

CREDIT CARD HOLIDAYS LIMITED
(a company limited by guarantee)

Registered No. 00543108

Annual report and financial statements
For the year ended 28 February 2019



CREDIT CARD HOLIDAYS LIMITED
(a company limited by guarantee)

Annual Report and Financial Statements
For the year ended 28 February 2019

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CREDIT CARD HOLIDAYS LIMITED

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Annual Report and Financial Statements

For the year ended 28 February 2019

COMPANY INFORMATION

Directors

M J Taylor
T Hopkinson
R B Kirton
K Cogan
I Woodland

Secretary

R B Kirton

Registered Office

Old Mansion House
Eamont Bridge
Penrith
Cumbria
CA10 2BX

Company Number

00543108

Independent Auditor

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

CREDIT CARD HOLIDAYS LIMITED

(a company limited by guarantee)

Report of the Directors **For the year ended 28 February 2019**

The directors submit their annual report together with the audited financial statements of the Company for the year to 28 February 2019.

Principal Activity

The Company, which does not trade for profit, administers two schemes to provide holidays with pay for operatives employed in the building and engineering services industry. Employers participating in the schemes purchase units thus providing a credit for the operatives' holidays. Welplan Limited, a wholly owned subsidiary undertaking of the Building Engineering Services Association conducts the operations of the holiday schemes on behalf of Credit Card Holidays Limited.

Review of Business and Future Developments

Legislation introduced in 2007 removed, with effect from October 2012, the National Insurance concession for holiday pay paid to employees personally engaged in construction operations. A communication programme by Welplan Limited ensured that all employers participating in the Company's holiday pay scheme were made aware both before and after October 2012 of the removal of the National Insurance concessions. Some employers continue to purchase holiday credits from the Company as a means of budgeting for their holiday pay commitments and it is the opinion of the directors that the Company remains viable.

The Company receives monies from participating employers which comprise elements relating to the purchase of holiday credits and other elements relating to the payment for welfare benefits and also to pension contributions. The elements relating to the provision of welfare benefits and pension contributions fall outside the scope of the Company's operations and are transferred in full to the appropriate scheme funds.

Dividends

The Company did not pay or propose any dividends during the year (2018 - £nil).

Directors

The directors who held office during the year were as follows:-

M J Taylor (Chairman)
B McAulay (Resigned 28 November 2019)
T Hopkinson
R B Kirton
K Cogan (Appointed 28 November 2019)
I Woodland (Appointed 28 November 2019)

Professional Indemnity insurance has been in place, covering all directors, throughout the current and prior year.

CREDIT CARD HOLIDAYS LIMITED

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Report of the Directors

For the year ended 28 February 2019

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Statement as to Disclosure of Information to Auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Mazars LLP have expressed their willingness to continue in office. A resolution to reappoint them in accordance with Section 485 of the Companies Act 2006 will be put to the annual general meeting.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption.

This report was approved by the board on 28 November 2019 and signed on its behalf by:



R B Kinton
Secretary

CREDIT CARD HOLIDAYS LIMITED

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Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT CARD HOLIDAYS LIMITED

Opinion

We have audited the financial statements of Credit Card Holdings Limited (the 'Company') for the year ended 28 February 2019 which comprise the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CREDIT CARD HOLIDAYS LIMITED

Report of the Independent Auditor

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

CREDIT CARD HOLIDAYS LIMITED

Report of the Independent Auditor

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.



Charlene Lancaster (Senior statutory auditor)
For and on behalf of Mazars LLP, Chartered Accountant and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 28 November 2019

CREDIT CARD HOLIDAYS LIMITED

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Balance Sheet as at 28 February 2019

Registered No 00543108

The Company did not have any trading transactions in the year or the preceding year and accordingly no Statement of Comprehensive Income has been prepared. The Company made neither a profit nor a loss.

	Note	2019 £	2018 £
Fixed Assets			
Investments	3	71,886	71,886
Current Assets			
Debtors	4	751,436	751,550
Cash at bank and in hand	5	683,518	1,019,702
		<u>1,434,954</u>	<u>1,771,252</u>
Creditors			
Amounts falling due within one year	6	(1,506,840)	(1,843,138)
Current assets less current liabilities		(71,886)	(71,886)
Net assets		<u>-</u>	<u>-</u>
Reserves			
Profit and loss account	10	5,470	5,470
Other reserves	11	(5,470)	(5,470)
Shareholders' equity		<u>-</u>	<u>-</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 28 November 2019.



R B Kirton
Director

The notes on pages 10 to 16 form part of these financial statements.

CREDIT CARD HOLIDAYS LIMITED
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Statement of Changes in Equity
For the year ended 28 February 2019

	Other Reserves £	Profit and Loss Account £	Total £
At 1 March 2017	5,470	(5,470)	-
Profit for the year	-	-	-
Total comprehensive income	-	-	-
At 28 February 2018	5,470	(5,470)	-
Profit for the year	-	-	-
Total comprehensive income	-	-	-
At 28 February 2019	5,470	(5,470)	-

The notes on pages 10 to 16 form part of these financial statements.

CREDIT CARD HOLIDAYS LIMITED
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Statement of Cash Flows
For the year ended 28 February 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Operating profit		-	-
Operating cash flow before movement in working capital		-	-
Decrease / (increase) in debtors	4	114	(115)
Decrease in creditors	6	(336,298)	(94,012)
Net cash outflow from operating activities		(336,184)	(94,127)
Net decrease in cash and cash equivalents		(336,184)	(94,127)
Cash and cash equivalents at the beginning of the year		1,019,702	1,113,829
Cash and cash equivalents at the end of the year	5	683,518	1,019,702
Cash and cash equivalents consists of:			
Cash at bank and in hand		683,518	1,019,702
Cash and cash equivalents		683,518	1,019,702

The notes on pages 10 to 16 form part of these financial statements.

CREDIT CARD HOLIDAYS LIMITED

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Notes to the Financial Statements

For the year ended 28 February 2019

1 Accounting Policies

1.1 General Information

Credit Card Holidays Limited ('the Company') is a company limited by guarantee incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is:

Old Mansion House, Eamont Bridge, Penrith, Cumbria, CA10 2BX

The Company, which does not trade for profit, administers two schemes to provide holidays with pay for operatives employed in the building and engineering services industry. Employers participating in the schemes purchase units thus providing a credit for the operatives' holidays. Welplan Limited, a wholly owned subsidiary undertaking of the Building Engineering Services Association, conducts the operations of the holiday schemes on behalf of Credit Card Holidays Limited.

These financial statements have been presented in pound sterling which is the functional currency of the Company.

1.2 Basis of Preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation as set out in the Companies Act 2006. These financial statements have been prepared under the historical cost convention modified for equity investments held at fair value.

1.3 Basis of Consolidation

The Company is a parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.4 Going Concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projection for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

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Notes to the Financial Statements For the year ended 28 February 2019

1.5 Impairment of Assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows. Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in the Income Statement.

1.6 Financial Instruments

The Company recognises financial assets and liabilities when they become party to contractual provisions of the financial instrument. The Company holds only basic financial instruments which comprise cash and cash equivalents, contributions receivable and claims and other payments.

Financial assets – classified as basic financial instruments

- *Cash and cash equivalents:*
Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.
- *Receivables*
Receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts receivable within one year are measured at the undiscounted amount of the cash expected to be received net of any impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the Income Statement.

Financial liabilities – classified as basic financial instruments

- *Holiday Scheme Liabilities and Other Payables*
Holiday Scheme Liabilities and other payables are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

1.7 Investment in Subsidiaries

Investments in subsidiary undertakings are held at a previous GAAP valuation as deemed cost.

1.8 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 years of the end of the appropriate holiday period. Late claims, i.e. those made outside this timescale, are paid at the discretion of the Directors.

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Notes to the Financial Statements

For the year ended 28 February 2019

1.9 Critical Accounting Judgements

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

There are no critical accounting judgements or key sources of estimation uncertainty contained within these financial statements.

2 Directors' Remuneration and Employees

No director received any emoluments during the current year (2018 - £nil).

There are no employees other than the directors (2018 - nil).

3 Investments

Interest in subsidiary undertakings:

	2019 £	2018 £
Share in subsidiary undertaking	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 directors to £71,886 from their historic cost of £12.

Welfare Holdings (H&V) Limited financial statements for the year ended 28 February are summarised below:

	2019 £	2018 £
Profit for the year	14,251	6,888
Aggregate value of share capital and reserves	55,617	41,366

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Notes to the Financial Statements
For the year ended 28 February 2019

4 Debtors

	2019 £	2018 £
Amounts owed by subsidiary undertakings (note 12)	751,436	751,550
	<u>751,436</u>	<u>751,550</u>

All amounts shown under debtors fall due for payment within one year.

Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand.

5 Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	683,518	1,019,702
	<u>683,518</u>	<u>1,019,702</u>

6 Creditors

	2019 £	2018 £
Amounts owed to related undertakings (note 12)	412,910	394,796
Holiday scheme liability (note 7)	1,093,725	1,425,487
Other creditors including taxation	205	22,855
	<u>1,506,840</u>	<u>1,843,138</u>

All amounts shown under creditors fall due for payment within one year.

Amounts owed to related undertakings are unsecured, interest free and repayable on demand.

7 Holiday Scheme Liability

	2019 £	2018 £
At 1 March	1,425,487	1,527,831
Credits received in the year	3,493,138	4,853,363
Payments made in the year	(3,807,031)	(4,933,058)
	<u>1,111,594</u>	<u>1,448,136</u>
Transfer out of balances more than seven years old	(17,869)	(22,649)
At 28 February	<u>1,093,725</u>	<u>1,425,487</u>

CREDIT CARD HOLIDAYS LIMITED

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Notes to the Financial Statements

For the year ended 28 February 2019

8 Financial instruments

Financial assets that are debt instruments measured at amortised costs:

	2019 £	2018 £
Amounts owed by subsidiary undertakings	751,436	751,550
	<u>751,436</u>	<u>751,550</u>

Financial liabilities that are debt instruments measured at amortised costs:

	2019 £	2018 £
Amounts owed to related undertakings	412,910	394,796
Holiday scheme liability	1,093,725	1,425,487
Other creditors including taxation	205	22,855
	<u>1,506,840</u>	<u>1,843,138</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 Reserves

Profit and loss account

This reserve represents the cumulative profits and losses.

11 Other Reserve

Other reserves are non-distributable reserves.

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Notes to the Financial Statements

For the year ended 28 February 2019

12 Related Party Transactions

The directors consider there to be three classes of related parties as follows:

- a) The controlling members of Credit Card Holidays Limited, Unite the Union and the Building Engineering Services Association (including its subsidiary companies) are considered to be related parties for the purposes of FRS102, section 33. A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with these related parties is as follows:

	2019 £	2018 £
Amount collected by the company on behalf of controlling members	917,426	892,449
Amounts included within creditors due within one year	59,060	162

- b) The welfare schemes listed below are considered to be related parties for the purposes of FRS102, section 33, by virtue of Welplan Limited, a wholly owned subsidiary undertaking of the Building Engineering Services Association administering these schemes as Trustee. The schemes are as follows:

- The Welfare Schemes administered, and which Welplan acts as Trustee for, are as follows:
 - Welplan Sickness and Accident Scheme
 - Welplan Death Benefit Scheme
 - Welplan Pensions
 - TICl Sickness and Accident Scheme
 - TICl Death Benefit Scheme
 - ECI Sickness and Accident Scheme
 - ECI Death Benefit Scheme

A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with the Welfare Schemes is as follows:

	2019 £	2018 £
Amount collected by the company on behalf of related schemes	1,705,479	1,940,369
Amounts included within debtors due within one year	-	114
Amounts included within creditors due within one year	353,850	394,634

- c) Welfare Holdings (H&V) Limited, the subsidiary undertaking of Credit Card Holidays Limited, is considered to be a related party for the purposes of FRS102, section 33. Auditor's remuneration for the year of £1,810 (2018 - £1,827) are borne by Welfare Holdings (H&V) Limited. A summary of the aggregate transactions which have been undertaken by Credit Card Holidays Limited with Welfare Holdings (H&V) Limited are as follows:

	2019 £	2018 £
Investment in subsidiary undertaking	71,886	71,886
Amounts included within debtors due within one year	751,436	751,436

Key management personnel are considered to be the directors only. Refer to note 2 for remuneration paid in the year. There were no other transactions with key management personnel in the year ended 28 February 2019.

CREDIT CARD HOLIDAYS LIMITED

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Notes to the Financial Statements **For the year ended 28 February 2019**

13 Ultimate Parent Undertaking

The Company is 50% controlled by the Building Engineering Services Association and 50% controlled by Unite the Union. Each of these entities has the power to appoint 50% of the membership of the board.

The Annual Return for the Building Engineering Services Association and group can be obtained from the Certification Office, 22nd Floor, Euston Tower, 286 Euston Road, London, NW1 3JJ.

The financial statements for Unite the Union can be obtained from Unite House, 128 Theobalds Road, Holborn, London, WC1X 8TN.