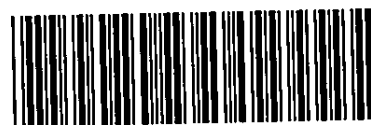


REGISTRAR

Company Registration No. 354363 (England and Wales)

BAILEY CARAVANS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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BAILEY CARAVANS LIMITED

COMPANY INFORMATION

Directors

P.N. Howard
N.G. Howard
S.P. Howard
Mrs P.E. Howard
J.S. Parker
C.C. Harvey
S.R. Howard
A.J. Rowles
J. A. Tanner
A.G. Linklater (Appointed 17 June 2008)

Secretary

C.C. Harvey

Company number

354363

Registered office

South Liberty Lane,
Bristol, Avon.
BS3 2SS

Auditors

Whitley Stimpson LLP
Penrose House,
67 Hightown Road,
Banbury, Oxon.
OX16 9BE

Business address

South Liberty Lane,
Bristol, Avon.
BS3 2SS

BAILEY CARAVANS LIMITED

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BAILEY CARAVANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company continued to be the manufacture of caravans.

Bailey Caravans Limited continues to be the largest single brand of touring caravans in the UK. The first half of 2008 saw the company building on the success it had enjoyed in the previous year, but as the year progressed, reduced demand and cost pressures, particularly from the sterling's decline against the Euro, caused profits to fall. Bailey Caravans have a policy of making what it can sell, and not vice versa, and not wanting to discount our product by having too much stock, reduced production and sales to 8,000 in 2008, down from 9,000 caravans in 2007. However, this has not prevented the company from investing in the future with £1.5 million being spent in 2008. Bailey Caravans celebrated its 60th anniversary this year and is well placed to take advantage of the market opportunities that arise in the coming years.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

The directors expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 6.

An interim ordinary dividend was paid amounting to £15,000,000. The directors recommend that no final dividend be paid on the ordinary shares.

Principal risks and uncertainties

Economic conditions - Bailey Caravans Limited is succeeding in the current market for touring caravans, but monitors its position in relation to general market conditions and consumer demand.

Location - Bailey Caravans Limited operates at a single site in Bristol and the directors have noted the possible risks that arise from this.

International trade - Bailey Caravans Limited purchases large quantities of raw materials from Europe and are exposed to logistical issues and exchange rate risk. Purchasing policies look to mitigate these risks where possible, and the company protects itself from falls in the value of sterling by using forward exchange contracts.

Key performance indicators

| | |
|--|--------------------------------|
| Gross profit margin : | 14.97% (2007 - 15.28%) |
| Profit for the period after taxation : | £2,726,860 (2007 - £3,798,792) |
| Return on capital employed : | 57.99% (2007 - 22.38%) |

Future developments

The directors intend for the company to continue operating its existing activities, whilst taking advantage of opportunities as they arise.

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and liquidity risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate cost and as such, no hedge accounting is applied. The directors are responsible for monitoring the financial risk management. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. The cost of managing exposure to price risk exceeds any potential benefits. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company maintains a mixture of long-term and short term debt finance that is designed to ensure the company has sufficient available funds for present and planned future operations.

Directors

The following directors have held office since 1 January 2008:

P.N. Howard

N.G. Howard

S.P. Howard

Mrs P.E. Howard

J.S. Parker

C.C. Harvey

S.R. Howard

A.J. Rowles

M.C. Davies

(Resigned 31 March 2008)

J. A. Tanner

N.P. Mattfield

(Resigned 31 March 2008)

A.G. Linklater

(Appointed 17 June 2008)

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Whitley Stimpson LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

1 April 2009

On behalf of the board



S.P. Howard

Director

BAILEY CARAVANS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAILEY CARAVANS LIMITED

We have audited the financial statements of Bailey Caravans Limited on pages 6 to 16 for the year ended 31 December 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

BAILEY CARAVANS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF BAILEY CARAVANS LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

2 April 2009



Whitley Stimpson LLP
Chartered Accountants
Registered Auditor
Penrose House,
67 Hightown Road,
Banbury, Oxon.
OX16 9BE

BAILEY CARAVANS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

| | Notes | 2008 £ | 2007 £ |
|--|-------|-------------------|-------------------|
| Turnover | 2 | 78,644,600 | 85,709,483 |
| Cost of sales | | (66,873,158) | (72,614,867) |
| Gross profit | | 11,771,442 | 13,094,616 |
| Distribution costs | | (393,974) | (278,446) |
| Administrative expenses | | (7,534,558) | (7,669,328) |
| Other operating income | | 162,144 | (1,509) |
| Operating profit | 3 | 4,005,054 | 5,145,333 |
| Repurchase provision | | (295,000) | - |
| Profit on ordinary activities before interest | | 3,710,054 | 5,145,333 |
| Other interest receivable and similar income | 4 | 109,306 | 133,946 |
| Profit on ordinary activities before taxation | | 3,819,360 | 5,279,279 |
| Tax on profit on ordinary activities | 5 | (1,092,500) | (1,480,487) |
| Profit for the year | 14 | 2,726,860 | 3,798,792 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BAILEY CARAVANS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

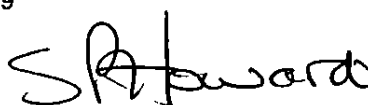
| | Notes | 2008 £ | £ | 2007 £ | £ |
|---|-------|--------------|---|--------------|---|
| Fixed assets | | | | | |
| Tangible assets | 7 | 2,830,630 | | 2,193,225 | |
| Current assets | | | | | |
| Stocks | 8 | 2,715,533 | | 2,918,715 | |
| Debtors | 9 | 10,331,778 | | 29,805,129 | |
| Cash at bank and in hand | | 3,981,899 | | 4,946,217 | |
| | | 17,029,210 | | 37,670,061 | |
| Creditors: amounts falling due within one year | 10 | (13,144,160) | | (21,097,613) | |
| Net current assets | | 3,885,050 | | 16,572,448 | |
| Total assets less current liabilities | | 6,715,680 | | 18,765,673 | |
| Provisions for liabilities | 11 | (2,013,226) | | (1,790,079) | |
| | | 4,702,454 | | 16,975,594 | |
| Capital and reserves | | | | | |
| Called up share capital | 13 | 10,000 | | 10,000 | |
| Profit and loss account | 14 | 4,692,454 | | 16,965,594 | |
| Shareholders' funds | 15 | 4,702,454 | | 16,975,594 | |

Approved by the Board and authorised for issue on 1 April 2009

P.N. Howard
Director



S.P. Howard
Director



BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|-------------------------|
| Plant and machinery | 10% - 33% straight line |
| Fixtures, fittings and equipment | 10% - 33% straight line |
| Motor vehicles | 25% straight line |

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost represents all direct costs and attributable overheads incurred in bringing the stocks to their present state and location.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

2 Turnover

Geographical market

| | Turnover | |
|-------------------|-------------------|-------------------|
| | 2008 | 2007 |
| | £ | £ |
| United Kingdom | 77,722,210 | 85,129,378 |
| Europe | 545,918 | 476,400 |
| Rest of the world | 376,472 | 103,705 |
| | <u>78,644,600</u> | <u>85,709,483</u> |

3 Operating profit

| | 2008 | 2007 |
|--|------------------|----------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 872,457 | 595,367 |
| Loss on disposal of tangible assets | - | 2,769 |
| Loss on foreign exchange transactions | - | 1,509 |
| Operating lease rentals | 396,886 | 391,300 |
| and after crediting: | | |
| Profit on disposal of tangible assets | (4,053) | - |
| Profit on foreign exchange transactions | (162,144) | - |
| | <u>(166,197)</u> | <u>(1,739)</u> |

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

| | | |
|--|---------------|---------------|
| Statutory accounts and corporation tax | 20,000 | 15,500 |
| | 12,064 | 2,599 |
| | <u>32,064</u> | <u>18,099</u> |

4 Investment income

| | 2008 | 2007 |
|---------------|----------------|----------------|
| | £ | £ |
| Bank interest | 109,306 | 133,946 |
| | <u>109,306</u> | <u>133,946</u> |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

| 5 | Taxation | 2008 £ | 2007 £ |
|---|---|-------------------|------------------|
| | Domestic current year tax | | |
| | U.K. corporation tax | 1,141,311 | 1,481,743 |
| | Adjustment for prior years | - | 45,272 |
| | Current tax charge | <u>1,141,311</u> | <u>1,527,015</u> |
| | Deferred tax | | |
| | Deferred tax for the current year | (48,811) | (46,528) |
| | | <u>1,092,500</u> | <u>1,480,487</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | <u>3,819,360</u> | <u>5,279,279</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%) | <u>1,088,518</u> | <u>1,583,784</u> |
| | Effects of: | | |
| | Non deductible expenses | 2,946 | 8,046 |
| | Depreciation add back | 247,471 | 178,610 |
| | Capital allowances | (197,342) | (174,734) |
| | Adjustments to previous periods | - | 45,272 |
| | Other tax adjustments | (282) | (113,963) |
| | | <u>52,793</u> | <u>(56,769)</u> |
| | Current tax charge | <u>1,141,311</u> | <u>1,527,015</u> |
| 6 | Dividends | 2008 £ | 2007 £ |
| | Ordinary interim paid | <u>15,000,000</u> | <u>1,000,000</u> |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings and equipment | Motor vehicles | Total |
|-----------------------|------------------------|--|-------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2008 | 4,745,694 | 254,486 | 136,500 | 5,136,680 |
| Additions | 1,074,201 | 438,077 | 20,145 | 1,532,423 |
| Disposals | (36,776) | - | (36,731) | (73,507) |
| At 31 December 2008 | 5,783,119 | 692,563 | 119,914 | 6,595,596 |
| Depreciation | | | | |
| At 1 January 2008 | 2,658,807 | 207,639 | 77,009 | 2,943,455 |
| On disposals | (18,973) | - | (31,973) | (50,946) |
| Charge for the year | 671,281 | 169,973 | 31,203 | 872,457 |
| At 31 December 2008 | 3,311,115 | 377,612 | 76,239 | 3,764,966 |
| Net book value | | | | |
| At 31 December 2008 | 2,472,004 | 314,951 | 43,675 | 2,830,630 |
| At 31 December 2007 | 2,086,887 | 46,847 | 59,491 | 2,193,225 |

8 Stocks and work in progress

| | 2008 £ | 2007 £ |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables | 1,679,162 | 2,193,909 |
| Work in progress | 64,762 | 72,988 |
| Finished goods and goods for resale | 971,609 | 651,818 |
| | <u>2,715,533</u> | <u>2,918,715</u> |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

| 9 Debtors | 2008 | 2007 |
|---|-------------------|-------------------|
| | £ | £ |
| Trade debtors | 369,660 | 763,449 |
| Amounts owed by parent and fellow subsidiary undertakings | 9,575,017 | 28,566,770 |
| Other debtors | 77,015 | 224,627 |
| Prepayments and accrued income | 310,086 | 250,283 |
| | <u>10,331,778</u> | <u>29,805,129</u> |
| | | |
| 10 Creditors: amounts falling due within one year | 2008 | 2007 |
| | £ | £ |
| Bank loans and overdrafts | 192,811 | 555,010 |
| Trade creditors | 10,572,220 | 16,503,780 |
| Corporation tax | 529,357 | 677,316 |
| Other taxes and social security costs | 688,861 | 1,290,216 |
| Other creditors | 35,197 | 99,008 |
| Accruals and deferred income | 1,125,714 | 1,972,283 |
| | <u>13,144,160</u> | <u>21,097,613</u> |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Provisions for liabilities and charges

| | Warranty provision £ | Deferred tax liability £ | Other £ | Total £ |
|-----------------------------|----------------------------|--------------------------------|------------|------------|
| Balance at 1 January 2008 | 1,653,661 | 136,778 | - | 1,790,439 |
| Profit and loss account | (23,402) | (48,811) | 295,000 | 222,787 |
| Balance at 31 December 2008 | 1,630,259 | 87,967 | 295,000 | 2,013,226 |

The deferred tax liability is made up as follows:

| | 2008 £ | 2007 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 87,967 | 136,778 |

A provision of £1,630,259 has been recognised for expected warranty claims on caravans sold during the last six financial years. It is expected that the majority of this expenditure will be incurred within two years, and all will be incurred within six years. During the year the provision brought forward was fully utilised and a new provision of £1,630,259 created.

A new provision of £295,000 has been recognised this year for vans held with a retail customer at the year end, which will have to be repurchased by Bailey Caravans Limited if the dealer goes in to administration. This cost is expected to be incurred within the next year. An assumption has been made that the dealer will go in to administration and the provision represents the directors' best estimate at the balance sheet date.

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounts are detailed below. Contributions totalling £35,197 (2007- £28,562) were payable to the fund at the year end and are included in creditors.

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Contributions payable by the company for the year | 306,319 | 295,397 |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

| | | |
|--|-------------------|--|
| 13 Share capital | 2008 | 2007 |
| | £ | £ |
| Authorised | | |
| 10,000 Ordinary shares of of £1 each | 10,000 | 10,000 |
| | <u> </u> | <u> </u> |
| Allotted, called up and fully paid | | |
| 10,000 Ordinary shares of of £1 each | 10,000 | 10,000 |
| | <u> </u> | <u> </u> |
| 14 Statement of movements on profit and loss account | | |
| | | Profit and loss account £ |
| Balance at 1 January 2008 | | 16,965,594 |
| Profit for the year | | 2,726,860 |
| Dividends paid | | (15,000,000) |
| | | <u> </u> |
| Balance at 31 December 2008 | | 4,692,454 |
| | | <u> </u> |
| 15 Reconciliation of movements in shareholders' funds | 2008 | 2007 |
| | £ | £ |
| Profit for the financial year | 2,726,860 | 3,798,792 |
| Dividends | (15,000,000) | (1,000,000) |
| | <u> </u> | <u> </u> |
| Net (depletion in)/addition to shareholders' funds | (12,273,140) | 2,798,792 |
| Opening shareholders' funds | 16,975,594 | 14,176,802 |
| | <u> </u> | <u> </u> |
| Closing shareholders' funds | 4,702,454 | 16,975,594 |
| | <u> </u> | <u> </u> |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

| | Land and buildings | |
|--------------------------------|--------------------|----------------|
| | 2008 | 2007 |
| | £ | £ |
| Operating leases which expire: | | |
| Within one year | 369,200 | 369,200 |
| Between two and five years | - | 21,000 |
| | <u>369,200</u> | <u>390,200</u> |

17 Capital commitments

At 31 December 2008 the company had capital commitments as follows:

| | 2008 | 2007 |
|---|------|---------|
| | £ | £ |
| Contracted for but not provided in the financial statements | - | 485,620 |

18 Directors' emoluments

| | 2008 | 2007 |
|---|----------------|----------------|
| | £ | £ |
| Emoluments for qualifying services | 584,013 | 571,789 |
| Company pension contributions to money purchase schemes | 56,793 | 60,813 |
| | <u>640,806</u> | <u>632,602</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 7 (2007 - 8).

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2008 | 2007 |
|---|---------|--------|
| | £ | £ |
| Emoluments for qualifying services | 112,679 | 96,560 |
| Company pension contributions to money purchase schemes | 10,958 | 10,500 |

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2008 Number | 2007 Number |
|----------------|----------------|----------------|
| Sales | 7 | 7 |
| Production | 234 | 237 |
| Administration | 13 | 17 |
| | <u>254</u> | <u>261</u> |

Employment costs

| | 2008 £ | 2007 £ |
|-----------------------|------------------|-------------------|
| Wages and salaries | 8,491,923 | 10,293,682 |
| Social security costs | 700,509 | 723,977 |
| Other pension costs | 306,319 | 295,397 |
| | <u>9,498,751</u> | <u>11,313,056</u> |

20 Control

The immediate and ultimate parent company is Keenwork Limited, a company registered in England and Wales.

Keenwork Limited prepares group financial statements and copies can be obtained from the Registrar of Companies.

21 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 from the requirement to make disclosures concerning related party transactions.

BAILEY CARAVANS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

| | 2008 | | 2007 | |
|---|------------|--------------|------------|--------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Sales | | 78,644,600 | | 85,709,483 |
| Cost of sales | | | | |
| Purchases | 58,528,328 | | 62,709,925 | |
| Discounts allowed | 1,319,294 | | 1,031,503 | |
| Wages and salaries | 6,538,531 | | 8,368,196 | |
| Employer's N.I. contributions | 487,005 | | 505,243 | |
| | | (66,873,158) | | (72,614,867) |
| Gross profit | | 11,771,442 | | 13,094,616 |
| Distribution costs | 393,974 | | 278,446 | |
| Administrative expenses | 7,534,558 | | 7,669,328 | |
| | | (7,928,532) | | (7,947,774) |
| | | 3,842,910 | | 5,146,842 |
| Other operating income | | | | |
| Exchange differences | | 162,144 | | (1,509) |
| Operating profit | | 4,005,054 | | 5,145,333 |
| Exceptional items | | | | |
| Repurchase provision | (295,000) | | - | |
| | | (295,000) | | - |
| Other interest receivable and similar income | | | | |
| Bank interest | | 109,306 | | 133,946 |
| Profit before taxation | | 3,819,360 | | 5,279,279 |

BAILEY CARAVANS LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2008

| | 2008 £ | 2007 £ |
|--|------------------|------------------|
| Distribution costs | | |
| Carriage outwards | 393,974 | 278,446 |
| | <u>393,974</u> | <u>278,446</u> |
| Administrative expenses | | |
| Office salaries | 1,391,972 | 1,370,368 |
| Directors' remuneration | 561,420 | 555,118 |
| Employer's N.I. contributions | 213,504 | 218,734 |
| Directors' pension costs | 56,793 | 60,813 |
| Staff pension costs | 249,526 | 234,584 |
| Staff training | 1,580 | 969 |
| Rent | 396,886 | 391,300 |
| Rates | 94,487 | 93,361 |
| Insurance | 164,585 | 149,739 |
| Light and heat | 121,906 | 116,296 |
| Consumable stores and tools | 187,767 | 251,164 |
| Repairs to office equipment | 189,418 | 227,921 |
| Repairs to property | 242,717 | 116,184 |
| Management charges | 60,000 | 1,510,000 |
| Printing and stationery | 86,690 | 73,955 |
| Postage | 22,389 | 24,838 |
| Telephone | 25,255 | 26,866 |
| Motor expenses | 17,966 | 22,519 |
| Travelling expenses | 6,204 | 8,725 |
| Legal and professional fees | 17,318 | 22,183 |
| Accountancy fees | 12,064 | 2,599 |
| Audit fees | 20,000 | 15,500 |
| Bank charges | 5,781 | 6,333 |
| Sundry expenses | 212,644 | 216,429 |
| General work expenses | 1,134,006 | 440,895 |
| Advertising and show expenses | 1,164,194 | 901,117 |
| General marketing expenses | 9,082 | 12,682 |
| Depreciation on plant and machinery | 671,281 | 534,503 |
| Depreciation on fixtures, fittings and equipment | 169,973 | 30,289 |
| Depreciation on motor vehicles | 31,203 | 30,575 |
| (Profit)/loss on disposal of fixed assets | (4,053) | 2,769 |
| | <u>7,534,558</u> | <u>7,669,328</u> |