



The Annual Members' Meeting (AMM) of The Caravan Club will be held at 1.30pm on Saturday, 18 October 2008 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE (opposite Westminster Abbey).

T A Watson
Director General
 21 August 2008

All Full, Joint and Family Members are entitled to attend and vote. Any Member so entitled may appoint a proxy, who need not be a member, to attend and vote in his or her place. 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 (Blue 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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| <p>1. Minutes of the Annual Members' Meeting held on 20 October 2007 (see pages 95 to 99).</p> <p>2. Chairman's Annual Report.</p> <p>3. Financial Report (see p100-106) presented by the Hon Treasurer.</p> <p>4. Director General's Report.</p> <p>5. Re-election of President for a one-year term – Viscount Coke. Bye-Law 4a(1).</p> <p>6. Re-election of Vice-President for a three-year term – Lord Cadman. Bye-Law 4a(2).</p> <p>7. Selection of Chairman – Mr G J Chamberlain* retires, but has been nominated for re-selection for a one-year term. Bye-Law 4b(3).</p> <p>8. Selection of one Vice-Chairman – Mrs J I Moore* retires in rotation but has been nominated for re-selection for a</p> | <p>one-year term. Bye-Law 4b(3).</p> <p>9. Selection of Hon Treasurer – Mr J D Bence* retires but has been nominated for re-selection for a one-year term. Bye-Law 4b(3).</p> <p>10. Selection of two members of the Executive Committee – Mr B R Gibson* retires by rotation but has been nominated for re-selection for a three-year term. Mr R N P Lambert* has been nominated for selection for a three-year term. Bye-Law 4b(3).</p> <p>11. Approval of up to 20 members to serve on the Council under Bye-Law 5(b)(4) – the Executive Committee wishes to submit the following for approval: David Amess MP; Robert Black, immediate past Chairman; Neil Cairns, retired Chartered Engineer; George Davey, retired Civil Servant; Reg</p> | <p>Dean, retired Marketing Director ABI Caravans; Nick Haynes, serving Policeman; Morgan Hinder, Manager, Motor Dealership Service Department; Martin Howitt, Managing Director, Manufacturing Company; Eric Illsley MP; Peter Johnson, Managing Director, Health & Safety Consultancy; John Lefley, retired Marketing Director, Volvo; Terry O'Neill, retired Director, Motor Industry; Heddwyn Owen, Agricultural Consultant; Derek Preedy, Chairman of Glass Company; Ray Radford, retired Commander in the Metropolitan Police; Steph Roberts, The Club Chaplain.</p> <p>12. Any other notified business.</p> |
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*See biographical notes on page 96

MINUTES OF THE ANNUAL MEMBERS' MEETING OF THE CARAVAN CLUB LTD
 HELD AT THE QUEEN ELIZABETH II CONFERENCE CENTRE, LONDON SW1P 3EE
 ON 20 OCTOBER 2007 AT 1.30PM

PRESENT: Viscount Coke (President), Lord Wise and Lord Cadman (Vice Presidents), Mr R G W Black (Chairman), Mr E O Holt, Mr G J Chamberlain and Mr WR Girven (Vice Chairmen), Mr J D Bence (Hon Treasurer) and 212 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 Viscount Coke, Lord Wise and Lord Cadman.

The Chairman explained the sequence of events to be followed for the meeting and also, by means of a recorded audio briefing, the procedures to be followed in the event of an emergency.

MINUTES: The Minutes of the Annual Members' Meeting held on 21 October 2006 were agreed and signed.

CHAIRMAN'S ANNUAL REPORT: The Chairman gave his Annual Report, a report of which was to be published in the December 2007 issue of *The Caravan Club Magazine*. His report focussed on the events of 2006 but also dealt with aspects of The Club's Centenary year in 2007 and, looking forward, to 2008. He reminded the meeting that he had delivered his first report in October 1991 and he was delighted to say that what was said in his first report held true in this, his last, with regard to record levels of membership, increased business levels and positive PR coverage. Many other aspects of that first report would also be repeated in his last.

In 2006, the touring caravan market had been steady, with 3% growth reported in the motor caravan market. Modest growth was predicted for 2007. Against that background, 57,000 new members had been recruited, with the website being the biggest channel of recruitment; a huge change from 1990, he remarked. Membership retention was above target for 2006, despite an increase in the level of subscription fee. The *Explore Britain and Ireland* booklet highlighted the benefits of membership to all members. It contained 550 offers for attractions across Britain and Ireland, generating over £200,000 of savings to members.

Recalling the highlights of 2006, the Chairman said that the new Club stand for major exhibitions made its debut at the new NEC show in October, to very positive reviews from members. The lounge area, provided at all major shows in 2006, also attracted positive feedback. The Club's Pet Insurance was relaunched in July 2006, adding to the portfolio of insurance products and it had generated a steady stream of enquiries and new policies. Research on car electronic stability control systems, carried out by the University of Bath in 2006, was published earlier in 2007, providing valuable new advice for members.

Downloads of technical advice from the website continued to rise enormously but the level of telephone calls had declined only slightly. This illustrated how traditional delivery and contact methods had to be maintained when new technologies were

introduced in order to meet the needs of all members. The *Club Magazine* continued to thrive, with growing advertising revenue, bigger issues and greater circulation. The first full-colour *Sites Directory & Handbook* was produced in January 2007 and with better quality paper it could be bigger in content but physically thinner.

2006 was a very successful year for the sites network, with above-average occupancy and the addition of four new sites. Trials of email marketing, in advance of the Centenary year, were well received, which enabled a strategic campaign to be planned and established for 2007. The growth in membership placed significant pressure on pitch availability and, recognising that new sites could not be instantly created, a greater focus was placed on the CL network. Existing CLs were invited to upgrade their website entry and over 300 CLs took advantage of the offer. Meetings were held with Affiliated Site owners and new Affiliated Sites had been identified. Additionally, strong efforts had been made to

“The growth of Centre registration continued unabated through 2006 and 2007 to reach a total of approaching 49,000, the highest number for 15 years.”

introduce rallying to members who had not experienced the activity. This, and the CL initiative had boosted the number of members using both services.

At this point, Mr Black, in advance of his wider report on Centenary activities, drew attention to the enormous success of the rallies operated by East and West Surrey, Bedfordshire, Berkshire and Hertfordshire, in support of the Royal Garden Party. Over 2000 members, most new to rallying, used one of these rallies as their base and he singled out Ken and Ann Sumpter, Phil and Sue Batchelor, David and Joyce Grover and Caroline and Tom Gilks for praise and congratulations. Maintaining the Centre theme, Mr Black reported that the growth of Centre registration continued unabated through 2006 and 2007 to reach a total of approaching 49,000, the highest number for 15 years.

The 'Biodiversity' initiative was launched in 2006, covering an initial 23 sites. The initiative would spread to other sites on the network, making members and the general public aware of the good environmental practice adopted by The Club on its sites. Regarding general awareness, 2006 saw record-breaking levels of coverage for The Club in all forms of national and regional media. The first-ever caravanning podcast was recorded to pre-publicise the October NEC Show. At that show, the PR and Insurance and Financial Services departments joined forces to organise a Police Conference, *Fighting Caravan Crime*, which was attended by over 350 police officers. Mr Black was

pleased to report that the significant decrease in caravan theft in the year was influenced by the work conducted by the industry and government bodies, all of which were highlighted in The Club's initiative. He added that since 2006 members have been able to obtain 5Cs insurance online.

E-commerce remained a vital new tool for The Club, with 45% of all member households registered to use the 'members only' area of the website, which was an increase of 60,000 over the previous year. The 'ask a question' service was widely used, with only 5% of enquiries requiring follow-up action.

Staff training was a continuing priority in order to ensure the delivery of the highest levels of member service. In March 2006 The Club held a major Wardens' Conference, based at the Ferry Meadows Club site and using the East of England Showground. The wide-ranging training and information sessions were attended by several hundred site staff.

Remaining with staff matters the Chairman informed members that Mrs Trish Robson, the

Head of Membership Services Operations, would shortly retire. Mrs Robson joined the staff in 1989 and she was instrumental in establishing both the department and the contact centre, which she had managed throughout. Members expressed their appreciation and best wishes for her retirement. On a sadder note, Mr Black reflected upon the tragic loss of Mr Mike Rogers, a member of the Executive Committee. Mr Rogers had, for many years, been a senior partner at Dixon Wilson, The Club auditors, and he died very suddenly in March 2007 at the age of 60.

Regarding legislative matters, Mr Black referred to the adoption of the EU 3rd Driving Licence Directive. Some provisions of the Directive, which were in the process of

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

national implementation, were relevant to Club members and one was reflected in the proposed Bye-Law amendment concerning the minimum age of membership. The Club's Parliamentary Advisors were warmly thanked for their continued valuable support.

Turning to the timing of his retirement, Mr Black said that he had carefully chosen The Club's Centenary year to step down as Club Chairman. The Club had decided to make 2007 a full year of celebration, with a varied series of events to mark the Centenary, not all of which could be contained within the 12 months. The first event was the 2007 Towcar of the Year, held in September 2006 and the last was planned at the new Club site at Bransgore, New Forest, where The Club time capsule would be buried in 2008. The Chairman noted that The Club was rarely out of the news in 2007 and he described the list of Centenary events which had captured the public imagination. The highlights were: the National Rally at Blenheim Palace, the Centenary Ball, the Birthday celebrations on Club sites, the Royal Garden Party and the Centenary Banquet.

In conclusion, Mr Black offered his heartfelt thanks to all Club members and to all Club staff involved in any of the stunningly successful Centenary celebrations.

The Chairman's report was adopted.

FINANCIAL REPORT: The Honorary Treasurer began his report on the financial year ending 31 December 2006 by informing members of

continuing positive financial news, recording a satisfactory result for the year. The steady growth in member numbers had continued, with membership reaching 359,700 families by the end of 2006, representing nearly 1,000,000 caravanners, motor caravanners and trailer tenters. Increased use of Club services and facilities had increased Club revenue by £6,097,000 to £90,215,000.

Referring to the previous year's report, he reminded members that the regulatory changes in the way pension costs are reported in the accounts would tend to increase the volatility of the reported surplus, thus clouding the underlying results of The Club. This was what had happened in 2006. The underlying surplus, before tax, had increased by £252,000 over the previous year. However, after the application of the pension accounting changes, the reported surplus between 2005 and 2006 was £2,226,000. Therefore, the impact of the pension accounting changes had been to produce an increase in the surplus of £1,964,000 between the two years. The achieved surplus was essential to enable the provision of additional pitches on the sites network and, to that end, The Club had invested £12.6 million of capital expenditure on the network during 2006.

Three sites had opened: Burrs Country Park, Seacroft (Cromer) and Grafham Water. A further £2,915,000 would be spent on the opening of three other sites in either 2007 or 2008: Poolsbrook Country Park, The Firs and Bransgore in the New Forest. This significant

investment represented a positive response to membership demand for pitches in the preferred locations. Mr Bence added that 14 major site improvements had been completed during the year and a further 13 major schemes had started over the winter period. The Club's commitment to quality had been confirmed by recent grading inspections by Enjoy England, in which nearly 90% of Club sites had been awarded four or five stars.

Turning to the main activities of The Club: **CLUB SITES:** Club sites revenue grew by £3,157,000 to £30,224,000. Cost increases, outside Club control, such as the national minimum wage and utility costs, continued to drive up the cost of operating the network, leading to an overall growth in sites costs of £3,303,000. As a consequence, the sites network recorded a surplus of £156,000, compared with £302,000 for the previous year.

MEMBERSHIP: Membership subscriptions revenue was £10,535,000, an increase of £633,000 on the previous year. The increase was due to a combination of an increase in the number of member families and a £2 rise in subscription to £34.

INSURANCE: The benefit to members buying Club insurance products had remained positive and was reflected in the increase in generated revenue of £2,688,000 to £32,151,000, making a major contribution to The Club's surplus in 2006 of £6,380,000.

TRAVEL SERVICE: Travel booking numbers in 2006 were stronger than for the previous year, but fierce price competition between the ferry



operators reduced the average value of each booking by 12.7%. As a result, revenue decreased by £539,000 to £14,444,000. Mr Bence reminded members that the Travel Service continued to be a very valuable service to members. It operated in a very competitive market and although some growth in volumes was evident in 2007, the average value of each booking remained flat.

MARKETING: The Club continued its policy of maintaining a high national profile in order to promote the role of caravanning in the community. Accordingly, investment in Marketing had increased by £424,000 to

£4,009,000 in 2006. Expenditure covered advertising, exhibitions, market research, promotions, public relations and the website. Marketing initiatives during 2006 included the commissioning and fabrication of the winning design of the Caravan of the Future competition, as part of the build-up for The Club's Centenary year. Preparation for the Centenary also included the launch of a new Club logo. The Club continued its sponsorship of the Enjoy England Excellence Awards and launched a complete redesign of The Club website. Besides being well-received by members, the new website had recently been

awarded the accolade of Top Tour Operator Website out of 1400 travel industry websites in the annual Travel Mole competition. **MAGAZINE:** The circulation of The Club Magazine continued to grow with membership. Circulation exceeded all other caravan magazines combined and it was extremely attractive to advertisers. Advertising income increased by £58,000 to £2,368,000, while costs increased by £103,000 to £3,433,000 due to increased paper, printing and postage costs. The net cost of providing the magazine to members increased by £45,000 to £1,065,000 for the year, representing an increase in net cost

BIOGRAPHICAL NOTES ON MEMBERS NOMINATED FOR OFFICE AND COMMITTEE

CHAIRMAN (Agenda Item 7)

Mr G J Chamberlain has been proposed by Mr J D Bence and seconded by Professor C Milner. Mr Chamberlain is the General Manager of Cecil Instruments Ltd, designers and manufacturers of high quality scientific instruments. He has been a member of The Club for 27 years. Mr Chamberlain served as Hon Treasurer of the Mid-Anglia Centre from 1982-86, Centre Chairman from 1986-89 and Hon Secretary from 1989-93. He represented the Centre on Club Council from 1983 until becoming a Nominated Member of Council and was subsequently co-opted to the Executive Committee in 1993 and became

Vice Chairman in 1995, a post he relinquished upon being elected Club Chairman in October 2007. Mr Chamberlain has also served on the Grants Committee, Finance and Management Sub-Committee and was Chairman of the Sites Sub-Committee. With his wife and children, he has attended many national and local Club events and now enjoys introducing his grandchildren to the world of caravanning.

VICE-CHAIRMAN (Agenda Item 8)

Mrs J I Moore has been proposed by Mr W R Girven and seconded by Mr B R Gibson. Mrs Moore has been very involved in Club

activities since joining in 1981. Between 1986 and 1997 Mrs Moore was the Centre Secretary for the East Dorset Centre, Centre representative to The Club Council and also served as Wessex Rally Minute Secretary for several years.

In 1996 Mrs Moore became a Nominated member of The Club Council and subsequently served on the Grants Committee between 1998 and 2000, followed by the Sites Committee from September 2000 until September 2003. From September 2003 Mrs Moore has served on the Finance and Management Committee. She joined the Executive Committee in October 2007.

She caravans with her husband Darrill and two well behaved Labradors and has enjoyed all the experiences of caravanning with their children and look forward to bringing grandchildren with them.

HON TREASURER (Agenda Item 10)

Mr J D Bence, FInstPkg, has been proposed by Mr J A Miller and seconded by Mr R N P Lambert. 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 43 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 23 years. His particular caravanning interest lies in Club Sites. He is a keen Solent sailor and is Past Commodore of the Royal Lymington Yacht Club and a member of the Royal Thames Yacht Club and the Lymington Town Sailing Club. Mr Bence is also Chairman of the Lymington Harbour Advisory Group and a member of the Council of The Institute of Materials, Minerals and Mining.

ELECTED MEMBER OF THE EXECUTIVE COMMITTEE TO BE SELECTED FOR A THREE YEAR PERIOD (Agenda Item 11)

Mr R N P Lambert has been proposed by Mrs J I Moore and seconded by Mr E O Holt. Mr Lambert is a retired civil servant who was employed by the General Post Office and later British Telecom. He has been a member of the Caravan Club for 37 years. Mr Lambert served on the Buckinghamshire Centre Committee from 1976 until 1996, holding the positions of Committee member, Hon. Rally Secretary, Hon. Secretary, Vice Chairman and Chairman. During this period he represented the Centre for 10 years on the Club Council. In 1995, Mr Lambert joined the Grants Sub-Committee and has served there to the present time. In 1997 he was elected to the Northern Home Counties Region Council, as Hon. Secretary and served in that position until 2007. At the 2007 AMM he was selected as a Nominated member of the Club Council, and then co-opted to the Executive Committee, where he was elected Chairman of the Events Sub-Committee. With his wife, he has caravanned throughout the UK attending over half of the Club's sites and many rallies as well as

most of the Caravan Club National Rallies since 1977, also further caravanning experiences in Europe, making use of the Club's foreign touring services. Mr Lambert retains a keen interest in historic pre-war MG sports cars and enjoys photography.

ELECTED MEMBER OF THE EXECUTIVE COMMITTEE TO BE SELECTED FOR A ONE-YEAR PERIOD (Agenda Item 11)

Mr B R Gibson has been proposed by Mr M Groves and seconded by Mr J D Bence. He is a former Managing Director of a Stockbroking Company and a past Chairman of the South West Advisory Group of The London Stock Exchange. In 2001, together with his wife, Mr Gibson purchased and operated a touring caravan site in France, working closely with The Club as a nominated site until selling the business in 2006. He was a member of the Sites Sub-Committee from 2006 to 2008 and currently serves on the Finance and Management Sub-Committee and the Executive Committee of The Club. Mr Gibson is a keen caravanner and now motor caravan owner and has caravanned extensively throughout the UK and in Europe during his 18 years as a Club member.

G J CHAMBERLAIN



J I MOORE



J D BENCE



R N LAMBERT



B GIBSON



“The Club should not treat its Centenary year as a pinnacle of achievement. The Club would build on its successes”

per copy per member, to 25p, which was still excellent value for money.
EVENTS: The National Rally in 2006 was held at Tatton Park. The Events department also organised the prestigious Towcar of the Year competition, the Design and Drive Awards and the Lightweight Leisure Trailer Awards. The net cost of all of these activities increased by £6000 to £459,000.
BALANCE SHEET: The results for 2006 strengthened the Balance Sheet by £7,200,000 to a net worth, at year end, of £95,000,000. The strength of the Balance Sheet was underpinned by the value of The Club's fixed assets and its investments. At year end, the fixed assets, which mainly comprised The Club's excellent site facilities enjoyed by members, stood at £76,000,000. Investments stood at £38,900,000 and net liabilities totalled £19,900,000. Mr Bence emphasised that this meant that The Club had the financial resources to fully support the interests of members. It allowed The Club to grasp opportunities, such as the acquisition of new

sites, speedily and effectively as they became available. At the same time The Club was able to withstand any downturn or other adverse circumstances that it might encounter.
 Before completing his review of 2006 The Treasurer congratulated the Divisions, Regions and Centres for their generosity in raising £61,000 for charitable causes during the year. He also congratulated Club members for their generosity in raising £10,000 for the MacMillan cancer support charity at the Centenary Ball, held at the Grosvenor House Hotel in June 2007. The raffle prize at that splendid event was a Swift Challenger caravan, most kindly donated by the Swift Group.
 Turning to the current Centenary year, Mr Bence reported that The Club had continued to build on previous financial successes. The Club was managing to retain the loyalty of existing members and to provide products and services that they appreciated and continued to purchase. The Club had held a series of special events during the year, which had been covered by the Chairman. From a financial perspective,

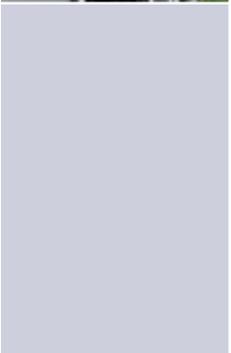
after absorbing the one-off costs associated with the Centenary year and some additional costs associated with a major upgrade of Club computer systems, Mr Bence anticipated a slight decline from current levels of surplus in 2007, which should nevertheless be a further successful year in financial terms. However, the Executive Committee were, once again, in the fortunate position, as a result of the strong balance sheet, to be able to approve the highest-ever capital expenditure budget of £20,000,000 to acquire additional sites, to enhance the sites network and to improve the IT infrastructure, thus continuing to provide additional and improved facilities and services for members in the current and forthcoming years. He reminded members that all this was achieved without recourse to loans, mortgages or pledges on The Club's assets.
 Mr Bence paid tribute to The Club Chairman, Mr Black, who was standing down at this meeting. He had worked with Bob Black for 19 years, sharing experiences and decisions relating to The Club. He thanked Mr Black for his guidance and support and wished him well.
 Mr Bence referred to the untimely death of Mr Mike Rogers. He had known Mr Rogers for 24 years, mostly as The Club Auditor, but also as a friend. Mr Rogers had joined the Finance and Management Sub-Committee, where he immediately became a valued member, whose advice, especially on pension matters and taxation would be sorely missed.
 He also paid tribute to Mr Keith Hilton, who was standing down from the Finance and Management Sub-Committee, at its next planned meeting, after many years of contribution. He had brought humour to meetings as well as sound advice. He would be missed and the Honorary Treasurer wished him well.
 Mr Bence concluded by thanking his colleagues on the Finance and Management sub-Committee for their hard work and support during the year. He also thanked his fellow members of the Executive Committee for their continued help and guidance. Finally, he thanked Club staff for their contribution to The Club's success.

The Treasurer's report was adopted.
DIRECTOR GENERAL'S REPORT: Mr Watson introduced his report by referring to the imminent retirement of Mrs Trish Robson, which was announced by The Chairman, and by introducing Mrs Robson's replacement as Head of Membership Services Operations: Mrs Jacqui Dominy.
 Mr Watson recalled that in 2002, with the launch of the 'Investors in the Country' campaign, he stated that in 2007 we would all look back to measure the campaign's success. The aim had been to raise the public awareness of touring caravanning as a leading contributor to domestic tourism and to the rural economy. He believed that the aim had been achieved, supporting his belief by citing a host of celebrities who were very willing to be publicly associated with The Club and with touring caravanning.
 He also believed that The Club should not treat its Centenary year as a pinnacle of

achievement. The Club would build on its successes, raising its profile to higher and higher levels.
 Mr Watson paid tribute to the retiring Club Chairman. Since becoming the Director General, in 1995, he had known only one Chairman. Mr Black had always offered him complete support and had displayed total and undiluted passion and commitment to The Club. He had always focussed on what was good for The Club, as a members' club, and not always upon what would be financially successful. In doing this he had maintained a careful balance of driving The Club forward while protecting its ethos. For this, and for all his support and guidance, Mr Watson thanked Mr Black and wished him well. With this Mr Watson concluded his report.
 The Director General's report was adopted.
RE-ELECTION OF PRESIDENT: The Right Honourable Viscount Coke was re-elected President, for a further year, by acclaim.
RE-ELECTION OF VICE PRESIDENT: The Right Honourable Lord Wise was re-elected Vice President, for a three-year period, by acclaim.
SELECTION OF CHAIRMAN: Mr R G W Black announced that Mr G J Chamberlain was the sole candidate and the meeting approved, without dissent, his selection.
 In keeping with tradition and custom, Mr Black remained as Chairman of the meeting until its conclusion.
SELECTION OF VICE CHAIRMAN: Mr E O Holt was re-elected, without dissent, to be a Vice Chairman for a one-year period.
SELECTION OF VICE CHAIRMAN: Professor C Milner was selected, without dissent, to be a Vice Chairman for a three-year period.
SELECTION OF HONORARY TREASURER: Mr J D Bence was re-elected, without dissent, to be the Honorary Treasurer.
Mr J K Hilton: Before seeking the selection of members of the Executive Committee, the Chairman drew members' attention to the retirement of Mr Keith Hilton. Mr Hilton had joined the Executive Committee in 1992 and had served with distinction on The Club's governing body, as well as being a member of the Finance and Management sub-Committee. On behalf of all of Mr Hilton's colleagues, the Chairman thanked him for his wise counsel and comradeship. He also thanked Mrs Hilton for the freely-given time and the commitment displayed over many years. He presented Hilda Hilton with a bouquet of flowers.
SELECTION OF THREE MEMBERS OF THE EXECUTIVE COMMITTEE: Mr W H Martin was re-elected and Mr C Macgowan was selected, without dissent, to be members of the Executive Committee, each for a three-year period. Mr B R Gibson was selected to be a member of the Executive Committee for a one-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 C G Davey, Mr R A D Dean, Mr N S Haynes, Mr M G Hinder, Mr M G Howitt, Mr E Illsley MP, Mr R N P Lambert, Mr P Johnson, Mr T J

O'Neill, Mr H Owen JP, Mr D S Preedy, Mr R M W Radford, The Rev Canon R S J Roberts.
APPROVAL OF AN AMENDMENT TO CLUB BYE-LAWS: The reasons for the proposed amendment of Club Bye-Laws had been published, in the October issue of the *Club Magazine*. The Club Council had considered it at the planned meeting in May 2007 and had approved that it be brought to the Annual Members' Meeting for approval. The meeting, without dissent, approved an amendment to The Bye-Laws, raising the minimum age of membership from 17 to 18 years.
OTHER BUSINESS: Mr Preedy recalled his thanks to the Magazine Editor for the excellent coverage given to Regionally-promoted Events in The *Club Magazine* during 2006. He regretted that he was not able to report good coverage during 2007. The separation of Regionally-promoted Events from The Centre Diary was a success and Mr Preedy urged that the separation continued. Mr Lomas, the Director of Marketing reminded Mr Preedy and members that the *Club Magazine*, as had been mentioned earlier in the meeting, had promoted a variety of Events during the Centenary year, including those associated with the Garden Party. The *Club Magazine* catered for a huge range of tastes in what was the 'broad church' of Club membership, all of which were treated without favour. He added that the Publications team were planning enlarged coverage of Events and Centre activities, which would be presented to The Club Council in January 2008.
 Mr Hinder offered, on behalf of the floor, his sincere thanks to Mr Black for the success of his chairmanship. He was followed by Mrs Carroll and Mr Clarke who offered similar thanks. The floor stood and gave Mr Black a lengthy standing ovation.
 In response, Mr Black thanked everybody who had made his 17 years as Chairman such an enjoyable experience. He reviewed his 23 years as a member of the Executive Committee and recalled the personalities who had guided, supported and prepared him for the position of

Chairman. He made especial mention of Mr A K Dolton, the immediate Past Chairman.
 Mr Black paid tribute to the dedication and commitment shown by his wife, Jeanette, throughout his period of office. He thanked and praised Club staff, his colleagues on the Executive Committee and all Club members, especially those who had attended the meeting. There followed another lengthy standing ovation.
 Mr Black gave the floor to Mr Chamberlain, who began by thanking members for their trust and support expressed in their selection of him to succeed Mr Black as Club Chairman.
 Mr Chamberlain delivered a moving valedictory address for the retiring Chairman. He traced Mr Black's Club membership, which spanned over 40 years, the huge distances travelled while representing The Club, both nationally and internationally with the FICC and the long list of his achievements. Under Mr Black's leadership, investment in the Sites network and Club turnover had both trebled. Within The Club, the establishment of the Regional structure was a major success.
 The public profile of The Club had been raised out of all recognition and its reputation enhanced, especially as a champion for domestic tourism and supporter of rural economies. Major events, such as the 1999 FICC rally, the Millennium celebrations and, of course, the Centenary celebrations all benefitted directly from his leadership. It was a mark of the man that his much-deserved award of the MBE in 2003 was always referred to, by him, as an award for The Club.
 Mr Chamberlain informed members that it was the Executive Committee's wish that Mr and Mrs Black become Honorary Life Members of The Club and, accordingly and with much pleasure, he made the award and presented Mrs Black with a bouquet of flowers. Mr Black expressed his thanks for the honour.
 The Chairman thanked the President, Vice Presidents and the Honorary Life Members for their support and attendance. He thanked the organising staff and the microphone ladies and closed the meeting at 2.56 pm.



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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 2007.

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 during the year and its income from subscriptions, products and services to members has grown by 5.8% to £95.4m. The Executive Committee is confident that the Club will continue its progress and improve the service offered to members.

RESULTS FOR THE YEAR: The surplus after taxation for the year amounts to £7,158,000 (2006 – £7,166,000) which is added to the revenue surplus brought forward of £20,005,000 to leave an amount of £27,163,000 available for allocation to reserves. £6,000,000 has been transferred to the sites investment reserve with the remaining surplus, including the actuarial gain, of £25,043,000 being retained in the revenue account.

FINANCIAL INSTRUMENTS: The Club's principal financial instruments consist of financial assets and liabilities such as cash, trade creditors and other debtors. These arise directly from its operations.

- **Liquidity risk**
The Club manages its cash and term deposit balances to maximise interest income whilst maintaining sufficient liquid resources to meet the operating needs of the Club.
- **Interest rate risk**
The Club makes use of fixed rate term deposits to minimise short to medium term cashflow interest rate risk.
- **Credit risk**
Investments of cash surpluses are made through reputable Banks and Building Societies with suitably high credit ratings. Receivables are monitored on an ongoing

basis and provision is made for doubtful debts where necessary.

- **Foreign currency risk**
The principal foreign currency exposure arises from foreign currency cash balances and overseas operations.

EXECUTIVE COMMITTEE: The members of the Executive Committee who held office during the year and at 31 December 2007 were: G J Chamberlain (Chairman); R G W Black MBE (resigned 20 October 2007); J D Bence (Hon Treasurer); R H Devitt; B R Gibson (appointed 20 October 2007); W R Girven; M Groves; J K Hilton (resigned 20 October 2007); E O Holt; R N P Lambert (appointed 20 October 2007); C J Macgowan (appointed 20 October 2007); W H Martin; J A Miller; C Milner; J I Moore (appointed 20 October 2007); J E Page (appointed 26 March 2007); T M Rogers (deceased 20 March 2007); J R Turner (appointed 26 March 2007).

The following members are retiring at the forthcoming annual members meeting: G J Chamberlain (Chairman), J D Bence (Hon Treasurer), E O Holt (Vice chairman), B R Gibson, J A Miller.

CHARITABLE DONATIONS: Charitable donations amounted to £35,000 (2006 – £10,000).

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS: So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and he/she has taken all steps that he/she ought to have taken as director in order to make him/herself aware of any relevant audit information and has established that the company's auditors are aware of that information.

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,
21 July 2008

Year ended 31 December 2007	Note	2007 £000	2006 £000
INCOME		95,423	90,215
Operating expenses		(64,162)	(51,481)
GROSS SURPLUS		31,261	31,734
Administrative expenses		(25,163)	(25,293)
(Loss)/profit on disposal of fixed assets		(76)	7
OPERATING SURPLUS		6,022	6,448
Interest receivable and similar income		2,500	1,870
Other finance costs		(2)	(83)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		8,520	8,235
Tax on surplus on ordinary activities	4	(1,362)	(1,069)
SURPLUS FOR FINANCIAL YEAR AFTER TAXATION		7,158	7,166

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007 £000	2006 £000
Surplus for the financial year	7,158	7,166
Actuarial profit/(loss) on retirement benefits assets and liabilities	3,880	(51)
TOTAL RECOGNISED GAINS RELATING TO THE YEAR	11,038	7,115



BALANCE SHEET

At 31 December 2007	Note	2007 £000	2006 £000	Note	2007 £000	2006 £000
FIXED ASSETS						
Tangible assets	5	84,633	75,975	Brought forward	111,535	104,879
Investments	6	-	-	Retirement benefits liability	14	(5,514)
		84,633	75,975		106,021	94,967
CURRENT ASSETS				CAPITAL AND RESERVES		
Stock	7	431	378	Called up share capital	10	-
Debtors	8	6,450	5,400	Share premium account	11	18
Short-term deposits		35,128	37,926	Sites investment reserve	11	80,000
Bank balances and cash		3,301	797	Revenue account	11	26,003
		45,310	45,501		12	106,021
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(18,408)	(16,597)			94,967
NET CURRENT ASSETS		26,902	28,904			
TOTAL ASSETS LESS CURRENT LIABILITIES		111,535	104,879			
Carried forward		111,535	104,879			

The financial statements on pages 101 to 106 were approved by the Executive Committee on 21 July 2008 and were signed on its behalf by:- G J CHAMBERLAIN and J D BENCE

CASH FLOW STATEMENT

Year ended 31 December 2007	Note	2007 £000	2006 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	12,789	13,442
RETURNS ON INVESTMENTS			
Interest received		1,924	1,488
TAXATION			
UK corporation tax		(1,275)	(1,118)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(14,891)	(13,082)
Receipts from sale of tangible fixed assets		159	11
Net cash outflow from capital expenditure		(14,732)	(13,071)
MANAGEMENT OF LIQUID RESOURCES			
Cash taken off/(placed on) short term deposit (net)		3,798	(1,206)
INCREASE (DECREASE) IN CASH IN THE YEAR	16 & 17	2,504	(465)



ANALYSIS OF INCOME AND EXPENDITURE

Year ended 31 December 2007

	Income £000	Expenditure £000	2007 Net £000	Income £000	Expenditure £000	2006 net £000
CLUB SITES						
Site fees and other income	33,548	-		30,224	-	
<i>Less:</i>						
General site expenditure	-	25,645			23,581	
Salaries, office expenses and other general costs	-	6,602			6,487	
	33,548	32,247	1,301	30,224	30,068	156
MEMBERSHIP SERVICES						
Membership						
Club subscriptions	11,475	-		10,474	-	
Entrance fees	63	-		61	-	
<i>Less:</i>						
Salaries, office expenses and other general costs	-	2,715		-	2,556	
	11,538	2,715	8,823	10,535	2,556	7,979
Insurance Services						
Premium income	30,079	-		29,824	-	
Mayday	1,207	-		1,266	-	
Miscellaneous commission	1,020	-		1,061	-	
<i>Less:</i>						
Premiums payable to brokers	-	21,511	-		22,559	
Stationery and miscellaneous expenditure	-	979	-		820	
Salaries and office expenses	-	2,648	-		2,392	
	32,306	25,138	7,168	32,151	25,771	6,380
Travel Service						
Income from bookings	14,519	-		14,029	-	
Continental Sites Guide and other sales	365	-		415	-	
<i>Less:</i>						
Payments to ferry operators	-	6,721	-		6,323	
Other payments and direct expenditure	-	5,873	-		5,811	
Salaries and office expenses	-	3,220	-		2,740	
	14,884	15,814	(930)	14,444	14,874	(430)
MARKETING SERVICES						
Marketing						
Sale of Club merchandise	107	-		112	-	
General expenditure	-	2,066		-	2,517	
Salaries and office expenses	-	1,632		-	1,492	
	107	3,698	(3,591)	112	4,009	(3,897)
Publications						
(Sites Directory Handbook and Map)						
Salaries and office expenses	-	351		-	302	
	-	351	(351)	-	302	(302)
Club Magazine						
Advertising revenue and sales	2,426	-		2,368	-	
Cost of production and postage	-	3,307		-	3,067	
Salaries and office expenses	-	360		-	366	
	2,426	3,667	(1,241)	2,368	3,433	(1,065)
Carried forward	94,809	83,630	11,179	89,834	81,013	8,821

Brought forward

Events

	Income £000	Expenditure £000	2007 Net £000	Income £000	Expenditure £000	2006 net £000
National Caravan Rally	419	730			185	336
Practical Caravanning Courses	122	126			114	100
Towcar of the Year	-	46			-	36
Salaries, office expenses and other general costs	-	435			-	368
Sponsorship (net)	73	-			82	-
	614	1,337	(723)		381	840
						(459)

Technical and Information

	Income £000	Expenditure £000	2007 Net £000	Income £000	Expenditure £000	2006 net £000
Miscellaneous expenses	-	47			-	67
Salaries and office expenses	-	333			-	313
	-	380	(380)		-	380
						(380)

MISCELLANEOUS

	Income £000	Expenditure £000	2007 Net £000	Income £000	Expenditure £000	2006 net £000
Grants and services to Centres	-	173			-	163
Grants and services to Regions and Divisions	-	55			-	45
Annual Members, Council and Committee Meetings	-	253			-	218
Centenary Costs	-	1,440			-	285
Representations	-	251			-	232
Central office project costs	-	1,882			-	591
	-	4,054	(4,054)		-	1,534
						(1,534)

TOTALS OF INCOME AND EXPENDITURE

	Income £000	Expenditure £000	2007 Net £000	Income £000	Expenditure £000	2006 net £000
	95,423	89,401		90,215	83,767	
OPERATING SURPLUS			6,022			6,448

ACCOUNTING POLICIES

Year ended 31 December 2007

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 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. 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. Timing differences arising from the application of FRS 17 are not material as pension cost relates almost entirely to mutual income.

Pension scheme

The Club operates a final salary pension scheme which was closed to new entrants from 1 January 2006 and a defined contribution pension scheme for new employees joining after the final salary scheme closed to new entrants.

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are payable to the scheme.

The defined benefit pension scheme liabilities are measured using a projected unit method. The pension scheme assets are valued at market value. Any pension scheme deficit is recognised in full on the balance sheet. Any pension scheme surplus is recognised to the extent that it is recoverable.

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.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £000	2006 £000
This is stated after charging:		
Depreciation	7,686	6,668
Plant and machinery operating leases	89	89
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the company's accounts	50	50
- taxation services	37	36
- fees in respect of the audit of The Caravan Club Limited Retirement Benefit Scheme	9	8
	96	94
Operating lease charges	501	450

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

	2007 Number	2006 Number
The average number of employees during the year was made up as follows:		
Membership services	126	132
Marketing	34	34
Central services	81	73
	241	239
Site wardens	421	409
	662	648

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 2007	16,354	1,465	61,436	51,845	21,652	152,752
Additions during the year	2,650	452	7,224	3,918	2,412	16,656
Disposals	-	-	-	(427)	(1,134)	(1,561)
At 31 December 2007	19,004	1,917	68,660	55,336	22,930	167,847
Depreciation						
At 1 January 2007	-	1,010	28,898	30,294	16,575	76,777
Charge for the year	-	78	2,785	2,302	2,521	7,686
Adjustment for disposals	-	-	-	(369)	(880)	(1,249)
At 31 December 2007	-	1,088	31,683	32,227	18,216	83,214
Net book value						
Club sites	19,004	-	36,977	23,109	923	80,013
Other	-	829	-	-	3,791	4,620
At 31 December 2007	19,004	829	36,977	23,109	4,714	84,633
Club sites	16,354	-	32,538	21,551	1,065	71,508
Other	-	455	-	-	4,012	4,467
At 31 December 2006	16,354	455	32,538	21,551	5,077	75,975

Included in the net book value of leasehold sites is an amount of £6,263,000 (2006 - £5,220,000) in respect of leases with more than fifty years to run. The cost of these sites is £10,022,000 (2006 - £8,568,000).

4. TAXATION

	2007 £000	2006 £000
(a) Analysis of charge in period		
Current tax:		
UK Corporation Tax on surplus of the period	1,302	1,167
Adjustments in respect of previous periods	(60)	(98)
	1,362	1,069

(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:

	2007 £000	2006 £000
Surplus on ordinary activities before taxation	8,520	8,235
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	2,556	2,471
Effects of:		
Mutual income which is not taxable	(1,099)	(1,087)
Pension credits and contributions	(155)	(217)
Adjustments to tax charge in respect of previous periods	60	(98)
	1,362	1,069

6. FIXED ASSET INVESTMENTS

	% of ordinary shares held	Principal activity
Cost and book value		
At 1 January 2007 and 31 December 2007	-	-
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. STOCKS

	2007 £000	2006 £000
Stock held for sale	386	329
Stock held by Centres	45	49
	431	378

8. DEBTORS

	2007 £000	2006 £000
Prepayments and accrued income	4,271	3,194
Other debtors	2,179	2,206
	6,450	5,400

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £000	2006 £000
Current corporation tax	654	566
Other taxes and social security costs	606	209
Other creditors	2,096	1,596
Accruals and deferred income	9,978	9,454
Subscriptions taken in advance	5,074	4,772
	18,408	16,597

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 2007	18	74,000	20,005	94,023
Surplus for the year after taxation	-	-	7,158	7,158
Actuarial gain on retirement benefit assets and liabilities	-	-	3,880	3,880
Transfer from revenue surplus to sites investment reserve	-	6,000	(6,000)	-
Balance at 31 December 2007	18	80,000	25,043	105,061
Other: Regions, Divisions and Centres	-	-	960	960
Balance at 31 December 2007	18	80,000	26,003	106,021
The Revenue account consists of:			£000	
Revenue reserves before pension liability			31,517	
Pension liability			(5,514)	
			26,003	

12. RECONCILIATION OF MOVEMENT ON CAPITAL AND RESERVES

	2007 £000	2006 £000
Surplus for the year after taxation	7,158	7,166
Actuarial gain/(deficit) on retirement benefit assets and liabilities	3,880	(51)
Net surplus of Regions, Divisions and Centres	16	44
Capital and reserves at 1 January	94,967	87,808
Capital and reserves at 31 December	106,021	94,967
Being:		
Caravan Club	94,023	86,908
Regions, Divisions and Centres	944	900
Capital and reserves at 1 January	94,967	87,808
Caravan Club	105,061	94,023
Regions, Divisions and Centres	960	944
Capital and reserves at 31 December	106,021	94,967

13. COMMITMENTS

	2007 £000	2006 £000
CAPITAL		
Contracted for but not provided in the financial statements	10,807	6,941

14. FINAL SALARY PENSION SCHEME

The Club operates a pension scheme providing benefits based on final pensionable pay. This pension scheme was closed to new entrants from 1 January 2006. 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 has been rolled forward and adjusted by the actuary to 31 December 2007. When updating the valuation, the major assumptions used by the actuary were:

	At 31 December 2007 %	At 31 December 2006 %
Rate of increase in salaries	4.7	4.5
Rate of increase in pensions in payment	3.2	3.0
Discount rate	5.8	4.8
Inflation assumption	3.2	3.0

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

	Long-term rate of return expected at 31 December 2007 %	Value at 31 December 2007 £ million	Long-term rate of return expected at 31 December 2006 %	Value at 31 December 2006 £ million
Equities	7.6	18.5	7.4	15.7
Bonds	5.25	3.1	4.6	2.7
Other	5.5	0.4	4.6	0.2
Total market value of assets		22.0		18.6
Present value of scheme liabilities		(27.5)		(28.5)
Net pension liability		(5.5)		(9.9)

NOTES TO THE FINANCIAL STATEMENTS continued

14. FINAL SALARY PENSION SCHEME (CONTINUED)

	2007 £000	2006 £000
THE AMOUNTS CHARGED TO OPERATING PROFIT WERE:		
Current service cost	2,086	2,130
THE AMOUNTS CHARGED TO OTHER FINANCE COSTS WERE:		
Expected return on scheme assets	1,365	1,087
Interest on scheme liabilities	(1,367)	(1,170)
Net return	(2)	(83)

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

Actual return less expected return on scheme assets	(54)	603
Experience losses on the scheme liabilities	(377)	(7)
Change in assumptions underlying the present value of scheme liabilities	4,311	(647)
Actuarial profit/(loss) recognised	3,880	(51)

THE MOVEMENTS IN THE SCHEME DEFICIT WERE:

Deficit at 1 January 2007	(9,912)	(10,583)
Movement in year:		
Current service cost	(2,086)	(2,130)
Contributions	2,606	2,935
Net return from other finance income	(2)	(83)
Actuarial profit/(loss)	3,880	(51)
Deficit at 31 December 2007	(5,514)	(9,912)

HISTORY OF EXPERIENCE GAINS AND LOSSES:

Difference between the actual and expected return on assets		
As % of scheme assets	(54)	603
	0%	3%
Experience losses on liabilities		
As % of liabilities	(377)	(7)
	1%	0%
Total amount recognised in the statement of total recognised gains and losses		
As % of liabilities	3,880	(51)
	14%	0.2%

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

	2007 £000	2006 £000
Operating surplus – Club	6,022	6,448
– Regions, Divisions and Centres	16	44
Net retirement benefit charge	(520)	(805)
Depreciation charges	7,686	6,668
Deficit/(surplus) on sale of fixed assets	76	(7)
Increase in stocks	(53)	(1)
(Increase)/decrease in debtors	(734)	167
Increase in creditors	296	928
NET CASH INFLOW FROM OPERATING ACTIVITIES	12,789	13,442

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2007 £000	2006 £000
Increase/(decrease) in cash in the year	2,504	(465)
Cash (outflow)/inflow from increase in short-term deposit (net)	(3,798)	1,206
Change in funds	(1,294)	741
Funds at 1 January 2007	39,723	38,982
Funds at 31 December 2007	38,429	39,723

17. ANALYSIS OF CHANGES IN FUNDS

	At 1 January 2007 £000	Cash flows £000	At 31 December 2007 £000
Cash in hand and at bank	797	2,504	3,301
Short-term deposits maturing in more than one day	38,926	(3,798)	35,128
	39,723	(1,294)	38,429

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 2007 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 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 responsibilities of the members of the Executive Committee 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 report to you whether in our opinion the information given in the Report of the Executive Committee is consistent with the financial statements.

We also report to you if, in our opinion, 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 Report of the Executive Committee 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 2007 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the information given in the Report of the Executive Committee is consistent with the financial statements.

DIXON WILSON
Chartered Accountants and Registered Auditors
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31 July 2008