finishing equipment to support its already impressive range of services including Braille, embossing, plastics printing and cutting edge digital printing suite.

Summary Financial Statements

Summary Directors' Report

For the year ended 31 March 2003

Registered in England on Number 2565014

Chairman

D C F Latham OBE Non-Executive

Directors

B Adams Service Operations Director

N F Appleby Finance Director (resigned 31 August 2002)

S Bratt Client Services Director

A Cook OBE Non-Executive

S Gutteridge Non-Executive

R D Henry Chief Executive

K Howard Non-Executive

J K Lillicrapp Non-Executive

R R Prettie Non-Executive

I G Powney Finance Director (appointed 19 March 2003)

L C Purser Non-Executive

Secretary

P T Caine ACIS

Summary Consolidated Income and Expenditure Account

For the year ended 31 March 2003

	2003	2002
	£000	£000
TURNOVER	15,792	13,842
Cost of sales	(2,151)	(1,834)
Administrative expenses	(13,429)	(11,941)
OPERATING SURPLUS (note 1)	212	67
Exceptional item	–	275
Interest receivable	319	390
Interest payable	–	(2)
Surplus before taxation	531	730
Tax on surplus	(167)	(264)
SURPLUS FOR THE FINANCIAL YEAR	364	466

Summary Consolidated Balance Sheet

as at 31 March 2003

	2003 £000	2002 £000
Fixed Assets	629	407
Current Assets	13,686	12,828
Creditors: falling due within one year	(10,556)	(9,840)
Net current assets	3,130	2,988
NET ASSETS	3,759	3,395
CAPITAL AND RESERVES	3,759	3,395

Approved by the Board of Directors



David Latham Chairman
23 July 2003

Note 1 Operating Surplus

Directors' emoluments for the year were as follows:

	2003 £000	2002 £000
Aggregate emoluments	395	397
Compensation for loss of office	30	—
Company pension contributions to money purchase schemes	30	32

Retirement benefits are accruing to four (2002: four) directors under money purchase schemes.

Summary Corporate Governance Statement

The company supports the Combined Code on Corporate Governance and is working towards complying with all aspects.

Independent Auditors' Statement

We have examined the summary financial statements, which comprise the Summary Consolidated Income and Expenditure Account, the Summary Consolidated Balance Sheet and the Summary Directors' Report.

Respective responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the Annual Report and the summary financial statements. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the full annual accounts and directors' report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Report and summary financial

statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of Audit Opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In our opinion the summary financial statements are consistent with the full annual accounts and directors report of CORGI for the year ended 31 March 2003 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

Blueprint Audit Limited
Registered Auditor
Basingstoke
23 July 2003

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