

Company Registration No. 00354363 (England and Wales)

BAILEY CARAVANS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

BAILEY CARAVANS LIMITED

COMPANY INFORMATION

Directors	Mr J R Aisbitt (Chairman) Mr N G Howard Mr S R Howard Mr I M Rawlings Mr S P Trossell Ms C Woods Mr M Cutter	(Appointed 1 March 2021) (Appointed 6 October 2021)
Company number	00354363	
Registered office	22/24 South Liberty Lane Bristol Avon BS3 2SS	
Auditor	Whitley Stimpson Limited Penrose House 67 Hightown Road Banbury Oxfordshire 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 31 DECEMBER 2021

The directors present the strategic report for the period ended 31 December 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

Key performance indicators:

- Turnover of £97.2m increased by £30.6m (45.9%); (2020 - £66.6m)
- Gross profit of £15.7m increased by £5.2m (49.5%); (2020 - £10.5m)
- Continuing operating profit of £0.05m; (2020 - loss of £1.2m)
- Total operating loss of £0.5m; (2020 - loss of £1.6m)
- Loss after tax of £0.1m; (2020 - loss of £1.1m)

Whilst 2020 was a year characterised by the initial impacts of COVID-19 and the first lockdowns (with a period of four months without production), 2021 was, arguably, a more uncertain and challenging year operationally. However, this was set against a backdrop of unparalleled market and consumer demand for leisure vehicles, coupled with very limited levels of stock at retailers; a strong position for the Bailey business which underpinned our volume plans for the financial year.

A third national lockdown was announced in January. We continued to manufacture and to send product to our dealer network, who despite being unable to "open their doors" were keen to rebuild their stock positions and continued to arrange contact-free product handovers where appropriate. Covid-related illness was significant, but we were still able to manufacture at our budgeted rate during that period. The directors were therefore satisfied with the business's performance in the first six months of the year.

With rising COVID rates in the middle of the year the business started to become more heavily impacted by absence, due (largely) to the so-called "pingdemic". At the worst point, in July, over 20% of the production line staff were required to isolate, equating to circa 70 people. The absence continued into the late summer after our annual shutdown. This necessitated a significant slowing of the production line, which materially delayed the manufacture of product and impacted our plans for the remainder of the year, and the ability to manufacture (and therefore despatch) the budgeted volumes.

Whilst the business was relatively unscathed in the first half of the year by supply chain issues which were widely reported in the press, the pressure increased in the second half of the year. A handful of EU based suppliers, manufacturing key components required for the completion of our vehicles, regularly missed delivery dates and were not able to supply either on time or in full. Therefore, on several occasions during the autumn, we had to stop production and deploy personnel to fit the late delivered parts when they did eventually arrive. As a result, the (almost) finished good stock at our site at the end of the year was higher than we had forecast, and our revenue, profitability and cash were significantly impacted.

These supply chain issues now seem largely behind us and we have started 2022 positively. Finished goods stock on our site has also been reducing as a number of the supply chain issues have eased.

With such strong market demand, we have considered the means available to us to increase production. A skilled and stable labour force is key to us achieving volume increases. The Keenwork Group (including Bailey Caravans Limited) therefore introduced a number of employee related initiatives in the final part of 2021. Firstly, we put in place a formalised grading and promotion structure for our production staff, with the aim of improving retention and upskilling the workforce. Secondly, we announced an improvement to our maternity and paternity pay policies; again to drive retention and to make Bailey Caravans a more attractive employer. In early 2022 we have also become an accredited "Living Wage" employer, showing our commitment to fair pay practices.

Another factor in increasing production capacity to meet the demand has been the decision to split the production lines creating a dedicated caravan production line as well as a motorhome line, enabling greater efficiency on both lines.

These decisions should allow Bailey to capitalise on what should be a successful and predictable 2022.

BAILEY CARAVANS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Discontinued operations

Please refer to note 12. 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 31 DECEMBER 2021

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 31 December 2021. In particular, the directors draw reference to the five year plan (approved in February 2022) and budgets prepared and approved in the autumn of 2021, 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 pandemic and its impacts on the economy in the forefront of their minds, the directors refreshed the company's five year plan in January 2022. 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 company also re-forecasts several times a year to reflect recent performance.
- The requirement for staff retention was a key facet of the Group's plans; a stable, engaged and skilled workforce being key to the success of the business. With this in mind the business approved a number of key programmes: 1) a documented career path which was timebound and measurable for production staff, 2) an improved maternity and paternity pay policy, and 3) becoming an accredited Living Wage Employer in early 2022. Other programmes are planned for 2022 such as mitigating some of the impacts of the rise in national insurance by moving to a salary sacrifice pension scheme, which increases the efficiency of retirement saving for our employees.
- Bailey engaged with the Works Council (including employee representatives) on a frequent basis during 2021 to ensure the workforce remain informed and consulted on significant changes.
- With regards to the health and safety, the business implemented stringent "COVID-secure" measures in 2020, which were externally validated as being robust and have allowed production to continue with minimal interruption. These measures were discussed periodically during the year with many of the measures still being in place at the start of 2022.
- During 2021 the business also invested in manual handling equipment (for the manoeuvring of caravan ceilings and side panels) during the year to minimise the heavy lifting required by operatives.
- The health and safety of the workforce is discussed on a daily basis and in all operational meetings.
- We engage in regular and open dialogue with our supply base, giving them as much notice of our production plans to ensure they can plan accordingly, but equally to keep abreast of their issues. Through this dialogue we have been able to find collaborative solutions to most of the supply chain issues which were prevalent through 2021. Within a supply base of 130+ suppliers, only a small handful created materially impactful supply chain issues in 2021.

On behalf of the board

Mr N G Howard
Director
3 May 2022

BAILEY CARAVANS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report for the period ended 31 December 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 12.

There were no interim dividends paid for the period ended 31 December 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	(Resigned 6 October 2021)
Mr N G Howard	
Mr S R Howard	
Mr A F Piatek	(Resigned 7 June 2021)
Mr I M Rawlings	
Mr S P Trossell	
Ms C Woods	(Appointed 1 March 2021)
Mr M Cutter	(Appointed 6 October 2021)
Mr N P Hall	(Appointed 15 July 2021 and resigned 27 February 2022)

Mr J R Aisbitt, Mr N P Hall 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 31 DECEMBER 2021

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.

The Keenwork Group (including Bailey Caravans Limited) entered into a new banking arrangement on 31 August 2021 with HSBC covering its funding for day to day banking operations. The funding package available to the Keenwork Group (including Bailey Caravans Limited) consists of a £6m loan (fully drawn on 31 August 2021), a £3m overdraft and a £1m working capital facility. The loan has a 10 year amortisation profile with equal quarterly instalments, commencing in November 2021. Any remaining balance on the loan would be repayable in August 2024.

On 5 January 2022 Bailey Caravans Limited entered into a Recovery Loan Scheme Loan ('RLS') with HSBC, receiving £3m. This is repayable over an eighteen month period from July 2022. This loan is not recognised in our financial statements as at 31 December 2021.

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 (other than its wholly owned subsidiary).

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 31 DECEMBER 2021

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

3 May 2022

BAILEY CARAVANS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

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 31 December 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 31 December 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

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 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.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the financial reporting framework FRS102, Companies Act 2006, and tax legislation.

We assessed the risks of material misstatement in respect of fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. We made enquiries with management and those charged with governance and corroborated our enquiries through review of third party documentation and correspondence where appropriate.

We identified that the principal risks related to revenue recognition being materially misstated due to fraud. We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries and management estimates into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and to identify and to address material misstatements in relation to fraud. The engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations and fraud and perform these procedures effectively.

BAILEY CARAVANS LIMITED

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

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;
- Substantive testing of revenue and debtors;
- Review of journals for unusual items;
- Review relevant tax correspondence;
- Recalculation of warranty provision, substantive procedures, and 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; and
- Review of minutes of meetings of those charged with governance.

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

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 the member 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.

3 May 2022

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

BAILEY CARAVANS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

		Continuing operations	Discontinued operations	Period ended 31 December 2021	Continuing operations	Discontinued operations	Period ended 1 January 2021
	Notes	£	£	£	£	£	£
Turnover	3	97,247,005	-	97,247,005	66,553,770	-	66,553,770
Cost of sales		(81,430,595)	(138,708)	(81,569,303)	(56,083,774)	-	(56,083,774)
Gross profit/(loss)		15,816,410	(138,708)	15,677,702	10,469,996	-	10,469,996
Distribution costs		(680,545)	-	(680,545)	(676,855)	-	(676,855)
Administrative expenses		(15,235,333)	(372,901)	(15,608,234)	(14,242,574)	(358,273)	(14,600,847)
Other operating income		145,142	-	145,142	3,210,865	-	3,210,865
Operating profit/(loss)	5	45,674	(511,609)	(465,935)	(1,238,568)	(358,273)	(1,596,841)
Interest payable and similar expenses	9	(82,809)	-	(82,809)	(109,509)	-	(109,509)
Amounts written off investments	10	(22,787)	-	(22,787)	173,127	-	173,127
Loss before taxation		(59,922)	(511,609)	(571,531)	(1,174,950)	(358,273)	(1,533,223)
Tax on loss	11	424,520	26,355	450,875	410,339	49,221	459,560
Loss for the financial period		364,598	(485,254)	(120,656)	(764,611)	(309,052)	(1,073,663)

BAILEY CARAVANS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2021

		31 December 2021		1 January 2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		5,567,815		5,791,822
Investments	15		100		100
			<u>5,567,915</u>		<u>5,791,922</u>
Current assets					
Stocks	18	14,588,212		10,049,733	
Debtors	19	13,824,093		14,315,232	
Cash at bank and in hand		51,246		61,193	
			<u>28,463,551</u>		<u>24,426,158</u>
Creditors: amounts falling due within one year	20	(26,720,704)		(21,465,832)	
Net current assets			<u>1,742,847</u>		<u>2,960,326</u>
Total assets less current liabilities			<u>7,310,762</u>		<u>8,752,248</u>
Provisions for liabilities					
Provisions	22	3,923,350		5,272,564	
Deferred tax liability	23	259,240		230,856	
			<u>(4,182,590)</u>		<u>(5,503,420)</u>
Net assets			<u><u>3,128,172</u></u>		<u><u>3,248,828</u></u>
Capital and reserves					
Called up share capital	25		10,100		10,100
Profit and loss reserves	26		3,118,072		3,238,728
Total equity			<u><u>3,128,172</u></u>		<u><u>3,248,828</u></u>

The financial statements were approved by the board of directors and authorised for issue on 3 May 2022 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 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 4 January 2020		10,000	4,312,391	4,322,391
Period ended 1 January 2021:				
Loss and total comprehensive income for the period		-	(1,073,663)	(1,073,663)
Issue of share capital	25	100	-	100
Balance at 1 January 2021		10,100	3,238,728	3,248,828
Period ended 31 December 2021:				
Loss and total comprehensive income for the period		-	(120,656)	(120,656)
Balance at 31 December 2021		10,100	3,118,072	3,128,172

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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 expectation 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.

1.3 Reporting period

The financial statements are prepared on a 52 week cycle, and the year end moves in line with this. The 2021 financial year was a 52 week period ended 31 December 2021 (2020 - 52 weeks ending 1 January 2021).

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 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.

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.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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 31 DECEMBER 2021

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.

1.14 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.

1.17 Leases

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 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Sale of goods	97,247,005	66,553,770
	<u> </u>	<u> </u>
	2021 £	2020 £
Other significant revenue		
Grants received - Coronavirus Job Retention Scheme	25,388	3,127,144
	<u> </u>	<u> </u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

3	Turnover and other revenue	(Continued)	
		2021	2020
		£	£
	Turnover analysed by geographical market		
	United Kingdom	92,196,313	63,692,355
	Rest of the world	5,050,692	2,861,415
		<u>97,247,005</u>	<u>66,553,770</u>
		<u><u>97,247,005</u></u>	<u><u>66,553,770</u></u>
4	Other operating income		
	Other operating income includes £25,338 (2020 - £3,127,144) 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	Operating loss	2021	2020
		£	£
	Operating loss 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	(315,381)	(108,588)
	Government grants	(25,388)	(3,127,144)
	Depreciation of owned tangible fixed assets	1,257,802	1,210,308
	Loss on disposal of tangible fixed assets	-	14,729
	Operating lease charges	440,001	405,000
		<u>440,001</u>	<u>405,000</u>
		<u><u>440,001</u></u>	<u><u>405,000</u></u>
6	Auditor's remuneration	2021	2020
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	42,000	44,006
		<u>42,000</u>	<u>44,006</u>
	For other services		
	Audit-related assurance services	5,000	-
	Other taxation services	3,000	3,000
		<u>8,000</u>	<u>3,000</u>
		<u><u>8,000</u></u>	<u><u>3,000</u></u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

7 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	345	354
Administration	94	56
Total	447	418

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	17,470,254	13,523,317
Social security costs	1,393,560	1,158,893
Pension costs	675,866	636,089
	19,539,680	15,318,299

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,216,539	908,018
Company pension contributions to defined contribution schemes	52,732	48,476
	1,269,271	956,494

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

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

	2021 £	2020 £
Remuneration for qualifying services	236,546	201,147
Company pension contributions to defined contribution schemes	14,136	-

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	82,809	108,656
Interest on finance leases and hire purchase contracts	-	853
	<u>82,809</u>	<u>109,509</u>

10 Changes in fair value of financial instruments

	2021	2020
	£	£
Fair value gains/(losses) on financial instruments		
(Loss)/gain on changes in fair values of forward currency contracts	(22,787)	173,127
	<u>(22,787)</u>	<u>173,127</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 a liability of £22,787 (2020 - £Nil).

The company enters into foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors. As at 31 December 2021 the outstanding contracts mature within 6 months (2020 - no outstanding contracts maturing) of the period end. The company is committed to buy €2,975,000 (2020 - €nil) and pay a fixed sterling amount.

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

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(64,122)	(532,131)
	<u>(64,122)</u>	<u>(532,131)</u>
Deferred tax		
Origination and reversal of timing differences	(386,753)	72,571
	<u>(386,753)</u>	<u>72,571</u>
Total tax credit	<u>(450,875)</u>	<u>(459,560)</u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

11 Taxation

(Continued)

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

	2021 £	2020 £
Loss before taxation	(571,531)	(1,533,223)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(108,591)	(291,312)
Tax effect of expenses that are not deductible in determining taxable profit	92,777	19,654
Tax effect of income not taxable in determining taxable profit	-	(13,489)
Effect of change in corporation tax rate	(93,683)	-
Depreciation on assets not qualifying for tax allowances	21,827	121,001
Research and development tax credit	(348,326)	(295,414)
Forward currency contracts	4,330	-
Enhanced capital allowances	(19,209)	-
Taxation credit for the period	(450,875)	(459,560)

12 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.

13 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 and subsequently granted for the following period. This reduced the rental expense by £405,000 during the period ended 31 December 2021 and the period ended 1 January 2021.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Leasehold improvements	Leasehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 2 January 2021	550,076	1,480,917	15,473,250	2,845,995	109,038	20,459,276
Additions	86,715	-	756,172	161,006	48,502	1,052,395
Disposals	-	-	(100)	-	(18,500)	(18,600)
At 31 December 2021	636,791	1,480,917	16,229,322	3,007,001	139,040	21,493,071
Depreciation and impairment						
At 2 January 2021	63,955	-	11,916,324	2,608,668	78,507	14,667,454
Depreciation charged in the period	47,700	-	971,000	205,071	34,031	1,257,802
At 31 December 2021	111,655	-	12,887,324	2,813,739	112,538	15,925,256
Carrying amount						
At 31 December 2021	525,136	1,480,917	3,341,998	193,262	26,502	5,567,815
At 1 January 2021	486,121	1,480,917	3,556,926	237,327	30,531	5,791,822

15 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	16	100	100

On the last day of the prior 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.

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

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

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

17 Financial instruments

	2021 £	2020 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	22,787	-

18 Stocks

	2021 £	2020 £
Raw materials and consumables	8,959,604	6,985,218
Work in progress	273,040	192,060
Finished goods and goods for resale	5,355,568	2,872,455
	14,588,212	10,049,733

19 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	373,794	613,146
Corporation tax recoverable	87,316	499,129
Amounts owed by group undertakings	11,708,460	12,351,719
Other debtors	1,245	16,234
Prepayments and accrued income	1,003,772	835,004
	13,174,587	14,315,232

	2021 £	2020 £
Amounts falling due after more than one year:		

Deferred tax asset (note 23)	649,506	-
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Total debtors	13,824,093	14,315,232
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BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

20 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	21	2,575,170	2,350,499
Trade creditors		12,661,984	7,954,806
Taxation and social security		1,837,122	2,731,170
Derivative financial instruments		22,787	-
Other creditors		1,089,158	80,263
Accruals and deferred income		8,534,483	8,349,094
		<u>26,720,704</u>	<u>21,465,832</u>

21 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	<u>2,575,170</u>	<u>2,350,499</u>
Payable within one year	<u>2,575,170</u>	<u>2,350,499</u>

The bank overdraft is secured via an Composite Guarantee and Indemnity with HSBC UK Bank Plc who have charges on the assets of the company.

The Keenwork Group (including Bailey Caravans Limited) entered into a new banking arrangement on 31 August 2021 with HSBC covering its funding and day to day banking operations. The funding package available to the Group consists of a £6m loan (fully drawn on 31 August 2021), a £3m overdraft and a £1m working capital facility.

The loan has a 10 year amortisation profile with equal quarterly instalments, commencing in November 2021.

Any remaining balance on the loan would be repayable in August 2024.

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

22 Provisions for liabilities

	2021 £	2020 £
Warranty provision	3,923,350	5,272,564
Movements on provisions:		
		Warranty provision £
At 2 January 2021		5,272,564
Increase in provision		334,797
Utilisation of provision		(1,684,011)
At 31 December 2021		3,923,350

A provision of £3,923,350 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, £1,684,011 of the provision brought forward was utilised and an increase in the provision of £334,797 was made.

Following the deregistration of the Australian group entities, a provision was created in Bailey Caravans Limited during the prior 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.

23 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 £	Assets 2021 £	Assets 2020 £
Balances:				
Accelerated capital allowances	253,543	230,856	-	-
Tax losses	-	-	649,506	-
Other timing differences	5,697	-	-	-
	<u>259,240</u>	<u>230,856</u>	<u>649,506</u>	<u>-</u>

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

23	Deferred taxation	(Continued)
		2021
	Movements in the period:	£
	Liability at 2 January 2021	(230,856)
	Charge to profit or loss	386,754
	Other	234,368
		<u> </u>
	Asset at 31 December 2021	<u>390,266</u>

24	Retirement benefit schemes	2021	2020
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	675,866	636,089
		<u> </u>	<u> </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.

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

26	Profit and loss reserves	2021	2020
		£	£
	At the beginning of the period	3,238,728	4,312,391
	Loss for the period	(120,656)	(1,073,663)
		<u> </u>	<u> </u>
	At the end of the period	<u>3,118,072</u>	<u>3,238,728</u>

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

BAILEY CARAVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

27 Financial commitments, guarantees and contingent liabilities

The £6m term loan and other borrowings available to the Keenwork Group (including Bailey Caravans Limited) are secured by a legal charge over the properties known as Tiberius, Kenn Business Park, Clevedon, Bristol, BS21 6ST and the Bailey Caravan Site, South Liberty Lane, Bristol, BS3 2SS. Additionally, a fixed and floating charge is held over all assets by way of debentures. All Keenwork Group companies (including Bailey Caravans Limited) entered into a Composite Guarantee and Indemnity covering the Keenwork Group's banking facilities.

During the period the Keenwork Group (including Bailey Caravans Limited) repaid all overdraft balances and loans that were due to Lloyds Bank Plc. These were replaced on 31 August 2021 with a £3m overdraft facility and a £6m term loan due to HSBC. The £6m term loan amortises over 10 years but over a 36 month term with any remaining debt repayable in August 2024.

On 31 August 2021, the Keenwork Group (along with its subsidiaries Bailey Caravans Limited and Prima Leisure Limited) entered into a Composite Guarantee and Indemnity over the group's banking facilities. At the end of the period £8,434,943 was outstanding to HSBC from the Keenwork Group.

As at 31 December 2021 the company was potentially committed to purchasing €€2,975,000 (2020 - €nil) of foreign currency under forward exchange contracts. They are intended to hedge exchange rate movements on anticipated future material import transactions.

28 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	915,802	845,802
Between two and five years	71,604	107,406
	<u>987,406</u>	<u>953,208</u>

29 Events after the reporting date

On 5 January 2022 Bailey Caravans Limited entered into a Recovery Loan Scheme Loan ('RLS') with HSBC, receiving £3m. This is repayable over an eighteen-month period from July 2022. This loan is not recognised in the financial statements as at 31 December 2021.

30 Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

31 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.