

COMPANY NUMBER: 354363

REGISTRAR

BAILEY CARAVANS LIMITED  
REPORT AND ACCOUNTS  
YEAR TO 31ST DECEMBER 1997



**BAILEY CARAVANS LIMITED****DIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1997****DIRECTORS**

P.N. Howard	M.J. Bye
S.P. Howard	N.P. Mattfield
Mrs. P.E. Howard	M.C. Davies
J.S. Parker (appointed 8th September 1997)	

**SECRETARY**

M.J. Bye

**REGISTERED OFFICE**

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

The directors present their report together with the accounts for the year to 31st December 1997.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

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

The directors consider that the company's financial position at the end of the year is satisfactory.

**DIVIDENDS**

The company paid an ordinary dividend of £45 per share during the year amounting to £450000.

**DIRECTORS AND INTEREST IN SHARES**

The directors' retiring by rotation are M.J. Bye and M.C. Davies who being eligible, offer themselves for re-election.

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

**DIRECTORS' RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**BAILEY CARAVANS LIMITED****DIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1997 (CONTINUED)****TAX STATUS**

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

**AUDITORS**

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

By order of the board

7th May 1998  
Date

  
\_\_\_\_\_  
M.J. Bye (Company Secretary)

## AUDITORS REPORT TO THE SHAREHOLDERS OF BAILEY CARAVANS LIMITED

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

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### BASIS OF OPINION

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


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

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

7th May 1998  
Date



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

## BAILEY CARAVANS LIMITED

## PROFIT AND LOSS ACCOUNT - YEAR TO 31ST DECEMBER 1997

	Note	£	1997 £	£	1996 £
TURNOVER			22306532		20073450
COST OF SALES			17924119		16362977
GROSS PROFIT			4382413		3710473
NET OPERATING EXPENSES	1		3164652		2962795
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			1217761		747678
INTEREST RECEIVABLE		(378335)		(219425)	
INTEREST PAYABLE	2	1747	(376588)	155	(219270)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		1594349		966948
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4		505454		315626
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			1088895		651322
DIVIDENDS ON EQUITY SHARES	6		450000		400000
RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	5		£638895		£251322

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

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

**BAILEY CARAVANS LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 1997**

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	7	335955	300489
<b>CURRENT ASSETS</b>			
Stocks	8	1370108	1371643
Debtors	9	879004	752902
Cash at bank and in hand		6810887	5358295
		<u>9059999</u>	<u>7482840</u>
<b>CREDITORS:</b> amounts falling due within one year	10	7140992	6159672
<b>NET CURRENT ASSETS</b>		<u>1919007</u>	<u>1323168</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2254962	1623657
<b>DEFERRED TAXATION</b>	11	-	7590
		<u>£2254962</u>	<u>£1616067</u>
<b>EQUITY CAPITAL AND RESERVES</b>			
Called up equity share capital	12	10000	10000
Profit and loss account	5	2244962	1606067
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>£2254962</u>	<u>£1616067</u>

These accounts were approved on behalf of the board of directors on 7th May 1998.

  
P.N. Howard (Director)

**BAILEY CARAVANS LIMITED****STATEMENT OF ACCOUNTING POLICIES - YEAR TO 31ST DECEMBER 1997**

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

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

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

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

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

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

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

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

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

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

**BAILEY CARAVANS LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1997****1. NET OPERATING EXPENSES**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise:		
Distribution costs	123564	134192
Administrative expenses	3057429	2848751
Other operating income	(16341)	(20148)
	<hr/>	<hr/>
	3164652	2962795
	<hr/>	<hr/>

**2. INTEREST PAYABLE**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprises:		
Interest payable on bank overdraft	1747	155
	<hr/>	<hr/>

**3. RESULTS FROM ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Stated after charging/(crediting):		
Depreciation	93663	82683
Directors' remuneration (note 14)	199564	137389
Auditors' remuneration		
in respect of audit services	14000	11000
in respect of other services	4900	3000
Rent payable (note 19)	120000	50000
Hire of equipment	1571	142
(Profit)/loss on sale of fixed assets	(661)	754
Management charges (note 19)	279587	425816
(Profit) on foreign currency translation	(15680)	(20148)
	<hr/>	<hr/>

**4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
The tax charge in these accounts is comprised as follows:		
Corporation tax charge on the profits for the year at an effective rate of 33% (1996 25%)	512294	329299
Under provision in previous years	750	2784
Deferred tax (credit) (note 11)	(7590)	(16457)
	<hr/>	<hr/>
	505454	315626
	<hr/>	<hr/>



**BAILEY CARAVANS LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1997 (CONTINUED)****5. PROFIT AND LOSS ACCOUNT**

	1997 £	1996 £
Retained profits brought forward	1606067	1354745
Retained profit for the financial year	638895	251322
	<hr/>	<hr/>
Retained profits carried forward	2244962	1606067
	<hr/>	<hr/>

**6. DIVIDENDS**

	1997 £	1996 £
Equity dividends on ordinary shares Paid: £45 per share (1996 £40)	450000	400000
	<hr/>	<hr/>

Dividends are payable gross under a group election and therefore no ACT is associated with same.

**7. TANGIBLE ASSETS**

Cost	Plant and Machinery £	Motor Vehicles £	Furniture Fixtures and Office Equipment £	Total £
At 1st January 1997	931206	50579	138482	1120267
Additions	76352	27995	29121	133468
Disposals	-	(14874)	-	(14874)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1997	1007558	63700	167603	1238861
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1st January 1997	677750	28732	113296	819778
Charge for the year	67034	13451	13178	93663
Disposals	-	(10535)	-	(10535)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1997	744784	31648	126474	902906
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
1st January 1997	253456	21847	25186	300489
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1997	262774	32052	41129	335955
	<hr/>	<hr/>	<hr/>	<hr/>

**BAILEY CARAVANS LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1997 (CONTINUED)**

<b>8. STOCKS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise the following:		
Raw material stocks	985898	1007940
Finished stocks and stocks for re-sale	260400	223409
Work in progress	123810	140294
	<hr/>	<hr/>
	1370108	1371643
	<hr/>	<hr/>
<b>9. DEBTORS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise the following:		
Trade debtors	142521	152115
Amounts owed by parent undertaking	529342	495335
Other debtors	29561	437
Prepayments	177580	105015
	<hr/>	<hr/>
	879004	752902
	<hr/>	<hr/>
<b>10. CREDITORS: amounts falling due within one year</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise the following:		
Bank overdraft	-	261729
Trade creditors (note 17)	5274588	4317499
Other creditors	23405	22632
Taxation and social security	863943	673686
Accruals	979056	884126
	<hr/>	<hr/>
	7140992	6159672
	<hr/>	<hr/>
<b>11. DEFERRED TAXATION</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
a. Movement in deferred taxation arising due to the excess of taxation allowances on fixed assets over depreciation charged		
Balance brought forward	7590	24047
Profit and loss account	(7590)	(16457)
	<hr/>	<hr/>
Balance carried forward	-	7590
	<hr/>	<hr/>
b. Full potential liability as at 31st December 1997	28067	33457
Amount of deferred tax provided	-	7590
	<hr/>	<hr/>
Full contingency for deferred tax being in respect of timing differences unlikely to reverse	28067	41047
	<hr/>	<hr/>

**BAILEY CARAVANS LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1997 (CONTINUED)**

<b>12. CALLED UP EQUITY SHARE CAPITAL</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Authorised: 10000 ordinary shares of £1 each	10000	10000
Issued: 10000 ordinary shares of £1 each fully paid	10000	10000
<b>13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1088895	651322
Dividends on equity shares	450000	400000
Net addition to equity shareholders' funds	638895	251322
Opening equity shareholders' funds	1616067	1364745
Closing equity shareholders' funds	2254962	1616067
<b>14. DIRECTORS' REMUNERATION</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprises the following elements:		
For services as executives	181116	125142
Pension contributions	18448	12247
	199564	137389
<b>15. STAFF NUMBERS AND COSTS</b>		
The average number of persons employed by the company (including directors) during the year was as follows:		
	<b>1997</b>	<b>1996</b>
Sales	10	10
Production	117	117
Administration	8	8
	135	135
The aggregate payroll costs of these persons were as follows:		
	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2714650	2404738
Social security costs	257160	215810
Other pension costs (defined contribution schemes)	135045	127314
	3106855	2747862

At 31st December 1997 pension contributions amounting to £23406 (1996 £21427) were payable to the insurance company operating the company's defined contribution schemes. These amounts are provided within creditors.

**BAILEY CARAVANS LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER 1997 (CONTINUED)****16. CAPITAL COMMITMENTS**

At 31st December 1997 the company had contracted commitments for future capital expenditure to £Nil (1996 £24066).

**17. RESERVATION OF TITLE**

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

**18. PARENT UNDERTAKING**

The ultimate holding company of Bailey Caravans Limited is Keenwork Limited.

**19. MANAGEMENT CHARGES**

During the year to 31st December 1997, the company incurred management charges of £279587 (1996 £425816) in respect of services provided by the parent undertaking, and rent of £120000 (1996 £50000) also payable to the parent undertaking.

**20. CONTINGENT LIABILITIES**

At 31st December 1997 the company had no contingent liabilities (1996 £Nil).

**21. CONTROLLING PARTY**

The company was controlled throughout the current and previous year by Keenwork Limited by virtue of its 100% holding of the ordinary shares of the company.

**BAILEY CARAVANS LIMITED****DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR TO 31ST DECEMBER 1997**

	£	1997 £	£	1996 £
<b>SALES</b>		22306532		20073450
<b>COST OF SALES</b>		17924119		16362977
		<hr/>		<hr/>
<b>GROSS PROFIT</b>		4382413		3710473
<b>Works expenses:</b>				
Works salaries and National Insurance	307888		297896	
Indirect salaries and National Insurance	247047		321561	
Consumable stores and tools	59112		45725	
General works expenses	238086		257680	
Rent	120000		50000	
Rates and water	53127		51393	
Light, heat, fuel and power	44925		39869	
General insurance	25162		29028	
Depreciation: Plant and machinery	67034		61691	
Repairs to plant, machinery and buildings	135808		57804	
	<hr/>		<hr/>	
	1298189		1212647	
	<hr/>		<hr/>	
<b>Selling expenses:</b>				
Salaries and National Insurance	117541		115983	
Travelling expenses	6731		5097	
Advertising and show expenses	280052		229669	
Carriage	123564		134192	
General marketing expenses	27484		6290	
Discounts allowed	381418		323838	
Export costs	66398		22923	
	<hr/>		<hr/>	
	1003188		837992	
	<hr/>		<hr/>	
Carried forward	2301377	4382413	2050639	3710473