

CORGI Annual Report 2004



contents

Chairman’s Statement	1
Chief Executive’s Report	4
The CORGI Board	6
The Council	8
Summary of Achievements	9
Summary Financial Statement	16

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

Throughout 2003, CORGI has continued its single-minded commitment to gas safety. We not only provide a register of competent installers but are also pursuing a range of other safety initiatives alongside the government and the general public. It's clear that this essential work is now delivering some excellent results, improving safety across the UK and further a-field.



Chairman's Statement

Our financial performance

2003 was an excellent year and this has impacted on a very successful start to our trading year in 2004. This year's consolidated accounts show a surplus before tax of £1,063,752 (2003 £531,000). Of this surplus, £391,941 (2003 £412,000) has been generated by CORGI's commercial activities such as CSL Digital Print, Shoreline media and CORGI Direct.

The group's total reserves now stand at £4.5 million (2003 £3.8 million). This is reviewed annually in line with Board policy. The majority of the surplus on the registration scheme is the result of a greater number of applicants than was envisaged, as today's buoyant market has seen media interest promote the industry and attract a large number of newcomers wishing to become CORGI Registered Installers.

Income sources



During the course of the year there have been a number of very positive operational and financial achievements. Most significantly we have taken some further steps towards increasing safety in the industry. Operatives now have to display both experience and competence before joining the CORGI register. Although this has raised the bar for prospective installers, it means the public can now have even greater confidence in the ability of CORGI installers.

Despite this tightening of the application criteria, the CORGI register has seen an increase in the number of installers. The register now has more companies listed than it's had for many years. And it's a trend that looks set to continue, with increasing applications reflecting the positive take-up of the new ACS qualification.

Within CORGI, we plan to revitalise the role of the CORGI Council as the principal representative body on gas safety as specified in CORGI's contract with the Health and Safety Executive. To achieve this we are proposing more involvement for the Council plus the formation of a Charitable Trust. This will meet the majority of the Council's wish to take a greater involvement in considering new policy issues as they emerge and allow us to better utilise the tremendous network of resources within the CORGI Council towards the shared goal of promoting gas safety. To date a large majority of the Council have been supportive of the creation of the Charitable Trust via feedback from a consultation document circulated last year. As a result of this support the set up of the Trust is progressing well and I would like to thank Council Members for their time and consideration to date.

This year the CORGI team has also seen some internal changes. In particular, I would like say a special thank-you to Bob Henry, who stepped down as Chief Executive in 2003. Over the years, Bob played a significant part in helping CORGI develop into the successful, influential organisation it is today. In recognition of this, Bob was recently awarded an MBE – something he and we can be proud of. We've also said goodbye to Roy Prettie who has stepped down after many years successful work on the Board. My sincere thanks go to both of them.

In turn, I would like to welcome Craig Slater and Edward Jenner, who join the Board. And I would like to extend a very warm welcome to Mike Thompson our new Chief Executive. I am confident Mike will continue to support CORGI by putting our gas installers first, and also develop the organisation so we can offer an even better service to the industry.



Chief Executive's Report

Since joining CORGI at the start of 2004, I have found a strong, vibrant and professional organisation, staffed by highly experienced personnel who are extremely dedicated to gas safety, an organisation whose work we can all, justifiably, be proud of.



CORGI's commitment to the gas industry through supporting and promoting registered gas installers remains clear; and we are dedicated to continuing and developing this service.

I extend my thanks to my predecessor Bob Henry, for all his work in creating an environment in which our employees can flourish and through which we can offer more to our stakeholders; the CORGI Registered Gas Installers and the general public at large. Over the years, CORGI has grown as a company that better serves the industry and I am particularly excited by forthcoming projects. There are a range of new schemes and activities designed to support government initiatives in Building Regulations and Energy conservation which will further benefit the industry.

Existing commercial activities benefit installers and the industry as a whole, with specialist training seminars, product approval schemes and our new Health and Safety Passport scheme continue to grow and develop. Our media business, Shoreline Media, has created instant success since launching in January and I'm happy to report our printing arm, CSL Digital Print continues to broaden its range and quantity of customers with another prosperous year. As a group CORGI is a dynamic and innovative company with genuine ambitions that will change and develop the heating industry and beyond.

ACS

I am pleased to report that following the successful replacement of the ACoP standard with ACS, the number of CORGI registrants has increased for the first time since 1998 when certificates of competence were introduced for existing installers. I commend the dedication and support shown by installers in accepting the improved ACS standard of gas competency. As a result, we have a highly skilled, better trained workforce that consumers can have real confidence in. This new standard can only lead to fewer gas safety incidents and I applaud all who have been involved in creating and supporting the scheme.

Public Affairs

CORGI continues to lobby the Government to keep gas safety in the public eye and make sure people realise the importance of only using CORGI Registered Installers, checking ID cards and having regular appliance checks. We have been working with Nigel Griffiths MP, Minister at the Department of Trade and Industry responsible for Construction, Enterprise and Small Business, to promote the gas safety message nationwide, with a particular focus paid to those in higher risk housing, such as students and the elderly. This year has seen targeted student campaigns in Nigel's constituency of Edinburgh, as well as national press

activities. Such activities allow us to achieve high exposure through the national press, local press, radio and television, without the costs associated with advertising and it is hoped this type of activity may be adopted by other MPs in their constituencies.

I met with Gerry Sutcliffe, the Consumer Affairs Minister, to raise concerns about the sale of gas appliances to non-registered people and hope to enlist his support in future campaigns to better educate and protect the general public.

As the national watchdog for gas safety, it is important that CORGI makes the case for continued improvements in gas safety to Government at the highest level. It is our duty to ensure that policy makers understand the importance of gas safety and are committed to doing all they can to improve it still further.

Since my appointment as CORGI CEO I have been meeting with the decision makers who will influence the future of gas safety policy. I have been encouraged by their awareness of gas safety, their general high regard for the work of CORGI and their appreciation of the high standards of registered installers. This is something that I am committed to building as we

continue pursuing our vision to lead standards in safety.

Looking forward there are planned changes in legislation: Government is looking to improve the industry through introducing new building regulations that require the installation of high efficiency gas appliances. This will be bolstered by launching new competent persons schemes that allow trained installers to self-certify their work. I see CORGI playing a pivotal role in such changes and as a result further increasing gas safety.

Gas installers are our key stakeholders and it is only by recognising their needs and acting accordingly that we can do our job.



The CORGI Board

The HSE Criteria requires the CORGI Board to be made up of executive and non-executive directors. There are currently four executive directors, six non-executive directors and a non-executive chairman.

The Board, which meets nine times a year, has a schedule of matters for its approval and consideration which include all matters relating to the overall control, business performance and strategy of the Company. Twice a year a meeting is devoted to developing Company strategy. All Board members have access to the Company Secretary and non-executive directors are provided with regular information and encouraged to attend operational activities and to speak to customers and employees. All non-executive directors joining the Board are appointed for a three year term. They are required to submit themselves for re-election to the AGM at this time.

CORGI aims to comply with best practice in Corporate Governance and, although as we are not a listed company there is no requirement to operate fully the combined code of corporate governance, we have always met the spirit of the code.

The principal committees (Audit Committee and Appointments and Remuneration Committee) required to comply with good corporate governance are already established in CORGI. As recommended under the Corporate Governance Code of Practice, these committees are comprised solely of non-executive directors. Executive Directors' remuneration is decided by the Remuneration Committee together with support provided by external benchmarking and consultancy. A similar process is adopted by the Board in respect of non-executive directors' remuneration.

The Audit Committee meets three times a year. Throughout the year it was chaired by Katherine Howard. The Remuneration Committee meets twice a year and is chaired by Stephen Gutteridge.

Executive Directors' Profiles

Mike Thompson Chief Executive

Mike Thompson joined CORGI in January 2004. Mike has over 35 years experience in a wide range of industries. From a foundation in mechanical engineering, his career has included senior positions in the automotive, construction and printing sectors.

His most recent appointments include: managing director security printing, Bank of England; executive director Haden MacLellan Holdings Plc (now Infast plc); divisional chairman specialist engineering, B. Elliot Plc; and plant director, Ford of Europe. Mike is 55 and has an MBA from Cranfield.

Bob Henry Chief Executive

Stepped down in December 2003.

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.

Steve Bratt Commercial Director

Steve Bratt has been with CORGI for 12 years, having joined the organisation 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, CORGI Services Limited, CORGI Certification Limited, CORGI Direct, CSL Digital Print, Shoreline Media and Marketing Services.

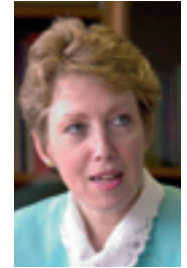
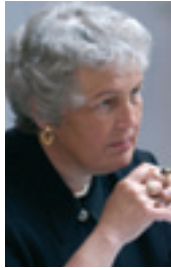
Ian Powney Finance and Corporate Services Director

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.



From left to right Mike Thompson, Brian Adams, Steve Bratt, Ian Powney, David Latham OBE, Stephen Gutteridge, Katherine Howard, Edward Jenner, John Lillicrapp, Lynda Purser, Craig Slater, Philippa Caine

Andrea Cook OBE

Andrea stepped down in September 2003.

Stephen Gutteridge

Stephen Gutteridge is Chairman of AIM-listed Star Energy Group and a Director of Marwyn Investments Group. 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. Stephen became Chairman of Remuneration and Appointments Committee in September 2003.

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.

Edward Jenner

Edward Jenner is a Chartered Management Accountant with 20 years experience in FMCG and household product industries. He is also a non-executive director of a UK building society. Edward became Chairman of the Audit Committee in April 2004.

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 retired in September 2003.

Lynda Purser

Lynda Purser is Chief Executive of the Institute of Packaging. She was previously the Executive Director for the Learning and Skills Council for Oxfordshire, Buckinghamshire and Milton Keynes. Lynda spent twenty years in science and engineering in higher education becoming Deputy Director of Humberside Polytechnic. She is a non-executive director with Cogent Sector Skills Council for the gas industry and is a Fellow of Kellogg College Oxford.

Craig Slater

Craig Slater is an Executive Director of Robotic Technology Systems PLC, a UK-based listed group specialising in the development of robotic solutions for the Nuclear, Life Science and Manufacturing industries. Craig has more than 15 years of experience in public companies, 8 of these in the construction sector. Craig is a Chartered Accountant and holds an MBA.

Phillippa Caine Company Secretary

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

The Council

CORGI is a company limited by guarantee, and is governed by the Council. The CORGI Council consists of 40 members representing a wide range of organisations, and associations all with an interest or involvement in matters relating to gas safety.

Age Concern England

Amicus

Association of Plumbing & Heating Contractors

British Flue & Chimney Manufacturers Association

British Gas

British Independent Gas Appliance Retailers

British Plumbing Employers Council (Training) Ltd.

British Safety Council

British Standards Institution

Builders Merchants Federation

Calor Group plc

Catering Equipment Distributors Association of Great Britain

Catering Equipment Suppliers Association

The Chartered Institute of Building

The Chartered Institution of Building Services Engineers

City & Guilds

Construction Industry Training Board

Convention of Scottish Local Authorities

Energy Institute

energywatch

Federation of Master Builders

Gas Teachers Association

GASTEC at CRE Ltd.

Heating & Ventilating Contractors' Association

ICOM Energy Association

Institute of Domestic Heating & Environmental Engineers

Institution of Gas Engineers and Managers

The Institute of Plumbing & Heating Engineering

L P Gas Association

The National Association of Plumbing Teachers

National Caravan Council Limited

National Consumer Federation

National Home Improvement Council

National House Building Council

National Inspection Council for Electrical Installation Contracting

The Royal Society for the Prevention of Accidents

Scottish and Northern Ireland Plumbing Employers Federation

Scottish Qualifications Authority

Society of British Gas Industries

TUC

Summary of Achievements

Safety is our business; it drives everything we do, in our day-to-day processes and our future planning. Over the past year, we've achieved a number of industry standards that demonstrate this commitment and show that for us safety is not just an abstract value; it is at the heart of our work.

The mandatory CORGI gas registration scheme is augmented by our commercial activities, which provide added value to our installers and encourage development through setting standards that define the quality and importance of the industry.

The CORGI Appeals Procedure

Installers have the right of appeal against any decision CORGI takes in respect of their registration. It is a two pronged process which involves the installer requesting that their case is initially heard by the First Stage Review Panel, which is made up of CORGI personnel who have had no involvement in their case. If after reviewing the case they decide to uphold the original decision, the installer has the right to appeal to an independent Appeal Panel and to attend the Hearing in person to give their version of events.

Members of the Appeal Panel have been appointed through a process of open advertisement and independent selection; none of the Panel has any involvement with CORGI or the installer, which ensures absolute impartiality. This means that the CORGI appeal process for registered installers is fully compliant with the Human Rights Act.

Installer Inspections

CORGI continues to carry out a full risk-assessment process to ensure all registered installation businesses meet the required levels of competency. In 2003, 18,000 inspections took place, measuring installers' competence and ensuring all appropriate actions were taken whenever issues were discovered.

If the installer fails to reach the required level of competency CORGI can take a series of actions. This includes further inspections at appropriate time intervals.

Should an installer be considered 'high risk', CORGI will take swift action to prevent any further gas work being undertaken. High risk installers are first suspended, ahead of removal from the register. Whilst suspended it is illegal to carry out gas work. Last year, CORGI permanently removed 46 companies who failed to demonstrate competence to our satisfaction. In addition over two thousand installers were removed from the register as they had failed to renew their expiring ACoP's with ACS. This underlines our dedication to ensuring only safe, competent and experienced installers are allowed on the CORGI register.

Non-Registered Gas Workers

Non-registered gas workers are not only illegal; they also pose a significant risk to the safety of the general public. CORGI is committed to tracking down and prosecuting those working off the register – hefty fines reflect the seriousness of the offence and the potential harm. 955 reports of non-registered installers were sent by CORGI to the Health and Safety Executive (HSE) during the year.

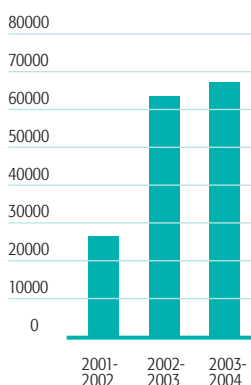
Last year, one non-registered installer, Stuart Watson, trading as LSE Plumbing & Heating, was fined over £15,000 by Stockport Magistrates Court. The court found Watson guilty on three counts; failing to be CORGI registered, pretending to be CORGI registered, and failing to fit pipework through a wall with a sleeve. During the case, the court heard from two CORGI staff members, who provided vital evidence. In passing sentence, the court stated: "Stuart Watson committed a deliberate fraud in pretending to be CORGI registered, despite being removed from the register earlier. Work of this nature meant there was a high degree of risk."

Summary of Achievements

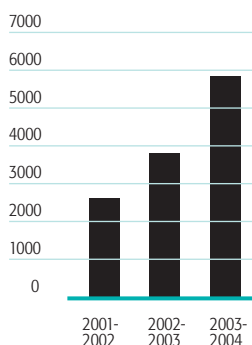
In another case, a landlord and his handyman were jailed after fitting a faulty gas heater which killed two teenagers. Landlord Stanley Rogers, 62 and handyman Barry Stone, 39, both admitted the manslaughter of tenants Michael Frosdick, 19, and Keith Reynolds, 17, who died from carbon monoxide poisoning. The gas fire which caused their deaths was purchased second hand from an auction. Prosecutor John Farmer said: "From the moment it was fitted, death was inevitable. Neither had any training or expertise in gas fitting but installed a gas fire of the wrong type." The victims died at the flat in Great Yarmouth, Norfolk only three days after the fire was fitted. Rogers, a father-of-three, was jailed for five years and ordered to pay £5,000 costs. Stone was jailed for three years.

All fatalities are tragic but they are thankfully rare. We applaud that in such cases the sentence reflects the severity of the crime.

Number of Candidates taking ACS assessments



Number of Applicants Registered



The ACS Scheme

On 31st July 2003 the Accredited Certification Scheme (ACS) celebrated its fifth anniversary and marked the end of the transition from the Health and Safety Commission's ACoP scheme to ACS. By that date, all CORGI registered operatives had renewed their expiring ACoP gas safety certificates with ones issued by a UKAS accredited Certification Body or an equivalent gas NVQ. The ACS scheme is more focussed on gas safety and offers a more rigorous and effective measure to ensure competency,

resulting in a higher standards within the industry. CORGI Inspectors have seen this improvement which is identifiable through the risk assessment process within their inspections.

On 1st August 2003, the ACS scheme also achieved a new landmark with the introduction by Certification Bodies of ACS Reassessment, designed for installers who are renewing expiring ACS certification. The reassessment process helps reduce the time spent in the assessment centre by up to 50% for operatives taking the common suite of domestic natural gas assessments.

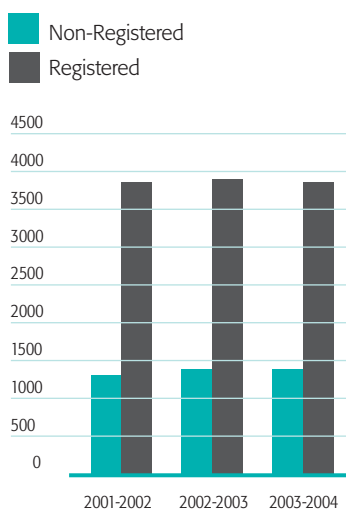
By March 2004 around 115,600 individuals held between them over 585,000 assessments. These were conducted through a network of five accredited Certification Bodies and 230 assessment centres.

Customer Services

Customer Services provide a valuable focal point for both members of the public and CORGI Registered Installers alike. In 2003 over 300,000 calls were taken which highlights the public's awareness of CORGI and its understanding of the need to use registered installers, as well as the relationship between installers and CORGI.

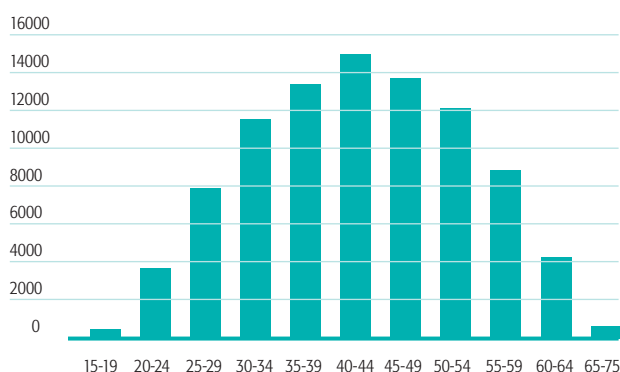
The department has been actively writing to operatives who hold ACS assessments but not connected to a CORGI registration. So far, we have sent over 20,000 letters, notifying operatives that their employer has not listed them on the CORGI register. We are also reminding operatives not

Complaints against Registered and Non-Registered Installers



linked to a CORGI registered business of the legal requirement to be registered before undertaking any gas work. As a result of this work, application requests have significantly increased.

CORGI Registered Operatives Age Group Analysis 2003-2004



Installer Events

CORGI continues to maintain its vital link with installers through regular events. Held at 28 venues around the country, the events offer technical and industry information and details of where to find further information. During 2003 there was a significant increase in attendance from around 30 delegates per session to over 80.

These events are funded through sponsorship, with companies that work within the gas industry taking stands at venues. This sponsorship enables CORGI to run larger, better events at no additional cost to the installer. During 2004 we are aiming to develop and further improve our events, spreading the safety message and supporting installers.

Exhibitions

Each year, CORGI attends a number of trade and consumer shows around the country, ensuring the gas safety message and the benefits of registration are clearly communicated. CORGI brochures containing gas safety information for consumers and the trade are available at these exhibitions. Most importantly, these events allow the CORGI team to talk to both consumers and installers; to answer any questions, provide help and advice and better understand their priorities. In both 2003 and 2004, we held prize draw competitions to find out what matters to visitors and what they think about gas safety – this information is invaluable in making CORGI responsive and accessible to the general public.

Website

The new CORGI website, launched in October, reflects the values of the Company. Sitting under www.corgi-group.com are five sites each representing a part of the business and aimed at specific stakeholders. The consumer site offers gas safety information and contacts, as well as online features allowing consumers to verify operatives' registration and carry out searches to find an installer in their area, matched by qualification and post code. These features are linked to the CORGI database and updated daily to ensure accuracy.

The Registered Installer site offers technical information for CORGI installers via a password protected log-in. From here installers can post technical enquiries, access technical data as well as book online to installer events.

Sites for CORGI Certification Limited, CORGI Services Limited and Digital Print serve as information outlets for customers. In the planning stages is an online shop for CORGI Direct and an online renewals facility. Both are intended to offer CORGI installers better service through a 24/7 online service.

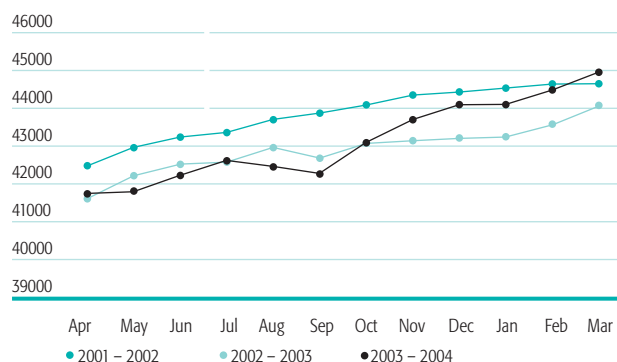
Consultancy Services

2003 saw some exciting developments for CORGI Services Limited with the acquisition of Bowland Safety Services, an established consultancy specialising in providing health and safety services to businesses in the UK. As a result, CORGI Services' sphere of activity has broadened from gas expertise to encompass safety in a wider arena. The range of services now includes:

- **Audits:** Critical evaluations of the management of health and safety systems.
- **Risk Assessment:** An examination of a company's activities to identify potential hazards and eliminate risks.
- **Health and Safety Policy:** The preparation of a health and safety policy on behalf of a company by a qualified safety practitioner.
- **Training:** A wide range of practical seminars and in-house training courses.

Summary of Achievements

Number of Registered Installers



The Technical Services division of CORGI Services Limited has continued to develop and grow in conjunction with the rest of the consultancy business. In addition, we have introduced a range of new initiatives including an Expert Witness service, the certification and plating of chimneys and assisted several Police forces around the country with investigating incidents involving gas appliances.

CORGI has taken the gas safety message into Europe through working closely with a major tour operator within the TUI Group with the implementation of their new project of providing holiday park homes in France, Spain and Italy. We have assisted them with the design and commissioning of the gas installation and gas appliances fuelled by Natural Gas and Liquefied Petroleum Gas (LPG) in various styles of holiday home.

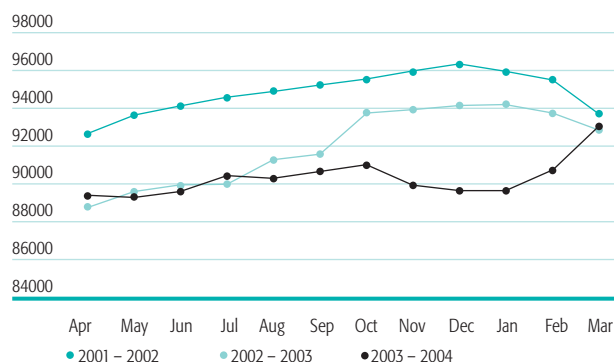
Merchandise

CORGI Direct provides a wide range of products and services to gas installers that help them day to day. Products range from technical manuals and branded clothing through to the market-leading CORGI Insurance Service.

CORGI Direct has also implemented more efficient work practice solutions for installers, for example the new "Worksafe Manager", an innovative work scheduling and job inspection application. This application removes the need for paper gas safety forms and means entire jobs can be managed from a PC or hand-held device.

CORGI Direct has worked hard over the past year to develop new products, and it's clear that the hard work has paid off: 17% of the department's revenue in 2003/2004 was generated through new products.

Number of Operatives



We introduced the CORGI Insurance Scheme to encourage and support installers in obtaining public liability insurance (PLI) and therefore protect gas consumers and increase professionalism in the industry. We remain market leader with over one third of installers who have PLI holding a CORGI policy. Today 93% of registered installers hold PLI, and, while we consider this encouraging we must stress the need for all installers to look to gain cover.

Certification

The Certification Scheme for Registered Gas Installers was introduced in 2001 for installers who wish to show that the quality of their management systems and procedures promotes safe gas work. Since its inception, a number of Certificated installers have gone on to gain industry-wide gas safety awards. There are real benefits to gaining Certification, as it demonstrates contractor's abilities to deliver a quality service. Increasingly, Local Authorities are requiring CORGI Certification as a pre-requisite for tender documents for gas work. Feedback from certificated businesses shows that attaining CORGI certification increases business opportunities and provides a means of differentiation. It also helps businesses to continuously develop working practices and effectiveness by using the CORGI surveillance visits to measure progress and identify opportunities for improvement.

Product endorsement

As part of our work promoting safety, CORGI has recently granted approval to an industry-leading carbon monoxide detector. Working together with SF Detection, the product has been fully tested and endorsed by CORGI – at once helping to raise awareness of the CORGI brand and protect the public from the silent killer, carbon monoxide.

CSL Digital Print

Over the past year, CSL Digital Print has continued to expand its customer base and broaden its product portfolio. As well as growing its plastic card printing services, CSL Digital Print now has a foothold in the Industrial Graphics market with the development of new plastic materials and coatings. This means CSL Digital Print can now offer printing for membrane keypads, industrial fascias and nameplates.

As the market trends lead to reductions in average print runs and order values, CSL Digital Print is working to streamline its production workflow and reduce its administration costs. At the same time, CSL Digital Print is investing in new, leading technologies such as variable data printing – this allows marketers to customise promotional literature and, in turn, increase response rates. CSL Digital Print is well positioned to take full advantage of this emerging market.

Shoreline Media

The success of Shoreline media has been one of CORGI's most significant and exciting achievements over the past year. Set up in November 2003, it now successfully manages all media sales across CORGI's extensive media portfolio. Over the past year Shoreline has helped increase advertising revenues by 27% and more importantly significantly improved the level of service offered to customers.

The CORGI portfolio, including the Gas Installer magazine, has been built over a number of years and helps gas installers stay up to date with the latest issues and events. Producing the magazine which is posted to around 50,000 businesses 10 times a year inevitably comes at a price, but advertising helps offset some of these costs. The magazine is used to update installers on technical information, new products and changes to legislation. Beyond this, Shoreline Media also offers a range of other services including direct marketing, mailings, online advertising and the CORGI installer events.

Public Affairs

CORGI has continued to raise the profile of gas safety among the general public and key decision makers – ensuring they're aware of the safety implications of any new policy initiatives.

We have been supporting the work of the All Parliamentary Gas Safety Group, chaired by Jon Trickett MP for Hemsworth, and encouraged debate on issues that effect gas safety and ensuring the importance of the issue is reflected in new policy decisions. We have been working closely with officials at the Office of the Deputy Prime Minister to ensure that the proposed Home Information Pack provides accurate information and advice on gas safety. We also aim to contribute our expertise in gas safety to Government policy consultations, encouraging wherever possible departments to adopt a joined up approach. In particular we have been working with the Department for Work and Pensions, the Office of the Deputy Prime Minister, the Department of Trade and Industry and the Department for the Environment, Food and Rural Affairs.

In addition, we have worked with political audiences to help raise public awareness of gas safety. Initiatives have included launching CORGI's autumn campaign at the Labour Party Conference and a Woman's Own Consumer Army initiative to expose non-registered gas installers, which received high level political backing.

Technical Services

This year, Technical Services answered over 80,000 calls from registered installers through our gas safety and technical helpline. It confirms that the investment made last year to improve our telephone service by recruiting extra members of the Technical team working remotely has paid off.



Summary of Achievements

Technical Services also provides input on key gas safety issues; exchanging knowledge with, amongst others, the British Standards Institution, the Health and Safety Executive and the Institution of Gas Engineers and Managers. Our team works together with these organisations on the identification, development and implementation of new standards and legislation affecting gas safety and utilisation. The Technical team ensures that any changes are quickly reported back to CORGI, so effective training and implementation strategies can be developed.

As the European community expands and policies are harmonised across borders, it is essential that CORGI keeps pace with the various draft regulations and standards being considered by member states. CORGI's Technical Services is now a member of Marcogaz, a European gas safety organisation, and is recognised as a valuable contributor to downstream gas safety across Europe.

Human Resources

CORGI has continued to enhance the levels of service it offers to its employees – encouraging continuous learning and providing a range of development opportunities.

In other areas, this year our Investors in People (IiP) Standard was successfully reviewed and renewed – it is a credit to the entire CORGI team that we have been able to maintain this high standard. This award shows that we're improving business performance and competitiveness through training and it allows us to measure our performance against other organisations. We also continued to attain a high level of staff retention with turnover at just 7.9%; this is half the national average.

Work in the Community

At CORGI we continue to work in the community, in particular providing help in local schools as a part of a mentoring service. This involves a group of employees meeting with one or two children each throughout the academic year on a weekly basis for an informal chat in the hope that we can broaden their horizons and be a listener to them.

We also support CORGI employees in their work as school governors, Councillors and Magistrates.

Occupational Road Risk Management

The last 24 months have seen us formalise our occupational road risk management process and further reduce the risks our employees face on the road.

The collision rate has seen a significant improvement, especially the number of collisions involving moving (CORGI) vehicles, implying that the initiatives we have taken over the last 18 months have been successful at reducing the risks.

We have re-emphasised what we do on the fundamentals of occupational road risk management – identifying and understanding the risks before implementing any control measure and interventions. Previously driver training was seen as the fundamental risk-reduction method. Whilst we are still using driver training to achieve this, we are using our on the road risk assessments to help identify where training should be focussed, and looking at all aspects of training, not just in-vehicle training.

In March 2004, CORGI was named winner of the 'Fleet Risk Management Award' by Fleet News magazine that went on to state, 'The CORGI fleet offers a blueprint for best practice when it comes to health and safety.'

Information Security

CORGI was recently awarded Certification to BS7799 for Information Security, one of just 300 worldwide businesses to have achieved this standard. To attain this award our systems were put through a full process of audit and enhancement, proving that our information security is resilient and meets a recognised standard.

Business Continuity

CORGI now has an established and proven Business Continuity plan for use during crises such as power outages, computer viruses or environmental disasters. We recently put our systems through a disaster recovery simulation in order to ensure that we're in full preparation for every eventuality. To maintain our usual service, we identified that our telephones and IT systems could be operational within a few hours and that CORGI could function as normal within 24 hours.

Risk Management

This year we have implemented a new, streamlined risk management process that encourages a more pro-active approach from all CORGI employees. As part of the new process, a numerical system of evaluation has been put in place which makes it easier for senior management to influence identified risk levels. The new system also gives a broader picture of potential risks, allowing management to quickly take action in areas where they are responsible.

This new process has become part of the integrated management tools being used by CORGI, ensuring we monitor and are aware of any current and possible future risks to the business.

Environmental policy

We have continued to demonstrate a genuine commitment to the environment, enhancing our Environmental Policy and following best practice as outlined in the ISO 14001 Environmental Management Standard. We are also developing ways to encourage registered businesses to take an active part in saving energy and will be looking to deliver some new initiatives over the course of the year and into 2005.



Summary Financial Statement

Summary Directors' Report

For the year ended 31 March 2004

Registered in England on Number 2565014

Chairman

D C F Latham OBE Non-Executive

Directors

M A Thompson Chief Executive (appointed 1 January 2004)

R D Henry Chief Executive (resigned 31 December 2003)

I G Powney Finance Director

B Adams Service Operations Director

S Bratt Commercial Services Director

J K Lillicrapp Non-Executive Deputy Chairman

S Gutteridge Non-Executive

L C Purser Non-Executive

K Howard Non-Executive

E V Jenner Non-Executive (appointed 1 August 2003)

R C A Slater Non-Executive (appointed 1 August 2003)

R R Prettie Non-Executive (resigned 23 July 2003)

A Cook OBE Non-Executive (retired 18 September 2003)

Secretary

P T Caine ACIS

Summary Consolidated Income and Expenditure Account

For the year ended 31 March 2004

	2004 £000	2003 £000
TURNOVER	17,735	15,792
Cost of sales	(2,007)	(2,151)
Administrative expenses	(14,970)	(13,429)
OPERATING SURPLUS (note 1)	758	212
Interest receivable	306	319
Surplus before taxation	1,064	531
Tax on surplus	(357)	(168)
SURPLUS FOR THE FINANCIAL YEAR	707	363

Summary Consolidated Balance Sheet

as at 31 March 2004

	2004 £000	2003 £000
Fixed Assets	526	629
Current Assets	15,783	13,686
Creditors: falling due within one year	(11,843)	(10,556)
Net current assets	3,940	3,130
NET ASSETS	4,466	3,759
CAPITAL AND RESERVES	4,466	3,759

Approved by the Board of Directors



David Latham Chairman
20 July 2004

Note 1 Operating Surplus

Directors' emoluments in the year were as follows:

	2004 £000	2003 £000
Aggregate emoluments	513	395
Compensation for loss of office	—	30
Company pension contributions to money purchase schemes	37	30

Retirement benefits are accruing to 4 (2003: 4) directors under money purchase schemes.

Independent Auditors' Statement to the members of CORGI – The Council for Registered Gas Installers

We have examined the summary financial statement set out on pages 16 to 17.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report in accordance with applicable law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the full annual financial statements 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 consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statement.

Our report has been prepared pursuant to the requirements of section 251 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 section 251 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 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 for use in the United Kingdom.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and directors' report of CORGI – The Council for Registered Gas Installers for the year ended 31 March 2004 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Guildford
3 August 2004

1 Elmwood, Chineham Park
Crockford Lane, Basingstoke
Hants. RG24 8WG

Tel: +44 0870 401 200
Fax: +44 0870 401 2600
Email: mail@corgi-group.com
www.corgi-group.com

