

THE CARAVAN CLUB LIMITED
(Trading as the Caravan and Motorhome Club)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

THE CARAVAN CLUB LIMITED

I N D E X

Year ended 31 December 2021

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THE CARAVAN CLUB LIMITED

GENERAL INFORMATION

Year ended 31 December 2021

**Board of Directors and
Executive Committee**

G J Chamberlain (Chairman)
C J Macgowan (Hon Treasurer)
E Baxter
J Gass
J F Lefley
B J Sharratt
G F Smart
D C Turner
A C Woodhams
H E Stuart
A M Ward
M R Sinclair-Watson
G McKenzie (appointed 23 October 2021)
G I Potter (appointed 23 October 2021)
S Southwell (appointed 23 October 2021)
M Groves (resigned 23 October 2021)
J I Moore (resigned 23 October 2021)

Company secretary

N D J Lomas

Registered number

00646027

Registered office

East Grinstead House
East Grinstead
West Sussex
RH19 1UA

Bankers

National Westminster Bank Plc
PO Box 281
156 Fleet Street
London
EC4A 2DX

Auditors

Dixon Wilson Audit Services LLP
22 Chancery Lane
London
WC2A 1LS

THE CARAVAN CLUB LIMITED

STRATEGIC REPORT

Year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

The Caravan Club Limited (which trades as the Caravan and Motorhome Club) is a long established membership club started 115 years ago in 1907 which provided products and services for touring caravanners and motorhomers throughout the period under review.

Income from the Group's products and services increased in the year by 39% to £113.4m (2020 - £81.7m). Sites income increased by 89% to £66.5m (2020 - £35.2m). Travel income decreased by 36% to £2.6m (2020 - £4.1m).

The Group received total furlough receipts of £1.4m (2020 - £4.4m) and local authority grants of £2.6m (2020 - £0.7m) to assist in relation to the Covid-19 related closures.

The Group has continued to invest in order to improve the service offered to members, including £18.5m (2020 - £6.8m) of capital expenditure on its UK sites network and central infrastructure.

The total comprehensive income for the year was £19.5m (2020 - £15.2m deficit) comprising the surplus on the income expenditure account of £14.8m (2020 - £10.0m deficit) and £4.7m actuarial surplus (2020 - £5.2m actuarial deficit) on the defined benefit pension scheme. £6.0m (2020 - £nil) was transferred to the Sites investment reserve. This leaves £35.5m allocated to the revenue reserve (2020 - £22.1m). The results of the Alan Rogers Travel Group Limited have been included within these consolidated financial statements.

Corporate Governance Code and s172(1) Companies Act 2006 reporting

Our purpose, strategy and consideration of the consequences of our decisions for the long term

As a mutual organisation, the Club's primary stakeholders are members, to whom it provides its services. These services span four main areas; sites and locations for caravanning, motorhoming, camping and glamping in the UK; overseas travel services; advice, support, information and member offers; and insurance and financial protection for leisure vehicles and members' property. The Club's success is measured by how well it meets the expectations and requirements of its members as a body, through investment in sites, services and products, and by providing market leading service levels at a reasonable cost.

All of the income generated by the Club is reinvested in development of these activities, for the benefit of Club members. The Club is also mindful of the importance of its activities, and in particular its investment in sites, to the economic wellbeing of the local communities and businesses in the areas in which the Club operates and sees long term benefits for members in the relationships with those communities.

Our strategic goals, through which we endeavour to attain these ambitions are by; putting our membership first; providing compelling locations for them to visit; providing engaging experiences for them to enjoy; delivering trusted expertise on which they can rely; and creating a great place for our employees to work.

During 2021, the Club continued its long term policy of investment to upgrade and renew the sites network and systems to improve services to members and provide the infrastructure for longer term success.

The Executive Committee of the Club consider that they have acted in the way most likely to promote the success of the company for the benefit of its members as a whole having regard to s172(1)(a-f) of the 2006 Companies Act, in the decisions they have taken during the year ended 31 December 2021 and subsequently, in particular, through the time dedicated at the Executive Committee meetings to discuss key business performance and objectives for the year ahead, and the Club's 3 year plan.

This has been reflected in the approval of the 2022 business plan, following a comprehensive review of the Club's strategic priorities for investment and consideration of the risk to the business, taking into account extensive member feedback and research with a focus on ensuring the Club is attractive to new members, and at the same time maintains the trust and support of existing members. This is evidenced by the high levels of retention of members at renewal.

THE CARAVAN CLUB LIMITED

S T R A T E G I C R E P O R T

Year ended 31 December 2021

Engaging with our members

The Club continues to offer a range of avenues through which members can engage with the Club, with many increasingly using digital services. All members are invited to attend the Club's AGM and join a local centre and thereby attend their local Divisional or Regional AGM. The Club provides opportunities for members to provide feedback generally through Club Together (believed to be the largest online community for tourers in the UK), research focus groups, regular surveys on service quality and from attendance at a wide range of national and regional caravan, motorhome and camping exhibitions.

The Executive Committee is drawn entirely from members who also serve on the Club Council, and various sub committees. They are able to give feedback and seek help from 10 Divisional and Regional Councils and the Club's Centres. Engagement takes place at all levels of the Club's operations through the Club magazine, website, 'Ask a Question' facility and from direct contact with site staff and head office employees.

The Club submits itself for independent evaluation through a number of National and Industry awards. In 2021 once again, it was pleased to be the winner of the Best Caravan Cover Provider and Best Motorhome Insurance Provider - Insurance Choice Awards.

Engaging with our employees

The Club's employees are also key stakeholders in the organisation. The Executive Committee is committed to employing people whose own outlook is consistent with the Club's values and remains committed to investing in training and skills, providing equal opportunities for all and providing a range of employee benefits to staff.

Employees have the opportunity to engage with the Director General, Staff Directors and Senior Management Team through question and answer sessions, coffee mornings for groups of staff, pre-season training briefings, on site visits, and larger "town hall meetings". They are also able to meet with the Executive Committee on club sites and at various meetings during the year.

Employees also assist Club Strategy through representation on the Sites Network Operating Forum and Staff Council. A monthly employee communication keeps employees apprised of the Club's financial and operational performance and tracks performance across the organisation to achieve its annual goals.

Regular employee engagement surveys are conducted and the results are used to form action plans, in line with the Club's strategic plans.

The vast majority of the Club's employees are also members of the Club's Pension schemes. The 2021 Gender Pay report shows that at 5 April 2021 there was a median hourly pay gap of 1.8% in favour of men.

Engaging with our business partners

Our priority is to build mutually beneficial, long lasting relationships with suppliers and business partners. The Club has alliances with organisations that it believes have shared interests and works with these groups on a wide range of initiatives for mutual benefit; as well as to ensure the Club can offer members a choice of enjoyable holiday activities. The Club works closely with UK tourism bodies to promote domestic tourism. The Club is a member of the FIA to encourage road safety and as the worldwide advocate for automobile mobility and tourism.

The Club also works with a number of affiliated site owners to provide access for members at sites that are privately owned and managed, and provide similar facilities and high standards as Club sites with the same level of service and experience. The Club also provides certificates of exemption for some two thousand two hundred owners of Certificated Locations, at which members are exclusively welcome to stay. The Club promotes this service to members as part of its core membership offering.

THE CARAVAN CLUB LIMITED

STRATEGIC REPORT

Year ended 31 December 2021

The impact of the Club's operations on the community and the environment

Progress of the work with Green Tourism around the Club's sustainability and environmental policy was also impacted by the pandemic in the year. Whilst the initial environmental audit of the Head Office provided great insight and an early plan of action, this is planned to progress in 2022 together with an audit of the UK sites network so this will also generate an action plan for areas of focus, to make the most improvements and achieve consistency across the network. The Club operates throughout the countries of the United Kingdom and is a significant employer nationally and particularly in East Grinstead. We foster relationships with the communities we operate in. Staff on sites regularly become involved in local community fundraising and volunteering activities. In East Grinstead we support the Town Council initiatives to improve the public realm, are members of the East Grinstead Business Association and have a staff charities team who work with the local community and coordinate staff charitable activity and fundraising.

Our culture and core principles

The Club's core values are regularly communicated and shared throughout the organisation. These are:

Inspire - Together we want to inspire more people to enjoy the great outdoors.

Simplify - We'll make the experience as easy and seamless as possible so members can enjoy the great outdoors their way.

Pioneer - At heart, we're explorers forever looking to learn, discover and innovate.

Be inclusive - We're a diverse community of adventurers, drawn together by our passion for the great outdoors.

Other ways of maintaining a reputation for high standards of business conduct

The Club provides financial services to members and introduces insurance business from selected long term partners to protect their holidays, property and vehicles. The Executive Committee have attended training and received regular briefings on the latest Financial Conduct Authority (FCA) Senior Managers and Certification Regime. The Club monitors complaints for all types of service, and by department, and adherence to service standards is a core metric for staff bonus payments. The Club's policies regarding matters such as Health and Safety, and FCA requirements on Treating Customers Fairly, are reviewed regularly at Executive Committee meetings.

Principal risks and uncertainties

The directors consider the following to be the principal risks and uncertainties facing the Group:

Member and customer demand – spending on caravanning is discretionary and subject to economic and other pressures. Consequently, the Group operates in a highly competitive market where competitive activity can threaten our operations. To reduce the risk that the Group does not respond successfully to changes in member and customer demand we constantly monitor sales and activity levels for signs of change and regularly undertake comprehensive research and member feedback. Where we identify changes in demand, we evaluate how best to respond and take appropriate action to ensure that our services meet the needs of our members and customers.

Regulatory risks – the Group's operations are subject to a wide range of UK and European regulations in relation to consumer protection and the conduct of its business. To mitigate the risk of failure in meeting these regulatory requirements and their reputational and financial consequences, we have established systems of internal control to manage and monitor compliance.

Operational risks – the Group's operations are broadly based, both in terms of services and geography, and are relatively complex as a result. There is a risk of failure in carrying out these operations that could result in reputational and financial damage due to their impact on our members and customers. To mitigate the risk of such operational failure, we have established systems of internal control, staff training and management information to minimise exposure on an ongoing basis.

THE CARAVAN CLUB LIMITED

STRATEGIC REPORT

Year ended 31 December 2021

Financial risks – the Group is exposed to interest rate and foreign exchange risks in financing its operations and providing overseas holidays for its members and customers. The Group is also exposed to financial risk in respect of the claims it pays out under discretionary mutual cover. To protect itself from these risks, the Group makes use of fixed rate term deposits to minimise short to medium term cashflow interest rate risk and enters into forward exchange contracts to hedge foreign exchange exposures. The Group also has in place insurance policies to cover the financial risk of claims payments under discretionary mutual cover.

Natural or man-made disasters – caravanning and leisure travel are inherently at risk of natural or man-made events such as extreme and persistent weather conditions. Clearly by their nature, it is not possible to prevent such events, but the Group take measures to minimise their impact through appropriate mitigating response mechanisms after the particular event and by prudent financial management of its business to ensure that it remains financially viable during all but the most extreme extended disruption period.

Pension scheme risk - the pension scheme exposes the Club to actuarial risks such as: market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk. To mitigate those risks, the scheme was closed to new entrants on 1 January 2006 and the Trustees have put appropriate hedging instruments in place to minimise interest rate and inflation risk. The Scheme does not expose the Club to any unusual scheme-specific or employer-specific risks.

COVID-19 – The Covid-19 pandemic (coronavirus) exposes the Club to the risks associated with a severe deterioration in short term business. The directors have mitigated this risk by ensuring there is sufficient finance in place to allow the Club to trade through the downturn and be well positioned to continue trading once the disruption has passed. Sites continue to experience strong occupancy now that they are permitted to open and overseas travel has recommenced.

Brexit - Brexit has had limited impact on the Club's business. The main impact has been a reduction in overseas travel, however this has been more significantly impacted by Covid-19 (see above).

Greenhouse Gas (GHG) emissions (tCO₂e) reporting and Energy Consumption (kWh)

	2021 tCO ₂ e	2021 kWh	2020 tCO ₂ e	2020 kWh
Scope 1				
Combustion of gas	4,008	21,800,532	3,889	21,153,314
Scope 2				
Purchased electricity	8,492	36,422,534	7,126	30,567,242
Scope 3				
Business travel	132	471,177	56	227,776
Total	12,632	58,694,243	11,071	51,948,332

Intensity ratio: 114 tCO₂e per £m revenue (2020 – 129 tCO₂e per £m revenue)

Comparison of consumption over the two years in question is not meaningful as they were both impacted by the pandemic and associated lockdowns, with different lengths in operating season, regional variations in opening and the range of facilities able to be provided in compliance with government guidance.

THE CARAVAN CLUB LIMITED

STRATEGIC REPORT

Year ended 31 December 2021

Energy efficiency measures

The very nature of the Club's ethos is to encourage members and non-members alike to enjoy the great outdoors, and with that comes a great responsibility to understand how its activities impact upon the countryside and the wider environment.

As greater focus is placed on the worldwide "green agenda" the organisation is taking steps to address its own impact upon the environment through its use of electricity, water, and gas and also members' consumption on site of resources and the fuel they use to travel to and from site.

In response the Club has undertaken a number of activities:

- The consumption of electricity of circa 38m kWh per annum is purchased from a supplier that provides power from green or renewable sources.
- The Club has recently recruited a Sustainability Advisor to work across the Club driving its green initiatives forward.
- It is working in partnerships with Green Tourism, a company that promotes greener ways for businesses and organisations to operate, across areas such as reducing energy use, saving water, efficient and eco-friendly waste disposal to name but a few, and administers an award certification programme.
- A task force of key staff from across the organisation have been brought together as a Working Group to understand the emerging and unprecedented changes within the energy sector and take the necessary steps to prepare the organisation in the short, medium and long term to be more resilient to these changes. These extend beyond electricity and need to take into account the ban on new petrol and diesel vehicles, the imminent change from LPG to alternative and renewable fuel sources such as BioLPG, and the possibility of a national mass boiler replacement scheme.

In terms of the underlying data which the table is based on, there are a number of processes in place whereby monthly meter readings are taken on site covering electricity and gas, and these are reconciled with the invoices from suppliers. Both utilities usage has then been converted into tCO₂e using the calculation from the www.Gov.uk website.

In terms of transport, the costs of fuel have again been converted using the government website calculation.

Approved by the Board on 4 May 2022 and signed on its behalf by:



N D J LOMAS
Company secretary

THE CARAVAN CLUB LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Year ended 31 December 2021

The Executive Committee of the Club (which comprises the Board of directors of the company) submits its annual report and the consolidated financial statements for the year ended 31 December 2021.

Executive Committee

The members of the Executive Committee who held office during the year were as follows:

G J Chamberlain (Chairman)
C J Macgowan (Hon Treasurer)
E Baxter
J Gass
J F Lefley
B J Sharratt
G F Smart
D C Turner
A C Woodhams
H E Stuart
A M Ward
M R Sinclair-Watson
G McKenzie (appointed 23 October 2021)
G I Potter (appointed 23 October 2021)
S Southwell (appointed 23 October 2021)
M Groves (resigned 23 October 2021)
J I Moore (resigned 23 October 2021)

Financial instruments

Objectives and policies

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

Price risk, credit risk, liquidity risk and cash flow risk

- Liquidity risk

The group manages its cash and term deposit balances to maximise interest income whilst maintaining sufficient liquid resources to meet the operating needs of the Club and its subsidiaries.

- Interest rate risk

The group 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.

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.

THE CARAVAN CLUB LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Year ended 31 December 2021

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.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Corporate Governance Code and s172(1) Companies Act 2006 reporting

The Club has a well-defined structure through which it engages with employees to discuss and understand matters concerning them. For example, through quarterly meetings with staff directors which include a question and answer session with the Director General at which the directors take the views of, and can consult with, employees and keep them apprised of the financial and economic factors affecting the Club as well as its plans for the future. Further details are provided in the engaging with our employees section of the s172 report on page 4.

The Executive Committee continues to have regard to fostering the Club's business relationships with members, suppliers and partners during the year. This is achieved through the relationships that exist with members through their use of the Club's sites and services, working alongside our business partners to promote the long term interests of our members and through key suppliers with whom we are working together to drive efficiency and reduce cost for our mutual benefit.

Approved by the director on 4 May 2022 and signed on its behalf by:



N D J LOMAS
Company secretary

THE CARAVAN CLUB LIMITED

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

Year ended 31 December 2021

The directors are responsible for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the deficit of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CARAVAN CLUB LIMITED

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CARAVAN CLUB LIMITED

Opinion

We have audited the financial statements of The Caravan Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Revenue Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE CARAVAN CLUB LIMITED

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 2021

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Report of the Executive Committee for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Executive Committee have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Executive Committee.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Responsibilities of the Members of the Executive Committee, set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the group and parent company by considering, amongst other things, the sectors in which it operates, and considered the risk of acts by the group and parent company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

THE CARAVAN CLUB LIMITED

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 2021

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law, UK tax legislation, FCA Regulations and Health and Safety Regulations.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Sutton (Senior Statutory Auditor)
For and on behalf of Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

10th May

2022

THE CARAVAN CLUB LIMITED**CONSOLIDATED REVENUE ACCOUNT****Year ended 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Revenue	3	113,405	81,671
Operating expenses		(59,079)	(49,528)
Gross surplus		54,326	32,143
Administrative expenses		(42,304)	(43,938)
Other operating income	4	3,931	5,179
Operating surplus/(deficit)		15,953	(6,616)
Material expenses arising from the pandemic	6	(203)	(3,024)
Other interest receivable and similar income	7	32	153
Interest payable and similar charges	8	(212)	7
		(383)	(2,864)
Surplus/(Deficit) before tax		15,570	(9,480)
Taxation	11	(765)	(509)
Surplus/(Deficit) for the financial year		14,805	(9,989)

The above results were derived from continuing operations.

THE CARAVAN CLUB LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME****Year ended 31 December 2021**

	2021	2020
	£ 000	£ 000
Surplus/(Deficit) for the year	14,805	(9,989)
Remeasurement gain/(loss) on defined benefit pension scheme	4,662	(5,240)
Total comprehensive income for the year	<u>19,467</u>	<u>(15,229)</u>

THE CARAVAN CLUB LIMITED

CONSOLIDATED BALANCE SHEET

At 31 December 2021

Registered in England No: 00646027

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Intangible assets	12	-	11
Tangible assets	13	126,421	120,139
		<u>126,421</u>	<u>120,150</u>
Current assets			
Stocks	16	31	29
Debtors	17	9,376	10,300
Cash at bank and in hand	18	53,699	38,527
		<u>63,106</u>	<u>48,856</u>
Creditors: amounts falling due within one year	19	<u>(37,818)</u>	<u>(33,036)</u>
Net current assets		<u>25,288</u>	<u>15,820</u>
Total assets less current liabilities		<u>151,709</u>	<u>135,970</u>
Provisions for liabilities	20	<u>(4,144)</u>	<u>(7,872)</u>
Net assets		<u>147,565</u>	<u>128,098</u>
Capital and reserves			
Share premium reserve	22	18	18
Sites investment reserve	22	112,000	106,000
Revenue account	22	35,547	22,080
Total equity		<u>147,565</u>	<u>128,098</u>

Approved and authorised by the Executive Committee on 4 May 2022 and signed on their behalf by:


 G J CHAMBERLAIN
 Chairman


 C J MACGOWAN
 Hon Treasurer

THE CARAVAN CLUB LIMITED

BALANCE SHEET

At 31 December 2021

Registered in England No: 00646027

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Intangible assets	12	-	11
Tangible assets	13	126,389	120,125
Investments	14	4,005	-
		<u>130,394</u>	<u>120,136</u>
Current assets			
Stocks	16	31	29
Debtors	17	9,078	10,402
Cash at bank and in hand	18	53,518	38,190
		<u>62,627</u>	<u>48,621</u>
Creditors: amounts falling due within one year	19	<u>(41,382)</u>	<u>(32,803)</u>
Net current assets		21,245	15,818
Total assets less current liabilities		151,639	135,954
Provisions for liabilities	20	<u>(4,144)</u>	<u>(7,872)</u>
Net assets		<u>147,495</u>	<u>128,082</u>
Capital and reserves			
Share premium reserve	22	18	18
Sites investment reserve	22	112,000	106,000
Revenue account	22	35,477	22,064
Total equity		<u>147,495</u>	<u>128,082</u>

No Revenue Account is presented for the Company as permitted by section 408 of the Companies Act 2006. The company realised a surplus after tax for the financial year of £14,751,000 (2020 - deficit of £10,286,000).

Approved and authorised by the Executive Committee on 4 May 2022 and signed on its behalf by:


G J CHAMBERLAIN
Chairman


C J MACGOWAN
Hon Treasurer

THE CARAVAN CLUB LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Share premium £ 000	Sites investment reserve £ 000	Revenue account £ 000	Total equity £ 000
At 1 January 2021	18	106,000	22,080	128,098
Surplus for the year	-	-	14,805	14,805
Other comprehensive income	-	-	4,662	4,662
Total comprehensive income	-	-	19,467	19,467
Transfer of capital	-	6,000	(6,000)	-
At 31 December 2021	18	112,000	35,547	147,565

	Share premium £ 000	Sites investment reserve £ 000	Revenue account £ 000	Total equity £ 000
At 1 January 2020	18	106,000	37,309	143,327
Deficit for the year	-	-	(9,989)	(9,989)
Other comprehensive income	-	-	(5,240)	(5,240)
Total comprehensive income	-	-	(15,229)	(15,229)
At 31 December 2020	18	106,000	22,080	128,098

THE CARAVAN CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Share premium £ 000	Sites investment reserve £ 000	Revenue account £ 000	Total equity £ 000
At 1 January 2021	18	106,000	22,064	128,082
Surplus for the year	-	-	14,751	14,751
Other comprehensive income	-	-	4,662	4,662
Total comprehensive income	-	-	19,413	19,413
Transfer of capital	-	6,000	(6,000)	-
At 31 December 2021	18	112,000	35,477	147,495

	Share premium £ 000	Sites investment reserve £ 000	Revenue account £ 000	Total equity £ 000
At 1 January 2020	18	106,000	37,590	143,608
Deficit for the year	-	-	(10,286)	(10,286)
Other comprehensive income	-	-	(5,240)	(5,240)
Total comprehensive income	-	-	(15,526)	(15,526)
At 31 December 2020	18	106,000	22,064	128,082

THE CARAVAN CLUB LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Surplus/(Deficit) for the year		14,805	(9,989)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12, 13	11,709	11,808
(Surplus)/Deficit on disposal of fixed assets		(59)	544
Interest receivable	7	(32)	(153)
Interest payable	8	212	(7)
Taxation	11	765	509
		<u>27,400</u>	<u>2,712</u>
Working capital adjustments			
(Increase)/Decrease in stocks	16	(2)	44
Increase in debtors	17	924	1,954
Increase in creditors	19	4,934	3,676
Increase in retirement benefit obligation net of actuarial changes	24	477	37
Increase/(Decrease) in provisions	20	395	(568)
Cash generated from operations		<u>34,128</u>	<u>7,855</u>
Taxes paid		<u>(917)</u>	<u>(416)</u>
Net cash flow from operating activities		<u>33,211</u>	<u>7,439</u>
Cash flows from investing activities			
Interest received		32	153
Acquisitions of property plant and equipment	13	(18,496)	(6,815)
Proceeds from sale of property plant and equipment		741	8
Acquisition of subsidiary, net of cash acquired		(166)	-
Net cash flows from investing activities		<u>(17,889)</u>	<u>(6,654)</u>
Cash flows from financing activities			
Interest paid		<u>(150)</u>	<u>(3)</u>
Net cash flows from financing activities		<u>(150)</u>	<u>(3)</u>
Net increase in cash and cash equivalents		15,172	782
Cash and cash equivalents at 1 January		<u>38,527</u>	<u>37,745</u>
Cash and cash equivalents at 31 December		<u>53,699</u>	<u>38,527</u>

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. General information

The company is a private company limited by guarantee with share capital, incorporated in England and Wales.

The address of its registered office is:

East Grinstead House

East Grinstead

West Sussex

RH19 1UA

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements are presented in Sterling (£). The level of rounding in the financial statements is to the nearest thousand.

Key sources of estimation uncertainty

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The deficit outstanding to the pension scheme at 31 December 2021 was £1,183,000 (2020 - £5,306,000), mainly due to a higher discount rate used by the actuary in their calculations. Further details on the assumptions used can be seen in note 24.

A provision is included in the financial statements relating to amounts payable for claims made under discretionary mutual cover. The provision relates to incidents in 2021 where either a claim had not yet been reported at year end, or the claim had not been paid at year end. The valuation of claims not reported at year end involves making assumptions on the number of claims expected, the type of claims that will be made and the cost of each such claim. The carrying amount is £2,961,000 (2020 - £2,566,000).

Included within administrative expenses are internal system costs relating to the travel booking system totalling £203,000 (2020 - £2,473,000). Prior to Covid-19 the costs would have been capitalised to fixed assets as the benefits were expected to exceed the costs. However, due to Covid-19 the benefit that was originally expected for 2020 and 50% of the benefits originally expected for 2021 are no longer expected to arise and so these costs have been expensed.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2021.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(continued)

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. Accounting policies (continued)

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable, net of discounts and value added taxes, for the sale of goods and provision of services in the ordinary course of the Group's activities.

The Group recognises income when the amount of income can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities.

Income arising from sites is recognised over the period of occupancy.

Income arising from insurance is recognised on receipt of payment from the member.

Income arising from travel services is recognised when the holiday departure takes place.

Income arising from membership is spread evenly over the membership period.

Income arising from discretionary mutual cover represents contributions received from members and is recognised in the revenue account evenly over the period to which the contribution relates.

Other operating income

Other operating income relates to furlough receipts and local authority grants. The income is recognised in profit or loss in the same period in which the related expense is incurred.

(continued)

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable surplus.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any accumulated depreciation and impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition, installation or development and include staff costs associated with capital software projects, where benefits from the projects are expected to exceed the cost. Where benefits are not expected to exceed the costs, the costs are expensed or if the costs have been previously capitalised, they are subject to an impairment. These are depreciated in line with the depreciation accounting policy below.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold premises	5% on cost
Freehold land	No depreciation is provided on freehold land
Leasehold sites	shorter of 20 years on cost, remaining life of the lease or useful economic life
Leasehold premises	over the life of the lease
Equipment, fittings, computer hardware and software	10% - 33.3% on cost or 20% - 30% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

(continued)

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Cayton Village Caravan Park Limited – goodwill	Over three years, straight line
Markrun Limited (trading as Cannon Downs Caravan Park) – goodwill	Written off in year of purchase

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Investments in subsidiaries are recognised at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. Accounting policies (continued)

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Revenue Account on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity.

Defined benefit pension obligation

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

3. Revenue

The analysis of the group's revenue for the year is as follows:

	2021 £ 000	2020 £ 000
Sites	66,512	35,239
Events	180	98
Membership	17,523	16,449
Insurance	3,817	3,621
Discretionary mutual cover	20,203	20,405
Travel	2,608	4,123
Marketing	2,562	1,736
	<u>113,405</u>	<u>81,671</u>

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Other operating income	2021	2020
	£ 000	£ 000
The analysis of the group's other operating income for the year is as follows:		
Furlough receipts	1,360	4,454
Local authority grants	2,555	725
Sundry income	16	-
	<u>3,931</u>	<u>5,179</u>
5. Operating surplus/(deficit)	2021	2020
	£ 000	£ 000
Arrived at after charging/(crediting):		
Depreciation expense	11,532	11,696
Amortisation expense	177	112
Foreign exchange loss/(gains)	2	(14)
Operating lease expense – property	2,988	1,849
Operating lease expense – plant and machinery	113	101
(Surplus)/Deficit on disposal of property, plant and equipment	(59)	544
	<u>14,753</u>	<u>14,288</u>
6. Material expenses arising from the pandemic	2021	2020
	£ 000	£ 000
Impairment of travel booking system	203	2,473
Partial lease surrender at East Grinstead House	-	551
	<u>203</u>	<u>3,024</u>
7. Other interest receivable and similar income	2021	2020
	£ 000	£ 000
Interest income on bank deposits	32	153
8. Interest payable and similar expenses	2021	2020
	£ 000	£ 000
Bank interest payable	147	-
Interest expense on other finance liabilities	3	3
Other finance costs	62	(10)
	<u>212</u>	<u>(7)</u>

THE CARAVAN CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021****9. Staff costs**

The aggregate payroll costs were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	28,946	25,878
Social security costs	2,904	2,437
Other pensions costs	3,091	4,918
	<u>34,941</u>	<u>33,233</u>

The average number of persons employed by the group during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Membership services	203	208
Marketing	49	58
Central services	132	129
Sites	796	660
Alan Rogers Travel Group	10	12
	<u>1,190</u>	<u>1,067</u>

10. Auditors' remuneration

	2021	2020
	£ 000	£ 000
Audit of these financial statements	<u>53</u>	<u>53</u>

Fees payable to the company's auditor and its associates for other services:

Taxation and other compliance services	103	87
Audit of the Caravan Club Limited Retirement Benefit Scheme	14	14
	<u>117</u>	<u>101</u>

THE CARAVAN CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021****11. Taxation**

Tax charged/(credited) in the income statement:

	2021	2020
	£ 000	£ 000
Current taxation		
UK corporation tax	765	509

The tax on profit before tax for the year and prior year is lower than the standard rate of corporation tax in the UK of 19% (2020 – 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Surplus/(Deficit) before tax	15,570	(9,480)
Corporation tax at standard rate	2,958	(1,801)
Effect of net (deficit)/surplus exempt from taxation	(2,343)	2,355
Tax increase/(decrease) from changes in pension fund prepayment/(accrual)	150	(45)
Total tax charge	765	509

12. Intangible assets**Group**

	Goodwill	Total
	£ 000	£ 000
Cost or valuation		
At 1 January 2021	335	335
Additions	166	166
At 31 December 2021	501	501
Amortisation		
At 1 January 2021	324	324
Amortisation charge	177	177
At 31 December 2021	501	501
Carrying amount		
At 31 December 2021	-	-
At 31 December 2020	11	11

(continued)

THE CARAVAN CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021****12. Intangible assets (continued)**

Company	Goodwill £ 000	Total £ 000
Cost or valuation		
At 1 January 2021	335	335
Additions	166	166
At 31 December 2021	501	501
Amortisation		
At 1 January 2021	324	324
Amortisation charge	177	177
At 31 December 2021	501	501
Carrying amount		
At 31 December 2021	-	-
At 31 December 2020	11	11

Goodwill arising on the acquisition of Cayton Village Caravan Park Limited is being amortised over the directors' estimate of its useful life of 3 years.

Goodwill arising on the acquisition of Markrun Limited (trading as Carnon Downs Caravan Park) was written off in year of purchase.

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

13. Tangible assets

Group

	Freehold land £ 000	Freehold premises £ 000	Leasehold premises £ 000	Leasehold sites £ 000	Equipment, fittings, computer hardware and software £ 000	Total £ 000
Cost or valuation						
At 1 January 2021	30,053	131,955	1,671	97,087	48,297	309,063
Additions	1,022	8,448	1,196	2,210	5,620	18,496
Disposals	-	-	(1,110)	(532)	(149)	(1,791)
At 31 December 2021	<u>31,075</u>	<u>140,403</u>	<u>1,757</u>	<u>98,765</u>	<u>53,768</u>	<u>325,768</u>
Depreciation						
At 1 January 2021	-	84,137	761	68,040	35,986	188,924
Charge for the year	-	4,964	94	3,244	3,230	11,532
Eliminated on disposal	-	-	(442)	(523)	(144)	(1,109)
At 31 December 2021	<u>-</u>	<u>89,101</u>	<u>413</u>	<u>70,761</u>	<u>39,072</u>	<u>199,347</u>
Carrying amount						
At 31 December 2021	<u>31,075</u>	<u>51,302</u>	<u>1,344</u>	<u>28,004</u>	<u>14,696</u>	<u>126,421</u>
At 31 December 2020	<u>30,053</u>	<u>47,818</u>	<u>910</u>	<u>29,047</u>	<u>12,311</u>	<u>120,139</u>

Included in the net book value of leasehold sites is an amount of £6,651,262 (2020 - £7,490,123) in respect of leases with more than fifty years to run. The cost of these sites is £17,569,245 (2020 - £17,727,167).

All of the leasehold premises are short leaseholds with fifty years or less to run.

(continued)

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

13. Tangible assets (continued)

Company

	Freehold land £ 000	Freehold premises £ 000	Leasehold premises £ 000	Leasehold sites £ 000	Equipment, fittings, computer hardware and software £ 000	Total £ 000
Cost or valuation						
At 1 January 2021	30,053	131,954	1,671	97,087	48,158	308,923
Additions	1,022	8,446	1,196	2,210	5,587	18,461
Disposals	-	-	(1,110)	(532)	(50)	(1,692)
At 31 December 2021	31,075	140,400	1,757	98,765	53,695	325,692
Depreciation						
At 1 January 2021	-	84,137	761	68,040	35,860	188,798
Charge for the year	-	4,963	94	3,244	3,219	11,520
Eliminated on disposal	-	-	(442)	(523)	(50)	(1,015)
At 31 December 2021	-	89,100	413	70,761	39,029	199,303
Carrying amount						
At 31 December 2021	31,075	51,300	1,344	28,004	14,666	126,389
At 31 December 2020	30,053	47,817	910	29,047	12,298	120,125

Included in the net book value of leasehold sites is an amount of £6,651,262 (2020 - £7,490,123) in respect of leases with more than fifty years to run. The cost of these sites is £17,569,245 (2020 - £17,727,167).

All of the leasehold premises are short leaseholds with fifty years or less to run.

14. Investments

Company

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2021	3,074
Additions	4,171
At 31 December 2021	7,245
Provision	
At 1 January 2021	3,074
Charged to the profit and loss account	166
At 31 December 2021	3,240
Carrying amount	
At 31 December 2021	4,005
At 31 December 2020	-

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Touring Club of Great Britain and Ireland Limited	United Kingdom	Ordinary shares	100%	100%
Caravan and Motorhome Club Limited	United Kingdom	Ordinary shares	100%	100%
The Caravan Club of Great Britain and Ireland (1935) Limited	United Kingdom	Ordinary shares	100%	100%
Alan Rogers Travel Group Limited	United Kingdom	Ordinary shares	100%	100%
Alan Rogers Travel Limited	United Kingdom	Ordinary shares (*)	100%	100%
Alan Rogers (Australia) Pty Limited	Australia	Ordinary shares (*)	100%	100%
Markrun Limited (trading as Carnon Downs Caravan Park)	United Kingdom	Ordinary shares	100%	0%

(*) Owned by Alan Rogers Travel Group Limited

The principal activity of Touring Club of Great Britain and Ireland Limited, Caravan and Motorhome Club Limited, The Caravan Club of Great Britain and Ireland (1935) Limited, Alan Rogers Travel Group Limited is that of a dormant company.

The principal activity of Alan Rogers Travel Limited and Alan Rogers (Australia) Pty Limited is that of a holiday tour operator.

The principal activity of Markrun Limited (trading as Carnon Downs Caravan Park) is the running of recreational vehicle parks, trailer parks and camping groups.

Alan Rogers Travel Limited, Alan Rogers Travel Group Limited and Markrun Limited (trading as Carnon Downs Caravan Park) are exempt from the relevant audit requirements of the Companies Act by virtue of section 479A for the year ended 31 December 2021. Section 479C sets out the guarantee given by the parent company.

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

15. Business combinations

Acquisition of Markrun Limited (trading as Carnon Downs Caravan Park)

	Book value 2021 £ 000	Revaluation adjustments 2021 £ 000	Fair value 2021 £ 000
Assets and liabilities acquired			
Tangible fixed assets	3,900	-	3,900
Stocks	6	-	6
Debtors	160	-	160
Deferred income	(61)	-	(61)
Total identifiable assets	4,005	-	4,005
Goodwill arising on acquisition	166	-	166
Total consideration	4,171	-	4,171
Satisfied by:			
Cash paid	-	-	4,005
Costs associated with the acquisition	-	-	166
Total consideration transferred	-	-	4,171

16. Stock

	2021 £ 000	Group 2020 £ 000	2021 £ 000	Company 2020 £ 000
Other inventories	31	29	31	29

17. Debtors

	2021 £ 000	Group 2020 £ 000	2021 £ 000	Company 2020 £ 000
Trade debtors	3,537	3,352	3,439	3,335
Amounts owed by group undertakings	-	-	-	300
Other debtors	1,964	2,018	1,905	1,976
Prepayments and accrued income	3,875	4,930	3,734	4,791
Total current trade and other debtors	9,376	10,300	9,078	10,402

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. Cash and cash equivalents	2021 £ 000	Group 2020 £ 000	2021 £ 000	Company 2020 £ 000
Cash at bank	18,669	16,377	18,488	16,040
Short-term deposits	35,030	22,150	35,030	22,150
	<u>53,699</u>	<u>38,527</u>	<u>53,518</u>	<u>38,190</u>

19. Creditors	2021 £ 000	Group 2020 £ 000	2021 £ 000	Company 2020 £ 000
Due within one year				
Trade creditors	84	56	-	-
Amounts owed to group undertakings	-	-	3,953	-
Social security and other taxes	656	455	646	449
Other creditors	1,915	1,116	1,890	1,116
Accruals and deferred income	34,896	30,990	34,626	30,819
Corporation tax	267	419	267	419
	<u>37,818</u>	<u>33,036</u>	<u>41,382</u>	<u>32,803</u>

On 11 August 2020 the Club entered an agreement for a revolving credit facility of £20,000,000 to assist with cashflow if required. This expires on 17 June 2023. The Club had not drawn on this facility at 31 December 2021.

20. Provisions

Group and company

	Employee benefits £ 000	Other provisions £ 000	Total £ 000
At 1 January 2021	5,306	2,566	7,872
(Decrease)/Increase in existing provisions	(4,123)	395	(3,728)
At 31 December 2021	<u>1,183</u>	<u>2,961</u>	<u>4,144</u>

Other provisions relate to amounts payable for claims made under discretionary mutual cover.

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

21. Share capital

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

22. Reserves

Group and company

Share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing shares are deducted from share premium.

Sites investment reserve represents amounts invested in the Club's sites.

The Revenue Account includes all current and prior period retained surplus and losses.

23. Obligations under leases and hire purchase contracts

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2021 £ 000	2020 £ 000
Not later than one year	1,445	1,287
Later than one year and not later than five years	3,501	3,775
Later than five years	2,735	3,180
	<u>7,681</u>	<u>8,242</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £3,101,000 (2020 - £1,950,000).

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

24. Pension and other schemes

Defined benefit pension schemes

The Caravan Club Limited Retirement Benefits Scheme

The Club operates a pension scheme providing benefits based on a final pensionable pay. The 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.

The Club pays contributions to the scheme in respect of the shortfall in funding in accordance with the Recovery Plan dated 20 July 2017, namely £1,033,000 per annum. These contributions were payable in equal monthly instalments until 31 March 2021. In April 2020 these were suspended and in September 2021 it was agreed with the Trustees of the pension scheme to not call in the remaining Deficit Reduction Contributions.

The date of the most recent comprehensive actuarial valuation was 31 December 2021.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £1,479,000 (2020 - £1,330,000).

The amounts recognised in the statement of financial position are as follows:

	2021 £ 000	2020 £ 000
Fair value of scheme assets	87,202	87,641
Present value of defined benefit obligation	(88,385)	(92,947)
Defined benefit pension scheme deficit	<u>(1,183)</u>	<u>(5,306)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £ 000
Present value at start of year	92,947
Current service cost	1,147
Interest cost	1,144
Actuarial gains and losses	(3,896)
Benefits paid	(2,957)
Present value at end of year	<u>88,385</u>

(continued)

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

24. Pension and other schemes (continued)

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £ 000
Fair value at start of year	87,641
Interest income	1,082
Return on plan assets, excluding amounts included in interest income	766
Employer contributions	777
Scheme participants contributions	163
Benefits paid	(2,957)
Scheme administrative cost	(270)
Fair value at end of year	87,202

Analysis of assets

The major categories of scheme assets are as follows:

	2021 £ 000	2020 £ 000
Cash and cash equivalents	2,156	6,513
Debt instruments	54,918	42,261
Investment funds	28,179	22,335
Equity	1,949	16,532
	87,202	87,641

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	1.80	1.25
Future salary increases	3.30	2.90
Future pension increases	3.25	2.85
Inflation	3.30	2.90

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age – male	22	22
Current UK pensioners at retirement age – female	25	24
Future UK pensioners at retirement age – male	24	23
Future UK pensioners at retirement age – female	26	26

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

25. Commitments

Group and company

Capital commitments

The total amount contracted for but not provided in the financial statements was £3,815,000 (2020 - £190,000).

26. Related party transactions

Group and company

Key management personnel

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Group and includes the Board (the Executive Committee), the Director General, directors and the most senior managers of the Club.

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

Key management compensation

	2021 £ 000	2020 £ 000
Salaries and other short term employee benefits	2,149	1,881
Post-employment benefits	261	251
	<u>2,410</u>	<u>2,132</u>

27. Financial instruments

Group

Categorisation of financial instruments:

	2021 £ 000	2020 £ 000
Financial assets that are debt instruments measured at amortised cost	<u>5,691</u>	<u>5,761</u>
Financial liabilities measured at amortised cost	<u>15,711</u>	<u>12,758</u>

Company

Categorisation of financial instruments:

	2021 £ 000	2020 £ 000
Financial assets that are debt instruments measured at amortised cost	5,548	6,007
Financial assets that are equity instruments measured as cost less impairment	<u>4,005</u>	<u>-</u>
Financial liabilities measured at amortised cost	<u>11,635</u>	<u>13,518</u>

THE CARAVAN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

28. Contingent liabilities

Group and company

The Club is in correspondence with HMRC in relation to the tax treatment of its discretionary mutual. The Club does not consider tax to be due. It is impracticable at this stage to quantify the outcome.

29. Parent and ultimate parent undertaking

The Caravan Club is a company limited by guarantee with a share capital of £100. The ultimate controlling party is the Club's members.
