

REGISTRAR
COMPANY NUMBER: 354363

BAILEY CARAVANS LIMITED
REPORT AND ACCOUNTS
YEAR TO 31ST DECEMBER 1995



BAILEY CARAVANS LIMITED**DIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1995**

DIRECTORS P.N. Howard
S.P. Howard
Mrs. P.E. Howard
M.J. Bye
N.P. Mattfield

SECRETARY M.J. Bye

REGISTERED OFFICE 22/24 South Liberty Lane, Bristol, BS3 2SS.

The directors present their report together with the accounts for the year to 31st December 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was caravan manufacturing.

There were no material developments in the business of the company during the year, and the directors consider that the financial position of the company at the end of the year is satisfactory.

RESULTS AND DIVIDENDS

Based on the results for the year, the directors do not recommend the payment of a dividend on the ordinary share capital of the company. The amount transferred to reserves is £11893.

FIXED ASSETS

The movements in the tangible fixed assets are shown in note 7 on the accounts.

DIRECTORS AND INTEREST IN SHARES

The directors retiring by rotation are S.P. Howard and Mrs. P.E. Howard who being eligible, offer themselves for re-election.

P.N. Howard, S.P. Howard and Mrs. P.E. Howard are directors of the holding company, Keenwork Limited, and accordingly their interest in the share capital of Keenwork Limited, and its subsidiary, are disclosed in the directors' report of the holding company. M.J. Bye and N.P. Mattfield have no interest in the share capital of the company.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

During the year liability insurance was maintained in respect of directors and officers of the company at a cost of £1000, as permitted by Section 310(3) of the Companies Act 1985.

BAILEY CARAVANS LIMITED**DIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1995 (CONTINUED)****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

TAX STATUS

The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

AUDITORS

Messrs. Whitley, Stimpson and Partners have expressed their willingness to continue in office and accordingly a resolution will be proposed under Section 384 Companies Act 1985 at the next Annual General Meeting of the company in order to re-appoint them as auditors for a further term of office

By order of the board

23rd April 1996
Date


M.J. Bye (Company Secretary)

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BAILEY CARAVANS LIMITED

We have audited the accounts set out on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION


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

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

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

23rd April 1996
Date



Whitley, Stimpson and Partners,
Chartered Accountants and Registered Auditor,
Penrose House,
67 Hightown Road,
Banbury, Oxon.

BAILEY CARAVANS LIMITED**PROFIT AND LOSS ACCOUNT - YEAR TO 31ST DECEMBER 1995**

	Note	£	1995 £	£	1994 £
TURNOVER			13128433		13892548
COST OF SALES			10418997		10449361
			<hr/>		<hr/>
GROSS PROFIT			2709436		3443187
NET OPERATING EXPENSES	1		2815936		2847161
			<hr/>		<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			(106500)		596026
INTEREST RECEIVABLE		123200		125953	
INTEREST PAYABLE	2	(141)	123059	(277)	125676
			<hr/>	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		16559		721702
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4		4666		236497
			<hr/>		<hr/>
PROFIT FOR THE FINANCIAL YEAR			11893		485205
DIVIDENDS ON EQUITY SHARES	6		-		200000
			<hr/>		<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	5		£11893		£285205
			<hr/>		<hr/>

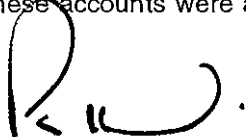
All of the company's operations are classed as continuing.

There were no recognised gains/losses other than the profit for the year.

BAILEY CARAVANS LIMITED**BALANCE SHEET AS AT 31ST DECEMBER 1995**

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	7	363631	395537
CURRENT ASSETS			
Stocks	8	2339886	1375488
Debtors	9	942519	724002
Cash at bank and in hand		2435148	3548572
		5717553	5648062
CREDITORS amounts falling due within one year	10	4692392	4667074
NET CURRENT ASSETS		1025161	980988
TOTAL ASSETS LESS CURRENT LIABILITIES		1388792	1376525
DEFERRED TAXATION	11	24047	23673
		£1364745	£1352852
EQUITY CAPITAL AND RESERVES			
Called up equity share capital	12	10000	10000
Profit and loss account	5	1354745	1342852
EQUITY SHAREHOLDERS FUNDS	13	£1364745	£1352852

These accounts were approved on behalf of the board of directors on 23rd April 1996.


 P.N. Howard (Director)

BAILEY CARAVANS LIMITED**STATEMENT OF ACCOUNTING POLICIES - YEAR TO 31ST DECEMBER 1995**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts:-

BASIS OF ACCOUNTING: the accounts have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards.

TURNOVER: represents the total amount receivable by the company from the sale of goods and provision of services exclusive of Value Added Tax.

DEPRECIATION: is provided using the straight line basis detailed below in order to write off the cost less the residual value of the asset over the estimated useful life of that asset. The annual rates used are:

Plant and machinery	10% - 20%
Motor vehicles	25%
Furniture, fixtures and office equipment	10% - 20%

DEFERRED TAXATION: is computed under the liability method as defined by Statement of Standard Accounting Practice No. 15 on the partial provision method, and arises from the incidence of accelerated capital allowances.

STOCKS: are stated at the lower of cost and net realisable value. Cost represents all direct costs and attributable overheads incurred in bringing the stocks to their present state and location.

FOREIGN CURRENCY: assets and liabilities are translated into sterling at the middle rate of exchange prevailing at the Balance Sheet date. Adjustments due to currency fluctuations in the normal course of business are included in the results from ordinary activities before taxation.

PENSIONS: the company operates defined contribution pension schemes in respect of selected employees. The schemes' funds are administered by trustees and are independent of the company's finances. Contributions to these funds are charged to the profit and loss account as they fall due.

OPERATING LEASES: Rentals payable under operating leases are charged to the profit and loss account in the year they are incurred.

BAILEY CARAVANS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1995****1. NET OPERATING EXPENSES**

	1995	1994
	£	£
Comprise:		
Distribution costs	152888	172415
Administrative expenses	2666998	2682541
Other operating income	(3950)	(7795)
	<hr/>	<hr/>
	2815936	2847161
	<hr/>	<hr/>

2. INTEREST PAYABLE

	1995	1994
	£	£
Comprises:		
Interest payable on bank overdrafts wholly repayable within five years	141	277
	<hr/>	<hr/>

3. RESULTS FROM ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
	£	£
Stated after charging/(crediting):		
Depreciation	86483	99816
Directors' remuneration (note 14)	114524	175262
Auditors' remuneration		
in respect of audit services	11900	11000
in respect of other services	3000	2000
Rent payable (note 19)	50000	50000
Hire of equipment	382	3410
Profit on sale of fixed assets	(3950)	(7795)
Management charges (note 19)	207811	325071
Loss on foreign currency translation	22466	3939
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4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge in these accounts comprises the following elements:

	1995	1994
	£	£
Corporation tax at effective rate of 25% (1994 32%) based on the results for the year	4295	235051
Overprovision for corporation tax in previous years	(3)	-
Deferred tax charge (note 11)	374	1446
	<hr/>	<hr/>
	4666	236497
	<hr/>	<hr/>

BAILEY CARAVANS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1995 (CONTINUED)****5. PROFIT AND LOSS ACCOUNT**

	1995 £	1994 £
Retained profits brought forward	1342852	1057647
Retained profit for the financial year	11893	285205
	<hr/>	<hr/>
Retained profits carried forward	1354745	1342852
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6. DIVIDENDS

	1995 £	1994 £
Equity dividends on ordinary shares		
Final proposed (1994 £20 per share)	-	200000
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Dividends are payable gross under a group election and therefore no ACT is associated with same.

7. TANGIBLE ASSETS

	Plant and Machinery £	Motor Vehicles £	Furniture Fixtures and Office Equipment £	Total £
Cost				
At 1st January 1995	896384	56952	123729	1077065
Additions	30450	12000	12127	54577
Disposals	(3628)	(15558)	(375)	(19561)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1995	923206	53394	135481	1112081
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st January 1995	559493	33710	88325	681528
Charge for the year	62544	10565	13374	86483
Disposals	(3628)	(15558)	(375)	(19561)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1995	618409	28717	101324	748450
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
1st January 1995	336891	23242	35404	395537
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1995	304797	24677	34157	363631
	<hr/>	<hr/>	<hr/>	<hr/>

BAILEY CARAVANS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1995 (CONTINUED)**

8. STOCKS	1995	1994
	£	£
Comprise the following:		
Raw material stocks	851747	718067
Finished stocks and stocks for re-sale	1292477	543003
Work in progress	195662	114418
	<hr/>	<hr/>
	2339886	1375488
	<hr/>	<hr/>
9. DEBTORS	1995	1994
	£	£
Comprise the following:		
Trade debtors	183734	99829
Amounts owed by parent undertaking	634194	530647
Other debtors	33950	6791
Prepayments	90641	86735
	<hr/>	<hr/>
	942519	724002
	<hr/>	<hr/>
10. CREDITORS: amounts falling due within one year	1995	1994
	£	£
Comprise the following:		
Bank overdraft	171572	110010
Trade creditors (note 17)	3774972	3223630
Other creditors	16950	14276
Taxation and social security	104189	456179
Accruals	624709	662979
Proposed dividends (note 6)	-	200000
	<hr/>	<hr/>
	4692392	4667074
	<hr/>	<hr/>
11. DEFERRED TAXATION	1995	1994
	£	£
a. Movement in deferred taxation arising due to the excess of taxation allowances on fixed assets over depreciation charged and comprises:		
Balance brought forward	23673	22227
Profit and loss account	374	1446
	<hr/>	<hr/>
Balance carried forward	24047	23673
	<hr/>	<hr/>
b. Full potential liability as at 31st December 1995	38891	38158
Amount of deferred tax provided	24047	23673
	<hr/>	<hr/>
Full contingency for deferred tax being in respect of timing differences unlikely to reverse	14844	14485
	<hr/>	<hr/>

BAILEY CARAVANS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1995 (CONTINUED)**

12. CALLED UP EQUITY SHARE CAPITAL	1995	1994
	£	£
Authorised: 10000 ordinary shares of £1 each	10000	10000
Issued: 10000 ordinary shares of £1 each fully paid	10000	10000
13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	1995	1994
	£	£
Profit for the financial year	11893	485205
Dividends on equity shares	-	200000
Net addition to equity shareholders' funds	11893	285205
Opening equity shareholders' funds	1352852	1067647
Closing equity shareholders' funds	1364745	1352852
14. DIRECTORS' REMUNERATION	1995	1994
	£	£
Comprises the following elements:		
For services as executives	105415	167267
Pension contributions	9109	7995
	114524	175262

The remuneration of the chairman, excluding pension contributions, amounted to £3338 (1994 £6382). The remuneration of the highest paid director, excluding pension contributions, amounted to £51282 (1994 £81924).

The individual remuneration, excluding pension contributions, of all the other directors other than the chairman, and highest paid director, who served during the year, fell in the following bands:

	1995	1994
£0 - £5000	2	2
£45001 - £50000	1	-
£75001 - £80000	-	1

BAILEY CARAVANS LIMITED**NOTES ON THE ACCOUNTS -YEAR TO 31ST DECEMBER 1995 (CONTINUED)****15. STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year was as follows:

	1995	1994
Sales	13	9
Production	116	117
Administration	9	8
	<hr/>	<hr/>
	138	134
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	2235778	2064641
Social security costs	198857	180280
Other pension costs (defined contribution schemes)	105243	83098
	<hr/>	<hr/>
	2539878	2328019
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At 31st December 1995 pension contributions amounting to £15745 (1994 £13041) were payable to the insurance company operating the company's defined contribution schemes. These amounts are provided within creditors.

16. CAPITAL COMMITMENTS

At 31st December 1995 the company had no capital expenditure either authorised or authorised and contracted for (1994 £Nil).

17. RESERVATION OF TITLE

Trading stocks of an unascertained value are subject to reservation of title clauses under supplier's standard conditions of sale. The directors are of the opinion that quantification of the estimated value involved would not necessarily reflect the full lien over the stocks and accordingly would be misleading. Accordingly no disclosure of the estimated amount has been made within these accounts.

18. PARENT UNDERTAKING

The ultimate holding company of Bailey Caravans Limited is Keenwork Limited a company incorporated in England and Wales.

19. MANAGEMENT CHARGE

During the year to 31st December 1995, the company incurred management charges of £207811 (1994: £325071) in respect of services provided by the parent undertaking, and rent of £50000 (1994 £50000) payable to the parent undertaking.