

Company Registration No. 00354363 (England and Wales)

**BAILEY CARAVANS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 1 JANUARY 2021**

# BAILEY CARAVANS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J R Aisbitt (Chairman) Mr M R Coley Mr N G Howard Mr S R Howard Mr A F Piatek Mr I M Rawlings Mr S P Trossell Ms C Woods	(Appointed 1 March 2021)
<b>Company number</b>	00354363	
<b>Registered office</b>	22/24 South Liberty Lane Bristol Avon BS3 2SS	
<b>Auditor</b>	Whitley Stimpson Limited Penrose House 67 Hightown Road Banbury Oxfordshire OX16 9BE	
<b>Business address</b>	22/24 South Liberty Lane Bristol Avon BS3 2SS	

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# **BAILEY CARAVANS LIMITED**

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# BAILEY CARAVANS LIMITED

## STRATEGIC REPORT FOR THE PERIOD ENDED 1 JANUARY 2021

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The directors present the strategic report for the period ended 1 January 2021.

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.

### Review of the business

2020 was a year very much impacted by the effects of COVID-19. On the 23rd March 2020 Bailey temporarily closed its production operations for what became a period of four months. This combined with subsequent periods of government enforced disruption during the second half of the year, resulted in a significant turnover decline in the year of over 40% when compared to the prior year. The many "stop/start" periods experienced during the year made managing the day-to-day business, looking after the safety and wellbeing of our employees and ultimately serving our customers and consumers, challenging. The financial results reported here are particularly creditable given the above challenges.

Key performance indicators:

- Turnover of £66.6m decreased by £45.4m (40.5%); (2020 - £112.0m)
- Gross profit of £10.5m decreased by £10.5m (50%); (2020 - £21.0m)
- Gross profit percentage 15.7% decreased by 3.1% (2020 - 18.8%)
- Operating loss of £1.6m; (2020 - profit of £1.7m)
- Operating loss from discontinued operations of £0.3m, decreased by £0.4m; (2020 - loss of £0.7m)
- Loss after tax of £1.2m; (2020 - profit of £1.3m)

Our retailer network was not able to open for a significant proportion of the year, nor were the UK's campsites. In addition, the general constraints imposed upon us all in respect of limiting everyone's movements including our leisure activities throughout the Covid-19 crisis clearly had an impact on our business. However, once the first national lockdown ended on 1 June 2020 it started to become clear, quite quickly, that demand for our products was going to be strong.

Prior to the first national lockdown in March 2020 our retailer network was holding a marginally higher than normal level of Bailey inventory. Following the Government's instructions, our retail network closed on 23 March 2020. Bailey also chose to close its operations, as to continue manufacturing during a lengthy lockdown period would have resulted in a significant excess of finished product. Once our retailers reopened in June 2020 their initial priority was to sell their held over stock from March in readiness for the start of the 2021 selling season in September. Market demand was such that they did so, and very quickly.

In September, the 2021 model year season started strongly for Bailey, aided by new products introduced for the season, being the refreshed Phoenix and Pegasus caravans and the all-new Ford based Adamo motorhome. However, the disruptive nature of the second national lockdown in November, followed by a tiered system of local lockdowns in December did not help our industry take advantage of the underlying wave of optimism for caravan and motorhome holidays and breaks. We continued to despatch a good level of volume to our retailers, right through to the end of the year.

As we moved into 2021, the market for leisure vehicles remained strong. As a result, the third national lockdown announced on 4 January 2021 did not necessitate a similar shutdown of operations at Bailey that we saw in March 2020. Our retailer network was able to receive the product in anticipation of the national lockdown ending during Spring 2021 because their stock holding levels through January and February 2021 were very low, and in fact the lowest on recent record, having sold through the majority of their stock prior to the 4 January lockdown. At the time of writing, the Government has recently announced (subject to certain measures) that non-essential retail and campsites will once again be able to open on the 12 April 2021. With domestic UK tourism buoyant and very much the preferred option for UK holidaymakers in 2021, coupled with the fact that foreign travel remains somewhat restricted by governments around the world, we remain optimistic about 2021's likely trading opportunities.

## **BAILEY CARAVANS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021**

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During the various inactive periods of the year we took the opportunity to continue to develop new and exciting products, to improve our manufacturing and assembly processes, and to communicate regularly with our employees, our suppliers, our retailer network and our consumers; the latter primarily through our social media channels. Our internal teams managed our Brexit transition at the end of the year extremely well, with minimal impact on our operations and on our supply base around Europe.

I do genuinely believe that Bailey is exiting this pandemic a stronger business, and I am extremely proud of everyone who works for Bailey. With all of what 2020 threw at us, to minimise our losses to the levels reported and at a Group level, maintain our balance sheet at prior year levels, is very pleasing. The whole Bailey team has helped not only negotiate a very difficult year, but has also helped improve and ready the business to take advantage of what is likely to be a very positive period for Bailey.

#### **Discontinued operations**

Please refer to Note 13. The costs in the year represent the final costs related to the closure of Bailey Leisure Holdings Pty Ltd and its subsidiaries.

#### **Going Concern**

Primarily due to the impacts of 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.

#### **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.

The directors expect continued growth in the foreseeable future.

## **BAILEY CARAVANS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021**

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#### **Directors' statement on the performance of their duties in accordance with s172(1) Companies Act 2006.**

The board of directors of Bailey Caravans Limited consider, both individually and together, that they have acted in the way they consider would be most likely to promote the success of the company for the benefit of their members as a whole (having regard to the stakeholders and matters set out in s172(1) (a-f) of the act) during the period ended 1 January 2021. In particular the Directors draw reference to the five year plan and budgets prepared and approved in the Autumn of 2020, which give the framework for the Group's operations over the coming 5 years.

- The Group and operating companies, incorporating Bailey Caravans Limited, have an overarching board approved strategy document. This document is shared with key personnel throughout the business and is updated on an annual basis and progress against it is reviewed bi-annually. It is based on a number of key pillars, which incorporate the market, our product strategy, our manufacturing processes as well as key relationships with suppliers and customers.
- With the impacts of the Covid-19 pandemic and its impacts on the economy in the forefront of their minds, the directors refreshed the business's five year plan (during 2020). The five year plan showed the expected financial consequence of the overarching business strategy. The first year of the five year plan provides the framework for the annual "bottom-up" budget process, against which the Company is managed. Board meetings and management meetings reference back to the budgeted aims at each meeting and course correct as necessary. The Group also re-forecasts several times a year to reflect recent performance.
- The Covid-19 pandemic provided a number of challenges, many of which were directly relevant to the s172(1) agenda.
- The Bailey production operation was mothballed for four months between April and July 2020 and as a result the vast majority of our staff were furloughed during this time. Our intention was to retain an engaged workforce and therefore the furloughed staff remained on full pay until the end of May (despite the furlough scheme only requiring them to be paid at 80%). The board felt this was the fair thing to do at the start of the first lockdown. This was then reduced to 80% of salary (although not capped at Government stated £2,500) for the remainder of people's time on furlough. In August our workforce returned and no redundancies were made.
- With regards to the health and safety, the business implemented stringent "Covid-secure" measures which have been externally validated as being robust and have allowed production to continue with minimal interruption. The health and safety of the workforce is discussed on a daily basis and in all operational meetings.
- Bailey engaged with the Works Council (including employee representatives) on a frequent basis during 2020 to ensure the workforce remain informed and consulted on significant changes. The board agreed that the pay rates would be increased for our lowest paid staff and we are proud that we will be paying every member of staff in excess of the "Real Living Wage" from April 2021 onwards, and over £1 per hour more than the National Living Wage.
- The board decided that communication with all stakeholders throughout the first lockdown would be key and we engaged in frequent dialogue with our customers and our suppliers. This has increased the depth and closeness of the relationships with our retailers. The dialogue with suppliers guaranteed their continued support through 2020 when our sales were somewhat interrupted by the "stop/start" nature of the various government lockdown and Covid-19 tiers. We agreed plans for repayment of aged creditors ensuring continued supply of raw materials.

# **BAILEY CARAVANS LIMITED**

## **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021**

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**On behalf of the board**

Mr N G Howard

**Director**

15 April 2021

# **BAILEY CARAVANS LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JANUARY 2021**

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The directors present their report for the period ended 1 January 2021.

### **Principal activities**

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

### **Results and dividends**

The results for the period are set out on page 13.

There were no interim dividends paid for the period ended 1 January 2021. The directors recommend that no final dividend be paid on the ordinary shares.

### **Directors**

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

Mr J R Aisbitt (Chairman)	
Mr M R Coley	
Mr N G Howard	
Mr S P Howard	(Resigned 1 December 2020)
Mr S R Howard	
Mr A F Piatek	
Mr I M Rawlings	
Mr S P Trossell	
Ms C Woods	(Appointed 1 March 2021)

Mr J R Aisbitt and Mr S P Trossell are non-executive directors.

### **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 1 JANUARY 2021**

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### **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 Board believes that, 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, it is proposed that Whitley Stimpson Limited be reappointed as auditors of the company.

## **BAILEY CARAVANS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021**

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#### **Energy and carbon report**

The company is not required to report individually on its emissions, energy consumption or energy efficiency activities as this is included in the strategic report of the consolidated accounts of the parent company, Keenwork Limited.

#### **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**

15 April 2021

## **BAILEY CARAVANS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 1 JANUARY 2021**

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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

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### Opinion

We have audited the financial statements of Bailey Caravans Limited (the 'company') for the period ended 1 January 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 1 January 2021 and of its loss 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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#### **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.

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

## **BAILEY CARAVANS LIMITED**

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

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Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the risk of revenue recognition being materially misstated due to fraud, and the calculation of the warranty provision and management charges. We considered the extent to which non-compliance might have a material effect on the financial statements, and considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks related to revenue.

Audit procedures performed included:

- Discussion amongst the audit team regarding the susceptibility of the client to fraud;
- Consideration of the risk of fraud when documenting and reviewing internal controls and procedures;
- Enquiring of management how they: assess the risk of fraud; and identify and respond to the risks of fraud;
- Enquiring of management whether they have any knowledge of actual or suspected frauds or non-compliance with laws and regulations
- Review of how those charged with governance exercise oversight of management's process for identifying and responding to the risk of fraud; and
- Substantive testing of revenue and debtors;
- Review of journals for unusual items;
- Review relevant tax correspondence;
- Recalculation of warranty provision, substantive procedures, as well as analytical review
- Discussion of the assumptions used when calculating the management charges with management and analytical review;
- Review VAT return entries and perform analytical procedures on VAT balances;
- Substantive testing on fixed assets including having sight of the assets to confirm existence;
- Verification of employees
- Review of bank reconciliations for evidence of window dressing;
- Review of minutes of meetings of those charged with governance;
- Substantive testing on government grants, ensuring that the conditions associated with the grant were adhered to.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **BAILEY CARAVANS LIMITED**

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

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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.

**Laura Adkins (Senior Statutory Auditor)**  
**For and on behalf of Whitley Stimpson Limited**

15 April 2021

**Chartered Accountants**  
**Statutory Auditor**  
Penrose House  
67 Hightown Road  
Banbury  
Oxfordshire  
OX16 9BE

# BAILEY CARAVANS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY 2021

				Period ended 1 January 2021 £	Continuing operations £	Discontinued operations £	Period ended 3 January 2020 £
	Notes	Continuing operations £	Discontinued operations £				
<b>Turnover</b>	<b>3</b>	66,553,770	-	66,553,770	111,781,288	260,219	112,041,507
Cost of sales		(56,083,774)	-	(56,083,774)	(90,819,055)	(240,703)	(91,059,758)
<b>Gross profit</b>		<b>10,469,996</b>	<b>-</b>	<b>10,469,996</b>	<b>20,962,233</b>	<b>19,516</b>	<b>20,981,749</b>
Distribution costs		(676,855)	-	(676,855)	(1,006,767)	-	(1,006,767)
Administrative expenses		(14,242,574)	(358,273)	(14,600,847)	(17,736,421)	(474,396)	(18,210,817)
Other operating income		3,210,865	-	3,210,865	191,227	-	191,227
Amount written off due from group undertakings	<b>5</b>	-	-	-	-	(260,220)	(260,220)
<b>Operating (loss)/profit</b>	<b>6</b>	<b>(1,238,568)</b>	<b>(358,273)</b>	<b>(1,596,841)</b>	<b>2,410,272</b>	<b>(715,100)</b>	<b>1,695,172</b>
Interest payable and similar expenses	<b>10</b>	(109,509)	-	(109,509)	(164,306)	-	(164,306)
Amounts written off investments	<b>11</b>	173,127	-	173,127	(219,396)	-	(219,396)
<b>(Loss)/profit before taxation</b>		<b>(1,174,950)</b>	<b>(358,273)</b>	<b>(1,533,223)</b>	<b>2,026,570</b>	<b>(715,100)</b>	<b>1,311,470</b>
Tax on (loss)/profit	<b>12</b>	410,339	49,221	459,560	(79,415)	86,427	7,012
<b>(Loss)/profit for the financial period</b>		<b>(764,611)</b>	<b>(309,052)</b>	<b>(1,073,663)</b>	<b>1,947,155</b>	<b>(628,673)</b>	<b>1,318,482</b>



# BAILEY CARAVANS LIMITED

## BALANCE SHEET AS AT 1 JANUARY 2021

		1 January 2021		3 January 2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16	5,791,822		6,266,574	
Investments	17	100		-	
		5,791,922		6,266,574	
<b>Current assets</b>					
Stocks	20	10,049,733	11,225,299		
Debtors	21	14,315,232	19,525,320		
Cash at bank and in hand		61,193	98,741		
		24,426,158	30,849,360		
<b>Creditors: amounts falling due within one year</b>	22	(21,465,832)	(26,354,950)		
<b>Net current assets</b>		2,960,326		4,494,410	
<b>Total assets less current liabilities</b>		8,752,248		10,760,984	
<b>Provisions for liabilities</b>					
Provisions	25	5,272,564	6,280,308		
Deferred tax liability	26	230,856	158,285		
		(5,503,420)		(6,438,593)	
<b>Net assets</b>		3,248,828		4,322,391	
<b>Capital and reserves</b>					
Called up share capital	28	10,100	10,000		
Profit and loss reserves	29	3,238,728	4,312,391		
<b>Total equity</b>		3,248,828	4,322,391		

The financial statements were approved by the board of directors and authorised for issue on 15 April 2021 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 1 JANUARY 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 29 December 2018</b>		10,000	4,420,714	4,430,714
<b>Period ended 3 January 2020:</b>				
Profit and total comprehensive income for the period		-	1,318,482	1,318,482
Dividends	<b>15</b>	-	(1,426,805)	(1,426,805)
<b>Balance at 3 January 2020</b>		10,000	4,312,391	4,322,391
<b>Period ended 1 January 2021:</b>				
Loss and total comprehensive income for the period		-	(1,073,663)	(1,073,663)
Issue of share capital	<b>28</b>	100	-	100
<b>Balance at 1 January 2021</b>		10,100	3,238,728	3,248,828

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2021

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### 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Bailey Caravans Limited is a wholly owned subsidiary of Keenwork Limited and the results of Bailey Caravans Limited are included in the consolidated financial statements of Keenwork Limited which are publicly available.

#### 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. The registered office of Keenwork Limited is 22-24 South Liberty Lane, Bristol, BS3 2SS.

#### 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.

Whilst an exit plan from the restrictive measures, imposed by the Government to combat Covid-19, has been announced, 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.

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 1 Accounting policies

(Continued)

#### 1.3 Reporting period

The financial statements are prepared on a 52/53 week cycle, and the year end moves in line with this. The 2020 financial year was a 52 week period ended 1 January 2021 (2019 - 52 weeks ending 3 January 2020).

#### 1.4 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.

#### 1.5 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

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.7 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.

#### 1.8 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.

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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.

##### 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.

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 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.

#### 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.

#### 1.11 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.

#### 1.12 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.

#### 1.13 Taxation

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

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 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.

#### 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.

#### 1.14 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.

#### 1.15 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.

#### 1.16 Retirement benefits

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

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.17 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.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.19 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 in the period are included in profit or loss.

### 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.



## BAILEY CARAVANS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

#### 3 Turnover and other revenue

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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sale of goods	66,553,770	112,041,507
	<u>66,553,770</u>	<u>112,041,507</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received - Coronavirus Job Retention Scheme	3,127,144	-
	<u>3,127,144</u>	<u>-</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	63,692,355	109,006,893
Rest of the world	2,861,415	3,034,614
	<u>66,553,770</u>	<u>112,041,507</u>

Rest of the world sales comprise £2,861,415 (2020: £2,774,395) relating to continuing operations and £Nil (2020: £260,219) relating to discontinued operations.

#### 4 Other operating income

Other operating income includes £3,127,144 (2020: £Nil) in relation to government grants received in the year. The government grants received include amounts in relation to the Coronavirus Job Retention Scheme. In line with the company's accounting policy, amounts received from these grants have been recognised as income in the period to which they relate.

#### 5 Exceptional costs/(income)

	2021 £	2020 £
Amount written off due from group undertakings	-	260,220
	<u>-</u>	<u>260,220</u>

Following the decision to close Bailey Leisure Holdings Pty Ltd and its controlled entities in February 2019, amounts owed by group undertakings as at 1 January 2021 of £Nil (2020: £260,220) 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 £Nil (2020: £260,220).

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 6 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(108,588)	(123,697)
Government grants	(3,127,144)	-
Depreciation of owned tangible fixed assets	1,210,308	1,286,507
Loss on disposal of tangible fixed assets	14,729	43,834
Operating lease charges	405,000	809,996
	<u>          </u>	<u>          </u>

### 7 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	44,006	88,680
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Other taxation services	3,000	3,000
	<u>          </u>	<u>          </u>

### 8 Employees

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

	2021 Number	2020 Number
Sales	8	8
Production	354	372
Administration	56	49
	<u>          </u>	<u>          </u>
Total	418	429
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	13,523,317	15,178,483
Social security costs	1,158,893	1,191,394
Pension costs	636,089	662,045
	<u>          </u>	<u>          </u>
	15,318,299	17,031,922
	<u>          </u>	<u>          </u>

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 9 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	908,018	1,450,716
Company pension contributions to defined contribution schemes	48,476	62,571
	<u>956,494</u>	<u>1,513,287</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 6).

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

	2021 £	2020 £
Remuneration for qualifying services	201,147	245,377
Company pension contributions to defined contribution schemes	-	9,576
	<u>201,147</u>	<u>254,953</u>

### 10 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	108,656	163,299
Interest on finance leases and hire purchase contracts	853	1,007
	<u>109,509</u>	<u>164,306</u>

### 11 Changes in fair value of financial instruments

	2021 £	2020 £
<b>Fair value gains/(losses) on financial instruments</b>		
Gain/(loss) on changes in fair values of forward currency contracts	173,127	(219,396)
	<u>173,127</u>	<u>(219,396)</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 £Nil (2020: 173,127).

The company enters into foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors. As at 1 January 2021 there were no outstanding contracts maturing (2020 – outstanding contracts mature within 6 months of the period end). The company is committed to buy £Nil (2020: €6,275,000) and pay a fixed sterling amount.

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

## BAILEY CARAVANS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

#### 12 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(532,131)	(59,872)
<b>Deferred tax</b>		
Origination and reversal of timing differences	72,571	52,860
Total tax credit	(459,560)	(7,012)

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

	2021 £	2020 £
(Loss)/profit before taxation	(1,533,223)	1,311,470
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(291,312)	249,179
Tax effect of expenses that are not deductible in determining taxable profit	19,654	55,440
Tax effect of income not taxable in determining taxable profit	(13,489)	-
Effect of change in corporation tax rate	-	9,731
Depreciation on assets not qualifying for tax allowances	121,001	-
Research and development tax credit	(295,414)	(321,362)
Taxation credit for the period	(459,560)	(7,012)

#### 13 Discontinued operations

Bailey Caravans Limited manufactured and sold caravan panels to Bailey Leisure Holdings Pty Ltd. During 2019, Bailey Leisure Holdings Pty Ltd closed its 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 Covid-19 rent free period

As a result of Covid-19, a twelve month rent free period was granted by Keenwork Limited to Bailey Caravans Limited with effect from 1 July 2020. This reduced the rental expense by £405,000 during the period ended 1 January 2021.

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 15 Dividends

	2021 £	2020 £
Interim paid	-	1,426,805

### 16 Tangible fixed assets

	Leasehold improvements	Leasehold land and buildings	Plant and fixtures, fittings machinery and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 4 January 2020	435,751	1,480,917	14,986,269	2,731,672	19,743,647
Additions	114,325	-	521,637	114,323	750,285
Disposals	-	-	(34,656)	-	(34,656)
At 1 January 2021	550,076	1,480,917	15,473,250	2,845,995	20,459,276
<b>Depreciation and impairment</b>					
At 4 January 2020	17,953	-	11,005,490	2,391,990	13,477,073
Depreciation charged in the period	46,002	-	930,761	216,678	1,210,308
Eliminated in respect of disposals	-	-	(19,927)	-	(19,927)
At 1 January 2021	63,955	-	11,916,324	2,608,668	14,667,454
<b>Carrying amount</b>					
At 1 January 2021	486,121	1,480,917	3,556,926	237,327	5,791,822
At 3 January 2020	417,798	1,480,917	3,980,779	339,682	6,266,574

### 17 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	18	100	-

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 17 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 4 January 2020	-
Additions	100
At 1 January 2021	100
<b>Carrying amount</b>	
At 1 January 2021	100
At 3 January 2020	-

On the last day of the financial period, 1 January 2021, a share for share exchange between Keenwork Limited and Bailey Caravans Limited took place for Prima Leisure Limited. From 1 January 2021 the entire shareholding of Prima Leisure Limited is owned by Bailey Caravans Limited.

### 18 Subsidiaries

Details of the company's subsidiaries at 1 January 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Prima Leisure Limited	Unit 600 The Quadrant, Ash Ridge Road, Bristol, Avon, BS32 4QA	Ordinary	100.00

### 19 Financial instruments

	2021 £	2020 £
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	-	173,127

### 20 Stocks

	2021 £	2020 £
Raw materials and consumables	6,985,218	6,049,390
Work in progress	192,060	376,069
Finished goods and goods for resale	2,872,455	4,799,840
	10,049,733	11,225,299

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 21 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	613,146	1,999,509
Corporation tax recoverable	499,129	300,900
Amounts owed by group undertakings	12,351,719	16,010,183
Other debtors	16,234	1,185
Prepayments and accrued income	835,004	1,213,543
	<u>14,315,232</u>	<u>19,525,320</u>

### 22 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans and overdrafts	23	2,350,499	5,980,862
Obligations under finance leases	24	-	11,923
Trade creditors		7,954,806	12,789,347
Taxation and social security		2,731,170	1,998,740
Derivative financial instruments		-	173,127
Other creditors		80,263	98,327
Accruals and deferred income		8,349,094	5,302,624
		<u>21,465,832</u>	<u>26,354,950</u>

### 23 Loans and overdrafts

	2021	2020
	£	£
Bank overdrafts	<u>2,350,499</u>	<u>5,980,862</u>
Payable within one year	<u>2,350,499</u>	<u>5,980,862</u>

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.

# BAILEY CARAVANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

### 23 Loans and overdrafts

(Continued)

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.

### 24 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	-	11,953
Less: future finance charges	-	(30)
	<u>-</u>	<u>11,923</u>

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.

### 25 Provisions for liabilities

	2021 £	2020 £
Warranty provision	<u>5,272,564</u>	<u>6,280,308</u>
Movements on provisions:		
		<b>Warranty provision</b>
		<b>£</b>
At 4 January 2020		6,280,308
Increase in provision		314,707
Utilisation of provision		(1,322,451)
At 1 January 2021		<u>5,272,564</u>



## BAILEY CARAVANS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

#### 25 Provisions for liabilities

(Continued)

A provision of £5,272,564 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, £1,322,451 of the provision brought forward was utilised and an increase in the provision of £314,707 was made.

Following the deregistration of the Australian group entities, a provision was created in Bailey Caravans Limited during the year for caravans and motorhomes purchased from these entities during the last six years. This is included in the provision above.

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

#### 26 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 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	230,856	144,803
Other timing differences	-	13,482
	<u>230,856</u>	<u>158,285</u>
<b>Movements in the period:</b>		2021 £
Liability at 4 January 2020		158,285
Charge to profit or loss		72,571
Liability at 1 January 2021		<u>230,856</u>
<b>27 Retirement benefit schemes</b>		
<b>Defined contribution schemes</b>	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	<u>636,089</u>	<u>662,045</u>

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.

## BAILEY CARAVANS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2021

#### 28 Share capital

	2021 £	2020 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,100 (2020 - 10,000) ordinary shares of £1 each	10,100	10,000

On 1 January 2021, 100 ordinary shares with aggregate nominal value of £100 were allotted in a share for share exchange.

#### 29 Profit and loss reserves

	2021 £	2020 £
At the beginning of the period	4,312,391	4,420,714
(Loss)/profit for the period	(1,073,663)	1,318,482
Dividends declared and paid in the period	-	(1,426,805)
At the end of the period	3,238,728	4,312,391

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

#### 30 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 subsidiary company, Prima Leisure Limited, and amended further on 1 September 2017 to include a fixed charge over the main production site, South Liberty Lane, Bristol. At the period end, £8,167,167 (2020: £7,930,862) was outstanding to Lloyds Bank Plc from the Keenwork Group.

As at 1 January 2021 the company was potentially committed to purchasing £Nil (2020 - £5,512,078) 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 1 JANUARY 2021

#### 31 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:

	2021 £	2020 £
Within one year	845,802	810,000
Between two and five years	107,406	-
	<u>953,208</u>	<u>810,000</u>

#### 32 Capital commitments

The company does not have any amounts contracted for but not provided in the financial statements (2020: nil).

#### 33 Events after the reporting date

On 5 February 2021 the company entered into a number of forward exchange contracts. At this date, the company was committed to purchasing £1,847,778 of foreign currency under forward exchange contracts. They are intended to hedge exchange rate movements on anticipated future material import transactions.

#### 34 Related party transactions

##### Transactions with related parties

##### Other information

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.

#### 35 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.