

Company Registration No. 00354363 (England and Wales)

BAILEY CARAVANS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2020

BAILEY CARAVANS LIMITED

COMPANY INFORMATION

Directors	Mr S P Howard	
	Mr N G Howard	
	Mr S R Howard	
	Mr I M Rawlings	
	Mr S P Trossell	
	Mr J R Aisbitt (Chairman)	
	Mr M R Coley	(Appointed 1 April 2019)
	Mr A F Piatek	(Appointed 1 April 2019)
Company number	00354363	
Registered office	22/24 South Liberty Lane Bristol Avon BS3 2SS	
Auditor	Whitley Stimpson Limited Penrose House 67 Hightown Road Banbury Oxon OX16 9BE	
Business address	22/24 South Liberty Lane Bristol Avon BS3 2SS	

BAILEY CARAVANS LIMITED

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BAILEY CARAVANS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 3 JANUARY 2020

The directors present the strategic report for the period ended 3 January 2020.

The company specialises in the manufacture and distribution of caravans and motorhomes, primarily via a network of third party owned and operated caravan and motorhome dealers.

Key performance indicators

Total

- Turnover of £112.0m decreased by £0.5m (0.4%); (2018) of £112.5m
- Gross profit of £21.0m increased by £3.3m (18.6%); (2018) of £17.7m
- Gross profit percentage 18.7% increased from 15.7% in 2018
- Operating profit of £1.7m increased by £3.7m (185.0%); (2018) loss of £2.0m
- Profit after tax of £1.3m increased by £3.4m(161.9%); (2018) loss of £2.1m

Continuing operations

- Turnover of £111.8m decreased by £0.1m (0.1%); (2018) £111.9m
- Gross profit of £21.0m increased by £3.4m (19.3%); (2018) £17.6m
- Gross profit percentage 18.8% increased from 15.8% in 2018
- Operating profit of £2.4m decreased by £0.1m (4%); (2018) £2.5m
- Profit after tax of £1.9m decreased by £0.5m (20.8%); (2018) £2.4m

Review of the business

Bailey Caravans developed its product portfolio further in 2019, with a comprehensive launch programme. Following the success of the "8 foot wide" Pegasus caravan launch in 2018, Bailey launched another 8 foot wide range, the Alicanto Grande; sitting at the top of the Bailey caravans range. Bailey also launched a new 'adventure style' caravan, the Discovery, an innovative product with unique accessories offered. The Unicorn range was refreshed, under a "Black Edition" branding.

Two new motorhome ranges were launched with the Alliance range having a Silver Edition refresh. In addition we launched Autograph III, being the third iteration of that product.

At the beginning of 2020 our 2020 leisure vehicle season's production was largely fully allocated to our retailer base, at the point of the business's enforced shutdown due to Covid-19 in March 2020.

The UK leisure sector continued to be a challenging environment throughout 2019, particularly through the summer months in advance of the new 2020 season, as manufacturers incentivised the sale of 2019 season stock. However the final quarter of the financial year (i.e. start of 2020 season) was very strong for Bailey with strong sales and the level of stock held at retailer sites and at the Bailey site in Bristol reduced to satisfactory levels.

COVID-19 impacts

Bailey Caravans (and the whole leisure industry) has been significantly impacted by COVID-19. The business temporarily shut its sites on 24 March 2020 with production recommencing on 17 August 2020. The business furloughed over 400 (93%) of its staff in order to protect its ongoing trading. Certain staff groups have been brought back on a phased basis throughout the 'lockdown period', based on business needs.

The full production return has necessitated significant changes to the way of working to ensure "Covid secure" compliance. This included items such as an assessment of standard operating procedures (and changes where relevant), one way systems throughout the site, a fully functioning and socially distanced canteen, temperature checking etc.

Cashflow has been the key concern throughout the period and Bailey has remained within its banking facilities at all times.

Administrative expenses are lower in the prior year due to the release of a previously held warranty provision, as outlined in the annual report and financial statements for the period ended 28 December 2018.

BAILEY CARAVANS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

Funding

In order to support businesses that were impacted negatively as a result of COVID-19 the Government announced in April the establishment of the "Coronavirus Large Business Interruption Loan Scheme ('CLBILS')". The Keenwork Group (including Bailey Caravans Ltd) were eligible for such funding and through a process of forecasting the performance of the Group until 2022, were successful in obtaining a funding package from Lloyds Bank Plc on 16 July 2020.

The funding package available to The Keenwork Group (including Bailey Caravans Limited) is a £7.5m CLBILS package and a £5m overdraft facility. The CLBILS facility comprises a 36 month term loan of £5m with equal quarterly repayments and a revolving credit facility ('RCF') of £2.5m which is limited to two, 'two monthly' drawdown periods in the year. In line with internal cashflow projections, the available RCF reduces progressively by £0.5m each year, in June, until June 2022.

Going Concern

As part of assessing the requirements of the funding package and the serviceability of this debt, and the unusual set of circumstances posed by Covid-19, the directors have paid particular attention to the going concern assessment and believe the preparation of the financial statements on a going concern basis is appropriate.

Forecasts have been sensitised and recent sales performance (both at Bailey and at our retailers) is consistent with the forecasts prepared for the purposes of our going concern assessment.

The forecasts included a full review of the income statement, balance sheet and cashflows.

Closure of Australian operations and reporting of discontinued operations

As reported in the previous financial statements, the Keenwork Limited board decided to close the operations in Australia in February 2019, and the closure activities continued until production fully ceased in August 2019. Some final administrative activity is ongoing to liquidate the entities.

As a result of the decision to close the Australian operations any activity relating to the closure activity and Australian operations has been reported as discontinued in our financial statements, in both 2019 and 2018.

Discontinued operations comprise the writing off of final intercompany debtors, closure costs, and the writing off of some stock items repatriated from Australia.

The directors do not expect any significant costs of discontinued operations in 2020.

Principal risks and uncertainties

Economic conditions

Bailey Caravans Limited is succeeding in the current market for touring caravans and motorhomes, but monitors its position in relation to general market conditions and consumer demand, particularly in the light of the ongoing Covid-19 situation.

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 looks to protect itself from falls in the value of sterling by using forward exchange contracts.

Development and performance

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

BAILEY CARAVANS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

On behalf of the board

Mr N G Howard
Director
27 August 2020

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 3 JANUARY 2020

The directors present their report for the period ended 3 January 2020.

Principal activities

The principal activity of the company continues to be the manufacture of caravans and motorhomes.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr S P Howard	
Mr N G Howard	
Mr S R Howard	
Mr A J Rowles	(Resigned 31 December 2019)
Mr J A Tanner	(Resigned 31 December 2019)
Mr I M Rawlings	
Mr S P Trossell	
Mr J R Aisbitt (Chairman)	
Mr M R Coley	(Appointed 1 April 2019)
Mr A F Piatek	(Appointed 1 April 2019)

Results and dividends

The results for the period are set out on page 10.

There were interim dividends paid for the period ended 3 January 2020 totalling £1,426,805. The directors recommend that no final dividend be paid on the ordinary shares.

Financial instruments

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the company's activities.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the company enters into principally comprise forward exchange contracts. In accordance with the company's treasury policy, derivative instruments are not entered into for speculative purposes.

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

Liquidity and cash flow risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

In order to support businesses that were impacted negatively as a result of COVID-19 the Government announced in April 2020 the establishment of the "Coronavirus Large Business Interruption Loan Scheme ('CLBILS'). The Keenwork Group (including Bailey Caravans Limited) were eligible for such funding and through a process of forecasting the performance of the Group until 2022, were successful in obtaining a funding package from Lloyds Bank Plc on 16 July 2020.

The funding package available to The Keenwork Group (including Bailey Caravans Limited) is a £7.5m CLBILS package and a £5m overdraft facility. The CLBILS facility comprises a 36 month term loan of £5m with equal quarterly repayments and a revolving credit facility ('RCF') of £2.5m which is limited to two, 'two monthly' drawdown periods in the year. In line with internal cashflow projections, the available RCF reduces progressively by £0.5m each year, in June, until June 2022.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

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.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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 about 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.

Future developments

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

Auditor

In accordance with the company's articles, a resolution proposing the Whitley Stimpson Limited be reappointed as auditors of the company will be put to a General Meeting.

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr N G Howard
Director

27 August 2020

BAILEY CARAVANS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BAILEY CARAVANS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BAILEY CARAVANS LIMITED

Opinion

We have audited the financial statements of Bailey Caravans Limited (the 'company') for the period ended 3 January 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw your attention to note 1.2 of the financial statements which discloses the company's ability to continue as a going concern, given the risks and uncertainties of Covid-19. As stated in note 1.2, these events and conditions indicate that material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in this respect.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

BAILEY CARAVANS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF BAILEY CARAVANS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member for our audit work, for this report, or for the opinions we have formed.

Date: 27 August 2020

Laura Adkins (Senior Statutory Auditor)
for and on behalf of Whitley Stimpson Limited
Chartered Accountants
Statutory Auditor
Penrose House
67 Hightown Road
Banbury
Oxon
OX16 9BE

BAILEY CARAVANS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 3 JANUARY 2020

				Period ended 3 January 2020 £	Continuing operations £	Discontinued operations £	Period ended 28 December 2018 £
	Notes	Continuing operations £	Discontinued operations £	Period ended 3 January 2020 £	Continuing operations £	Discontinued operations £	Period ended 28 December 2018 £
Turnover	3	111,781,288	260,219	112,041,507	111,927,165	604,536	112,531,701
Cost of sales		(90,819,055)	(240,703)	(91,059,758)	(94,283,469)	(559,196)	(94,842,665)
Gross profit		20,962,233	19,516	20,981,749	17,643,696	45,340	17,689,036
Distribution costs		(1,006,767)	-	(1,006,767)	(1,071,373)	-	(1,071,373)
Administrative expenses		(17,736,421)	(474,396)	(18,210,817)	(14,300,330)	-	(14,300,330)
Other operating income		191,227	-	191,227	238,764	-	238,764
Amount written off due from group undertakings	4	-	(260,220)	(260,220)	-	(4,521,927)	(4,521,927)
Operating profit/(loss)	5	2,410,272	(715,100)	1,695,172	2,510,757	(4,476,587)	(1,965,830)
Interest receivable and similar income	9	-	-	-	1,800	-	1,800
Interest payable and similar expenses	10	(164,306)	-	(164,306)	(65,225)	-	(65,225)
Amounts written off investments	11	(219,396)	-	(219,396)	(141,846)	-	(141,846)
Profit/(loss) before taxation		2,026,570	(715,100)	1,311,470	2,305,486	(4,476,587)	(2,171,101)
Tax on profit/(loss)	12	(79,415)	86,427	7,012	93,590	-	93,590
Profit/(loss) for the financial period		1,947,155	(628,673)	1,318,482	2,399,076	(4,476,587)	(2,077,511)

BAILEY CARAVANS LIMITED

BALANCE SHEET AS AT 3 JANUARY 2020

		3 January 2020		28 December 2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		6,266,574		7,701,383
Current assets					
Stocks	17	11,225,299		11,944,093	
Debtors	18	19,525,320		19,756,266	
Cash at bank and in hand		98,741		22,894	
		<u>30,849,360</u>		<u>31,723,253</u>	
Creditors: amounts falling due within one year	19	<u>(26,354,950)</u>		<u>(28,022,248)</u>	
Net current assets			4,494,410		3,701,005
Total assets less current liabilities			10,760,984		11,402,388
Creditors: amounts falling due after more than one year	20		-		(11,924)
Provisions for liabilities					
Provisions	23	6,280,308		6,854,325	
Deferred tax liability	24	158,285		105,425	
		<u>(6,438,593)</u>		<u>(6,959,750)</u>	
Net assets			<u>4,322,391</u>		<u>4,430,714</u>
Capital and reserves					
Called up share capital	26		10,000		10,000
Profit and loss reserves	27		4,312,391		4,420,714
Total equity			<u>4,322,391</u>		<u>4,430,714</u>

The financial statements were approved by the board of directors and authorised for issue on 27 August 2020 and are signed on its behalf by:

Mr N G Howard
Director

Company Registration No. 00354363

BAILEY CARAVANS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 3 JANUARY 2020

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 January 2018	10,000	6,498,225	6,508,225
Period ended 28 December 2018:			
Loss and total comprehensive income for the period	-	(2,077,511)	(2,077,511)
Balance at 28 December 2018	10,000	4,420,714	4,430,714
Period ended 3 January 2020:			
Profit and total comprehensive income for the period	-	1,318,482	1,318,482
Dividends	14	(1,426,805)	(1,426,805)
Balance at 3 January 2020	10,000	4,312,391	4,322,391

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

Company information

Bailey Caravans Limited is a limited company incorporated in England and Wales. The registered office is 22/24 South Liberty Lane, Bristol, Avon, BS3 2SS.

1.1 Accounting convention

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 the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Reporting exemptions:

The company has consent from its shareholder to exclude from its financial reports the following, as detailed in paragraph 1.12 of FRS 102:

- Cash flow statement
- Compensation of key management personnel
- Financial instruments disclosure in respect of the value of assets and liabilities at amortised cost and the movement in any impairment of debtors

The disclosure exemptions are taken on the basis that the company is included in group accounts prepared by Keenwork Limited, which are publicly available.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

This is on the basis of a review of cashflow projections and the bank facilities available to company, and in the understanding of, and in the expectation that, any bank facilities currently in place will be renewed at expiry.

There are risks and uncertainties relating to the impact of the Covid-19 outbreak in the UK, which could be considered a threat to the continued going concern status of the company. As at the date of approving these accounts the directors have assessed the impact of Covid-19 and are satisfied that these accounts continue to be prepared on a going concern basis.

1.3 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (when goods are physically delivered to the customer), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and machinery	10% - 33% straight line
Fixtures, fittings and equipment	10% - 33% straight line
Motor vehicles	25% straight line
Other assets	

1.5 Impairment of fixed assets

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

The company uses derivative financial instruments in the form of forward exchange contracts to economically hedge risks associated with movements in exchange rates. The company does not hold or issue derivatives for trading purposes.

Such instruments are initially measured at fair value on the date the contract is entered into and are subsequently remeasured at fair value. Financial derivatives are recognised as current and non-current based on the maturity profile of the associated cash flows.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Warranty provision

The company offers a six year warranty on all caravans and motorhomes. The warranty provision is made for the future estimated liability on all caravans and motorhomes still under warranty and is based on previous costs incurred and the expertise and judgement of the directors.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

1 Accounting policies

(Continued)

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The only significant accounting estimates included in the financial statements are the warranty provision and the provision for bad and doubtful debts, where the directors made their best estimate at the balance sheet date. The directors' estimate of the warranty provision, is based on the number of vans produced, previous warranty spend and known issues. The directors' estimate for the bad and doubtful debt provision is based on past experience of bad debts.

There were no critical judgements apart from accounting estimates.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2018 £
Turnover analysed by class of business		
Sale of goods	112,041,507	112,531,701
	<u>112,041,507</u>	<u>112,531,701</u>
	2020 £	2018 £
Other significant revenue		
Interest income	-	1,800
	<u>-</u>	<u>1,800</u>
	2020 £	2018 £
Turnover analysed by geographical market		
United Kingdom	109,006,893	109,325,233
Rest of the world	3,034,614	3,206,468
	<u>112,041,507</u>	<u>112,531,701</u>

Rest of the world sales of £260,219 (2018: £604,536) relates to discontinued operations.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

4 Exceptional costs/(income)

	2020 £	2018 £
Amount written off due from group undertakings	260,220	4,521,927

Following the decision to close Bailey Leisure Holdings Pty Ltd and its controlled entities in February 2019, amounts owed by group undertakings as at 3 January 2020 of £260,220 (2018: £4,521,927) were deemed to be irrecoverable, and were written off. This led to a reduction in profit and a reduction in amounts owed by group undertakings of £260,220 (2018: £4,521,927).

5 Operating profit/(loss)

	2020 £	2018 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange gains	(123,697)	(110,056)
Depreciation of owned tangible fixed assets	1,286,507	1,295,653
Loss/(profit) on disposal of tangible fixed assets	43,834	(10,854)
Cost of stocks recognised as an expense	81,267,340	84,904,255
Operating lease charges	809,996	629,935

6 Auditor's remuneration

	2020 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	88,680	65,603
For other services		
Other taxation services	3,000	3,000

7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2018 Number
Sales	8	7
Production	372	390
Administration	49	41
	429	438

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

7 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2018 £
Wages and salaries	15,178,483	14,708,091
Social security costs	1,191,394	1,272,372
Pension costs	662,045	579,046
	<u>17,031,922</u>	<u>16,559,509</u>

8 Directors' remuneration

	2020 £	2018 £
Remuneration for qualifying services	1,450,716	850,079
Company pension contributions to defined contribution schemes	62,571	97,760
	<u>1,513,287</u>	<u>947,839</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2018 - 6).

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

	2020 £	2018 £
Remuneration for qualifying services	245,377	133,155
Company pension contributions to defined contribution schemes	9,576	15,979
	<u>254,953</u>	<u>149,134</u>

9 Interest receivable and similar income

	2020 £	2018 £
Interest income		
Interest on bank deposits	-	27
Other interest income	-	1,773
	<u>-</u>	<u>1,800</u>
Total income	<u>-</u>	<u>1,800</u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

10 Interest payable and similar expenses

	2020	2018
	£	£
Interest on bank overdrafts and loans	163,299	62,820
Interest on finance leases and hire purchase contracts	1,007	2,405
	<u>164,306</u>	<u>65,225</u>

11 Changes in fair value of financial instruments

	2020	2018
	£	£
Fair value gains/(losses) on financial instruments		
Loss on changes in fair values of forward currency contracts	(219,396)	(141,846)
	<u>(219,396)</u>	<u>(141,846)</u>

The company is exposed to currency exchange rate risk due to a significant proportion of receivables and operating expenses being denominated in non-sterling currencies. The net exposure of each currency is monitored and managed by the use of forward exchange contracts.

At the period end date the fair value of the forward exchange contracts amounted to an asset of £173,127 (2018 asset - £46,269).

The company enters into foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors. As at 3 January 2020 the outstanding contracts mature within 6 months (2018 - 4 months) of the period end. The company is committed to buy €6,275,000 (2018 - €5,630,500) and pay a fixed sterling amount.

The forward currency contracts are measured at fair value using quoted forward exchange rates.

12 Taxation

	2020	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	(59,872)	272,811
Adjustments in respect of prior periods	-	(310,055)
	<u>(59,872)</u>	<u>(37,244)</u>
Deferred tax		
Origination and reversal of timing differences	52,860	(56,346)
	<u>52,860</u>	<u>(56,346)</u>
Total tax credit	<u>(7,012)</u>	<u>(93,590)</u>

The actual credit for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

12 Taxation

(Continued)

	2020 £	2018 £
Profit/(loss) before taxation	1,311,470	(2,171,101)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	249,179	(412,509)
Tax effect of expenses that are not deductible in determining taxable profit	55,440	839,365
Adjustments in respect of prior years	-	(310,055)
Effect of change in corporation tax rate	9,731	(12,403)
Research and development tax credit	(321,362)	(198,950)
Deferred tax adjustments in respect of prior years	-	962
Taxation credit for the period	(7,012)	(93,590)

13 Discontinued operations

Bailey Caravans Limited manufactured and sold panels to Bailey Leisure Holdings Pty Ltd. This was the entity's only route to the Australian market. During 2019, Bailey Leisure Holdings Pty Ltd closed it's manufacturing facilities in Australia and as a result, all activities with the Australian market were concluded. Therefore transactions with the sister company Bailey Leisure Holdings Pty Ltd, have been disclosed as a discontinued operation.

14 Dividends

	2020 £	2018 £
Interim paid	1,426,805	-

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

15	Tangible fixed assets									
		Leasehold improvements	Leasehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Other assets	Total		
	£	£	£	£	£	£	£	£		£
Cost										
At 29 December 2018	88,112	2,534,947	16,163,876	2,583,438	162,172	106,524	21,639,069			
Additions	131,340	-	537,309	140,716	43,061	-	852,426			
Disposals	-	(895,860)	(1,725,075)	-	(96,195)	(30,717)	(2,747,847)			
Transfers	216,299	(158,170)	10,159	7,518	-	(75,807)	(1)			
At 3 January 2020	435,751	1,480,917	14,986,269	2,731,672	109,038	-	19,743,647			
Depreciation and impairment										
At 29 December 2018	2,641	-	11,791,479	2,073,850	69,716	-	13,937,686			
Depreciation charged in the period	15,312	-	939,086	318,140	13,969	-	1,286,507			
Eliminated in respect of disposals	-	-	(1,725,075)	-	(22,045)	-	(1,747,120)			
At 3 January 2020	17,953	-	11,005,490	2,391,990	61,640	-	13,477,073			
Carrying amount										
At 3 January 2020	417,798	1,480,917	3,980,779	339,682	47,398	-	6,266,574			
At 28 December 2018	85,471	2,534,947	4,372,397	509,588	92,456	106,524	7,701,383			

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

16 Financial instruments

	2020 £	2018 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	-	46,269
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	173,127	-

17 Stocks

	2020 £	2018 £
Raw materials and consumables	6,049,390	6,504,466
Work in progress	376,069	420,601
Finished goods and goods for resale	4,799,840	5,019,026
	11,225,299	11,944,093

18 Debtors

	2020 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,999,509	1,291,466
Corporation tax recoverable	300,900	38,169
Amounts owed by group undertakings	16,010,183	17,276,478
Derivative financial instruments	-	46,269
Other debtors	1,185	-
Prepayments and accrued income	1,213,543	1,103,884
	19,525,320	19,756,266

19 Creditors: amounts falling due within one year

	Notes	2020 £	2018 £
Bank loans and overdrafts	21	5,980,862	4,878,106
Obligations under finance leases	22	11,923	70,717
Trade creditors		12,789,347	18,174,067
Taxation and social security		1,998,740	678,378
Derivative financial instruments		173,127	-
Other creditors		98,327	189,730
Accruals and deferred income		5,302,624	4,031,250
		26,354,950	28,022,248

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

20 Creditors: amounts falling due after more than one year

	Notes	2020 £	2018 £
Obligations under finance leases	22	-	11,924

21 Loans and overdrafts

	2020 £	2018 £
Bank overdrafts	5,980,862	4,878,106
Payable within one year	5,980,862	4,878,106

The bank overdraft is secured via an omnibus guarantee and set off agreement with Lloyds Bank Plc who have a charge on the assets of the company.

In order to support businesses that were impacted negatively as a result of COVID-19 the Government announced in April 2020 the establishment of the "Coronavirus Large Business Interruption Loan Scheme ('CLBILS'). The Keenwork Group (including Bailey Caravans Limited) were eligible for such funding and through a process of forecasting the performance of the Group until 2022, were successful in obtaining a funding package from Lloyds Bank Plc on 16 July 2020.

The funding package available to The Keenwork Group (including Bailey Caravans Limited) is a £7.5m CLBILS package and a £5m overdraft facility. The CLBILS facility comprises a 36 month term loan of £5m with equal quarterly repayments and a revolving credit facility ('RCF') of £2.5m which is limited to two, 'two monthly' drawdown periods in the year. In line with internal cashflow projections, the available RCF reduces progressively by £0.5m each year, in June, until June 2022.

22 Finance lease obligations

	2020 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	11,953	71,723
In two to five years	-	11,954
	11,953	83,677
Less: future finance charges	(30)	(1,036)
	11,923	82,641

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

23 Provisions for liabilities

	2020 £	2018 £
Warranty provision	6,280,308	6,854,325
	<u> </u>	<u> </u>
Movements on provisions:		
		Warranty provision £
At 29 December 2018		6,854,325
Increase in provision		1,727,796
Utilisation of provision		(2,301,813)
		<u> </u>
At 3 January 2020		6,280,308
		<u> </u>

A provision of £6,280,308 has been recognised for expected warranty claims on caravans and motor homes sold during the last six to ten financial years. Bailey Caravans provide six year warranties. Prior to 2012 these warranties were for a ten year period. During the year, £2,301,813 of the provision brought forward was utilised and an increase in the provision of £1,727,796 was made.

This represents the directors' best estimate at the balance sheet date.

24 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	144,803	90,949
Other timing differences	13,482	14,476
	<u> </u>	<u> </u>
	158,285	105,425
	<u> </u>	<u> </u>
Movements in the period:		2020 £
Liability at 29 December 2018		105,425
Charge to profit or loss		52,860
		<u> </u>
Liability at 3 January 2020		158,285
		<u> </u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

25 Retirement benefit schemes

	2020	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	662,045	579,046

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

26 Share capital

	2020	2018
Ordinary share capital Issued and fully paid	£	£
10,000 ordinary shares of £1 each	10,000	10,000

27 Profit and loss reserves

	2020	2018
	£	£
At the beginning of the period	4,420,714	6,498,225
Profit/(loss) for the period	1,318,482	(2,077,511)
Dividends declared and paid in the period	(1,426,805)	-
At the end of the period	4,312,391	4,420,714

The profit and loss account reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

28 Financial commitments, guarantees and contingent liabilities

On 28 May 2014, the company, together with its parent, Keenwork Limited, entered into an omnibus guarantee and set off agreement with Lloyds Bank Plc, which was amended on 9 February 2017 to include its sister company, Prima Leisure Limited. At the period end £7,930,862 (2018 - £7,128,106) was outstanding to Lloyds Bank Plc.

As at 3 January 2020 the company was potentially committed to purchasing £5,512,078 (2018 - £5,100,000) of foreign currency under forward exchange contracts. They are intended to hedge exchange rate movements on anticipated future material import transactions.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

29 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2018 £
Within one year	810,000	630,000

30 Capital commitments

The company does not have any amounts contracted for but not provided in the financial statements (2018: nil).

31 Events after the reporting date

New funding package

As a result of the COVID enforced shutdown of Bailey Caravans manufacturing facility and the Prima Leisure accessories business for a period of time the Group applied for a funding package from Lloyds Bank Plc. This application was approved and the Group received this funding on 16 July 2020.

The funding package available to The Keenwork Group (including Bailey Caravans Limited) is a £7.5m CLBILS package and a £5m overdraft facility. The CLBILS facility comprises a 36 month term loan of £5m with equal quarterly repayments and a revolving credit facility ('RCF') of £2.5m which is limited to two, 'two monthly' drawdown periods in the year. In line with internal cashflow projections, the available RCF reduces progressively by £0.5m each year, in June, until June 2022.

The directors believe this funding package meets the Group's funding requirements for the foreseeable future.

32 Related party transactions

Transactions with related parties

The disclosure exemption conferred by FRS 102 Section 33.1A has been utilised, whereby the company has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Bailey Caravans Limited is a wholly owned subsidiary of Keenwork Limited. On 3 July 2019 Keenwork Limited acquired a further 20% share of Bailey Leisure Holdings Pty Ltd, making it a wholly owned subsidiary. Up to this date it was an 80% subsidiary.

During the period, sales of £260,219 (2018 - £604,536) were made to Bailey Leisure (Manufacturing) Pty Ltd, a wholly owned subsidiary of Bailey Leisure Holdings Pty Ltd. At 3 January 2020 the company owed Bailey Caravans Limited £nil (2018 - £945,209).

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2020

33 Parent company

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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.