



# Contents

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1.	Foreword.....	2
2.	Glossary.....	3
3.	Review of the Period.....	4
4.	Membership.....	4
5.	Applications.....	5
6.	Lodgements.....	5
7.	Quality Assurance .....	6
7.1	QA Checks .....	6
8.	Complaints .....	7
9.	CPD.....	8
10.	Data integrity .....	8
11.	Finance .....	9
11.1	Profit and Loss Account.....	9
11.2	Balance Sheet.....	10
12.	The Future.....	11
13.	Who's Who.....	12
14.	Contact Details .....	12

## 1. Foreword

At the forefront of our scheme is customer service. We realise that for our energy assessor's this is their livelihood, and as such we ensure we offer the very best in support and a deliverable product.

However, the quality of that product is also vital to our industry. Quidos' reputation as an auditing institution stands or falls with the quality of its products. The issue of quality consequently demands and gets our permanent attention. We have long been lobbying the government for a level playing field for accreditation standards, as the quality of the EPC, DEC, or ACR is the only way we can build consumer confidence, and as a result increase demand for our industries products, rather than simply providing compliance ticks in boxes.

The low level of compliance of all EPBD regulations is frankly an embarrassment, and we have worked hard to highlight this to central and local government. Trading standards are tasked with enforcement, but with little or no appetite for penalties to be applied, there is no deterrent to an already lethargic market. Quidos has participated in numerous government meetings to promote better quality and compliance; we look forward to 2011 delivering both.

We have faced some difficult trading conditions in the last reporting year, with a depressed housing market, and legislation changes to remove HIPs. However we remain confident for the future, and anticipate initiatives such as the Renewable Heat Incentive and the Green Deal to promote take up of energy efficiency certification.

We hosted our first annual members conference this year, and it was a great opportunity to meet our members, and to debate concerns and strategies for the future.

We are very confident about this industry, but it will require the dedication and support of the main inputs, namely the government, the accreditation schemes, and the assessors alike. With the addition of appropriate software, it should be possible to deliver some serious carbon reductions in our society.

Philip Salaman, Managing Director  
December 2010

## 2. Glossary

The following abbreviations are used throughout this report.

AIRS	Air Conditioning Inspection Reporting System
ACEA L3	Level 3 Air Conditioning Energy Assessor – an individual accredited to produce ACRs for Packaged Systems. Typically systems with an effective rated output less than 250kW
ACEA L4	Level 4 Air Conditioning Energy Assessor – an individual accredited to produce ACRs for Centralised or Complex systems.
ACR	Air Conditioning Inspection Report
APEL	Accreditation of Prior Experiential Learning - a process that enables people to receive formal recognition for skills and knowledge they already possess.
AR	Advisory Report, produced in association with a DEC
CLG	Department of Communities and Local Government
CPD	Continuous Professional Development, the process whereby a professional will continually educate themselves to keep up to date with relevant industry developments.
DEA	Domestic Energy Assessor, an individual who is to produce EPC on existing dwellings.
DEC	Display Energy Certificate
EPBD	The Directive on the energy performance of buildings (EPBD) is the Directive 2002/91/EC (EPBD, 2003) of the European Parliament and Council on energy efficiency of buildings
EPC	Energy Performance Certificate
NDEA L3	Non Domestic Energy Assessor, an individual accredited to produce an EPC on non-dwellings that are defined as Level 3
NDEA L4	As above, but the assessor is accredited to produce EPC on Level 4 buildings.
NDEA L5	As above, but the assessor is accredited to produce EPC on Level 5 buildings.
NDEPC L3	Level 3 Non Domestic EPC. A report produced on a non-dwelling that has relatively straightforward building services, typically small buildings, with heating systems less than 100kw and cooling systems less than 12kw
NDEPC L4	Level 4 Non Domestic EPC. A report produced on a non-dwelling characterised by complex building services, typically purpose built buildings, with heating systems greater than 100kw and cooling systems greater than 12kw
NDEPC L5	Level 5 Non Domestic EPC. A report produced on larger non-domestic buildings that are complex in shape and construct.
OCDEA	On-Construction Domestic Energy Assessor, accredited to produce OCEPC.
OCEPC	On-Construction EPC, produced by an OCDEA for a dwelling that has just been built using the full SAP calculation methodology.
PBEA	Public Building Energy Assessor, accredited to undertake DEC and associated AR
QA	Quality Assurance
RdSAP	Reduced Data SAP; specification for data collection and inference rules to be applied when assessing an existing dwelling.
RR	Recommendation Report, provided in association with an NDEPC.
SAP	Standard Assessment Procedure; Government specification for assessing the energy efficiency of a dwelling.
SBEM	Simplified Building Energy Model, the Government provided calculation engine used in the calculation of energy ratings and the production of EPC for non-dwellings.

### 3. Review of the Period

Quidos Accreditation Scheme is a government approved accreditation scheme, providing licensing for a number of energy assessment related fields including domestic, commercial, air conditioning and public building energy assessors.

2009 – 2010 has seen steady progress within the Quidos Accreditation Scheme. Although we have seen a decline in lodgement numbers and issues with compliance nationally, Quidos has maintained membership numbers and market share of lodgements. Quidos has seen the development of its own RdSAP software, iQ-Energy, and have also strived to work with DCLG to improve the ACR reporting format as well as our own software for ACR production (AIRS).

There have also been a number of significant changes to rulings and regulations in the energy assessment industry, as well as developments to better the EPC product.

As always quality has been at the heart of our scheme, and continues to form an integral part of our operational basis, driving forward to ensure consistency of quality amongst our accredited members through thorough Quality Assurance Checks, at both assessor and end user levels. At Quidos we consistently adapt to the needs of the market, and by staying true to our core strengths; solid customer service, dynamism, ingenuity, we are able to flex and mould our services to best serve the ever changing needs of both our members and the market as a whole.

### 4. Membership

Quidos has seen membership numbers remain steady in the period 2009 – 2010, in comparison to the previous year. We have expanded slightly in the commercial building sector, and retained membership numbers in the domestic sector.

Our accreditation scheme is approved for the accreditation of EPC for both new build and existing dwellings (although we currently do not have any accredited on on-construction energy assessors); EPC for Level 3, 4, and 5 non-domestic (commercial) properties; DEC's and Advisory Reports for public buildings; and Air Conditioning Level 3 and 4 Inspections.

Quidos still maintains a membership fee for DEA's and as such we typically only have DEA's that are actively lodging reports, and hence we have very few dormant accounts. We believe that the launch of our new pricing structure for Domestic Lodgements has also encouraged this.

#### Membership Status 01/10/2009 ~ 30/09/2010

Status	DEA	NDEA L3	NDEA L4	NDEA L5	PBEA	AC L3	AC L4	Total
Processing	50	2	1	0	0	0	2	55
Active Members	404	111	180	3	28	7	43	776

Retired	31	6	3	0	2	0	0	42
Suspended	84	1	3	0	0	0	0	88
Membership Expired <sup>1</sup>	173	51	36	0	7	0	0	267
Declined	1	0	1	1	0	0	2	5

\*Note Active and Processing figures for each strand are based upon those on 30/09/2010

<sup>1</sup> relates to those individuals made inactive from the scheme through withdrawal or non-renewal of membership

## 5. Applications

### Application Figures 01/10/2009 ~ 30/09/2010

Status	DEA	NDEA L3	NDEA L4	NDEA L5	PBEA	AC L3	AC L4	Total
APEL	4	1	2	0	2	4	41	54
Qualification	400	110	178	3	26	3	2	722
TOTAL	404	111	180	3	28	7	43	776

We will accept either APEL or suitably qualified assessors applications to our scheme. We have received few APEL applications for the DEA, NDEA and DEC strands. In comparison, the majority of our ACEA applications are via the APEL route. We have declined five applications to our scheme - both qualification and APEL applications.

## 6. Lodgements

National lodgement figures have seen a steady decrease in numbers when compared to those of 2008-09. Quidos Domestic lodgement figures have also followed this decrease, most notably in May and June of 2010 where we saw HIPS scrapped and an uncertainty in the property market.

Although the scheme's Commercial and DEC lodgement numbers show an increase in when compared to those of the previous reporting year, there is a general decline in lodgements. We believe this is namely due to compliance issues, for which Quidos has held a strong campaign to combat.

ACRs are currently not required to be lodged to the Central Register, but we do maintain our own register of "lodged" reports. Please note that 'lodged' ACRs are both those that have been uploaded to the public register and those that have been lodged to the Quidos scheme through the AIRS software.

<b>Lodgements</b>					
Month	Domestic	Commercial (NDEPC)	DEC & AR	ACR	
Oct-09	4915	395	454	0	
Nov-09	4101	439	145	26	
Dec-09	2473	369	152	19	
Jan-10	3226	345	39	6	
Feb-10	4231	538	24	14	
Mar-10	4817	666	57	35	
Apr-10	4210	420	41	4	
May-10	3849	268	47	7	
Jun-10	4488	333	50	27	
Jul-10	4912	328	57	20	
Aug-10	4649	234	251	191	
Sep-10	5054	282	122	10	
<b>Total</b>	<b>50,925</b>	<b>4,617</b>	<b>1,439</b>	<b>359</b>	
<b>Mean (per assessor)</b>	<b>128</b>	<b>25</b>	<b>90</b>	<b>10</b>	

## 7. Quality Assurance

Quidos views the quality of the output of our accredited assessors as essential to the quality of the scheme. As any engineer will agree, the quality of the input into a process directly affects the quality of the output.

### 7.1 QA Checks

Quidos aims to complete a minimum of 2% Quality Audits for each strand of energy assessment, in line with the latest Scheme Operating Requirements.

<b>Quality Assurance Checks</b>								
Strand	Audited		Within acceptable error margin		% of audited		Failed	
	Audited	% of total	Within acceptable error margin	% of audited	Failed	% of audited	Failed	% of audited
Domestic (EPC)	1076	2.11%	1027	95.45%	49	4.55%		
Commercial EPC	135	2.2%	100	74.1%	35	25.9%		
DEC	24	1.7%	23	95.8%	1	4.2%		
ACR	7	2.37%	-	-	-	-		

Our QA procedure is rigorous, and we insist on all supporting evidence to supplement the audit process. We have robust online platform that assists our QA procedures and maintains details of all QA checks and feedback.

All EPCs and DECAs that fall outside the acceptable error margin are corrected and re-lodged. Assessors are then placed on Targeted QA procedures to determine where remedial action is necessary.

Any ACEA who undertakes the APEL route to accreditation has their first three reports Quality Assured before their membership is passed and complete. Any new members who join the scheme will have their first lodged report called for QA. As there is no calculation method for ACRs we can only report on those which pass or fail the audit process. We have requested QA of 2% of all lodged ACRs between October 2009 and August 2010. Moving forward all active ACEAs will be regularly audited, predominantly in line with the recent commercial operating requirements that have been established.

The wealth of knowledge we are building of quality standards is continually being fed back into our training department, and critically into our CPD events. One area that remains a particular concern is the varying quality of assessor knowledge from different training centres.

## **8. Complaints**

We received four complaints regarding the content of the energy certificate, or the behaviour of an accredited assessor. A complaint is when the property owner (or authorised representative) makes a formal complaint regarding the accuracy of an EPC, DEC, or ACR; or when a third party makes a formal complaint regarding the professional conduct or ability of an assessor.

Each complaint was fully investigated, and appropriate action was taken where necessary to achieve a resolve. Our complaints procedure and resultant actions to be taken are detailed in the Quidos Code of Conduct.

We have also dealt with an ongoing complaint during the course of the year regards an RdSAP software error. Although the software error and subsequently the complaint took longer than anticipated to resolve, we worked closely alongside our software provider, DCLG and BRE to satisfy a conclusion to the complaint. This included writing to all affected home owners, offering them a replacement EPC, although no requests for a replacement EPC were received.

We do not keep statistics on customer queries, but have a helpdesk who assist any consumer confusion with report contents, as well as the technical support provided to our assessors.

## **9. CPD**

Quidos energy assessors are required to undertake a minimum of 10 hours of suitable CPD to ensure that they remain competent and up to date with the skills needed for producing energy assessments. We insist on prove of this requirement annually.

We have provided numerous CPD events, which are available to both our members and non-members to attend. The topics are wide ranging, and cover such topics as renewable heat sources, asbestos, and floor planning. Quidos has also launched a range of online CPD courses for Energy Assessors through our e-Learning programme.

## **10. Data integrity**

We operate various software applications to store, manipulate, and process data. All our application and data servers are hosted in a secure data centre, with 99.97% up-time. All data is routinely backed up, and we have an immediate switch-over system in the event of a server failure.

Data security is critical, and only those with appropriate access can investigate or update sensitive information.

## 11. Finance

The latest published audited statutory accounts for Quidos Ltd cover the period 1<sup>st</sup> August 2008 to 31<sup>st</sup> July 2009.

### Profit and Loss Account for the period ended 31 July 2009

	2009	2008
	£	£
<b>Turnover</b>	<b>2,036,409</b>	<b>1,604,774</b>
Cost of Sales	(1,566,935)	(662,432)
<b>Gross profit</b>	<b>469,474</b>	<b>942,342</b>
Administrative expenses	(581,830)	(861,974)
Other operating income	-	2,283
<b>Operating profit/(loss)</b>	<b>(112,356)</b>	<b>82,651</b>
Other interest receivable and similar income	931	1,610
<b>Profit/(Loss) on ordinary activities before taxation</b>	<b>(111,425)</b>	<b>84,261</b>
Tax on profit or loss on ordinary activities	17,024	(19,747)
<b>Profit/(Loss) for the financial period</b>	<b>(94,401)</b>	<b>64,514</b>

**Balance Sheet**

**As at 31 July 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Fixed assets</b>		
Intangible Assets	159,555	-
Tangible Assets	40,161	32,451
Investments	3,111	-
	<u>202,827</u>	<u>32,451</u>
<b>Current assets</b>		
Debtors	415,940	277,582
Cash at bank and in hand	4,990	141,762
	<u>420,930</u>	<u>419,344</u>
<b>Creditors: amount falling due within one year</b>	(585,640)	(317,048)
	<u>(164,710)</u>	<u>102,296</u>
<b>Net current assets / (liabilities)</b>		
	38,117	134,747
<b>Creditors: amounts falling due after more than one year</b>	(104,000)	(104,000)
<b>Provision for liabilities</b>	(2,723)	(4,952)
	<u>(68,606)</u>	<u>25,795</u>
<b>Net assets / (liabilities)</b>		
<b>Capital and reserves</b>		
Called up share capital	1	1
Profit and loss account	(68,607)	25,794
	<u>(68,606)</u>	<u>25,795</u>
<b>Shareholders' funds</b>	<u>(68,606)</u>	<u>25,795</u>

## 12. The Future

Quidos look forward to the positive developments 2011 brings. As ever our focus is on delivering a quality service to our members, both existing and prospective. We will also continue to develop and adapt innovative approaches to software development and continue to promote compliance within the industry.

Quidos has begun a new compliance campaign with the assistance of local authorities, and hope to see compliance levels and awareness increase because of this throughout the course of 2011 across all strands of Energy Assessment. This includes Air Conditioning Energy Assessments. We hope this will also help to promote a change in consumer attitudes towards energy efficiency and energy performance reports.

We believe the EPC Advisor tool is a step in the right direction with respect to increasing the awareness of Energy Performance Certificates, although we believe that there is significant improvements which can be made to the tool. In addition we look forward to the introduction of the new Home Energy Advisor role and preparations for the 2012 Green Deal initiative. Quidos believe that both developments are set to be potentially promising and advancement on the current Energy Assessor role. Whilst this is only aimed at domestic properties for the short term we anticipate that this will aid the improvement of consumer knowledge of the EPC product and energy savings.

As previously mentioned, Air Conditioning is one of our main focuses for 2011. As of 5<sup>th</sup> January 2011 all buildings with an effective rated output of 12kW or more is required to hold an Air Conditioning Report, and through our ongoing compliance reporting Quidos are keen to see that these EPBD regulations are enforced. Quidos will continue to actively contribute to the conventions group for air conditioning (as well as other strands) to improve the inspection and reporting methods for Air Conditioning Reports. We also look forward to the anticipated implementation of mandatory lodgement of Air Conditioning Reports to a central register.

Quidos also looks forward to the expansion of its accreditation services to include further software applications and services, the addition of accreditation services in Scotland and our range of CPD services. November 2010 saw Quidos hold its first annual Members Conference; the first of many to come. We also expect to develop and expand our level of online and regional CPD events and seminars, assisting Energy Assessors with their career progression and keeping abreast of industry knowledge and developments. Quidos will also be looking to further promote its members through the Quidos website and other promotional material.

As you can see, Quidos has set clear objectives for 2011, and we look forward to sharing these positive developments with our members and the industry alike throughout the course of the year.

### 13. Who's Who

Scheme Administrator:	Katie Fielden
Technical Administrator:	Jon McChesney
QA Administrator:	Nick Cracknell
Marketing Manager:	Alex Barrett
Managing Director:	Philip Salaman

### 14. Contact Details

Quidos can be contacted by any of the following means:

Post: 10 Argyle Street  
Bath  
Somerset  
BA2 4BQ

E-mail: [QAS@Quidos.co.uk](mailto:QAS@Quidos.co.uk)

Telephone: 01225 318 400

Fax: 01225 466 661



Quidos Ltd. 10 Argyle Street, Bath, Somerset BA2 4BQ  
E: QAS@Quidos.co.uk :: T:01225 318 400 :: F: 01225 466 661  
Ticket System: [www.quidos.co.uk/qas-support](http://www.quidos.co.uk/qas-support)