

CREDIT CARD HOLIDAYS LIMITED
(A company limited by guarantee)

Annual report and financial statements

Year ended 28 February 2001

Registered number : 543108



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CREDIT CARD HOLIDAYS LIMITED

(A company limited by guarantee)

Annual report and financial statements for the year ended 28 February 2001

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Management Committee

G H Clarke (Chairman)
D C Moxom
R J Higgs
J C Simms
N G Mendes

Secretary

R B Kirton

Registered office

Old Mansion House
Eamont Bridge
Penrith
Cumbria
CA10 2BX

Registered number

543108

Auditors

BDO Stoy Hayward
Commercial Buildings
11-15 Cross Street
Manchester M2 1WE

CREDIT CARD HOLIDAYS LIMITED
(A company limited by guarantee)

Report of the management committee for the year ended 28 February 2001

The management committee submits its report together with the audited financial statements for the year ended 28 February 2001.

Principal activities, trading review and future developments

The company, which does not trade for profit, administers two schemes to provide holidays with pay for operatives employed in the heating, ventilating, air conditioning and refrigeration contracting industry. Employers participating in the schemes purchase units thus providing a credit for the operatives' holidays. The company is administered by Welplan Limited, a wholly owned subsidiary undertaking of the Heating and Ventilating Contractors' Association ("HVCA").

Based on current industry workloads, the combined credit sales for both schemes are expected to remain buoyant, subject to no adverse effect resulting from the continuing impact of the 1998 Working Time Regulations.

In accordance with the company's articles of association and the accounting policies set out on page 6, the following transactions are reflected in the financial statements for the year ended 28 February 2001:

- The balance on the 1998/99 holiday credit account of £67,653 (1997/98 - £44,631) has been transferred into the unclaimed holiday fund.
- Late claims for reimbursement of holiday credits and refunds on unused stamps of £9,691 (2000 - £4,192) have been paid, on a discretionary basis, out of the unclaimed holiday fund.

Management committee

The present membership of the board is set out on the index page.

None of the management committee had any beneficial interest in the company or in any material contract during the year relating to the business of the company.

CREDIT CARD HOLIDAYS LIMITED
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Report of the management committee for the year ended 28 February 2001 (*Continued*)

Management committee's responsibilities

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the management committee is required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The management committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

By order of the Board



R.B. Kirton
Secretary

31 July 2001

CREDIT CARD HOLIDAYS LIMITED
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Report of the auditors

Independent Auditors' Report to the Shareholders of Credit Card Holidays Limited

We have audited the financial statements of Credit Card Holdings Limited for the year ended 28 February 2001 on pages 4 to 11. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements with it.

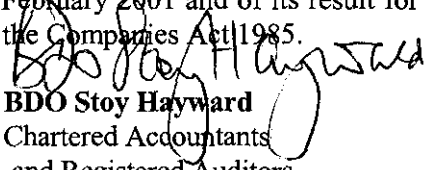
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO Stoy Hayward
Chartered Accountants
and Registered Auditors
Manchester

31 July 2001

CREDIT CARD HOLIDAYS LIMITED
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Profit and loss account for the year ended 28 February 2001

	Note	2001 £	2000 £
Turnover	2	2,480,611	2,199,929
Cost of sales		2,480,611	2,199,929
Result for the year		<u>-</u>	<u>-</u>

All amounts relate to continuing activities

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared.

There have been no movements in both the current financial year and the preceding financial year in respect of reserves. Accordingly, no reconciliation of the movement in reserves has been prepared.

The notes on pages 6 to 11 form part of these financial statements

CREDIT CARD HOLIDAYS LIMITED
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Balance sheet at 28 February 2001

	Note	2001		2000	
		£	£	£	£
Fixed assets					
Investments	3		71,886		71,886
Current assets					
Debtors	4	7,234,544		5,603,947	
Cash at bank and in hand		-		122,953	
		<u>7,234,544</u>		<u>5,726,900</u>	
Creditors: amounts falling due within one year	5	7,064,842		5,530,640	
Net current assets			<u>169,702</u>		<u>196,260</u>
Total assets less current liabilities			<u>241,588</u>		<u>268,146</u>
Creditors: amounts falling due after more than one year	6		241,588		268,146
			<u>-</u>		<u>-</u>
Reserves					
Revaluation reserve			71,874		71,874
Other reserves			5,470		5,470
Profit and loss account			(77,344)		(77,344)
Total equity shareholders' funds			<u>-</u>		<u>-</u>

These financial statements were approved by the Management Committee on 31 July 2001.

G.H. Clarke



Signed on behalf of the
Management Committee

The notes on pages 6 to 11 form part of these financial statements

CREDIT CARD HOLIDAYS LIMITED
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Notes forming part of the financial statements for the year ended 28 February 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investment in the subsidiary undertaking and are in accordance with applicable accounting standards. The following accounting policies, which have not changed in the year, have been applied:

Consolidation

The company has taken advantage of the exemption under Section 248 of the Companies Act 1985 not to prepare group accounts, as the group qualifies as a small group. As such, the financial statements present only information on the company and not the group.

Cashflow statement

The company has taken advantage of the exemption under FRS1 (revised) not to prepare a cash flow statement as it qualifies as a small company under section 247 of the Companies Act 1985.

Turnover

Turnover represents welfare contributions received during the year.

Investments

Investments held as fixed assets are stated at revalued amount less any provision for permanent diminution in value.

Discretionary payments suspense

Any unclaimed credit or stamp balances relating to scheme years more than seven years prior to the balance sheet date are transferred to the Discretionary Payments Suspense. The balance standing to the credit of this account is paid out annually at the discretion of the Management Committee in accordance with the Articles of Association.

Holiday scheme payments

In accordance with the industry's National Agreement, the company is obliged to meet claims for reimbursement of holiday scheme credits (previously stamps) which are submitted within seven months of the end of the appropriate holiday period. Late claims, i.e. those made outside this timescale, are paid at the discretion of the Management Committee.

Unclaimed amounts for the two scheme years prior to the balance sheet date are treated as current liabilities. Any amounts unclaimed for scheme years between two and seven prior to the balance sheet date are transferred to the Unclaimed Holiday Fund and are shown as long term liabilities.

CREDIT CARD HOLIDAYS LIMITED
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Notes forming part of the financial statements for the year ended 28 February 2001 (*Continued*)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Investments

	2001 £	2000 £
Shares in subsidiary undertakings	71,886	71,886

The investment represents 12 "A" shares of £1 each in Welfare Holdings (H & V) Limited, a company registered in England, and represents the whole of the equity voting rights in that company.

Welfare Holdings (H&V) Limited holds investments and derives its income from the investment of funds generated by the holiday scheme operated by Credit Card Holidays Limited.

During the year ended 28 February 1986 these shares were revalued by the management committee to £71,886 from their historic cost of £12. The investment in Welfare Holdings (H & V) Limited, accounted for under the equity method of accounting, at 28 February 2001 was £12 (2000 - £12) and its profit after taxation but before dividends for the year then ended was £228,240 (2000 - £153,690). The aggregate of its capital and reserves at 28 February 2001 was £48 (2000 - £48).

4 Debtors

	2001 £	2000 £
Amounts owed by subsidiary undertaking	7,234,544	5,603,947

5 Creditors: amounts falling due within one year

	2001 £	2000 £
Overdraft	262,023	-
Amounts owed to related undertakings	244,352	210,019
Holiday scheme liability (note 5)	6,558,467	5,320,621
Discretionary payments suspense (note 6)	-	-
	7,064,842	5,530,640

The overdraft balance is represented by unrepresented cheques.

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Notes forming part of the financial statements for the year ended 28 February 2001 (*Continued*)

6 Holiday scheme

	2001 £	2000 £
Balance at 1 March	5,320,621	4,093,873
Surplus of credits received over payments made for the year	1,305,499	1,271,379
	<u>6,626,120</u>	<u>5,365,252</u>
Transfer to unclaimed holiday fund in respect of 1998/99 (1997/98) unclaimed stamp balances (note 8)	(67,653)	(44,631)
Balance at 28 February	<u>6,558,467</u>	<u>5,320,621</u>

7 Discretionary payments suspense

	2001 £	2000 £
Balance at 1 March	-	120,487
Transfer from unclaimed holiday fund (note 8)	84,520	-
	<u>84,520</u>	<u>120,487</u>
Discretionary payment made to Manufacturing Science and Finance Union	-	(120,487)
Discretionary payment made to Welplan Limited	(84,520)	-
Balance at 28 February	<u>-</u>	<u>-</u>

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Notes forming part of the financial statements for the year ended 28 February 2001 (*Continued*)

8 Creditors: amounts falling due after more than one year

	2001		2000	
	£	£	£	£
Balance at 1 March		268,146		227,707
Transfer in respect of 1998/99 (1997/98) unclaimed stamp balances		67,653		44,631
		<u>335,799</u>		<u>272,338</u>
Payment of outdated claims	9,691		4,192	
Transfer balances more than seven years old to discretionary payment suspense (note 7)	84,520		-	
		<u>(94,211)</u>		<u>(4,192)</u>
Balance at 28 February		<u>241,588</u>		<u>268,146</u>

9 Liability of members

The liability of members, of whom there are a maximum of 12, is limited by the company's Memorandum of Association to a sum not to exceed £1 per member on liquidation.

10 Taxation

The company does not trade for profit and therefore no taxation liabilities arise.

11 Employees

No remuneration was paid to any member of the management committee during the year (2000 - £nil) and there were no employees of the company during the current and the preceding financial year.

One member of the management committee is a member of the HVCA Retirement Benefits Scheme, a defined benefit scheme (2000 - one).

12 Historical cost profits and losses

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of the historical cost profits and losses for the period is not given.

CREDIT CARD HOLIDAYS LIMITED
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Notes forming part of the financial statements for the year ended 28 February 2001 (*Continued*)

13 Related party transactions

The directors consider there to be four classes of related party as follows:-

- (i) The controlling members of Credit Card Holidays Limited, the Manufacturing Science Finance Union and the Heating and Ventilating Contractors' Association (including its subsidiary companies) are considered to be related parties for the purposes of Financial Reporting Standard No. 8 'Related Party Disclosures'. A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with these related parties is as follows:-

	2001 £	2000 £
Amounts included in costs of sales:		
Welfare contributions	1,011,596	902,684
Amounts included in creditors due within one year	244,352	210,019
	<u> </u>	<u> </u>

- (ii) The welfare schemes listed below are considered to be related parties for the purposes of Financial Reporting Standard No. 8 'Related Party Disclosures' by virtue of Welplan Limited, a wholly owned subsidiary undertaking of the Heating and Ventilating Contractors' Association, administering these schemes as Trustee. The schemes are as follows:-

H & V Sickness and Accident Scheme
H & V Death Benefit Scheme
H & V Pensions
TICI Sickness and Accident Scheme
TICI Death Benefit Scheme

A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with these related parties is as follows:-

	2001 £	2000 £
Amounts included in cost of sales:		
Welfare contributions	1,469,015	1,297,245
	<u> </u>	<u> </u>

- (iii) The members of the management committee of Credit Card Holidays Limited are related parties for the purposes of Financial Reporting Statement No. 8 'Related Party Disclosures'. A summary of the aggregate transactions with members' representative firms serving on the Council of the Heating and Ventilating Contractors' Association is as follows:

	2001 £	2000 £
Amounts included in turnover:		
Welfare contributions	-	1,614
	<u> </u>	<u> </u>

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Notes forming part of the financial statements for the year ended 28 February 2001 (*Continued*)

13 Related party transactions (*continued*)

(iv) Welfare Holdings (H & V) Limited, the subsidiary undertaking of Credit Card Holidays Limited, is considered to be a related party for the purposes of Financial Reporting Standard 8 'Related Party Disclosures'. A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with Welfare Holdings (H & V) Limited are as follows:-

	2001 £	2000 £
Investment in subsidiary undertaking	71,886	71,886
Amounts owed by subsidiary undertaking	7,234,544	5,603,947
	<u> </u>	<u> </u>

14 Ultimate controlling party

The company is 50% owned by the Heating and Ventilating Contractors' Association and 50% owned by The Manufacturing Science Finance Union.