



The Annual Members' Meeting of The Caravan Club will be held at 1.30pm on Saturday 21 October 2006 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE (opposite Westminster Abbey). As stated in the first Notice in the August 2006 issue of

The Caravan Club Magazine, Notices of Motion and Nominations for Office or Committee had to be received not later than Saturday 26 August 2006 in order to comply with Bye-Law 8(b).

T A Watson
Director General
28 August 2006

All Full, Joint and Family Members are entitled to attend and vote at the Annual Members' Meeting. Any Member so entitled may appoint a proxy, who need not be a member, to attend and vote in his or her stead. Members are advised that proxy forms must be lodged at the registered office of The Club, using the proxy form included with this issue of *The Caravan Club Magazine*. They should not be sent to The Club offices but to the address on the envelope provided with the form. Admission to the Annual Members' Meeting will be strictly by Membership Card except in the case of non-member proxies.

A limited number of parking spaces are available at The Queen Elizabeth II Conference Centre for disabled drivers displaying the officially-recognised badge. Any Member wishing to take advantage of this facility should contact the Executive Secretary at The Club offices for further details.

AGENDA

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| <ol style="list-style-type: none"> 1. Minutes of the Annual Members' Meeting held on 15 October 2005 (see pages 79 to 83). 2. Chairman's Annual Report. 3. Financial Report (see pages 85 to 90) presented by the Hon Treasurer. 4. Director General's Report. 5. Election of President – Viscount Coke has been nominated. 6. Vice-President – The Executive Committee's appointment of Mr Michael Drayton is submitted for confirmation in accordance with Bye-Law 4(c). 7. Selection of Chairman – Mr R G W Black* retires but has been nominated for re-selection for a one-year term. 8. Selection of one Vice-Chairman – Mr W R Girven* retires in rotation but has been nominated for re-selection for a three-year term. | <ol style="list-style-type: none"> 9. Selection of Hon Treasurer – Mr J D Bence* retires but has been nominated for re-selection for a one-year term. 10. Selection of two members of the Executive Committee – Mr R H Devitt* retires by rotation but has been nominated for re-selection for a three-year term. Mr M Groves* retires by rotation but has been nominated for re-selection for a three-year term. 11. Approval of up to 20 members to serve on the Council under Bye-Law 6(d)(ii) – the Executive Committee wish to submit the following for approval: David Amess MP; Neil Cairns, Chartered Engineer; William Convery, retired Group Company Secretary; Reg Dean, retired Marketing Director ABI Caravans; George Davey, retired Civil Servant; Nick Haynes, serving Policeman; Morgan Hinder, Manager, Service Department, | <p>Motor Dealership; Martin Howitt, Managing Director Manufacturing Company; Jack Hurst, Head of Asset Management, Housing Association; Eric Illsley MP; Peter Johnson, Managing Director, Health & Safety Consultancy; Janet Moore, Administrator; Terry O'Neill, retired Director (Motor Industry); Heddwyn Owen JP, Agricultural Consultant; John Page, Chartered Electrical Engineer; Derek Preedy, Chairman of Glass Company; Ray Radford, Retired Commander in the Metropolitan Police; Rev Canon Steph Roberts, The Club Chaplain; Ron Sherwood, Environmental Health Officer; John Turner, Retired Lecturer</p> <ol style="list-style-type: none"> 12. Adoption of revised Club Bye-Laws – (See pp93-96) 13. Any other notified business. <p>* See biographical notes on pp80-81</p> |
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MINUTES OF THE ANNUAL MEMBERS' MEETING OF THE CARAVAN CLUB LTD HELD AT THE QUEEN ELIZABETH II CONFERENCE

CENTRE, LONDON SW1P 3EE ON 15 OCTOBER 2005 AT 1.30PM

PRESENT: Lord Wise, Lord Cadman (Vice Presidents), Mr R G W Black (Chairman), Mr E O Holt, Mr G J Chamberlain and Mr W R Girven (Vice Chairmen), Mr J D Bence (Hon Treasurer) and 154 Full, Joint and Family Members. Mr T A Watson (Director General), Mr J B Richardson (Executive Secretary) and Mr J Sutton (Auditor) were in attendance.

The Chairman welcomed everyone to the meeting, especially The Club Vice-Presidents Lord Wise and Lord Cadman.

The Chairman explained the sequence of events to be followed for the meeting and also the procedures to be followed in the event of an emergency.

MINUTES: The Minutes of the Annual Members' Meeting held on 16 October 2004 were agreed and signed.

CHAIRMAN'S ANNUAL REPORT: The Chairman gave his Annual Report, which was to be published in detail in the December 2005 issue of *The Club Magazine*. Mr Black began with a note of deeply felt sadness. Mr Malcolm Ryan, for 10 years The Club's Director of Finance and Management Services, had died suddenly on New Year's Eve 2004. His death had come as a shock to all who knew him and, in addition to the widespread feeling of personal loss, The Club had lost an extremely effective Director. A collaborative effort by other Directors and the short-term employment of an interim Finance Director had ensured uninterrupted Club operations during the first part of 2005. After an exacting recruitment process The Club had, in July, appointed Mr Russell Hudson as the Director of Finance and Management Services. Mr Hudson was introduced to the meeting. The appointment of Mr N D J Lomas, who was unable to attend the meeting, as the Director of Marketing in March 2005 was also announced.

The strong membership growth experienced during 2003 and 2004 had continued through 2005. Despite mixed industry reports on caravan sales it was clear that the renaissance of the popularity of caravanning, prompted by The Club's innovative campaign in 2002, had retained momentum. The Club had maintained its high profile, with regular national and regional television features and almost continual reference in the written press with stories of a much more positive nature than hitherto. The Club continued to actively promote responsible caravanning, motor caravanning and trailer tenting. Following an increase in the number of training centres from 11 to 14, there had been a 20% increase in bookings for towing and driving courses. The Towcar of the Year competition continued to provide a benchmark award for towcars, with even greater support from car manufacturers. The Motor Caravan Design and Drive competition had also benefited from record entries from manufacturers. *The Club Magazine* had continued to flourish and, during 2005, it was among the top 50 magazines in the United Kingdom by virtue of circulation.

The Chairman especially noted, as a highlight of 2005, that a "victory for common sense" was achieved when the Highways

Agency eventually admitted that its research showed that towed vehicles did not cause traffic congestion on the M5. The research report provided a valuable source of independent statistics, which confirmed that caravanners did not hold up traffic.

Club staffing levels had increased in recent years as the size of The Club and its activities had themselves grown. However, the growth in membership had exceeded expectations. Mr Black stated that, while The Club's main investment would always be with the sites network, significant and sustained investment would continue to be made in information systems and technology generally. Matching membership growth with staff increases was not a sustainable solution to maintaining service levels; there was a finite limit to the number of staff that could be accommodated in the headquarters building. Absence levels due to staff sickness had been significantly reduced during the year. The engagement of an occupational health advisor and the implementation of a new sickness and absence

following acquisition and re-development. The site offered 75 touring pitches and a secure storage facility for an additional 134 outfits. The site, since re-opening, had proved to be much more popular with members than anticipated, as a holiday destination as well as a touring stopover for those travelling north or south on the A1. No fewer than 10 major re-developments had been completed in 2005, with a further 11 planned to begin later in the autumn. In addition, minor improvement schemes had been completed at a further 60 sites. Over £7 million, from Club reserves, would be expended by the year end on the existing sites network. In response to an anticipated increased future demand for electricity, The Club had initiated a programme to upgrade electricity supply and distribution systems on sites; 29 upgrade schemes had been commissioned by the end of September. Site re-development traditionally occurs during the winter months, when weather conditions are the worst for the construction industry. Exceptionally, The Club had been able to

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policy had demonstrated The Club's commitment to the health and safety of both its staff and its members.

Turning to sites development, the Chairman re-affirmed that The Club's financial strength enabled swift action for acquisitions, when situations arose. Shortly before Easter, The Club had secured the freehold of a 60-pitch site at Cheddar, located within a 10-minute walk from the Gorge. Several immediate improvement measures had been implemented, and in order to satisfy the demand for pitches in popular areas, the Cheddar site was made available to members for the 2005 season. A more substantial re-development scheme would be required to bring the site's facilities up to the expected Club standards. The Club had also re-opened The Grange site at Durham,

conduct two major schemes in the north of England during the summer. The Howard site at Rosedale had undergone comprehensive improvements, which had enhanced and sympathetically complemented its idyllic setting. It had also supported The Club touring ethos by providing a 'service point only' site on the edge of the North York Moors. The Howard site provided proof that The Club was committed to satisfying the touring requirements of the entire membership, including those who preferred low-facility sites. The site would re-open at Easter 2006 and, as with all sites, its use and popularity would be closely monitored. The Club had, for many years, been searching for a new site north of, but within comfortable travelling distance from, the centre of Manchester. Persistence of search



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CERTIFICATED LOCATIONS

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RED PENNANT

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effort had yielded a truly stunning combination of a peaceful, yet accessible location within the recently-created Burrs Country Park, Bury. The East Lancashire Steam Railway passed by the site, which provided access to the Metro system which would take members into the heart of Manchester. The Burrs Country Park site was due to be opened in the spring of 2006. It was a completely new 85-pitch touring site and represented The Club's first 'green field' development for many years. The Chairman added that he hoped to be able to announce other 'green field' developments in the not too distant future.

Despite an array of initiatives and considerable marketing effort, 42 Certificated Locations had left the network since the beginning of the year. At the end of September the total was 2549. Low occupancy was frequently given as the main reason for leaving the network. However, the certificates of two CLs had been revoked following persistent disregard of the required five-van rule. Of great concern was the reported increase in the number of 'no shows', the number of members leaving without paying and the general deterioration of members' behaviour. The Chairman reminded members of his often-expressed plea: "Use CLs or risk losing them", which he modified to: "Use CLs responsibly and with respect or you will lose them". One of The Club's many strengths was

the fine reputation earned by its members. The maintenance of this reputation was important, not only for retaining CLs, but it was absolutely vital to the success of new site acquisitions, securing long lease renewals and obtaining planning consent to complete the high-quality site redevelopment schemes, for which The Club was renowned. The Club would continue to play its part, he added, but it was up to the membership, by their behaviour and attitude, to make The Club what they wanted it to be.

Turning attention to The Club's website, Mr Black commented on recent increases in activity. Online membership application had been followed by online 5Cs Caravan Insurance quotations and an upgraded ferry booking service, to incorporate the overseas sites with which The Club co-operates. Major developments during 2005 had been a new UK Advance Booking System, operated by the Call Centre, followed by an online site booking facility in March. This service was already experiencing heavy use by members. Currently, there were three channels of site bookings available to members: direct booking with sites when they were open, all year round booking via the Call Centre during office hours and the 24-hour, all year round, facility on The Club's website.

Returning to the core operation of the sites network, the Chairman reminded members that the cost of running the network, particularly the

cost of utilities, increased year on year. Significant further increases in 2006 were already being mooted, especially in the cost of electricity. The Club employed a full-time Purchasing Manager whose role was to ensure that national contracts and price negotiations were concluded as efficiently as possible, thus minimising the effect of necessary price increases. Mr Black took the opportunity to introduce Mr Richard Burton, who had taken up the appointment of Head of Sites Operations in May 2005.

The main focus for The Club's Insurance Service was the need to secure Financial Services Authority registration before the start of trading in 2005. The aim of the FSA was to protect the interests of customers in general, and for The Club, its members, during the purchase of financial and insurance products. Members would have noticed an increase in the level of information in both Club insurance literature and over the telephone, prior to purchase, leading to longer administration and call times. This, the Chairman stated, was a legal requirement and The Club was trying to strike a balance between limiting call times and providing members with the statutory information prior to the purchase of Club services.

The Chairman noted the increasing complexity and widening range of activities,

services and products offered by The Club. It was therefore incumbent upon The Club to ensure that its committees reflected the widest range of background, relevant experience and expertise. This was achieved by an ongoing process of rejuvenation, by selection and by co-option. Mr Black announced that, since the last Annual Members' Meeting, Mr WH Martin, Professor C Milner and Mr T M Rogers had joined the Executive Committee as members and their individual and collective inputs had already proved to be highly effective. The new Executive Committee members were formally introduced.

The Sites sub-Committee had convened three of its nine planned meetings on Club sites and potential sites during the year. At Heathfield, in the New Forest, they confirmed the suitability of location for this exciting possible addition to the network, and recommended plans for a substantial, major post-acquisition development scheme. At Braemar and Coed-y-Llyn, the proposed development plans came under close scrutiny.

The monitoring of parliamentary business and planned government legislation was a day-to-day task. The Club maintained a high profile in several key areas of government interest and it was, consequently, involved in a wide variety of consultation and pre-consultation processes, emanating from Westminster, Cardiff, Edinburgh and Brussels. Consultation and

representation was achieved individually and by prominent membership of the Tourism Alliance, the Wales Tourism Alliance and the Scottish Tourism Forum. The Club was also grateful for the close attention paid to its interests by its Parliamentary Advisors and the Chairman publicly thanked Mr David Amess MP and Mr Eric Illsley MP, congratulating them on their successful return to parliament following the recent General Election.

Centre registration had increased steadily through 2004 to a year end total of just under 38,000. However, registration had accelerated through 2005, to a current total of over 42,500 and the upward curve looked set to continue. The Chairman re-affirmed that Centre activities formed a vital part of life within The Club and The Club Council continued to deliberate over how best to make all members aware of what was available to them locally, through their Centres.

Before concluding, Mr Black announced, with regret, that Mr Charles Euman, The Club's Director of Marketing for 13 years until his retirement in 2002, had died at the end of September at the comparatively young age of 68. Mr Euman died from complications resulting from Parkinson's disease.

In conclusion, he reminded members that The Club would soon enter the year in which it would be finalising plans for The Club Centenary in 2007. The Chairman looked

forward with optimism to the continued growth and stability of The Caravan Club.

The Chairman's report was adopted.

FINANCIAL REPORT: The Honorary Treasurer began his report on the financial year ending 31 December 2004 by informing members of continuing positive financial news, with another record year for membership, which reached 334,697 member families, representing over 850,000 caravanners. Continued growth in membership was reflected in increased usage of Club services, with revenue increased by over £9 million, to £78,434,000. However, cost increases continued to challenge The Club operations during the year, leading to a reduction in surplus, before taxation, of £19,000. After an increase in Corporation Tax charge of £309,000, the surplus achieved was £5,261,000. This surplus was used to create additional facilities for Club members. Capital expenditure of £5.9 million had been invested in the sites network, including the completion of the development of the Grange where the freehold was acquired in 2003, together with major refurbishments at Blackmore, Gowerton, Hillside and White House Beach.

Turning to the main activities of The Club:

CLUB SITES: Club sites revenue grew by £2,190,000 to £24,734,000 as a result of improved occupancy and some price increases, necessary to cover increases in costs, such as the national minimum wage and utility costs, which were, in the main, outside of The Club's control. The cost of running the sites network grew by £3,196,000 to £25,092,000. As a result, the sites network recorded a deficit of £358,000, compared with a surplus of £648,000 in 2003.

MEMBERSHIP: Membership subscriptions revenue was £9,238,000, an increase of £705,000 over 2003. This was due to a combination of an additional membership of 11,095 families and a rise in the rate of annual subscription to £31, which, Mr Bence reminded members was only the second increase in seven years.

INSURANCE: The number of members using The Club's 5Cs insurance and other insurance products once more grew at a faster rate than the growth in membership. Revenue from insurance products increased by 25%, or £5,047,000, to £25,175,000, contributing £4,389,000 to The Club's surplus, compared with £3,767,000 in 2003.

TRAVEL SERVICE: Travel bookings in 2004 increased by 5381 over the previous year. As a consequence, revenue increased by £383,000 to £15,582,000. However, reduced margins on ferry bookings increased the travel loss by £7000. The Travel Services deficit for 2004 was £165,000.

MARKETING: The Club continued its policy of nationally promoting the role of caravanning in the community and increased its investment in marketing by £344,000 over 2003, to £3,342,000 in 2004. Expenditure covered advertising, exhibitions, market research, promotions and public relations. Marketing initiatives in 2004 included a higher profile at exhibitions with Club Days at new venues at county and leisure shows. To guide new site acquisition and development in the future,



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BIOGRAPHICAL NOTES ON MEMBERS NOMINATED FOR OFFICE AND COMMITTEE

CHAIRMAN (Agenda Item 7)

Mr R G W Black MBE, has been proposed by Mr W R Girven and seconded by Mr J R Hoyle. Mr Black, a Club member for 45 years, was elected to the Executive Committee in 1984, elected Vice Chairman in 1987 and Chairman in 1990. He was a member of the Finance and Management Sub Committee from 1986 to 1990, the Grants Committee from 1986 to 1990 and also the Events Committee from 1988 to 1990. Previously he had been elected to the Committee of the West Scotland Centre in 1968 and served until 1971 when he was elected Vice Chairman and became Chairman in 1972 serving until 1974. In 1974 he was elected to serve on the Scottish Division Executive and during the period up to 1984 progressed through the posts of Vice Chairman, Chairman and Vice President to become President. Mr Black operates a

Manufacturers' Agency business. Having caravanned extensively at home and abroad and attended many FICC Rallies he was appointed a Vice President of the FICC in 1990. He was Chairman of the Club's special committee responsible for staging the 1999 FICC Rally. Mr Black was awarded an MBE for services to caravanning and tourism in the Queen's Birthday Honours in June 2003.

VICE CHAIRMAN TO BE SELECTED FOR A THREE-YEAR PERIOD (Agenda Item 8)

Mr W R Girven Ost J QPM LIB (Hons) CCMI, has been proposed by Mr G J Chamberlain and seconded by Mr J K Hilton. Mr Girven is a retired Police Officer, having served in Merseyside, Avon & Somerset and Dorset Forces before being appointed Chief Constable of Wiltshire. He was Secretary and then Chairman of the Chief

Constables Traffic Committee and studied traffic issues in Europe and America. He was Visiting Professor of Police Studies at the University of New York in 1976. Mr Girven joined the Club in 1971 until the mid 1980s and then rejoined on his retirement in 1997 and became a Nominated Member of Council in 1998. He was co-opted on to the Executive Committee in 1998, has served on the Sites sub-Committee since 1999 and is Chairman of the Membership and Nominations sub-Committees. Elected Vice-Chairman in 2003. Mr Girven is married with two children and enjoys caravanning, especially with his young grandchildren.

HON TREASURER (Agenda Item 9)

Mr J D Bence, F InstPkg, has been proposed by Mr J R Hoyle and seconded by Professor C Milner. Mr Bence formerly held a senior

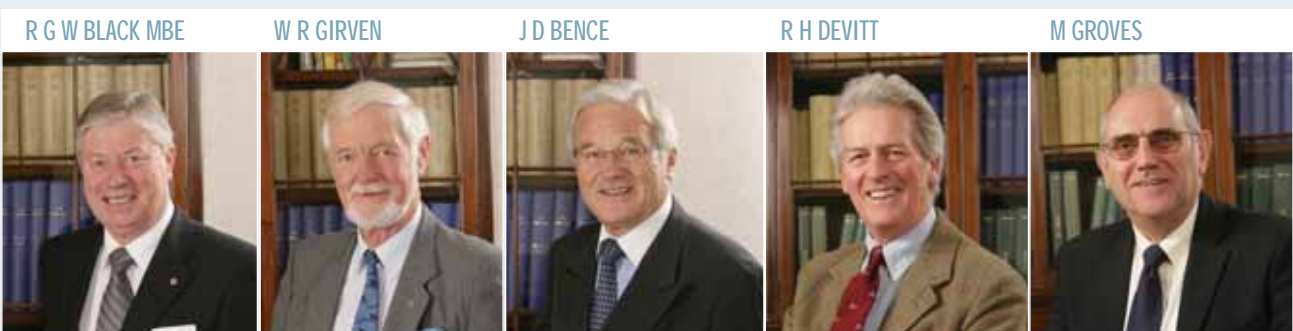
position in the packaging industry. Before going into business in 1957, Mr Bence was commissioned in the Royal Engineers. A member of the Club for 42 years, he joined the Executive Committee in 1982, the Finance and Management sub-Committee in 1984 and was first elected Treasurer in 1985. In that position he has been Chairman of the F&M for the past 21 years. His particular caravanning interest lies in Club Sites and he is also an enthusiastic user of Certificated Locations. Mr Bence is a keen Solent sailor and is Commodore of the Royal Lymington Yacht Club and a member of the Royal Thames Yacht Club. Mr Bence is also Chairman of the Lymington Harbour Advisory Group.

TWO ELECTED MEMBERS OF THE EXECUTIVE COMMITTEE TO BE RE-SELECTED FOR A THREE-YEAR PERIOD (Agenda Item 10)

Mr R H Devitt was proposed by Mr J D Bence and seconded by Mr M Groves. He joined The Club in 1974, became a Nominated Member of Council in 1996 and was co-opted onto the Executive Committee in 2000. Mr Devitt is a retired Chartered Insurer and had a long connection with The Club as its insurance broker from 1967 until his retirement in 1996. He was responsible for the original placement of both the Red Pennant and the 5Cs

Insurance contracts for The Club and for their subsequent development over more than 25 years. He also worked with the AIT as insurance broker to both its Camping and Customs Commissions from 1965, and for the FICC Camping Commission from 1972 until 1990. Mr Devitt is married and spends much of his time in West Somerset. He has owned several motor caravans travelling in Europe, Morocco and the Western USA. He is also a keen yachtsman, birdwatcher and musician.

Mr M Groves has been proposed by Mr J A Miller and seconded by Mr W H Martin. Malcolm Groves joined the Club in 1977 and held office in the Northumberland Centre as Hon Rally Secretary and Vice Chairman. In 1990 he was elected Centre Chairman until 1992 and represented the Centre on the Club Council. Between 1987 and 1992 Mr Groves was an active member of the Northern Centres Joint Liaison Committee. In 1990 he was elected Chairman of the Liaison Committee, a position he held until 1992. He was appointed to the Grants Committee in November 1992 and co-opted to the Executive Committee in 1994. Following co-option to the Events Committee in 1995 Mr Groves was appointed Chairman in May 1997. Mr Groves operates an independent Fuel Consultancy Service to Industry and Commerce.



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research was commissioned to identify site 'hot spots' around the country. The Winter Sites Collections brochure was also launched in 2004.

SITES DIRECTORY AND HANDBOOK PLUS MAP: Expenditure on the Sites Directory and Map, the caravanner's essential UK guide, increased by £22,000 to £255,000.

MAGAZINE: The circulation of *The Club Magazine* continued to grow, exceeding that of all other caravan magazines combined. It had become extremely attractive to advertisers and advertising income had increased by £276,000 to £2,144,000 whilst costs increased by only £184,000 to £2,986,000. The net cost of providing the *Magazine* to members was therefore reduced by £92,000 to £842,000 in 2004, representing a 3p reduction in the net cost per member per copy over the previous year, to 21p.

EVENTS: The National Rally in 2004 was held at Harewood House. The Events department also organised the prestigious Towcar of the Year competition, the Design and Drive Awards and the Lightweight Leisure Trailer Awards. It was also responsible for the Practical Caravanning Courses and Motor Caravanning Courses that saw a significant increase of 20% in members attending in 2004. The net cost of running these events reduced by £36,000 over 2003 to £404,000.

TECHNICAL INFORMATION: The Technical department continued to provide valuable research into areas of interest and concern to caravanners. It also provided technical information to members and non-members, handling over 30,000 enquiries. The cost of providing these services reduced from that in 2003, by £26,000, to £296,000 for 2004.

BALANCE SHEET: The success of The Club shown in the results for the year was also

reflected in the strength of the Balance Sheet, which increased by £5.3 million to a net worth of £91.8 million. This consists of £67.5 million of fixed assets, providing the excellent site facilities, and invested deposits of £27.6 million, less net liabilities of £3.3 million. Mr Bence emphasised that this not only provided the financial resources and security to fully represent and support the interest of members, but also enabled The Club to grasp opportunities speedily and effectively as they become available, whilst at the same time ensuring that it was able to withstand any downturn or other adverse circumstances that might occur.

Before completing his review of 2004 the Treasurer congratulated the Divisions, Regions and Centres for their generosity in raising £70,735 for charitable causes during the year.

Turning to the current year, Mr Bence reported that The Club had continued to build on its successes, with further increases in membership and revenue. Recruitment figures matched those of 2004 and membership retention was in line with expectations. The current membership total exceeded 340,000 families and another record figure was forecast for the year end.

The control of costs was recognised as a challenge facing all areas of The Club in 2005. The impact of increased costs and the additional resources required to maintain The Club's high standards could result in only a moderate increase in the surplus generated for the current year. He assured members that Club committees and Club staff earnestly searched for sustainable cost savings, which would not impact on service levels. Despite this, and as a result of The Club's financial strength, the Executive Committee had approved a capital expenditure budget of over £9 million to

increase and enhance the sites network and to provide additional and improved facilities and services for members in the current and forthcoming years.

The Honorary Treasurer drew attention to two changes that could affect the statutory accounts for 2005.

The first was the impact that changes due to the Accounting Standard on Retirement Benefits, FRS17, would have on The Club's Revenue Account and Balance Sheet statements from 2005 onwards. Previously, FRS17 had only required companies to disclose details relating to their defined benefit pension schemes in the Notes to the Accounts. However, from 2005 onwards, it would be a requirement to recognise certain information, previously shown in the Notes to the Accounts, in the accounts themselves. Consequently, in this first year of change, the Balance Sheet would be adjusted for the total pension deficit at the 2005 year end. Annual movements in the deficit would be reported through the Revenue Account and a new statement of total recognised gains and losses would be shown. For example, Mr Bence explained that had the accounting standard come into force in 2004, the Revenue Account of £25,910,000 would be restated as £17,447,000 to reflect the pension deficit of £8,629,000.

The second change was an intention to review the very extensive level of income and expenditure information that had previously been made available in The Club's statutory accounts filed at Companies House. Mr Bence stated that this may well be reduced, as it was far in excess of that which was required for statutory purposes and it could provide competitors, especially in the insurance and travel markets, with a potential commercial advantage. Mr Bence explained that the review was aimed at protecting members' interests, since these areas generated substantial income and were core services within The Club.

Turning to the prospects for 2006, Mr Bence reported that a further modest growth in membership was expected. Industry and economic indicators pointed towards a slow down in the economy and the caravan market. As a consequence, The Club would focus its attention on increasing the retention of existing members. Further investments in the sites network and central information technology systems would continue, in order to deliver improved opportunities for the membership. Cost pressures would continue to impact on The Club, especially on the sites network, with a further annual increase in the minimum wage and with the anticipated very large increases in the costs of electricity and gas. In addition, the cost of pension provision for Club employees was expected to increase following the most recent scheme valuation, due in part to greater expected life expectancy, falling annuity rates and lower investment returns than in the past. As a result, the Honorary Treasurer added, The Club would do well to maintain the present level of surplus.

The Treasurer concluded by thanking Club staff, especially Mr Jonathan Laws, whose sterling efforts during the difficult months following the untimely death of his Finance Director, were recognised. He also thanked his

colleagues on the Finance and Management sub-Committee for their hard work and support during the year. Finally, he thanked his fellow members of the Executive Committee for their continued help and guidance.

The Treasurer's report was adopted.

DIRECTOR GENERAL'S REPORT: Mr Watson introduced his report by referring to the Journal of The Royal Yachting Association (RYA), of which he was a member. According to the Journal, in its annual report, there had been critical comments from its members regarding the level of individual subscription fee. There were accusations from sections of the RYA membership that the association had become too commercial, was growing too quickly and was essentially, profiteering. Mr Watson noted that he had heard similar accusations from Club members about The Club. The accusations were refuted. He explained that the RYA and The Caravan Club were, in many ways, similar. They were both limited by guarantee and in both organisations the only purpose in building up a financial surplus was for the benefit of members in supporting future developments. It was often useful to reflect on the fortunes of like organisations and Mr Watson reminded members that there were but a few organisations left that truly aligned their conduct to the ethos of a true members' club. He added that recent discussions with new members, especially with young families new to caravanning had been hugely encouraging. It was clear that new caravanners joined The Club because of what it represented and feedback had confirmed that young families were more than willing to embrace a traditional club ethos. Conversely, it was disappointing that many of the critical letters, addressed to the Editor of the *Magazine*, regarding The Club's financial strength or expressing an intolerance of other members' activities, were written by long-standing members.

Other feedback from both members and Club staff, during the past year, included the increasing size of caravan outfits and motor caravans, which was proving to be a major challenge for The Club. Accommodating large outfits on sites without adversely impacting on the comfort and convenience of neighbouring members was a testing exercise for Club Site Wardens.

Mr Watson informed members that The Club continued to find good-quality staff, prepared to give members the highest level of service. He noted that one of the most pleasing and satisfying features of the year was that high-calibre specialist staff were enthusiastic about working for an organisation that was totally member-facing and imbued with a club ethos which was in many ways alien to the commercial practices of business competitors. The Club was rapidly becoming a unique organisation. However it was an organisation which worked very well and Mr Watson concluded that, overall, the year had been a great success and he remained very optimistic about the future.

The Director General's report was adopted. **SELECTION OF CHAIRMAN:** Mr G J Chamberlain took the chair of the meeting and announced

with pleasure, on behalf of the Executive Committee, that Mr R G W Black MBE had signified his willingness to continue in his post. He was the sole candidate and the meeting approved, without dissent, his selection. Mr Black resumed the chair and reaffirmed his continuing pleasure and commitment as Chairman.

SELECTION OF VICE CHAIRMAN: Mr C J Chamberlain was reselected, without dissent, to be a Vice Chairman for a three year period.

SELECTION OF HONORARY TREASURER: Mr J D Bence was reselected, without dissent, to be the Honorary Treasurer.

SELECTION OF TWO MEMBERS OF THE EXECUTIVE COMMITTEE: Mr J R Hoyle and Mr J A Miller were reselected, without dissent, to be members of the Executive Committee for a three-year period.

NOMINATED MEMBERS OF THE CLUB COUNCIL: The meeting appointed the following to serve on the Club Council under Bye-Law 6(d) (ii):

Mr D A A Amess MP, Mr J N Cairns, Mr W G Convery, Mr W C G Davey, Mr R A D Dean, Mr N S Haynes, Mr M G Hinder, Mr M G Howitt, Mr J G Hurst, Mr E Illsley MP, Mr P Johnson, Mrs J Lee, Mrs J I Moore, Mr T J O'Neill, Mr D S Preedy, Mr R M W Radford, The Rev Canon R S J Roberts, Mr R G Sherwood and Mr J R Turner.

OTHER BUSINESS: Mr Peat drew the attention of members to the substantially-constructed installed security barrier at the Alderstead Heath Club Site. The timing mechanism, associated with the barrier, secured entrance to, and exit from, the site at 8.30 pm each night and, due to its height restriction, it effectively prevented the movement of motor caravans to and from the site between 8.30pm and 6.30pm. This, he argued, whether by design or oversight, discriminated against motor caravanners. He also argued that if the barrier had been installed to provide added security for the caravans stored at the site, he would wish an assurance that the security precautions put in place for stored caravans would not adversely affect access to and from touring pitches. In reply, Mr Chamberlain stated that the restricted movement of motor caravanners at Alderstead Heath, caused by the barrier, had been unintentional and when the design oversight had become apparent, the Sites sub-Committee had immediately directed that its

operation be adjusted. It was understood that the modification would cost £5,500. In the meantime, motor caravanners, by prior arrangement with the Site Wardens, may have the barrier manually operated up to 10.30pm. Mr Chamberlain added that the provision of storage was becoming an increased priority for members. Mr Peat assured the meeting that he, and his wife, were long-standing Club members and greatly admired the efforts of all concerned in maintaining the high standards for which The Club was famous. The oversight with the barrier at Alderstead Heath was an exception, but he trusted that it would serve as a reminder that the needs of all members should be considered in an even-handed manner.

Mr Pickard raised a question relating to the number of Centre Liaison Officers allocated to Centres at the National Rally. The arrangement of allocation and the time that they were permitted to arrive at the National Rally site were explained.

Mr Hinder referred to a most enjoyable stay at a CL in the Blackpool area and he enthusiastically endorsed the Chairman's plea for members to make more use of the CL network.

Mrs Devine drew attention to an item raised at the recent Scottish Division AGM relating to foreign caravans, which have doors and awning fittings on the opposite side to those of British caravans. In order to maintain normal conditions of comfort, convenience and privacy, foreign caravans would need to be facing in the opposite direction to British caravans. She was informed that, according to National Rally procedures, all caravans should be pitched such that the draw bars point in the same direction. This was a safety precaution to facilitate speedy evacuation when required.

The Chairman thanked everybody who had attended, taken part and supported the meeting plus the staff who had organised and managed the function. The Chairman paid especial tribute to Mrs Brenda Buckland and Mrs Pauline Burfoot, who had performed the duties of microphone ladies at many Annual Members' Meetings. Both ladies were shortly due to retire and they were attending their last AMM. He presented them with bouquets of flowers as a token of appreciation.

The Chairman thanked the Vice-Presidents for their support and attendance and closed the meeting at 2.56pm.



CLUB SITES

CERTIFICATED LOCATIONS

INSURANCE

TRAVEL SERVICE

RED PENNANT

CLUB MAGAZINE

SITES DIRECTORY

TOWCAR OF THE YEAR

NATIONAL RALLY

CARAVAN EUROPE



The Executive Committee of The Club (which comprises the Board of Directors of the company) submits its annual report and accounts for the year ended 31 December 2005.

ACTIVITIES AND BUSINESS REVIEW: The Caravan Club is contained within The Caravan Club Limited, a company limited by guarantee with a share capital of £100 which is held in trust for the benefit of Club members.

The Caravan Club maintains and conducts a club for persons who are mobile caravanners and promotes caravanning generally. There has been no significant change in these activities during the year.

The Club has continued to progress satisfactorily in a mature market and its income from subscriptions and services to members has grown by 9.3% to £84.1m for the year. The Executive Committee is confident that The Club will continue its progress and improve the services offered to members.

RESULTS FOR THE YEAR: The 2004 results have been restated following the adoption of FRS17 'Retirement Benefits'. The effect on the results is explained in the Accounting Policies at page 87.

The surplus after taxation for the year amounts to £5,168,000 (2004 restated – £5,095,000) which is added to the revenue surplus brought forward of £17,447,000 (restated) to leave an amount of £22,615,000 available for allocation to reserves.

£3,000,000 has been transferred to the Sites Investment Reserve with the remaining surplus, after providing for the actuarial deficit, of £18,890,000 being retained in the Revenue account.

EXECUTIVE COMMITTEE: The members of the Executive Committee who held office during the year and at 31 December 2005 were

*RGW Black, *JD Bence, GJ Chamberlain, **DC Crowther, *RH Devitt, *WR Girven, *M Groves, JK Hilton, EO Holt, JR Hoyle, WH Martin, JA Miller, C Milner, TM Rogers. *Denotes members for reselection **Retiring member.

CHARITABLE DONATIONS: Charitable donations amounted to £5,000 (2004 – £11,000).

FIXED ASSETS: Properties occupied as Club Sites are stated at historical cost. As their use is restricted to use as caravan sites the Executive Committee consider that no useful purpose would be served by having them valued.

EMPLOYMENT OF DISABLED PERSONS: The Club gives full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Where possible The Club continues the employment of and arranges appropriate training for employees who have become disabled during the period they are employed. Disabled persons are treated in the same way as other employees when training, career development and promotion are being considered.

EMPLOYEE INVOLVEMENT: Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting The Club. In addition, the Executive Committee takes account of employees' interests when making decisions and the employees are informed of the Club's performance on a regular basis. Suggestions from employees aimed at improving The Club's performance are welcomed.

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE EXECUTIVE COMMITTEE: The Directors are responsible for preparing

the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Board of Directors (the Executive Committee of The Club) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the members of the Executive Committee are required to:

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

They are responsible for keeping 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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS: A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.
By order of the Executive Committee
T A WATSON, Secretary,
26 June 2006

REVENUE ACCOUNT

Year ended 31 December 2005					Year ended 31 December 2004						
	Note	2005		as restated 2004			Note	2005		as restated 2004	
		£000	£000	£000	£000			£000	£000	£000	£000
INCOME											
Subscriptions and entrance fees			9,901		9,238				6,009		6,060
Services to members			74,217		67,691				(841)		(965)
TOTAL INCOME			84,118		76,929						
EXPENDITURE											
Cost of services to members	55,144				49,772				5,168		5,095
Staff costs:									17,447		18,275
Current pension service cost	2,370				1,893				22,615		23,370
Wages and salaries	13,405				12,963						
Depreciation and other amounts written off tangible fixed assets	5	6,819			6,124						
Other operating charges:											
Accommodation	905				849						
Miscellaneous	779				585						
Auditors' remuneration - audit	50				50						
- other services	50				51						
Professional services	34				-						
TOTAL EXPENDITURE			(79,556)		(72,287)						
OPERATING SURPLUS											
Interest receivable and similar income			4,562		4,642				5,168		5,095
Other finance costs	14		(207)		(87)				(725)		(2,923)
Carried forward			6,009		6,060				(3,000)		(3,000)
ACTUARIAL DEFICIT ON RETIREMENT BENEFITS ASSETS AND LIABILITIES											
RETAINED REVENUE SURPLUS											
RETAINED SURPLUS CARRIED FORWARD											
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES											
ACTUARIAL LOSS ON RETIREMENT BENEFITS ASSETS AND LIABILITIES											
TOTAL RECOGNISED GAINS RELATING TO THE YEAR											
PRIOR YEAR ADJUSTMENTS											
TOTAL LOSSES RECOGNISED											

BALANCE SHEET

At 31 December 2005				At 31 December 2004							
	Note	2005		2004			Note	2005		2004	
		£000	£000	£000	£000			£000	£000	£000	£000
FIXED ASSETS											
Tangible assets	5		69,429		67,511	Brought forward			98,391		91,973
Investments	6		-		-	RETIREMENT BENEFITS LIABILITY	14		(10,583)		(8,629)
			69,429		67,511				87,808		83,344
CURRENT ASSETS											
Stock	7		377		250	CAPITAL AND RESERVES					
Debtors	8		5,185		6,430	Called up share capital	10		-		-
Short-term deposits			37,720		27,616	Share premium account	11		18		18
Bank balances and cash			1,262		2,028	Sites investment reserve	11		68,000		65,000
			44,544		36,324	Revenue account	11		19,790		18,326
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR											
	9		(15,582)		(11,862)		12		87,808		83,344
NET CURRENT ASSETS											
TOTAL ASSETS LESS CURRENT LIABILITIES											
Carried forward			28,962		24,462				98,391		91,973

The financial statements on pages 85 to 90 were approved by the Executive Committee on 26 June 2006 and were signed on its behalf by: **R G W BLACK and J D BENCE**

CASH FLOW STATEMENT

Year ended 31 December 2005						Year ended 31 December 2004					
	Note	2005		2004			Note	2005		2004	
		£000	£000	£000	£000			£000	£000	£000	£000
NET CASH INFLOW FROM OPERATING ACTIVITIES											
RETURNS ON INVESTMENTS											
TAXATION											
CAPITAL EXPENDITURE											
MANAGEMENT OF LIQUID RESOURCES											
(DECREASE)/INCREASE IN CASH IN THE YEAR											



- CLUB SITES
- CERTIFICATED LOCATIONS
- INSURANCE
- TRAVEL SERVICE
- RED PENNANT
- CLUB MAGAZINE
- SITES DIRECTORY
- TOWCAR OF THE YEAR
- NATIONAL RALLY
- CARAVAN EUROPE

ANALYSIS OF INCOME AND EXPENDITURE

Year ended 31 December 2005	Income £000	Expenditure £000	2005 Net £000	Income £000	Expenditure £000	2004 as restated net £000
CLUB SITES						
Site fees and other income	27,067	-		24,734	-	
<i>Less:</i>						
General site expenditure	-	21,710			19,790	
Salaries, office expenses and other general costs	-	5,055			5,325	
	27,067	26,765	302	24,734	25,115	(381)
MEMBERSHIP SERVICES						
Membership						
Club subscriptions	9,845	-		9,181	-	
Entrance fees	57	-		57	-	
<i>Less:</i>						
Salaries, office expenses and other general costs	-	2,820		-	2,415	
	9,902	2,820	7,082	9,238	2,415	6,823
Insurance Services						
Premium income	27,358	-		23,140	-	
Mayday	1,182	-		1,088	-	
Miscellaneous commission	923	-		784	-	
<i>Less:</i>						
Premiums payable to brokers	-	20,820	-	-	17,486	
Stationery and miscellaneous expenditure	-	652	-	-	554	
Salaries and office expenses	-	3,498	-	-	2,766	
	29,463	24,970	4,493	25,012	20,806	4,206
Travel Service						
Income from bookings	14,543	-		15,081	-	
Continental Sites Guide and other sales	440	-		409	-	
<i>Less:</i>						
Payments to ferry operators	-	6,603	-	-	7,146	
Other payments and direct expenditure	-	6,190	-	-	6,171	
Salaries and office expenses	-	3,055	-	-	2,445	
	14,983	15,848	(865)	15,490	15,762	(272)
MARKETING SERVICES						
Marketing						
Sale of Club merchandise	48	-		2	-	
General expenditure	-	2,139		-	1,921	
Salaries and office expenses	-	1,446		-	1,428	
	48	3,585	(3,537)	2	3,349	(3,347)
Publications (Sites Directory Handbook and Map)						
Salaries and office expenses	-	295		-	256	
	-	295	(295)	-	256	(256)
Club Magazine						
Advertising revenue and sales	2,310	-		2,144	-	
Cost of production and postage	-	2,950		-	2,649	
Salaries, office expenses and other general costs	-	380		-	338	
	2,310	3,330	(1,020)	2,144	2,987	(843)
Carried forward	83,773	77,613	6,160	76,620	70,690	5,930

	Income £000	Expenditure £000	2005 Net £000	Income £000	Expenditure £000	2004 as restated net £000
Brought forward	83,773	77,613	6,160	76,620	70,690	5,930
Events						
National Caravan Rally	179	267		156	262	
Practical Caravanning Courses	110	100		104	87	
Towcar of the Year	-	35		-	37	
Salaries, office expenses and other general costs	-	396		-	328	
Sponsorship (net)	56	-		49	-	
	345	798	(453)	309	714	(405)
Technical and Information						
Miscellaneous expenses	-	22		-	31	
Salaries, office expenses and other general costs	-	324		-	266	
	-	346	(346)	-	297	(297)
MISCELLANEOUS						
Grants and services to Divisions and Centres	-	157		-	151	
Grants and services to Regions	-	39		-	42	
Annual Members, Council and Committee Meetings	-	208		-	276	
Centenary Costs	-	200		-	-	
Representations	-	195		-	117	
	-	799	(799)	-	586	(586)
TOTALS OF INCOME AND EXPENDITURE	84,118	79,556		76,929	72,287	
OPERATING SURPLUS			4,562			4,642

ACCOUNTING POLICIES

Year ended 31 December 2005

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Regions, Divisions and Centres

The assets and liabilities of Regions, Divisions and Centres are included in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at cost and depreciated at rates calculated to write off the cost over their expected useful lives as follows:

Freehold sites development costs, buildings and installations	-	5% on cost
Fixtures, fittings and equipment	-	10% - 33 1/3% on cost
Motor cars	-	30% reducing balance

No depreciation is provided on freehold land. Leasehold office, warehouse and distribution premises are amortised by equal annual instalments over the life of each lease. Leasehold sites acquired and development costs are written off by equal annual instalments over 20 years, or the remaining life of the lease or the useful economic life of the asset whichever is the shortest period.

Stock

Stock for sale to members is stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock. Cost includes all direct costs. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

Income recognition

Sites, travel, insurance, magazine and income from events received in advance is deferred and recognised in the year in which the service is provided to the member. Subscriptions are recognised evenly over the period to which the subscription relates.

Lease commitments

Costs in respect of operating lease agreements (being agreements not giving rights approximating to ownership) are spread evenly over the lease terms.

Taxation

Corporation tax payable is provided on the Club's taxable surplus at the current rate. No provision is made in the accounts for deferred taxation because there are no material deferred tax liabilities. The liability that would be brought into account under FRS 17 relates almost entirely to mutual income and therefore no material timing differences occur.

Pension scheme

The Club adopted FRS17 'Retirement Benefits' in the accounts for the year ended 31 December 2005.

Consequently, comparatives for the year ended 31 December 2004 have been restated so that their calculation and presentation is consistent with the results for 2005.

The effect of adopting FRS17 is a reduction in the surplus after taxation for the year ended 31 December 2005 of £1,253,000 (2004 - £166,000). The net assets at 31 December 2005 have decreased by £10,440,000 (2004 - £8,463,000) reflecting the amount of pension deficit calculated in accordance with FRS17.

Foreign currencies

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

Grants

Grants made to The Club as a contribution towards expenditure on fixed assets are taken to deferred income and amortised to the revenue account over the expected useful lives of the related assets.



CLUB SITES

CERTIFICATED LOCATIONS

INSURANCE

TRAVEL SERVICE

RED PENNANT

CLUB MAGAZINE

SITES DIRECTORY

TOWCAR OF THE YEAR

NATIONAL RALLY

CARAVAN EUROPE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. SURPLUS ON ORDINARY ACTIVITIES

BEFORE TAXATION	2005 £000	2004 £000
This is stated after charging:		
Depreciation	6,819	6,124
Auditors' remuneration - audit	50	50
- other services	50	51

2. EXECUTIVE COMMITTEE

The members of the Executive Committee do not receive any remuneration for their services to the company or The Club.

3. STAFF

	2005 Number	2004 Number
The average number of employees during the year was 641 (2004 - 633) made up as follows:		
Membership services	128	124
Marketing	32	35
Central services	77	83
	237	242
Site wardens	404	391
	641	633

4. TAXATION

	2005 £000	2004 £000
(a) Analysis of charge in period		
Current tax:		
UK Corporation Tax on surplus of the period	1,045	1,137
Adjustments in respect of previous periods	(204)	(172)
	841	965
(b) Factors affecting tax charge for the period		
The Club is exempt from corporation tax on surpluses arising from services to its members which are mutual activities. Investment and other income is taxable. The difference between the current tax charge and the charge at 30% on the surplus on ordinary activities before taxation is explained below:		

	2005 £000	2004 £000
Surplus on ordinary activities before taxation	6,009	6,060
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 - 30%)	1,803	1,818
Effects of:		
Mutual income which is not taxable	(1,126)	(724)
Pension credits and contributions	368	43
Adjustments to tax charge in respect of previous periods	(204)	(172)
	841	965

5. TANGIBLE FIXED ASSETS

	Freehold land £000	Leasehold premises (short leasehold) £000	Freehold sites £000	Leasehold sites £000	Fixtures, fittings and equipment £000	Total £000
Cost						
At 1 January 2005	11,120	1,420	53,534	46,842	18,385	131,301
Additions during the year	645	4	3,284	3,367	1,478	8,778
Disposals	-	(5)	-	(375)	(73)	(453)
At 31 December 2005	11,765	1,419	56,818	49,834	19,790	139,626
Depreciation						
At 1 January 2005	-	906	23,821	26,332	12,731	63,790
Charge for the year	-	51	2,475	2,139	2,154	6,819
Adjustment for disposals	-	-	-	(341)	(71)	(412)
At 31 December 2005	-	957	26,296	28,130	14,814	70,197
Net book value						
Club sites	11,765	-	30,522	21,704	964	64,955
Other	-	462	-	-	4,012	4,474
At 31 December 2005	11,765	462	30,522	21,704	4,976	69,429
Club sites	11,120	-	29,713	20,510	1,181	62,524
Other	-	514	-	-	4,473	4,987
At 31 December 2004	11,120	514	29,713	20,510	5,654	67,511

Included in the net book value of leasehold sites is an amount of £3,596,000 (2004 - £3,287,000) in respect of leases with more than 50 years to run. The cost of these sites is £5,969,000 (2004 - £5,966,000).

6. FIXED ASSET INVESTMENTS

Cost and book value	£000	
At 1 January 2005 and 31 December 2005	-	
	% of ordinary shares held	Principal activity
The Caravan Club of Great Britain and Ireland (1935) Limited	100%	Dormant
Touring Club of Great Britain and Ireland Limited	100%	Dormant
Touring Club of Europe Limited	100%	Dormant

7. STOCK

	2005 £000	2004 £000
Equipment held for sale	317	191
Equipment held by Centres	60	59
	377	250

8. DEBTORS

	2005 £000	2004 £000
Prepayments and accrued income	2,590	2,716
Other debtors	2,595	3,714
	5,185	6,430

The Caravan Club Holiday Trust Fund, established by The Club in accordance with the Package Travel, Package Holidays and Package Tours Regulations 1992, held funds in trust totalling £2,001,000 (2004 - £3,501,000) at the year end.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £000	2004 £000
Current corporation tax	615	712
Other taxes and social security costs	198	81
Other creditors	1,607	726
Accruals and deferred income	8,761	6,225
Subscriptions taken in advance	4,401	4,118
	15,582	11,862

10. SHARE CAPITAL

The authorised, allotted and fully paid share capital, which has remained unchanged throughout the year, is 100 shares of £1 each.

11. RESERVES

	Share premium account £000	Sites investment reserve £000	Revenue account £000	Total £000
Balance at 1 January 2005 (as restated)	18	65,000	17,447	82,465
Surplus for the year after taxation	-	-	5,168	5,168
Actuarial deficit on retirement benefit assets and liabilities	-	-	(725)	(725)
Transfer from revenue surplus to sites investment reserve	-	3,000	(3,000)	-
Balance at 31 December 2005	18	68,000	18,890	86,908
Other: Regions, Divisions and Centres	-	-	900	900
Balance at 31 December 2005	18	68,000	19,790	87,808
The Revenue account consists of:			£000	
Revenue reserves before pension liability			30,373	
Pension liability			(10,583)	
			19,790	

12. RECONCILIATION OF MOVEMENT ON CAPITAL AND RESERVES

	2005 £000	2004 as restated £000
Surplus for the year after taxation	5,168	5,095
Actuarial deficit on retirement benefit assets and liabilities	(725)	(2,923)
Net surplus of Regions, Divisions and Centres	21	20
Capital and reserves at 1 January 2005	83,344	81,152
Capital and reserves at 31 December 2005	87,808	83,344
Being:		
Caravan Club	82,465	80,293
Regions, Divisions and Centres	879	859
Capital and reserves at 1 January 2005	83,344	81,152
Caravan Club	86,908	82,465
Regions, Divisions and Centres	900	879
Capital and reserves at 31 December 2005	87,808	83,344

13. COMMITMENTS CAPITAL

	2005 £000	2004 as restated £000
Contracted for but not provided in the financial statements	9,034	5,849

REVENUE

	2005 £000	2004 £000
Annual commitments under non-cancellable operating leases (all in respect of land and buildings) Leases expiring: After more than 5 years	450	450
The charges for the year for operating leases included in the revenue account are:		
Plant and machinery	110	106
Other operating leases	450	450

14. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £000	2004 £000
Operating surplus - Club	4,562	4,642
- Regions, Divisions and Centres	21	20
Net retirement benefit charge	998	31
Depreciation charges	6,819	6,144
Surplus on sale of fixed assets	(1)	(112)
(Increase)/decrease in stocks	(127)	2
Decrease/(increase) in debtors	1,043	(411)
Increase in creditors	3,473	28

NET CASH INFLOW FROM OPERATING ACTIVITIES

	16,788	10,344
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15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2005 £000	2004 £000
(Decrease)/increase in cash in the year	(766)	1,506
Cash inflow from increase in short-term deposit (net)	10,104	2,459
Change in funds	9,338	3,965
Funds at 1 January 2005	29,644	25,679
Funds at 31 December 2005	38,982	29,644

16. ANALYSIS OF CHANGES IN FUNDS

	At 1 January 2005 £000	Cash flows £000	At 31 December 2005 £000
Cash in hand and at bank	2,028	(766)	1,262
Short-term deposits maturing in more than one day	27,616	10,104	37,720
	29,644	9,338	38,982



NOTES TO THE FINANCIAL STATEMENTS continued

17. PENSION SCHEME

The Club operates a pension scheme providing benefits based on final pensionable pay. In addition to The Club's contributions and employee contributions, employees may make additional voluntary contributions. The assets of the scheme are held separately from those of The Club by the investment managers appointed by the Pension Scheme trustees.

Contributions to the scheme are made on the advice of an independent qualified actuary using the projected unit method. The latest full actuarial assessment was at 1 January 2005.

The full valuation of 1 January 2005 was brought forward and adjusted by the actuary at 31 December 2005. When updating the valuation, the major assumptions used by the actuary were:

	At 31 December 2005 %	At 31 December 2004 %
Rate of increase in salaries	4.2	4.75
Rate of increase in pensions in payment	2.7	2.8
Discount rate	4.7	5.2
Inflation assumption	2.7	2.8

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31 December 2005 %	Value at 31 December 2005 £ million	Long-term rate of return expected at 31 December 2004 %	Value at 31 December 2004 £ million
Equities	7.1	12.1	7.6	9.7
Bonds	4.4	1.4	4.8	1.3
Other	4.4	0.8	4.8	0.4
Total market value of assets		14.3		11.4
Present value of scheme liabilities		(24.9)		(20.0)
Net pension liability		(10.6)		(8.6)

	2005 £000	2004 £000
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THE AMOUNTS CHARGED TO OPERATING PROFIT WERE:

Current service cost	2,370	1,806
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THE AMOUNTS CHARGED TO OTHER FINANCE COSTS WERE:

Expected return on scheme assets	833	785
Interest on scheme liabilities	(1,040)	(872)
Net return	(207)	(87)

AMOUNTS RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES WERE:

Actual return less expected return on scheme assets	1,652	82
Experience (losses)/gains on the scheme liabilities	(48)	504
Change in assumptions underlying the present value of scheme liabilities	(2,329)	(3,509)
Actuarial loss recognised	(725)	(2,923)

THE MOVEMENTS IN THE SCHEME DEFICIT WERE:

Deficit at 1 January 2005	(8,629)	(5,564)
Movement in year:		
Current service cost	(2,370)	(1,806)
Contributions	1,348	1,751
Net return from other finance income	(207)	(87)
Actuarial loss	(725)	(2,923)
Deficit at 31 December 2005	(10,583)	(8,629)

HISTORY OF EXPERIENCE GAINS AND LOSSES:

Difference between the actual and expected return on assets	1,652	82
As % of scheme assets	12%	1%
Experience (losses)/gains on liabilities	(48)	504
As % of liabilities	0.2%	3%
Total amount recognised in the statement of total recognised gains and losses	(725)	(2,923)
As % of liabilities	3%	15%

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CARAVAN CLUB LIMITED

We have audited the financial statements of The Caravan Club Limited for the year ended 31 December 2005 which comprise the Revenue Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. These financial statements have been prepared under the historical cost convention, and under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice').

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion, the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DIXON WILSON
Chartered Accountants and Registered Auditors
Rotherwick House
3 Thomas More Street
London E1W 1YX
15 September 2006