

# ignite

Christmas 2017 (with obligatory Santa hats!)

## Merry Christmas and Happy New Year!



We are now nearing the well-earned Christmas break – looking forward to spending time with family and friends, recharging the batteries as well as eating and drinking too much! I think it is a great opportunity to reflect on the year as a whole, what went well and what we could have done differently. We have had a very positive year, in a mixed and uncertain market with volatile currency changes. Gazco have especially done well with continued double digit growth – and, although Stovax have not grown at the same level, we should not underestimate the contribution and stability they have provided whilst operating in a somewhat depressed market.

Our order levels are again significantly higher than last year, meaning our products are largely right for the market. Every department has played their part in delivering some record breaking results this season, and collectively as a team we've done a remarkable job to respond and cope with this increased demand – handling our customers with the utmost consideration and professionalism as praised in our recent retailer feedback.

In addition to the 'numbers' we have launched a set of business values which can provide a framework for how we all interact and carry out our

daily tasks, and I'm delighted to see how these are being embraced across the group. I would like to thank you all for your efforts in driving our business forward.

### What will 2018 bring?

A focus on consistent improvement – absolutely living our business values. My focus is all about investing in our people, customer delivery, systems and processes to ensure that you and our customers all feel that we are able to cope with our growing business. We will continue engaging with the entire workforce – taking and implementing improvement ideas. This is clearly underway with the creation of a 'Lean function': investment in new forklifts, investment in scheduling tools, planning around a large production investment – to call out a few examples of actions underway.

Once again thank you to all of you for your commitment and hard work – I look forward to a successful and rewarding 2018.

Merry Christmas to you and your families – Alistair



## The Figures

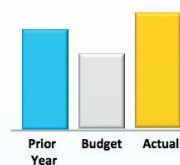


Group sales were up by 3% against last year to a new group monthly record of £6.6m.

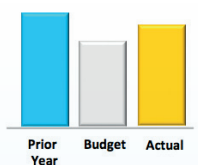
Strong growth in Gazco more than offset the modest decline in Stovax. Despite a significant reduction in the back order over the month, our order book remains nearly a quarter higher than last year. Margins remain under severe pressure due to currency exchange rates, but have at least stabilised.

Our overheads continue to run slightly below last year and well below budget, but we need to remain focussed on cost and to tighten our controls in 2018 to offset the margin decline.

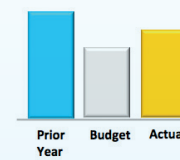
### Year to Date Revenue



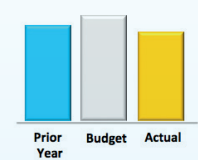
### Year to Date Margin



### Year to Date Profit before Tax



### Working Capital Turns



The major focus in the New Year will be around having the right stock in place for the next season by planning better in advance and improving our working efficiency across the business.

Key focus areas will be improving our supplier quality and internal business processes.

**DID YOU KNOW?**

Each year we print over half a million brochures across the group. The equivalent weight of 865 adult polar bears!





# Monthly Turnover Record!

We should all be immensely proud of our efforts during the month of November. After an all-time record month for Gazco in October, we followed with yet another Gazco record – significantly breaking £3M for the first time. This was supported by a strong Stovax performance, meaning that we also achieved a Group record month too!

To celebrate, we have all received a £20 Love2Shop voucher each – just in time for Christmas!



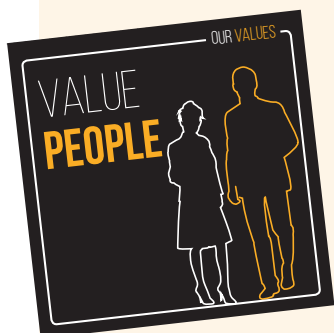
## Congratulations

Huge congratulations to David Clow on his promotion to Production Engineer, and to Caroline Carr who has recently been promoted to HR Director.



## Value People

Craig Marks recently went above and beyond to support the company and his colleagues, staffing the stand at the SelfBuild & Design show. He then volunteered the following day to cover a colleague's sickness, and even took charge of breaking down the stand into the evening. He dedicated all this time the weekend before his wedding when no doubt he had many other things to do!



## Winner of #cosycarvings

Thank you to everyone who entered our Cosy Carvings competition last month.

A big well done to Alistair Hayward for winning with his ghoulish multi-eyed pumpkin! I think we'll all agree it's quite the spectacle! Alistair's entry was selected at random and wins £25 for his efforts!



## Five Mins with... David Twigger Gazco Financial Controller

### Describe your average working day and what you do?

Drink 6 or 7 cups of tea, plus a decent coffee in the morning, fiddle around with complicated and sometimes colourful spreadsheets and delete many many emails. And some controlling of the finances.

### How long have you been working for the company?

16 years. The horrific events of 9/11 happened on my second day. We spent much of the day glued to the television in Stovax's boardroom.

### What's been your favourite achievement whilst working for Gazco?

As a cyclist, it would have to be introducing a cycle to work scheme. (If you are interested in joining the scheme or want more information please get in touch. We have just signed up with Cyclescheme, so the range of shops that bikes can be chosen from is now huge).

### What's your favourite part of a Christmas dinner?

My mother-in-law's cooking in general, but pigs in blankets in particular.

### If you had to have lunch with any celebrity, who would it be and why?

Alastair Humphreys. Not really a celebrity, but rather an enthusiastic adventurer and proponent of the 'micro adventure', because he has such a great attitude to life. Micro adventures are short, cheap and challenging activities that usually take place close to home, so lunch would probably involve catching or picking it first then cooking it on a beach or the moor. Have a look at [www.alastairhumphreys.com](http://www.alastairhumphreys.com).

### What are you looking forward to most from 2018?

Plenty more cycling – Devon is a fantastic place to cycle, and has a lots of excellent coffee (and cake) stops. Hopefully world peace too, but I suspect that next year might not be the best for that.





## Ideal Home Show at Christmas

The Ideal Home Show at Christmas is 'firmly established as the biggest and busiest winter show in the live events calendar, delivering an unparalleled audience of 120,000 (ABC audited) home interest consumers.' It is full of festive celebrations, tasty treats from top food and drink producers, plus previews of everything needed to prepare your home for the festive season. We were chosen by Good Homes magazine to feature in their Folklore room set this year, loaning a Studio 1 Freestanding and matching bench.

This is a great publicity exercise, as our stove has been named, photographed, and is likely to be used in their editorial next Christmas, with opportunities to be included as front cover material.

In the meantime, it is garnering plenty of exposure to the right demographic.



## Safety Matters - Emergency Responders become Spill Controllers



We are in the process of implementing an Environmental Management System to support the company's commitment to prevent damage to and protect the environment. There are a number of key areas that we are focusing on, one of which is to reduce the risk of contaminated liquids reaching surface water drains, and potentially polluting our waterways.

There are spill kits located at all our sites, and our Emergency Response Team – together with other key personnel – have been attending Spill Kit Training sessions so they know what to do in case of a spill or leak.

The practice scenario seen in this picture is desperate: a bucket of red diesel (red coloured water) has been knocked over, and our Emergency Responders leap into action to prevent the liquid reaching the nearby drain. They deploy absorbent socks and mats to stop the flow of liquid and soak it up, spreading granules to help control the situation. Once the drain is safe, they clear up the used spill kit materials and 'bag and tag' them for safe disposal. Hopefully the newly acquired skills never have to be put to use, but if they do, rest assured, they know what to do!

Sean Warren, Quality Systems Manager



## Your Home Awards



Gazco have been shortlisted as a finalist for 'Best Heating Product' in the Your Home Awards, with the Riva2 500HL Slimline as our flagship entry.

Your Home is a national homes and interiors magazine, and this will be their first hosted awards ceremony. Fingers crossed for a win!

## Lighting the Night for Hospiscare



Every year, Tony Bailey, Production Operative at Gazco, puts on a stunning Christmas lights display at his home in Beacon Lane to raise money for Devon charity, Hospiscare. Tony's wife was looked after by the Hospiscare team, but sadly passed away due to cancer around four years ago. Tony began putting up the lights, along with his neighbours, while his wife was still with him, and continues to do so in her memory – raising money through donations toward his spectacular display. For anyone that would like to donate to this very worthy cause, please email Bob Hughes (BHughes@gazco.com) who will be able to make arrangements.

## Skope Fires available just in time for Christmas!



The Gazco Skope is now available to consumers, with the sleek and stylish brochure now published to demonstrate its captivating flame visuals and innovative design. This electric fire is available as both inset and outset models, with Gazco's Chromalight system creating a truly mesmerising display. The Skope's fuel bed behind the glass does not get hot – opening up endless opportunities for bespoke, even Christmassy, displays. Jack Drew, Electrical Development Engineer, helped to create the Christmas scene pictured above in the photography studio – ideal for this festive time of year!





## Celebrity Chef John Whaite visits Stovax & Gazco



Many of us will know that the Marketing team stepped up with a huge promotional project this year, which is now live – in time for the festive period.

John Whaite, food writer and resident chef on ITV's *Lorraine*, visited the Stovax kitchen to cook up a storm on the Stockton 11 Cook Stove. The creative studio team did an incredible job to work to John's brand image, designing and building a fantastic true-to-life kitchen set in the new Innovation Centre R&D lab.

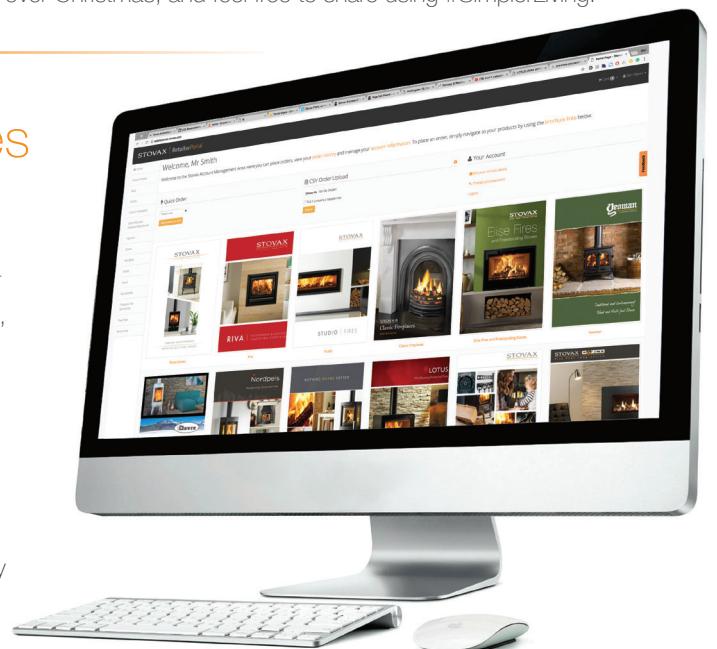
Over the course of two long days, the team directed, filmed and gathered photography for a series of cosy videos, starring John and his cooking. (The crew even managed to set the fire alarm off). The videos will be used in conjunction with the *Simpler Living* campaign, aiming to promote both the Stovax & Gazco brand, the launch of the Stockton Cookstoves, as well as John's book, *Comfort: Food to Soothe the Soul*.

A huge well done to the team for all the hard work and effort towards making this project a real success. The content is now live for viewing on [stovax.com/simpler-living](http://stovax.com/simpler-living). Don't forget to try out these scrummy recipes over Christmas, and feel free to share using #SimplerLiving!

## Retailer Portal & Spare Parts Sites Account for 36% of Sales!

The Retailer Portal has proved to be very successful, allowing our dealer network to place orders any time of the day, view the progress of orders, check stock levels and product availability, as well as viewing their order history and more.

Over 350 dealer accounts have been issued login details, and in November, a huge 36% of all orders were received electronically via the Retailer Portal and Spares websites – 6% up on October as a percentage of total orders. This goes to show how useful and necessary implementing the sites has been.





## Dealer Profile



# Grandisson

FIRES, FIREPLACES AND STOVES



Stovax, Gazco & Yeoman products on display at Grandisson



Grandisson has been running as a fireplace shop since 1998 when Matt Cookman and his father, Mike, took over an ailing business specialising in decorative plaster. At the time, decorative plaster ornate fireplaces were popular, giving Grandisson a firm footing in the fireplace market. Grandisson have been working with Stovax & Gazco since 2000, and now promote both brands as their premier flagship ranges.

For years the Gazco Logic HE has been Grandisson's best-selling fire, with the Stovax Stockton 5 being a close second as a solid fuel alternative. Matt Cookman added that they are noticing a change in trend, with "the larger gas fires being more popular than the traditional 16" fires this season."

They are displaying a Gazco Reflex 75T within a Riven Slate wall as the centrepiece of the showroom – this is a firm favourite of all showroom staff.

Matt commented: "The 2017 season has been interesting. Our October sales were fairly flat, but have now been bolstered by us having record sales for November. To say the market is unpredictable is an understatement!"

## Christmas Party Reminder

# Christmas Party

**THURSDAY 21ST DECEMBER**

A reminder of the details of the Christmas Party:

**Where?** Woodbury Park Golf & Country Club

**When?** Thursday 21st December 2017

**Time?** Arrive promptly at 7.15pm. Dinner is scheduled for 7.45pm

The Company will pay for the cost of the meal for all Employees, and like previous years, will put some wine on the table, and provide drinks vouchers for drinks on arrival.

As the event is not in Exeter, the company has laid on transport to get to the venue from the Stovax & Gazco sites. Coaches will leave at 6.45pm. As usual, we will be providing transport home (provided it is within a reasonable distance) from Woodbury Park. Taxis will leave promptly at 12:30am so please be ready by then.

Finally, as the party is on a Thursday, it has been agreed to have a later start time of 10am on Friday 22nd December for those attending the party.

Enjoy!

## We're now on Facebook! Like and Share our page!

We have finally made it to Facebook! Our Social Media team would be very grateful if those who own a Stovax or Gazco product could leave a positive review on the new page: [www.facebook.com/StovaxGazco](http://www.facebook.com/StovaxGazco)

