

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	Building Engineering Services Association		
Year ended:	28 February 2025		
List No:	043/E		
Head or Main Office:	Rotherwick House		
	3 Thomas More St.		
	St. Katherine's & Wapping		
	London		
Postcode	E1W 1YZ		
Website address (if available)	www.thebesa.com		
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/> ('X' in appropriate box)
General Secretary:	Mr Mark Oakes		
Contact name for queries regarding the completion of this return:	Mr Mark James		
Telephone Number:	01768 860487		
E-mail:	mark.james@theBESA.com		

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
706	31		4	741

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
President	Claire Curran	Adrian Hurley	12 September 2024
President Elect	Adrian Hurley	Peter Curtis	12 September 2024
Vice President	Peter Curtis	Anna Shepherd	12 September 2024
Immediate Past President	Robert Fletcher	Claire Curran	12 September 2024

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
3,397,735	From Members	Subscriptions, levies, etc	3,251,278	3,251,278
	Investment income	Interest and dividends (gross)		
312,530		Bank interest (gross)	455,522	455,522
		Other (specify)		
-482,851		Gain/(loss) from interest in associates	109,653	109,653
		Total Investment Income	565,175	565,175
	Other Income	Rents received	56,699	56,699
47,424		Insurance commission	436,958	436,958
453,546		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
524,008		Training	443,888	443,888
10,929,604		Welfare, Software and other Services	12,811,916	12,811,916
46,248		Grant Income	19,152	19,152
		Gain / (Loss) arising on FV Investment		
12,000,830		Total of other income		13,768,613
15,228,244		Total income		17,585,066
		Interfund Transfers IN		
	Expenditure			
8,021,516	Administrative expenses	Remuneration and expenses of staff	9,813,192	9,813,192
591,948		Occupancy costs	669,319	669,319
287,852		Printing, Stationery, Post	223,651	223,651
		Telephones		
3,847,830		Legal and Professional fees	4,216,584	4,216,584
		Miscellaneous (specify)		
553,847		Publicity	981,725	981,725
-5,415		College fees and grant payable	-108,790	-108,790
363,981		Travel and Motor Expenses	407,155	407,155
348,537		Insurance Claims Paid	195,858	195,858
		Total of Admin expenses		16,398,694
	Other Charges	Bank charges	80,678	80,678
84,886		Depreciation	632,130	632,130
459,484		Sums written off	277,791	277,791
350,880		Affiliation fees	246,781	246,781
121,506		Donations		
		Conference and meeting fees	448,758	448,758
310,174		Expenses	132,411	132,411
118,667		Miscellaneous (specify)		
23,517		(Profit)/Loss on sale of Fixed Assets	3,956	3,956
386,000		Finance Cost	318,000	318,000
-475,907		Actuarial (gain)/loss	-1,693,000	-1,693,000
154,992		Share Based Payment Charge	140,079	140,079
1,534,199		Total of other charges		587,584
274,950		Taxation	1,007,333	1,007,333
15,819,245		Total expenditure		17,993,611
		Interfund Transfers OUT		
-591,001		Surplus/Deficit for year		-408,545
8,300,644		Amount of fund at beginning of year		7,709,643
7,709,643		Amount of fund at end of year		7,301,098

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other Income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Balance Sheet as at [28 February 2025]

(see notes 19 and 20)

Previous Year		£	£
1,215,325	Fixed Assets (as at Page 8)	1,248,802	1,248,802
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
12,014,978	Unquoted (Market value £) as at Page 9		9,012,678
12,014,978	Total Investments	9,012,678	9,012,678
	Other Assets		
6,192,563	Sundry debtors	6,081,457	6,081,457
4,849,364	Cash at bank and in hand	3,349,239	3,349,239
	Stocks of goods		
	Others (specify)		
1,846,722	Intangible assets	3,134,699	
875,000	Investment Property	875,000	
13,763,649	Total of other assets	13,440,395	13,440,395
	Total Assets		23,701,875
7,709,643	Revenue Account/ General Fund	7,301,098	
11,732	Revaluation Reserve Non Controlling Interest	22,226	#
	Liabilities		#
689,587	Tax Payable	896,030	
2,500,491	Sundry Creditors	1,867,827	
8,999,607	Accrued Expenses	9,118,219	
37,892	Provisions - Deferred Tax	326,475	
7,045,000	Other Liabilities - Pension Liability	4,170,000	
19,272,577	Total Liabilities		16,378,551
26,993,952	Total Assets		23,701,875

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	1,076,748	138,577		1,215,325
Additions during period		157,435		157,435
Less: Disposals		-3,956		-3,956
Less: Depreciation	-28,063	-91,939		-120,002
Total to end of period	1,048,685	200,117		1,248,802
Book Amount at end of period	1,048,685	200,117		1,248,802
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	1,048,685	200,117		1,248,802

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Esca Estate Limited - Interest in Associate	4,849,671
	Short Term Investments	4,163,007
	Total Unquoted (as Balance Sheet)	9,012,678
	Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

Analysis of investment income (Controlling interests)

(see note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes	X	No	
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
B&ESA Limited	

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	
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If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes		No	X
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If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
B&ESA Limited	Martin Coote
	John Norfolk
	Nicholas Mead

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
From Members		3,251,278	3,251,278
From Investments		565,175	565,175
Other Income (including increases by revaluation of assets)		13,779,107	13,779,107
		13,768,613	13,768,613
	Total Income	17,595,560	17,595,560
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure	17,993,611	17,993,611
Funds at beginning of year (including reserves)		7,721,375	7,721,375
Funds at end of year (including reserves)		7,323,324	7,323,324
ASSETS			
	Fixed Assets		1,248,802
	Investment Assets		9,012,678
	Other Assets		13,440,395
	Total Assets		23,701,875
Liabilities			
	Total Liabilities		16,378,551
Net Assets (Total Assets less Total Liabilities)			7,323,324

Notes to the accounts

(see note 34)

All notes to the accounts must be entered on or attached to this part of the return.

Refer to attached financial statements

Accounting policies

(see notes 35 & 36)





Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			<small>(or other official whose position should be stated)</small>
Name:	Mark Oakes	Name:	David Frise - Chief Executive
Date:	16 July 2025	Date:	16 July 2025

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

BUILDING ENGINEERING SERVICES ASSOCIATION

Annual report and financial statements
For the year ended 28 February 2025

BUILDING ENGINEERING SERVICES ASSOCIATION
Annual Report and Financial Statements
For the year ended 28 February 2025

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BUILDING ENGINEERING SERVICES ASSOCIATION

Annual Report and Financial Statements

For the year ended 28 February 2025

COUNCIL AND BOARD MEMBERS AND AUDITOR

Members of the Council who have served during the year

A Hurley - FP Hurley & Son Ltd (**President**)
P Curtis - Briggs & Forrester Group Ltd
A Shephard - NG Bailey Ltd
C Curran - Linaker Ltd
G Borgese - MITIE Technical Facilities Management Ltd
C Bond - Hensall Mechanical Services Ltd
M Coote - Gatwick Park Mechanical Services Ltd
R Docherty - Protech Heating Ltd
P Eagle - Dalkia Group Ltd
G Friend - Ventilation Surveys & Services Ltd
I Gregory - IAQ Consultancy Services Ltd
R Harris - Graue Brothers Group Ltd
B Hughes - Derry Building Services Ltd
K Knapp - Ecolution Group Ltd
I Lammas - Dalkia Group Ltd
C McGlen - Robert Kirkland (Blyth) Ltd
N Mead - Crown House Technologies Ltd
G Narbeth - Narbeths Mechanical Services Ltd
J Norfolk - Dalkia Group Ltd
A Pedlow - Irwin M&E Ltd
I Qadir - Vital Energi Utilities Ltd
N Ralph - CBRE Managed Services Ltd
A Sims - Vent-Tech Ltd
A Taylor - ARM Environments Group Ltd
N Wood - Farmwood M&E Ltd

Members of the Board who have served during the year

A Hurley (**President**)
C Curran
P Curtis
N James
N Brackenridge
A Shephard
D Frise (**Chief Executive**)
S Hardy (**Finance Director**)

Independent Auditor

Armstrong Watson Audit Limited
James Watson House
Montgomery Way
Rosehill
Carlisle
CA12UU

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Board

For the year ended 28 February 2025

The members of the Building Engineering Services Association "BESA" Board present their annual report and the audited financial statements for the Building Engineering Services Association for the year ended 28 February 2025.

Principal Activities

The principal activities of the Association are as a trade and employers' association, representing the interests of firms active in the design, installation, commissioning, maintenance, control and management of engineering systems and services in buildings in the United Kingdom. BESA operates on a Group basis through a number of subsidiary and related undertakings delivering a range of complementary services including the provision of employee benefits, training, insurance, personnel registration, company competence assessment and certification, technical publications and property ownership.

Financial Reporting Standards

Although the Association is unincorporated, and therefore not governed by the Companies Act, the Board has maintained a policy that the Association's financial statements will be produced not only in accordance with current United Kingdom Accounting Standards but also, to the extent practicable, with relevant accounting provisions of the Companies Act 2006.

Review of the Business of the Group

The Board is pleased to report that, despite ongoing, high levels of uncertainty in the sector, BESA has continued to provide valuable and sustainable services to members and customers of the Group.

During the year the group continued its significant strategic review and change programme to ensure we are well placed to continue our role of leading the industry's efforts to adapt, survive and thrive.

The Group has developed a strategy focusing on the key challenges faced by members such as the Building Safety Act and the skills shortage. Additionally, the strategy is designed to increase Association membership, to further diversify income streams and to highlight the importance of competence and compliance within the industry and to provide solutions.

Turnover increased by over 10% to £17,000,739 largely as a result of continued growth of the SFG20 business. The group has returned an operating deficit of £1,216,504 during the year which is as a result of significant ongoing investment into the strategic review and implementation.

It was a significant year for SFG20 with the launch of our new platform Facilities-iQ in March 2024. This is a revolutionary step forward for the business as it underpins the shift from SFG20 being viewed purely as a technical standard (content), to a Software as a Service product offering a range of solutions which help building owners, managers and maintenance professionals to manage their risk, stay compliant, and keep buildings safe and efficient for occupants.

Welplan has performed well and built a strong financial base. The investment strategy continues to deliver a balanced and high performing return that supports future modernisation and growth aspirations.

The Board anticipate that the business environment will remain uncertain in the coming year. They believe the group is in a stable financial position and that the key risks and uncertainties have been identified and are being well managed.

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Board

For the year ended 28 February 2025

Principal Risks and Uncertainties

The principal business risks affecting the Group are:

- Financial
- Technology
- Cyber Security
- New entrants to the market
- Pension scheme deficit

Financial

In common with any member organisation, there is a risk of a reduction in subscription income. This risk is not only linked to potential member losses or reduced member turnover, but also to recruitment and retention of new members.

Technology

Technology, especially AI technology, continues to develop at a fast rate, although this creates numerous opportunities, there is a significant business risk if the group fails to keep up with the latest technology.

Cyber Security

With the increasing reliance on technology and data, businesses are vulnerable to cyber attacks and data breaches. A breach could result in financial losses, reputational damage and legal liabilities.

New entrants to the market

For commercial subsidiaries in the Group there is a risk of increased activity by competitors operating in our marketplace.

Pension Scheme Deficit

The final salary pension scheme deficit is an ongoing risk (see note 23). The Scheme Trustees have developed a recovery plan that aims to address the funding shortfall by 2030.

Corporate Governance Statement

The Association is not required to comply with the provisions of the Combined Code as it is not a public listed company. However, the Board is committed to high standards of corporate governance and compliance with those provisions of the Code considered appropriate to the nature and size of the Association.

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Board

For the year ended 28 February 2025

Research and Development

Group companies are continuously carrying out research in connection with the development of new services and products and the improvement of those currently provided. Development costs are internally generated software development costs of £1,570,164 (2024 - £953,526) and externally acquired to the Group of £260,687 (2024 - £72,438).

Statement of Council Responsibilities

The Constitution of the Association requires the Council to "arrange for an annual statement of accounts to be drawn up". The Council accepts that it is therefore responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the Group and of the surplus or deficit of the Group for that period. In order that these financial statements will comply with United Kingdom Generally Accepted Accounting Practice, the Council is therefore 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

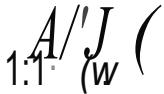
The Council is also required by the Constitution to ensure that proper accounting records are kept that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and Group. It is also responsible for safeguarding the assets of the Association and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Acting under delegation from the Council, all of the current members of the Board have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditor for the purposes of the audit and to establish that the auditor is aware of that information. The members of the Board are not aware of any relevant audit information of which the auditor is unaware.

Auditor

Armstrong Watson Audit Limited 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
on behalf of the Council**



**A Hutley /
Chair**

Date: 8 July 2025

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILDING ENGINEERING SERVICES ASSOCIATION

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 Association 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 board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Association'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.

Other information

The board members 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.

Responsibilities of the Board

As explained more fully in the board members' responsibilities statement set out on page 4, the board members 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 board members 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 board members are responsible for assessing the Association'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 board members either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

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.

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Independent Auditor

Auditor's responsibilities for the audit of the financial statements (Continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the Board and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, such as the certifications, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation, as well as compliance with government bodies for the provision of apprenticeships.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
 - reviewing the key areas of the financial statements most susceptible to fraud whilst tailoring our audit plans.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates, such as the defined benefit pension and investment property valuations were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, DEFRA, City & Guilds and Scotland apprenticeships and the company's legal advisors:

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

BUILDING ENGINEERING SERVICES ASSOCIATION

Report of the Independent Auditor

Use of the audit report

Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standards. Our audit work has been undertaken so that we might state to the Association'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 Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Ltd

[Joanna Gray \(Jul 18, 2025 16:28 GMT+1\)](#)

Armstrong Watson Audit Limited

James Watson House
Montgomery Way
Rosehill
Carlisle
CA12UU

Date:

18/07/2025

BUILDING ENGINEERING SERVICES ASSOCIATION

Consolidated Statement of Comprehensive Income

For the year ended 28 February 2025

	Note	2025 £	2024 £
Turnover	2	17,000,739	15,352,317
Cost of sales		(5,323,224)	(4,494,415)
Gross surplus		11,677,515	10,857,902
Administrative expenses		{12,894,019}	(10,961,278)
Operating deficit	5	(1,216,504)	(103,376)
Grant income		19,152	46,248
Income/ (Loss) from interests in associated undertakings	6	109,653	(482,851)
Loss on disposal of fixed assets		(3,956)	(15,655)
Loss on disposal of intangible assets			{7,862}
Other interest receivable and similar income	7	455,522	312,530
Interest payable and similar charges	8 23	(318,000)	(386,000)
Share based payment charge	28	(140,079)	(154,992)
Deficit on ordinary activities before taxation		(1,094,212)	(791,958)
Tax charge on deficit on ordinary activities	9	(711,833)	(49,450)
Deficit on ordinary activities after taxation		(1,806,045)	(841,408)
Other comprehensive income			
Re-measurement in respect of the defined benefit scheme	23	1,693,000	475,907
Movements in related deferred tax provision	20	(295,500)	(225,500)
Total other comprehensive income		1,397,500	250,407
Total comprehensive deficit for the year		(408,545)	(591,001)
Comprehensive income attributable to			
Association		(408,545)	(591,001)
Non-controlling Interest			
		(408,545)	(591,001)

The notes on pages 14 to 39 form part of these financial statements.

BUILDING ENGINEERING SERVICES ASSOCIATION
Consolidated Balance Sheet as at 28 February 2025

	Note	2025		2024	
		£	£	£	£
Assets					
Fixed Assets					
Intangible assets	10		3,134,699		1,846,722
Tangible assets	11		1,248,802		1,215,325
Investment property	12		875,000		875,000
Fixed asset investments	13		4,849,671		4,920,018
			<u>10,108,172</u>		<u>8,857,065</u>
Non-Current Assets					
Debtors: amounts falling due after more than one year	15	1,042,500		1,761,250	
			<u>1,042,500</u>		<u>1,761,250</u>
Current Assets					
Debtors: amounts falling due within one year	14	5,038,957		4,431,313	
Short term Investments	16	4,163,007		7,094,960	
Cash at bank and in hand	17	3,349,239		4,849,364	
			<u>12,551,203</u>		<u>16,375,637</u>
Total assets			<u>23,701,875</u>		<u>26,993,952</u>
Liabilities and equity					
Reserves					
Accumulated funds	21	7,301,098		7,709,643	
Non-controlling interest	21	22,226		11,732	
			<u>7,323,324</u>		<u>7,721,375</u>
Provisions for liabilities					
Pension scheme liability	23	4,170,000		7,045,000	
Deferred taxation	20	326,475		37,892	
			<u>4,496,475</u>		<u>7,082,892</u>
Non-Current liabilities					
Creditors: amounts falling due after more than one year	19	881,955		900,692	
			<u>881,955</u>		<u>900,692</u>
Current liabilities					
Creditors: amounts falling due within one year	18	11,000,121		11,288,993	
			<u>11,000,121</u>		<u>11,288,993</u>
Total liabilities and equity			<u>23,701,875</u>		<u>26,993,952</u>

These financial statements were approved and authorised for issue by the Board on behalf of the Council of

the Building Engineering Services Association

A Hurley

Chairman of the

The notes on

pages 14 to 39

form part of these financial statements.

D Frise

Chief Executive

BUILDING ENGINEERING SERVICES ASSOCIATION

Consolidated Statement of Changes in Reserves

For the year ended 28 February 2025

	Accumulated Funds £	Non- Controlling Interest £	Total £
At 1 March 2023	8,300,644	11,732	8,312,376
Deficit on ordinary activities	(841,408)		(841,408)
Other comprehensive income	250,407		250,407
<hr/>			
Total comprehensive deficit	(591,001)		(591,001)
<hr/>			
At 29 February 2024	7,709,643	11,732	7,721,375
Deficit on ordinary activities	(1,806,045)		(1,806,045)
Other comprehensive income	1,397,500		1,397,500
Shares issued in the year		10,494	10,494
<hr/>			
Total comprehensive deficit	(408,545)	10,494	(398,051)
<hr/>			
At 28 February 2025	7,301,098	22,226	7,323,324

The notes on pages 14 to 39 form part of these financial statements.

BUILDING ENGINEERING SERVICES ASSOCIATION

Association Statement of Comprehensive Income

For the year ended 28 February 2025

	Note	2025 £	2024 £
Turnover	2	3,399,743	3,529,811
Cost of sales		(4,139,536)	(3,315,156)
Gross (deficit) / surplus		(739,793)	214,655
Administrative expenses		(3,057,266)	(2,466,844)
Other operating income		483,000	273,700
Operating loss		(3,314,059)	(1,978,489)
Dividends from subsidiary undertaking	25	1,321,090	1,963,169
Dividends from associated undertaking	13	180,000	180,000
Fair value adjustment on investments in associated undertaking	13	(70,347)	(662,850)
Grant income		19,152	46,248
Interest payable and similar charges	823	(318,000)	(386,000)
Intercompany loan write off		(386,610)	(3,700,000)
Deficit on ordinary activities before taxation		(2,568,774)	(4,537,922)
Tax credit on ordinary activities	9	274,890	54,086
Deficit on ordinary activities after taxation		(2,293,884)	(4,483,836)
Other comprehensive income			
Re-measurement in respect of the defined benefit scheme	23	1,693,000	475,907
Movements in related deferred tax provision	20	(295,500)	(225,500)
Total other comprehensive income		1,397,500	250,407
Total comprehensive deficit for the year		(896,384)	(4,233,429)

Association Statement of Changes in Reserves

For the year ended 28 February 2025

	2025 £	2024 £
At 1 March	2,656,613	6,890,042
Deficit on ordinary activities	(2,293,884)	(4,483,836)
Other comprehensive income	1,397,500	250,407
Total comprehensive deficit	(896,384)	(4,233,429)
At 28/29 February	1,760,229	2,656,613

The notes on pages 14 to 39 form part of these financial statements.


BUILDING ENGINEERING SERVICES ASSOCIATION

Association Balance Sheet as at 28 February 2025

	Note	2025		2024	
		£	£	£	£
Assets					
Fixed Assets					
Intangible fixed assets	10		3,785		7,569
Tangible fixed assets	11		7,117		
Investments in subsidiary undertakings	13		100,000		100,000
Investments In associate undertakings	13		4,849,671		4,920,018
			<u>4,960,573</u>		<u>5,027,587</u>
Current Assets					
Debtors: amounts falling due within one year	14	2,547,188		3,866,933	
Debtors: amounts falling due after more than one year	15	1,042,500		1,761,250	
Cash at bank and in hand	17	103,931		100,459	
			<u>3,693,619</u>		<u>5,728,642</u>
Total assets			<u>8,654,192</u>		<u>10,756,229</u>
Liabilities and equity					
Reserves					
Accumulated funds	21		1,760,229		2,656,613
Provisions for liabilities					
Pension scheme liability	23		4,170,000		7,045,000
Current liabilities					
Creditors: amounts falling due within one year	18		2,723,963		1,054,616
Total liabilities and equity			<u>8,654,192</u>		<u>10,756,229</u>

These financial statements were approved and authorised for issue by the Board on behalf of the Council of the Building Engineering Services Association on 8 July 2025.


A Hurley
Chairman of earcf


D Frise
Chief Executive

The notes on pages 14 to 39 form part of these financial statements.

BUILDING ENGINEERING SERVICES ASSOCIATION

Consolidated Cash Flow Statement For the year ended 28 February 2025

	Note	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Deficit on ordinary activities before taxation		(1,094,212)		(791,958)	
<u>Adjustments</u> for:					
Depreciation of tangible fixed assets	11	120,002		102,876	
Amortisation of intangible fixed assets	10	512,128		356,607	
(Income)/ cost from investment in associates	6	(109,653)		482,851	
Cash outflow from pension contributions	23	(1,500,000)		(1,288,093)	
Loss on disposal of fixed assets	5	3,956		15,655	
Loss on disposal of intangible assets	5			7,862	
Operating cash outflow before movement in working capital		(2,067,779)		(1,114,200)	
Increase in debtors	14	(607,644)		(1,207,497)	
(Decrease)/ increase in creditors	1819	(307,609)		2,753,373	
Interest received	7	(455,522)		(312,530)	
Interest payable	8	318,000		386,000	
Net cash (outflow) / inflow from operating activities			(3,120,554)		505,146
Cash flows from investing activities					
Payments to acquire tangible assets	11	(157,435)		(111,045)	
Payments to acquire intangible assets	10	(1,830,851)		(1,025,964)	
Dividends received from associates	13	180,000		180,000	
Proceeds from sale of intangible assets		30,746			
Payment to acquire short term investment	16			(7,094,960)	
Proceeds from sale of short term investment	16	2,931,953			
Net cash inflow / (outflow) from investing activities			1,154,112		(8,051,060)
Cash flows from financing activities					
Interest received	7	455,522		312,530	
Sale of shares to non-controlling interests		10,494			
Net cash inflow from financing activities			466,016		312,530
Net decrease in cash and cash equivalents			(1,500,125)		(7,234,293)
Cash and cash equivalents at the start of the year			4,849,364		12,083,657
Cash and cash equivalents at the end of the year			3,349,239		4,849,364
Cash and cash equivalents consists of:					
Cash at bank and in hand	17		3,349,239		4,849,364
Total cash and cash equivalents			3,349,239		4,849,364

The notes on pages 14 to 39 form part of these financial statements.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

1 Accounting Policies

1.1 General Information

The Building Engineering Services Association ('the Association') is an unincorporated body operating in the United Kingdom. The address of its principal place of business is:

Rotherwick House, 3 Thomas More St, St Katharine's & Wapping, London, E1W 1YZ

The principal activity of the Association is a trade association serving the building and engineering services sector. The Association is the parent undertaking of a group of companies supporting businesses that operate in the building services industry. The activities of the subsidiary undertakings include the provision of welfare and other related services, insurance, skills registration, training, the operation of competent persons schemes and property ownership.

These financial statements present the financial information of the Association and its subsidiary undertakings (together referred to as "the Group"). They are presented in pounds sterling which is the functional currency of the Group.

The Annual Return for the Association can be obtained from:

Certification Office
11th Floor, Windsor House, 14 Westfield Avenue, London, E20 1HZ
www.gov.uk/government/organisations/certification-officer

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 under the historical cost convention modified for investment properties and equity investments held at fair value.

The Association has taken advantage of the exemption permitted by FRS 102 to dispense with the presentation of a Statement of Cash Flows on the grounds that the Cash Flow statement prepared for the Group headed by the Association, and included within these financial statements, include the cash flows of the Association.

1.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Association and its subsidiary undertakings for the year ended 28 February 2025. Undertakings are regarded as subsidiaries where the Association has control over them and has the power to govern their financial and operating policies so as to obtain benefit from their activities. The results of subsidiaries are included from the date of acquisition or when control passes.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. The accounting years of all subsidiaries are co-terminous with those of the Association. Details of the subsidiaries are provided in Note 25.

1.4 Non-consolidation of Related Charitable Company

The Group is the sole member of Engineering Services Training Trust Limited, an incorporated charity, and has the right to appoint and remove all Trustees to the board. In accordance with FRS 102, a control relationship exists due to the power to appoint or remove the majority of board members, however the Trust must operate within its charitable objectives and on winding up, the Group has no right to obtain the benefit of the activities or assets of the Trust. Accordingly, the Board considers that consolidating the Trust into the Group financial statements would misrepresent the Association's activities and financial position.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

1.5 Going Concern

The financial statements have been prepared using the going concern basis.

All reasonable scenarios have been carefully considered for a period of at least 12 months from the approval of these financial statements and in doing so the Board are confident that, even in the worst case scenario, the Group has sufficient cash to meet its liabilities.

1.6 Revenue Recognition

Turnover in relation to subscriptions, welfare and other services, assessment, registration, publications and other income represents sales recorded for the period to which they relate less value added tax where applicable. Subscription income is recognised in relation to the subscription year to which it relates on an accruals basis.

Training income resulting from learner achievements is recognised in respect of all learners for whom notification of achievement has actually been received in the financial year up to the balance sheet date. This ensures that all conditions for the Group's entitlement to income in that financial year have been met.

Insurance income represents net premiums written, which in turn represent the proportion of premiums written which relate to periods of insurance up to the balance sheet date, net of reinsurance premiums payable. The method of calculation adopted is to the nearest day.

1.7 Investment Property

Property held for investment is not subject to depreciation but is held at an annually assessed fair value, with any adjustments being charged to the Statement of Comprehensive Income, together with a provision for deferred taxation. The members review the fair value of this property annually.

1.8 Equity Investments

The Group accounts for shares in associated companies using the equity method. The Statement of Comprehensive Income includes the Group's share of the pre-tax profits and attributable taxation of the associated companies based on audited financial statements. In the Balance Sheet, the investment in associated companies is shown as the Group's share of the distributable net assets.

Investments in subsidiaries and joint venture entities are recognised by the Association at cost less any provision for impairment. Investments in associates are recognised by the Association at fair value with any adjustments being charged to the Statement of Comprehensive Income.

1.9 Intangible Fixed Assets

Goodwill

Goodwill arising on an acquisition of a trade or subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the Statement of Comprehensive Income over its estimate of useful economic life which ranges from four to ten years. Impairment tests on the carrying value of goodwill are undertaken.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

1.9 Intangible Fixed Assets (Continued)

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The Group recognises an intangible asset in respect of development expenditure when it can demonstrate:

- its technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation

Amortisation of capitalised development expenditure does not commence until the asset is available for use. All expenditure not meeting the criteria set out above is considered to form part of the 'research' phase, and is expensed in the period in which it is incurred. Other intangibles constitute software, intellectual property and website development costs.

The periods of amortisation, on a straight line basis, are as follows:

Development expenditure	4- 7 years
Goodwill	10 years

Development expenditure within the group is expected to be a continuing improvement as general technological advancements render the initial development outdated within a short number of years. The Directors have considered the resulting lifespan of development (other than that which is directly attributable to software licences) to be no more than 7 years.

1.10 Tangible Fixed Assets

Property (other than investment property), vehicles and equipment are initially recognised at cost, which is the purchase price plus any directly attributable costs, and are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost, less estimated residual values of fixed assets over their expected useful lives. It is calculated on a straight line basis at the following rates:

Freehold buildings	2% per annum
Equipment, furniture and fittings	15% - 25% per annum

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

1.11 Impairment of Assets

At each reporting date, the Group 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 Statement of Comprehensive Income.

1.12 Financial Instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds only basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, equity investments, trade and other payables, and other financial instruments.

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.
- *Trade and other receivables*
Trade and other 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 that are 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 Group 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 Group 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 Statement of Comprehensive Income.
- *Equity investments*
Equity investments are initially recognised at fair value, which is the transaction price excluding transaction costs and are subsequently measured at fair value through profit or loss where a reliable fair value can be measured. Where the fair value cannot be measured reliably, the equity instruments are held as cost less impairment.

Financial liabilities - classified as basic financial instruments

- *Trade and other payables and loans and borrowings*
Trade and other payables and loans and borrowings 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.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

1.13 Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Pension Costs

Contributions to the Group's defined contribution pension scheme (the 'Scheme') are charged to the Statement of Comprehensive Income in the year in which they become payable.

The defined benefit pension scheme is a group multi-employer scheme, the assets of which are held separately from those of the Group. Its members are, or have been, employees of the Association and certain subsidiaries: Welplan Limited; Building Engineering Services Training Limited; and Piper Assessment limited. The Scheme closed to future accrual with effect from 28 February 2013.

The actuary has determined that a realistic split of the assets and liabilities for allocation to member entities cannot be reliably achieved and the full net liability in respect of the Scheme, as determined by the actuary in accordance with FRS 102, is therefore provided in the accounts of the Association as the principal employer.

Under FRS 102, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bonds of equivalent currency and term to the scheme liabilities. Actuarial valuations for FRS102 purposes are obtained at each balance sheet date.

1.15 Leases

Group as Lessee

Rental costs under operating leases are charged in the Consolidated Statement of Comprehensive Income in equal annual amounts over the period of the lease.

Group as Lessor

Rental income from leases of investment property is credited in the Consolidated Statement of Comprehensive Income in equal annual amounts over the period of the lease.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

1.16 Non-Controlling Interests

Minority interest in the net assets of consolidated subsidiaries are identified separately from the Association's equity. Minority interest consist of the amount of share capital issued at nominal value, which was also considered to be fair value, at the date of issue plus the minority's share of changes in equity since the date of the share issue.

The proportions of the comprehensive income and changes in equity allocated to the Members of the Association and to the minority interests are determined on the basis of the conditions attributable to the classes of shares within the subsidiary undertaking.

1.17 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, the Board and subsidiary company directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The 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.

Accounting judgements

The critical accounting judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

- *Intangible assets*
Intangible assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.
- *Development expenditure*
Development expenditure is capitalised in accordance with the accounting policy given in note 1.9 to these financial statements. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.
- *Tangib/e fixed assets*
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

1.17 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Measurement of defined benefit pension scheme*
The Group has obligations in respect of benefits due for pension scheme members. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy; salary increases; asset valuations; and the discount rate to be applied. An actuary is engaged to estimate these factors in determining the pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.
- *Valuation of investment property*
The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The value of the investment in associate is also driven by the valuation of investment property held by the associate. The Group engaged independent valuation specialists and relied on Directors valuations to determine fair value at 28 February 2025. The valuers used a valuation technique based on a discounted cash flow model adjusted for comparable market. The determined fair value of each investment property is most sensitive to the estimated yield as well as the long term vacancy rate.
- *Deferred tax asset*
The directors exercise judgement in determining whether, and to what extent, a deferred tax asset should be recognised for tax losses and timing differences based upon the assessment of likely recoverability of the asset. The deferred tax asset is recognised on the basis of recoverability of tax losses over a four year period using the company's latest financial projections. Due to the length of time there can be a significant amount of economic uncertainty on the figures used.
- *Share based payments*
The group has granted cash-settled share based payments in the year ended 28 February 2023 and the year ended 28 February 2025. These are fair valued at each period end and the resulting share based payment charge spread over the expected vesting period of the instruments.

The shares issued are valued using the Monte Carlo model. This model requires a number of assumptions to be made including the volatility of the share price, expected dividend yield and the expected period to exercise.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

1.18 Share Based Payments

Cash settled share based payments

The Group granted cash-settled share based payments in the year ended 28 February 2023 and the year ended 28 February 2025. These are fair-valued at each period end, and the resultant expected share based payment charge spread over the expected vesting period of the instruments.

Non-market vesting conditions are considered by adjusting the number of equity instruments expected to *vest* at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised *over* the vesting period is based on the number of shares that eventually *vest*. Market vesting conditions are factored into the fair value of the shares granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties.

Where the terms and conditions of the shares are modified before they vest, the increase in the fair value of the options, measured immediately before and after modification, is also charged to the Statement of Comprehensive income over the remaining vesting period.

2 Turnover

An analysis of the Group's revenue by class and category of business is as follows:

	2025 £	2024 £
Membership subscriptions	3,097,655	3,233,164
Subscriptions to online software and literature	9,133,083	7,643,704
Welfare and other services	1,727,627	1,603,294
Training	443,888	524,008
Insurance	436,958	453,546
Letting of property	56,699	54,419
Subscriptions to certification schemes	1,902,741	1,643,536
Sale of technical literature	48,465	32,075
Other income	153,623	164,571
	<u>17,000,739</u>	<u>15,352,317</u>

Turnover of the Group originates in the United Kingdom and the Isle of Man, and all relates to continuing operations.

An analysis of the Association's revenue by class and category of business is as follows:

	2025 £	2024 £
Subscriptions and affiliations	3,097,655	3,233,164
Sale of technical literature	48,465	32,075
Events	145,778	150,829
Other income	<u>107,845</u>	<u>113,743</u>
	<u>3,399,743</u>	<u>3,529,811</u>

Turnover of the Association originates in the United Kingdom, and all relates to continuing operations.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

3 Employee Numbers

The average number of employees of the Group during the year was as follows:

	2025	2024
The Association	34	25
Building Engineering Services Training Limited	7	8
Welplan Limited	141	108
	182	141

4 Members' Remuneration

	2025	2024
Members' emoluments	332,103	470,480
Contributions to pension scheme	116,229	57,811
	448,332	528,291

The highest paid member received remuneration of £207,133 (2024 - £270,191). The value of contributions paid into a pension scheme in respect of the highest paid director was £48,131 (2024 - £43,311).

The members are also the key management personnel of the group.

5 Operating Deficit

The Group operating deficit is stated after charging/ (crediting):

	2025 £	2024 £
Turnover received from government bodies		(310,326)
Rentals under operating leases		
• Other operating leases	17,192	39,428
Depreciation of tangible fixed assets	120,002	102,876
Amortisation of intangible fixed assets	512,128	356,607
Loss on disposal of fixed assets	3,956	15,655
Loss on disposal of intangible assets		7,862
Auditors remuneration		
• Audit services	111,431	100,560
• Tax compliance services	14,993	14,715
Fees paid to other auditors for subsidiary undertakings	7,818	7,290

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

6 Income from Interests In Associated Undertakings

	2025 £	2024 £
Group		
Share of profit/ (loss) after taxation of Esca Estates Ltd	<u>109,653</u>	<u>(482,851)</u>
	109,653	(482,851)

7 Other Interest Receivable and Similar Income

	2025 £	2024 £
Group		
Bank Interest	138,097	217,570
Interest income from short term investments	317,425	94,960
	<u>455,522</u>	<u>312,530</u>

8 Interest Payable and similar charges

	2025 £	2024 £
Group		
Net interest on defined benefit pension scheme	<u>318,000</u>	<u>386,000</u>
	318,000	386,000

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements
For the year ended 28 February 2025

9 Tax on surplus on Ordinary Activities before Taxation

	2025 Group £	2025 Association £	2024 Group £	2024 Association £
a) Analysis of charge in period				
Current Tax				
Corporation tax payable			(69,550)	
Corporation tax payable - prior periods				(329,996)
Group Relief		(716,829)		156,910
Group Relief - prior periods		18,689		
Total current corporation tax		(698,140)	(69,550)	(173,086)
Deferred Tax				
Adjustment for taxation of fixed asset timing differences	288,583			
Adjustment for pension liability movement through ordinary activities	423,250	423,250	119,000	119,000
Taxation charge/ (credit) on deficit on ordinary activities	711,833	(274,890)	49,450	(54,086)
b) Reconciliation of factors affecting tax charge for year				
Deficit on ordinary activities before taxation	(1,094,212)	(2,568,774)	(791,958)	(4,537,922)
Deficit on ordinary activities by standard rate of corporation tax in the UK 25.00% (2024: 25.00%)	(273,553)	(642,194)	(197,990)	(1,134,481)
Effect of:				
Non-taxable income	(189,938)	(375,273)	(124,628)	(604,217)
Non-allowable expenditure	285,534	121,478	58,074	874,845
Adjustment for deferred tax	423,250	423,250	119,000	119,000
Prior year adjustment		18,689	(121,416)	156,910
Group Relief		698,140		173,086
Payment for Group Relief		(698,140)		(173,086)
Fixed asset differences	(14,807)	(4,155)	(191,787)	(2,898)
Prior year losses utilised	(16,413)		(28,558)	
Deferred tax not recognised	497,760	183,315	536,755	536,755
Taxation charge / (credit) on surplus on ordinary activities	711,833	(274,890)	49,450	(54,086)

Un-utilised tax losses for the Group at 28 February 2025 amounted to £10,670,049 (2024: £8,262,686).

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

10 Intangible Fixed Assets

The Group	Goodwill	Develop- ment Costs	Total £
Cost			
At 1 March 2024	197,501	3,090,180	3,287,681
Additions		1,830,851	1,830,851
Disposals		(342,430)	(342,430)
At 28 February 2025	197,501	4,578,601	4,776,102
Amortisation			
At 1 March 2024	94,250	1,346,709	1,440,959
Charge for the year	14,750	497,378	512,128
Disposals		(311,684)	(311,684)
At 28 February 2025	109,000	1,532,403	1,641,403
Carrying amounts			
At 28 February 2025	88,501	3,046,198	3,134,699
At 29 February 2024	103,251	1,743,471	1,846,722

Development costs additions are internally generated software development costs of £1,570,164 (2024 - £953,526) and externally acquired to the Group of £260,687 (2024 - £72,438). The amortisation charge for the year is included in the Statement of Comprehensive Income under the heading of Administrative Expenses.

The Association	Develop- ment Costs	Total £
Cost		
At 1 March 2024	15,137	15,137
Additions		
At 28 February 2025	15,137	15,137
Amortisation		
At 1 March 2024	7,568	7,568
Charge for the year	3,784	3,784
At 28 February 2025	11,352	11,352
Carrying amounts		
At 28 February 2025	3,785	3,785
At 29 February 2024	7,569	7,569

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

11 Tangible Fixed Assets

The Group	Freehold Property £	Equipment, Furniture & Fittings £	Total £
Cost			
At 1 March 2024	1,403,710	403,028	1,806,738
Additions		157,435	157,435
Disposals		(24,180)	(24,180)
At 28 February 2025	1,403,710	536,283	1,939,993
Depreciation			
At 1 March 2024	326,962	264,451	591,413
Charge for year	28,063	91,939	120,002
Disposals		(20,224)	(20,224)
At 28 February 2025	355,025	336,166	691,191
Carrying amounts			
At 28 February 2025	1,048,685	200,117	1,248,802
At 29 February 2024	1,076,748	138,577	1,215,325

The freehold property is secured by way of a charge in favour of the HVCA Retirement Benefits Scheme.

The Association	Equipment, Furniture & Fittings	Total £
Cost		
Additions	7,945	7,945
At 28 February 2025	7,945	7,945
Depreciation		
Charge for the year	828	828
At 28 February 2025	828	828
Carrying amounts		
At 28 February 2025	7,117	7,117
At 29 February 2024		

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

12 Investment Property

The Group	2025	2024
	£	£
Fair value at 1 March	875,000	875,000
Fair value losses recognised in the Statement of Comprehensive Income		
At 28 February	<u>875,000</u>	<u>875,000</u>

Investment property is secured by way of a charge in favour of the HVCA Retirement Benefits Scheme.

As at 28 February 2025, the fair values of the investment properties were based on a valuation performed by the directors. The directors have appropriate knowledge of the properties and the relevant markets, and have applied professional judgement in determining the fair value of the investment properties.

Investment properties are valued by adopting the investment method of valuation. This approach involves applying market-derived capitalisation yields to current and market-derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be the key inputs in the valuation.

The investment property with a value brought forward of £500,000 is held by a subsidiary. The directors confirmed the value at 28 February 2025 remained at £500,000. The critical assumptions made in the valuation of the property were a market rent of £50,000 per annum, allowance for purchases costs of 4.5% and a yield in perpetuity rate of 9.5%.

The investment property with a value brought forward of £375,000 is a residential property and is held by a subsidiary. A formal professional valuation by PFK Estate Agency Ltd as at 28 February 2025 confirmed the value at that date had remained at £375,000.

13 Fixed Asset Investments

The Group	2025	2024
	£	£
Interest in associated undertakings:		
As at 1 March	4,920,018	5,582,868
Share of profit/ (losses) pre-tax	160,677	(431,826)
Share of tax	(51,024)	(51,024)
Less dividends received	(180,000)	(180,000)
As at 28 February	<u>4,849,671</u>	<u>4,920,018</u>

All above investments are unlisted.

The Association	2025		2024	
	Subsidiaries	Associate	Subsidiaries	Associate
	£	£	£	£
Interest in subsidiary and associated undertakings:				
Cost / valuation at 1 March	100,000	4,920,018	100,000	5,582,868
Fair value adjustments to the Statement of Comprehensive Income		(70,347)		(662,850)
Cost / valuation at 28 February	<u>100,000</u>	<u>4,849,671</u>	<u>100,000</u>	<u>4,920,018</u>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

13 Fixed Asset Investments (continued)

Subsidiary undertakings are held at cost. Additional information in respect of subsidiary companies is set out in note 25 to these financial statements.

Joint venture entities are held under the cost model. The joint venture held by the Association is limited by guarantee and as such, there is no share value recognised in the Association Balance Sheet.

The associated undertaking is held at fair value with any adjustments being charged to the Association Statement of Comprehensive Income. The fair value of the associated undertaking is deemed to be the Association's share of the net assets of the associate as its latest Balance Sheet reflects investment property and cash and therefore the Board consider this to be an appropriate measure of fair value. Additional information in respect of associated companies is set out in note 26 to these financial statements.

The valuation of the minority interest in Esca Estates Ltd is based upon the value of the investment property, Rotherwick House. Rotherwick House is occupied under two leasehold interests to the respective Shareholders of Esca Estates Ltd under leasehold interests of 21 years, expiring in 2038. The lease provides for periodic, upwards only, rent reviews and accordingly the net income method has been adopted as the basis of the valuation of the property, based on the anticipated future income under the existing leasehold interest. Under the terms of the lease there are no tenant incentives and, although there is a rolling six month tenant only break clause, the Board consider the future rental income under the existing tenancies to be both secure and fairly reflect the reasonable long term market rental value.

All above investments are unlisted.

14 Debtors: amounts falling due within one year

	2025		2024	
	Group £	Association £	Group £	Association £
Trade debtors	3,435,455	63,893	2,920,667	38,968
Amounts owed by subsidiary undertakings		2,081,128		3,447,608
Amounts owed by associated undertakings	7,000	7,000		
Amounts owed by related undertakings	33,363		26,576	
Prepayments and accrued income	947,588	326,867	768,249	321,068
Other debtors	615,551	68,300	715,821	59,289
	<u>5,038,957</u>	<u>2,547,188</u>	<u>4,431,313</u>	<u>3,866,933</u>

Amounts due from subsidiary, associated and related undertakings are unsecured, interest-free and repayable on demand.

15 Debtors: amounts falling due after more than one year

	2025		2024	
	Group £	Association £	Group £	Association £
Deferred tax asset (see note 20)	<u>1,042,500</u>	<u>1,042,500</u>	<u>1,761,250</u>	<u>1,761,250</u>
	1,042,500	1,042,500	1,761,250	1,761,250

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

16 Short Term Investments

	2025		2024	
	Group £	Association £	Group £	Association £
Unrestricted cash funds	<u>4,163,007</u>		7,094,960	
	4,163,007		7,094,960	

Short term investments are cash amounts invested into liquidity funds and are included at their market value being the fund price at the balance sheet date. Interest received on the investments of £317,425 (2024: £94,960) has been charged to the statement of comprehensive income.

17 Cash at bank and in hand

	2025		2024	
	Group £	Association £	Group £	Association £
Unrestricted cash funds	3,349,239	103,931	4,849,364	100,459
	<u>3,349,239</u>	<u>103,931</u>	<u>4,849,364</u>	<u>100,459</u>

Analysis of Net Funds

	At 1 March 2024	Cashflow	At 28 February 2025
	£	£	£
Cash at bank	4,849,364	(1,500,125)	3,349,239
	<u>4,849,364</u>	<u>(1,500,125)</u>	<u>3,349,239</u>

18 Creditors: amounts falling due within one year

	2025		2024	
	Group £	Association £	Group £	Association £
Trade creditors	1,095,367	293,221	1,730,414	265,242
Amounts owed to subsidiary undertakings		1,850,420		68,627
Amounts owed to associated undertakings	742	741		
Amounts owed to related undertakings	345,733		277,705	
Taxation and social security	896,030	68,702	689,587	49,868
Other creditors	115,914	19,625	322,380	22,955
Accruals and deferred income	8,546,335	491,254	8,268,907	647,924
	<u>11,000,121</u>	<u>2,723,963</u>	<u>11,288,993</u>	<u>1,054,616</u>

Amounts due to subsidiary, associated and related undertakings are unsecured, interest-free and repayable on demand.

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

19 Creditors: amounts falling due after more than one year

	2025		2024	
	Group	Association	Group	Association
	£	£	£	£
other creditors	15,000		15,000	
Accruals and deferred income	571,884		730,700	
Share based payment liability (Note 28)	<u>295,071</u>		<u>154,992</u>	
	881,955		900,692	

20 Deferred Tax

The deferred taxation assets and liabilities provided in the financial statements are as follows:

	2025		2024	
	£	£	£	£
Tax on defined benefit pension scheme provision:				
At 1 March	1,761,250		2,105,750	
Movement charged to Statement of Comprehensive Income	(423,250)		(119,000)	
Movement charged to Other Comprehensive Income	<u>(295,500)</u>		<u>(225,500)</u>	
At 28 February (see note 15)		1,042,500		1,761,250
Deferred Tax Asset		<u>1,042,500</u>		<u>1,761,250</u>
Tax on investment property fair value surplus:				
At 1 March	(37,892)		(37,892)	
Movement on items charged to Statement of Comprehensive Income				
At 28 February		<u>(37,892)</u>		<u>(37,892)</u>
Tax on fixed asset timing differences:				
At 1 March				
Movement on items charged to Statement of Comprehensive Income	(288,583)			
At 28 February		<u>(288,583)</u>		
Deferred Tax Liability		<u>(326,475)</u>		<u>(37,892)</u>
Total Deferred Tax provision at 28 February		<u>716,025</u>		<u>1,723,358</u>

The deferred taxation assets not provided in the financial statements are as follows:

	2025	2024
	£	£
Tax losses not utilised	2,667,512	2,065,672
	<u>2,667,512</u>	<u>2,065,672</u>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

21 Reserves

Accumulated Funds

This reserve represents the cumulative retained earnings of the Group and the Association.

Non-Controlling interest

This Reserve has arisen on the external issue of shares in a subsidiary.

22 Financial Instruments

Financial assets at fair value with any adjustment being charged to the Statement of Comprehensive Income:

	2025		2024	
	Group	Association	Group	Association
	£	£	£	£
Equity investments:				
Investments in subsidiary undertakings		100,000		100,000
Investment in associate		<u>4,849,671</u>		<u>4,920,018</u>
		4,949,671		5,020,018

Investments in subsidiaries held by the Association are held at cost. All other investments are held at fair value which, as they are unlisted, has been determined based on management's assessment that the market value of the shares is equal to each Company's net assets.

Financial assets that are debt instruments measured at amortised costs:

	2025		2024	
	Group	Association	Group	Association
	£	£	£	£
Trade debtors	3,435,455	63,893	2,920,667	38,968
Amounts owed by subsidiary undertakings		2,081,128		3,447,608
Amounts owed by associated undertakings	7,000	7,000		
Amounts owed by related undertakings	33,363		26,576	
	<u>3,475,818</u>	<u>2,152,021</u>	<u>2,947,243</u>	<u>3,486,576</u>

Financial liabilities that are debt instruments measured **at** amortised costs:

	2025		2024	
	Group	Association	Group	Association
	£	£	£	£
Trade creditors	1,095,367	293,221	1,730,414	265,242
Amounts owed to subsidiary undertakings		1,850,420		68,627
Amounts owed to associated undertakings	742	741		
Amounts owed to related undertakings	345,733		277,705	
	<u>1,441,842</u>	<u>2,144,382</u>	<u>2,008,119</u>	<u>333,869</u>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements
For the year ended 28 February 2025

23 Pension Schemes

The Association and three of its operating subsidiary undertakings participate in both a funded defined benefit scheme and a defined contribution scheme.

Defined benefit scheme - the Group

Executive, senior and long serving administrative and clerical staff employed before December 2001 were eligible to be included in a non-contracted out defined benefit pension scheme. The Scheme closed to future accrual on 28 February 2013, at which point, following the transfer of previously active members, the number of deferred members was 53. The number of pensioner members on 28 February 2025 was 57 (2024 - 56).

The assets of the scheme, which amounted to £13.2m at 28 February 2025 (2024 - £11.8m), are held in a separate trustee administered fund. The pension cost relating to this scheme is assessed every three years in accordance with the advice of a qualified actuary using the projected unit method.

The latest actuarial valuation was prepared as at 29 February 2024. Following closure to accrual, there are no continuing employer contributions for future service but the employers continue to be responsible for expenses and the levy payable in respect of the Pension Protection Fund. The next valuation is due at 28 February 2027.

In order to meet the deficit on past service, the Association and the Trustees of the Scheme agreed on a recovery plan under which the employers contribute £1,500,000 for the year ended 28 February 2025, increasing by 8% per annum thereafter for a period set to expire on 31 August 2030.

Excluding scheme expenses, employer contributions in respect of the Scheme deficit, amounted to £1,500,000 (2024 - £1,288,093). The Group expects to contribute £1,620,000 to the scheme during the year to 28 February 2026 (2025 - £1,500,000).

In accordance with FRS 102, the Group and the Association disclose the current assessment of the deficit in the defined benefit scheme as a separate category of liability on their respective balance sheets.

The amounts recognised are as follows:

	2025 £'000	2024 £'000
Present value of funded obligation	(17,371)	(18,892)
Fair value of plan assets	13,201	11,847
Net liability	<u>(4,170)</u>	<u>(7,045)</u>

Analysis of amounts recognised in the Statement of Comprehensive Income:

	2025 £'000	2024 £'000
Net interest expense	<u>(318)</u>	<u>{386}</u>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements
For the year ended 28 February 2025

23 Pension Schemes (Continued)

Analysis of amounts recognised in Other Comprehensive Income:

	2025 £'000	2024 £'000
Return on plan asset (excluding amounts recognised as interest)	85	281
Actuarial changes	1,608	195
	1,693	476

Reconciliation of present value of plan liabilities:

	2025 £'000	2024 £'000
At 1 March	(18,892)	(19,153)
Interest cost	(933)	(926)
Benefits paid	846	992
Actuarial changes	1,608	195
At 28 February	(17,371)	(18,892)

Reconciliation of fair value of plan assets:

	2025 £'000	2024 £'000
At 1 March	11,847	10,730
Interest on assets	615	540
Return on plan asset (excluding amounts recognised as interest)	85	281
Employer contributions	1,500	1,288
Benefits paid	(846)	(992)
At 29 February	13,201	11,847

Composition of plan assets:

	2025 £'000	2024 £'000
Diversified Growth Funds	3,447	3,665
Equity Linked Bonds	7,290	6,642
Liability Driven Investment	1,856	1,343
Annuities	92	91
Cash	516	106
	13,201	11,847

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements
For the year ended 28 February 2025

23 Pension Schemes (Continued)

Major assumptions used by the Actuary in preparing the valuation for FRS102 purposes were:

	2025	2024
Discount rates	5.50%	5.05%
Deferred pension revaluation	3.10%	3.15%
Future pension increases	3.00%	3.05%
Inflation assumption	3.10%	3.15%

Mortality assumptions - S3PMA US3PFA used for the 2024 valuation (2024: S3PMA US3PFA) with CMI 2023 (2024: CMI 2022) projections and long-term rate of improvement of 1.25% (2024: 1.25%) per annum.

Tax free cash - 75% of members are assumed to take the maximum tax-free cash available in the 2025 and 2024 valuation.

Proportion married - 80% married at retirement or earlier death in both the 2025 and 2024 valuation. An allowance is made for the actual marital status for the largest pensioner liabilities.

Defined benefit scheme

The Association and 3 other participating employers are required to contribute to the scheme deficit. The contributions payable by the Association to the scheme for the year ended 28 February 2025 were £1,017,000 (2024 - £1,014,393). Contributions payable by subsidiary undertakings to the scheme for the year ended 28 February 2025 were £483,000 (2024 - £273,700). In the Association Statement of Comprehensive Income, the contributions payable by subsidiary undertakings are recognised as pension recharges within other operating income.

Defined contribution scheme

A defined contribution scheme is available for all Group staff, including those former active members of the defined benefit scheme whose entitlements became deferred on the closure of the Scheme to future accrual.

The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Association and its subsidiaries to the fund and amounted to £744,931 in the current year (2024 - £567,894). At 28 February 2025 there was £92,529 outstanding (2024 - £73,665).

24 Operating Lease Commitments

Group as Lessor

The Group has investment properties that are leased to third parties. The future minimum lease payments receivable under those non-cancellable leases are as follows:

	2025 £	2024 £
Within one year	50,000	50,000
Between two to five years	151,667	200,000
After five years		1,667
	<hr/>	<hr/>
	201,667	251,667
	<hr/>	<hr/>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

24 Operating Lease Commitments (Continued)

Group as Lessee

The Group has annual operating lease commitments under non-cancellable operating leases as set out below:

	2024		2024	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	268,175	12,301	129,475	32,519
Between two to five years	51,100	9,088		54,234
After five years				
	<u>319,275</u>	<u>21,389</u>	<u>129,475</u>	<u>86,753</u>

25 Additional Information on Subsidiary Undertakings

Subsidiary	Country of incorporation, registration and operation	Prfncl activity	% of ordinary shares held
B & ESA Limited ²	England ⁵	Holding company	100%
Welplan Limited	England ⁵	Administration of pension, welfare benefits and health insurance schemes	100% ¹
Piper Insurance Company Limited	Isle of Man ⁶	Insurance	100% ¹
Building Engineering Services Training Limited	England ⁵	Training	100% ¹
Piper Assessment Limited	England ⁵	Property ownership	100% ¹
Engineering Services Skillcard Limited	England ⁵	Registration of industry qualifications and skills	100% ¹
Building Engineering Services Competence Assessment Limited	England ⁵	Operation of competent persons schemes	100% ¹
Relearn Limited	England ⁵	Competence registration	100% ¹
Refcom Certification Limited ³	England ⁵	Competence registration	100% ⁷
BESA Publications Limited	England ⁵	Publications	89.5% ¹
Piper Training Limited	England ⁵	Training	100% ¹
Welplan Holiday Pay Limited ³	England ⁵	Dormant	100% ¹
Welplan Investments Limited	England ⁵	Dormant	100% ¹
ECI Holiday Pay Limited ^{3,4}	England ⁵	Dormant	100% ¹
ECI Holiday Pay Investments Limited ⁴	England ⁵	Dormant	100%¹
H & V Welfare Limited	England ⁵	Dormant	100% ¹
RAD Training Limited	England ⁵	Dormant	100% ¹

¹ The shareholdings are held through B&ESA Limited or its subsidiary companies

² During the year, B&ESA Ltd paid a dividend to BESA of £ 1,321,090 (2024 - £1,963,169)

³ Limited by guarantee

⁴ UK subsidiaries taking advantage of the available audit exemptions set out within section 479A of the Companies Act.

⁵ Registered office - Old Mansion House, Eamont Bridge, Penrith, CA10 2BX

⁶ Registered office - Level 2, Samuel Harris House, 5-11 St Georges Street, Douglas, Isle of Man, IM1

⁷ Interest is due to control as BESA Group has the ability to appoint directors

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

26 Additional Information on Associated Undertakings

	Undertaking	Accounting Reference Date	% of shares held	% of voting rights
ESCA Estates Ltd ¹ <i>See (a) below</i>	Associated undertaking of Association and Group	30 November	43%	43%
BSE Skills Ltd ²	Associated undertaking of Group	30 June	33%	33%

¹ Country of incorporation, registration and operation - England

² Country of incorporation, registration and operation - Scotland

(a) ESCA Estates Limited

The principal activity of this company is to lease and/or own the property in which the Association's London headquarters are located. Given the nature of the business of ESCA Estates Limited, the Board is satisfied that no material distortion is caused by its Accounting Reference Date being different from that of the Association and Group.

(b) BSE Skills Limited

The principal activity of this company is the development of National Occupational Standards for the Building Engineering Services Sector. Given the nature of the business of BSE Skills Limited, the Board is satisfied that no material distortion is caused by its Accounting Reference Date being different from that of the Association and Group.

27 Related Party Transactions

The Board considers there to be four classes of related party as follows:

- a) ESCA Estates Limited and BSE Skills Limited, being an associated companies of the Association are related parties of the Group for the purposes of FRS102 Section 33 "Related Party Disclosure". A summary of the aggregate transactions which have been undertaken by the Group with these party's are as follows:

The Group	2025	2024
	£	£
Amounts included in administration expenses:		
Rent, rates and service charges	303,950	294,471
	<hr/>	<hr/>
Amounts included in debtors	7,000	
Amounts included in creditors	742	
	<hr/>	<hr/>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements

For the year ended 28 February 2025

27 Related Party Transactions (Continued)

b) The undertakings listed below are considered by the Board to be related parties of the Group, for the purposes of FRS 102 section 33 by virtue of these entities being administered by wholly owned subsidiaries of the Group.

- The Welfare Schemes, administered by Welplan Limited, and which Welplan Limited acts as Trustee for, are as follows:

- Welplan Sickness and Accident Scheme
- Welplan Death Benefit Scheme
- TICI Sickness and Accident Scheme
- TICI Death Benefit Scheme
- ECI Welfare Benefit Scheme
- ECI Death Benefit Scheme

A summary of the aggregate transactions which have been undertaken by the Group with these undertakings is as follows:

The Group	2025		2024	
	£	£	£	£
Amounts included in turnover:				
Administration income	1,727,627		1,533,865	
Insurance premiums	1,678,050		1,338,200	
		<u>3,405,677</u>		<u>2,872,065</u>
Amounts included in cost of sales:				
Insurance claims		<u>760,000</u>		<u>1,600,308</u>
Amounts included in debtors		<u>33,363</u>		<u>26,576</u>
Amounts included in creditors		<u>345,735</u>		<u>277,705</u>

A subsidiary of the Group also collected cash on behalf of schemes administered by their Trustee, Welplan Ltd, to the value of £4,552,025 (2024 - £1,490,374) for the year. The balance not yet transferred as at 28 February 2025 was £467,224 (2024 - £180,890) and is included within the creditor balance above.

c) Engineering Services Training Trust Limited is considered by the Board to be a related party of the Group by virtue of the Association's influence upon the organisation. A summary of the aggregate transactions which have been undertaken by the Group is as follows:

The Group	2025	2024
	£	£
Amounts included in other income:		
Grant income	<u>19,152</u>	<u>46,248</u>
Amounts included in debtors	<u> </u>	<u> </u>

BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements
For the year ended 28 February 2025

27 Related Party Transactions (Continued)

- d) Council Members are related parties of the Association. A summary of the aggregate transactions with Building Engineering Services Association member firms represented on the Council is as follows:

The Group	2024	2024
	£	£
Amounts included in turnover:		
Subscriptions	287,850	260,028

- e) Key management personnel compensation is disclosed within note 4.

- l) BESA Publications Limited became a partially owned subsidiary from 27 January 2023 and is now a related party of the Group for the purposes of FRS102 Section 33 "Related Party Disclosure". A summary of the aggregate transactions which have been undertaken by the Group with these parties is as follows:

The Group	2025	2024
	£	£
Costs recharged to BESA Publications Limited	5,670,152	3,973,491
Costs Recharged from BESA Publications Limited	104,342	22,592

Amounts included in debtors	527,540	364,808
Amounts included in creditors	3,787,888	4,830,467

These figures have been eliminated in the consolidation of the group accounts.

The Association	2025	2024
	£	£
Costs recharged to BESA Publications Limited	436,652	239,683
Costs recharged from BESA Publications Limited	6,144	6,078

Amounts included in debtors	527,540	364,808
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BUILDING ENGINEERING SERVICES ASSOCIATION

Notes to the Financial Statements For the year ended 28 February 2025

28 Share Based Payments

Cash settled share based payments

The Group granted B shares to key staff in its subsidiary BESA Publications Limited.

The valuation of the shares was determined using the share pricing method based on Monte Carlo model on issue date and the charge is being spread over the vesting period.

	Cash settled B Shares
Option pricing model used	Monte Carlo
Weighted average share price	£25.15
Expected volatility	49.8%
Expected dividend yield	0%
Risk free rate	4.48%

The share based remuneration expense comprises:

	2025	2024
	£	£
Cash-settled schemes	140,079	154,992







BESA Signed Accounts 2025

Final Audit Report

2025-07-18

Created:	2025-07-17
By:	Ben Lardner (ben.lardner@armstrongwatson.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAABcvkosYykyH-YiW_8bfTSh7b8d7GlnE-

"BESA Signed Accounts 2025" History

-  Document created by Ben Lardner (ben.lardner@armstrongwatson.co.uk)
2025-07-17 - 08:13:31 GMT - IP address: 62.89.142.45
-  Document emailed to Joanna Gray (joanna.gray@armstrongwatson.co.uk) for signature
2025-07-17 - 08:16:36 GMT
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-  Document e-signed by Joanna Gray (joanna.gray@armstrongwatson.co.uk)
Signature Date: 2025-07-18 - 15:28:11 GMT - Time Source: server- IP address: 62.89.135.74
-  Agreement completed.
2025-07-18 - 15:28:11 GMT

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:


In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

In our opinion the financial statements:

- give a true and fair view of the state of the Association and Group's affairs as at 28 February 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Signature(s) of auditor or auditors:	 Joanna Gray (Jul 17, 2025 08:49 GMT+1)	
Name(s):	Mrs J Gray on Behalf of	
	Armstrong Watson Audit Limited	
Profession(s) or Calling(s):	Chartered Accountants and Statutory Auditor	
Address(es)	James Watson House Montgomery Way Rosehill Carlisle CA1 2UU	
Date:	17/07/2025	
Contact name for enquiries and telephone number:	Joanna Gray 01228 690200	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.