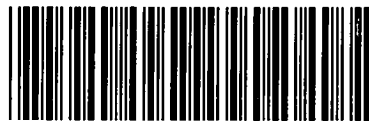


THE RETAIL MOTOR INDUSTRY FEDERATION LIMITED

Company No. 00133095

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

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The Retail Motor Industry Federation Limited

Company Information

Directors

P. Johnson (Chairman)
G. Bates
B.V. Evans
S. G. James
A.P. Lowe
C.B. Madderson
M.C. Marshall
J. Moseley
C.B. Parlett
S. Robinson
K. Savage
M. Squires
C. Thomas
J. Tomlinson

Secretary

C. Thomas

Registered Office

201 Great Portland Street
London
W1W 5AB

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

The Retail Motor Industry Federation Limited
Report and Financial Statements
For the year ended 31st December 2016

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The Retail Motor Industry Federation Limited

Chairman's Report

It gives me great pleasure to be able to report on another excellent year for the Retail Motor Industry Federation, with a very strong financial performance this year. Turnover was up 25%, year over year. Although there were a number of cost pressures this year, expenditure generally remained tightly controlled, resulting in an operating profit of £287k. A far better financial environment than that of the previous year resulted in investment income rising to £712k (including gains on investments of £279k), and our investment property showed an increase in value of £1.1m. When combined, this resulted in a profit on ordinary activities before taxation for the year of £2.101m, up 42% on the previous year.

In 2016 all of our associations reported an operating surplus. Remit, our joint venture training subsidiary has continued in profit for the second year in a row, despite a very challenging and uncertain trading environment with the introduction of the apprenticeship levy and other funding changes.

Operating cash flow continued to be very solid with cash balances across the group rising by £155k (4%) over the year. Net assets rose very significantly, partly due to the operating profit and investment gains already mentioned, but also due to an increase in the value of the Federation's investment property by £1.1m. This left net assets at the year end standing at £26.2m, which continues to provide the Federation with the necessary strength to deal with the potential volatility in the UK economy in the short and medium term due to Brexit and associated risks. Our strong balance sheet gives the Board and the associations the ability to invest where appropriate in the continuing development of products and services for members. There has been no better example of this than the highly successful opening of the RMI's Academy of Automotive Skills, based in Southam in Warwickshire, focused on MOT related training.

Membership continued to grow strongly again this year, reaching 10,768 at the end of December. All of the Federation's associations shared in this growth with the exceptions of The National Association of Bodyshops (NAB) and the Vehicle Builders and Repairers Association (VBRA). The Bodyshop sector has been particularly hit by the trend for consolidation, although this has been an issue for all of our associations. However, the signs for the future in terms of membership are far more positive, as the merger of the two associations, now rebranded as the National Body Repair Association (NBRA) hopefully will give a much higher profile.

2016 also saw the second year when the Federation's central activities were funded by the various forms of investment income, allowing the individual associations to focus on front line services for the benefit of members. During the course of the year we took a fresh look at our Federation-wide strategic objectives with a view to further improving the added benefit that the Federation offers to its individual associations, and to continue building on the improvements which came out of the new constitution several years ago.

The strong performance this year owes much again to the efforts of the RMIF Board overseeing the Federation's activities very much supported by an excellent and committed management team. I would like to take this opportunity to thank all of my colleagues, Board and staff, for their efforts in delivering such a good year. I'd particularly like to thank Peter Jones and Paul Hill who stood down from the Board during the year after making significant contributions both to the Board, and as Chairs of their associations (National Franchise Dealers Association and National Association of Motor Auctions respectively).



P. Johnson
Chairman
28th April 2017

The Retail Motor Industry Federation Limited

Strategic Report

The directors present their strategic report for the year ended 31st December 2016.

Review of the business and key performance indicators

As the main trade federation for the retail motor sector, the business provides a comprehensive range of services that aim to provide support and benefit to members. These include lobbying, representation, legal service and help line provision, technical support, training and development and conciliation.

The key financial performance indicators are those that demonstrate financial stability and improvement in financial performance over previous years. This in turn permits growth of our range of services. The factors considered are:- turnover, operating profit, cash, investments, and membership growth and retention levels.

The disparate nature of the associations was addressed in 2012, and the Articles of Association were changed. The business is now in its fifth year under these articles, and this gives each association the autonomy to determine their service and growth strategy, whilst retaining the benefit of remaining within the Federation. These changes have allowed the associations to retain and grow their subscriber base whilst adding valuable services for members.

With profitable results, and reflecting the increase in the value of our long leasehold property, retained reserves of the Group increased by £2.03m with members funds standing at £25.3m. During the year cash and investment balances grew by £1.85m to £26.5m, and continue to reflect a healthy capital position for the Group.

Group sales performance improved again in 2016. The Remit Group of businesses also performed better in the year, and this resulted in a Group retained profit of £1.785m (2015 - £1.33m). Membership numbers increased to 10,768 at the end of the year, 963 higher than at the end of 2015.

Some of the key areas of activity that the Retail Motor Industry Federation has been involved in during the year include:

IGA

- The IGA membership has continued to grow month on month and retention levels remain equal to that of the previous year.
- IGA continue to develop close links with European trade bodies and are working on the formation of an AFCAR solution for the UK aftermarket post the Brexit result and the IGA are working closely with the governing body for PTI, CITA.
- Lobbying at national and international level continues; connected car and responded to consultations on historic vehicles.
- The SERMI standard has been signed off and delivery to garages is anticipated in 2017.
- The IGA has increased social media communications and enhanced all the various websites and their accessibility.

NFDA

- NFDA continues to lobby to develop a fairer relationship between dealers and manufacturers, in particular ensuring that dealer contracts are balanced.
- NFDA continues to develop both the Consumer Attitude and Dealer Attitude Surveys. The profile of both has increased significantly across the industry with considerable media coverage and meetings with manufacturers.
- NFDA is working with its members and legal counsel to ensure that the new General Data Protection Regulations are implemented smoothly and members are fully compliant.
- NFDA has instigated a joint working group with the Finance and Leasing Association to look at regulatory and business issues on consumer finance.
- NFDA continued to campaign for Government action on mileage fraud and for tighter regulation of mileage adjustment companies.
- NFDA is actively campaigning for the retention of the 3 year MOT for cars and has responded to recent Government consultations.

The Retail Motor Industry Federation Limited

Strategic Report (Continued)

- NFDA membership continues to grow both in numbers and influence. With the new increased subscription structure, this will allow revenue growth in the consolidating market.
- NFDA continues to develop its relationship with its members via 'The Voice' and weekly e-news. In addition the quarterly regional meetings have increased with the introduction of a North Eastern region.

PRA

The Petrol Retailers Association (PRA) represents the interests of independent forecourt retailers to Governments and Local Assemblies across the UK.

- Since 2000, more than 4,000 independent petrol stations have closed. This represents more than 60% - many in already challenged rural areas.
- This trend continues, albeit at a reducing rate, with a further 103 net closures of independents in 2016.
- Oil companies have continued to retreat from front line retailing such that some 3,000 of their sites have been acquired by the larger groups.
- This has resulted in the formation of 4 "super dealer" groups, each with more than 200 sites. Together they own close to 25% of all independent forecourts.
- Today, independent forecourts number 5,800 or 70% of all the UK's filling stations. Hence the strategic and operational importance of the PRA.

Lobbying activities encompass most of the key Government departments including :-

HM Treasury/HM Revenue & Customs : fuel taxation, deferment of duty, rural duty rebate schemes, card payments and plastic banknotes
DBEIS (formerly DECC) – National Emergency Plan for Fuel (NEP-F) covering storage, supply and
DCLG/VOA – Business Rates
DfT – Motoring issues and fuel quality (biofuels)
Home Office – Forecourt Crime Senior Steering Group (FCSSG)
DoH – Tobacco and alcohol legislation
GLAA/IASC – unregulated Hand Car Washing

PRA has again produced a highly acclaimed "*Market Review 2017*", improved the presentation and content of the fortnightly e-newsletter *Petrol Heads Up* for members and industry as well as making the website www.ukpra.co.uk even more user friendly.

Big Oil is a fully owned subsidiary of RMIF Ltd and continues to provide a valuable contribution to the Group. It is sub-licensed, through a 5 year contract expiring in June 2018, to Vianet Fuel Solutions which was sold during 2016 to Wayne. This US Group was subsequently acquired by the \$8 billion turnover US conglomerate Dover Corporation which established Dover Fueling Solutions.

NBRA

- 2016 saw the VBRA and NAB fully integrate all back office and operational functions to work as one aligned business unit serving the accident repair and commercial bodybuilders sectors. A project to commence a rebrand of the whole VBRA/NAB organisation was commenced with roll out planned for Q1 2017.
- The association launched its new Online Technical Request Service that has delivered industry leading response times of sub 10 hours and fulfilled more than 10,000 repair method requests.
- The association continued to play a pivotal role in Influencing Standards and Trailblazer Apprenticeships for the sector, in a joint project with sister company REMIT and delivering over 100 apprenticeship vacancies.
- A simplified set of membership packages was concluded along with a clear value proposition for members delivering a minimum 4 to 1 return. The association exited 2016 with circa 1000 members.
- Social media and communications were bolstered with a 50% increase in membership of the group platform, as well as increased press release activity positioning the association message into the sector and wider UK market.

The Retail Motor Industry Federation Limited

Strategic Report (Continued)

Future Developments

The Board will look to develop the business to meet the changing needs of our members and customers. This will be both organically and, if appropriate, by acquisition.

Principal risks and uncertainties

The Board continues to consider that, despite a very positive year in 2016, the principal risks to the business will be associated with a potential future lack of growth in the UK economy and the pressures that this would exert on our members' businesses. In Remit, the principal risks in the business arise from the levels of government funding available for apprenticeships, the impact of the Apprenticeship Levy, and the changes in the flow of funds from the government.

Financial risk management

The group's operations expose it to financial risks that include liquidity and cash flow risk within its subsidiaries which the directors monitor on a regular basis through cash flow modelling and forecasting. The group actively maintains a mixture of short-term cash deposits and a longer term investment portfolio that is designed to ensure the group generates income and capital appreciation whilst ensuring it has sufficient funds available for operations.

By order of the board



C. Thomas
Secretary

Date: 28th April 2017

The Retail Motor Industry Federation Limited

Report of the Directors

For the year ended 31 December 2016

The directors present their report and financial statements for the year ended 31st December 2016.

The Retail Motor Industry Federation Limited (RMI) is a trade association representing the interests of the retail motor trade in the United Kingdom. The Federation also represents its members' interests in the European Union and internationally.

RMI owns 51% of the issued share capital of Remit Group Limited ('Remit') which provides national multi-sector apprenticeships and adult learning training. RMI owns 100% of the issued share capital of Big Oil Limited which provides on-line pricing information for the petrol retail market and 100% of RMI SC Limited, which provides certification services to the motor industry.

The National Franchised Dealers Association Limited ('NFDA'), a 100% subsidiary, holds a controlling stake of 58.7% of the voting shares in Trusted Dealers Limited.

RMI indirectly owns 23% of the equity voting shares of Remit Resourcing Limited which provides consultancy and outsource services to the automotive sector as well as indirectly owning 33% of Remit Food Limited which provides training to the catering and hospitality industry.

The financial statements have been consolidated to include the subsidiaries.

Employee Involvement

The company policy is to ensure that the employees are provided, through meetings and bulletins, with all relevant information concerning company performance and any company developments.

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Results and Dividend

The results for the year are set out on page 10. No dividend is permitted for the parent company and the whole of the retained profit will be taken to reserves.

Share Capital

The company is limited by guarantee.

Directors and their Interests

The directors who served during the year are listed below. The re-appointment of directors will be in accordance with the company's memorandum and articles of association and the decision of the Group Board.

Board of Directors

P. Johnson	Chairman
G. Bates	
B. V. Evans	
P. Hill	(Resigned 28 June 2016)
S. G. James	Executive Director
P. Jones	(Resigned 6 September 2016)
A. P. Lowe	
C. B. Madderson	Executive Director
M. C. Marshall	
J. Moseley	Executive Director (Appointed 28 June 2016)
C. B. Parlett	
S. Robinson	Executive Director
K. Savage	
M. Squires	(Appointed 8 November 2016)
C. Thomas	Finance Director and Company Secretary
J. Tomlinson	(Appointed 28 June 2016)

The Retail Motor Industry Federation Limited

Report of the Directors (Continued)

For the year ended 31 December 2016

Future Developments

In accordance with Section 414C(11) of the Companies Act 2006, the information relating to future developments and financial risks management is included in the Strategic Report.

Auditors

Kingston Smith LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Corporate Governance

The Board of Directors meets six times per year to review the state of the business and to consider future policy matters. The directors, collectively, understand which matters are reserved for the Board as a whole.

The Board comprises a Chairman, a Finance Director, four Executive Directors with eight other Directors. Directors are drawn from different disciplines so as to provide both balanced management and critical assessment of the Federation's activities.

All the directors have access to the advice and services of the company secretary.

After making enquiries, the directors have a reasonable expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. For this reason, and based on the following, they continue to adopt the going concern basis in preparing the financial statements.

The Federation is the largest trade association in the United Kingdom supporting members of the retail motor trade from which it receives subscriptions on an annual basis: there is no reason to assume that this situation will alter in the foreseeable future.

The Board is responsible for the Federation's system of internal financial control. Its principal features include review of financial information with senior management, monthly monitoring of results, operations, capital expenditure and significant financing matters of the Federation as a whole, and clearly defined levels of authority at all times. However, it must be appreciated that any such system can only provide reasonable rather than absolute assurance against material misstatement of financial information or loss.

The company's auditors, Kingston Smith LLP, have reviewed the above statement, in accordance with Auditing Practices Board guidance.

Remuneration Committee

The Remuneration Committee reviews and sets the remuneration levels for executive and non-executive directors. The committee is comprised of the following directors: Mr P Johnson, Mr C Parlett, Mr M. Squires and Mr G Bates. In assessing the remuneration of the directors, the committee considers the following: performance of RMI, comparable remuneration in similar businesses and individual performance.

Audit and Risk Committee

The Audit and Risk Committee is responsible for monitoring the integrity of the company's financial statements, reviewing internal financial controls and risk management systems, making recommendations to the Board concerning the appointment of the Group's external auditors (including their remuneration), reviewing and monitoring the external auditor's independence and engagement of the auditors to perform non-audit work. The committee is comprised of Mr K Savage, Mr A Lowe and Mr J Tomlinson. Mr P Johnson, as chairman of RMI, and Mr C Thomas, Finance Director, are invited to attend all meetings of this committee.

Nominations Committee

The key responsibilities of the Nominations Committee are making recommendations, as appropriate, to the Board concerning the formulation of plans for succession for both executive and non-executive directors, the suitability of candidates for the roles of independent directors, membership of the audit and remuneration committees, in consultation with the chairmen of those committees. The Nominations Committee is comprised of Mr P Johnson, Mrs B Evans and Mr G Bates.

The Retail Motor Industry Federation Limited

Report of the Directors (Continued)

For the year ended 31 December 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). 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 group and of the company and of the profit and loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Date: 28th April 2017

201 Great Portland Street
London W1W 5AB

On behalf of the Board



C. Thomas
Director

Independent Auditors' Report to the Members of The Retail Motor Industry Federation Limited

We have audited the financial statements of The Retail Motor Industry Federation Limited for the year ended 31 December 2016 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's profit 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

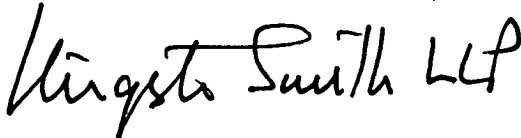
Independent Auditors' Report to the Members of The Retail Motor Industry Federation Limited

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.



Janice Riches (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Date: 28 April 2017

Devonshire House
60 Goswell Road
London EC1M 7AD

The Retail Motor Industry Federation Limited
Group Profit and Loss Account
For the year ended 31st December 2016

	Note	2016 £ '000	2015 £ '000
Turnover	3	27,356	21,858
Cost of sales		<u>(9,275)</u>	<u>(6,889)</u>
Gross profit		18,081	14,969
Operating expenses		<u>(17,794)</u>	<u>(14,275)</u>
Operating Profit	4	287	694
Investment income	5	712	117
Other finance income	18(b)	2	-
Gain on revaluation of investment property	11	1,100	669
Profit on ordinary activities before taxation		2,101	1,480
Tax on profit on ordinary activities	8	<u>(316)</u>	<u>(147)</u>
Profit for the financial year		1,785	1,333
Profit attributable to non-controlling interest		<u>(236)</u>	<u>(447)</u>
Profit attributable to owners of the parent		<u>1,549</u>	<u>886</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The Retail Motor Industry Federation Limited
Group Statement of Comprehensive Income
For the year ended 31st December 2016

	Note	2016 £ '000	2015 £ '000
Profit for the financial year		1,785	1,333
Other Comprehensive Income:			
Remeasurements of net defined benefit obligations	18(b)	26	36
Gain on revaluation of property net of related deferred tax	10, 17	523	273
Total comprehensive income for the financial year		<u>2,334</u>	<u>1,642</u>
Attributable to non-controlling interest		(236)	(447)
Attributable to members of the parent		<u><u>2,098</u></u>	<u><u>1,195</u></u>

The Retail Motor Industry Federation Limited
Group and Company Balance Sheet
as at 31st December 2016

	Note	Group 2016 £ '000	Group 2015 £ '000	Company 2016 £ '000	Company 2015 £ '000
Fixed Assets					
Intangible assets					
Goodwill	9	263	364	264	352
Negative Goodwill	9	(482)	(643)	-	-
Computer Software	9	-	31	-	-
		<u>(219)</u>	<u>(248)</u>	<u>264</u>	<u>352</u>
Tangible assets	10	5,053	4,181	4,803	4,056
Investment property	11	8,725	7,625	8,500	7,400
Investments	12	14,112	13,520	14,118	13,526
		<u>27,671</u>	<u>25,078</u>	<u>27,685</u>	<u>25,334</u>
Current Assets					
Stocks	14	1	2	-	-
Debtors	15	3,308	3,036	639	635
Cash at bank and in hand		<u>3,653</u>	<u>3,498</u>	<u>721</u>	<u>564</u>
		6,962	6,536	1,360	1,199
Creditors: Amounts falling due within one year	16	<u>(6,082)</u>	<u>(5,569)</u>	<u>(2,318)</u>	<u>(1,776)</u>
Net Current Assets/(Liabilities)		<u>880</u>	<u>967</u>	<u>(958)</u>	<u>(577)</u>
Total Assets less Current Liabilities		28,551	26,045	26,727	24,757
Provision for Other Liabilities	17	<u>(2,360)</u>	<u>(2,095)</u>	<u>(2,360)</u>	<u>(2,095)</u>
Net Assets excluding pension liability		26,191	23,950	24,367	22,662
Pension retirement obligations	18 (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets including pension liability		<u>26,191</u>	<u>23,950</u>	<u>24,367</u>	<u>22,662</u>
Capital and Reserves					
Revaluation reserve		3,600	3,077	3,600	3,077
Profit and loss reserve		<u>21,750</u>	<u>20,248</u>	<u>20,767</u>	<u>19,585</u>
Members' funds		25,350	23,325	24,367	22,662
Non-controlling interests		<u>841</u>	<u>625</u>	<u>-</u>	<u>-</u>
		<u>26,191</u>	<u>23,950</u>	<u>24,367</u>	<u>22,662</u>

The financial statements were approved by the board of directors and authorised for issue on 28th April 2017 and are signed on its behalf by:

.....
P. Johnson
Chairman

.....
C. Thomas
Finance Director

Company Registration Number: 00133095

The Retail Motor Industry Federation Limited
Group and Company Statement of Changes in Equity
For the year ended 31st December 2016

Group	Revaluation Reserve £'000	General Reserve £'000	Total £'000	Non controlling interest £'000	Total £'000
Balance at 1 January 2015	2,804	19,326	22,130	178	22,308
Year ended 31 December 2015					
Surplus for the year	-	886	886	447	1,333
Other comprehensive income for the year	273	36	309	-	309
Total comprehensive income for the year	273	922	1,195	447	1,642
Balance at 31 December 2015	3,077	20,248	23,325	625	23,950
Year ended 31 December 2016					
Surplus for the year	-	1,549	1,549	236	1,785
Other comprehensive income for the year	523	26	549	-	549
Purchase of non-controlling interest	-	(73)	(73)	(20)	(93)
Total comprehensive income for the year	523	1,502	2,025	216	2,241
Balance at 31 December 2016	3,600	21,750	25,350	841	26,191

Company	Revaluation Reserve £'000	General Reserve £'000	Total £'000
Balance at 1 January 2015	2,804	19,168	21,972
Year ended 31 December 2015			
Surplus for the year	-	381	381
Other comprehensive income for the year	273	36	309
Total comprehensive income for the year	273	417	690
Balance at 31 December 2015	3,077	19,585	22,662
Year ended 31 December 2016			
Surplus for the year	-	1,156	1,156
Other comprehensive income for the year	523	26	549
Total comprehensive income for the year	523	1,182	1,705
Balance at 31 December 2016	3,600	20,767	24,367

The Retail Motor Industry Federation Limited
Group Statement of Cash Flows
For the year ended 31st December 2016

		Group	
	Note	2016 £ '000	2015 £ '000
Net cash from operating activities	19	776	41
Income taxes (paid)/ refunded		(192)	102
Net cash inflow from operating activities		<u>584</u>	<u>143</u>
Cashflow from investing activities			
Purchase of tangible fixed assets		(459)	(122)
Proceeds on disposal of tangible fixed assets		6	20
Interest received		433	366
Receipts from sales of investments		1,678	8,344
Payments to acquire investment securities		(1,994)	(8,691)
Purchase of subsidiary undertakings (net of cash acquired)		-	672
Purchase of shares in subsidiary from non-controlling interest		(93)	-
Net cash (used in)/ received from investing activities		<u>(429)</u>	<u>589</u>
Net increase in cash and cash equivalents		<u>155</u>	<u>732</u>
Cash and cash equivalents at beginning of year		3,498	2,766
Cash and cash equivalents at end of year		<u><u>3,653</u></u>	<u><u>3,498</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u><u>3,653</u></u>	<u><u>3,498</u></u>

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies

1.1 Company Information

The Retail Motor Industry Federation ("the company") is a private company limited by guarantee, which is domiciled and incorporated in England and Wales, and not having a share capital. The liability of the members who constitute the Federation is limited to £1 per member.

The registered office is 201 Great Portland Street, London, W1W 5AB.

1.2 Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard 102 applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The group and individual financial statements have been prepared on the historical cost convention, as modified by the recognition of the long term leasehold property, investment properties and investments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,156,195 (2015: £381,415).

Exemption for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions as set out below:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the company's cashflows.

(ii) from disclosing the parent company's key management personnel compensation as required by FRS102 paragraph 33.7.

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. The group business lines include the following:-

Subscriptions

Subscription income comprises subscriptions which run for a period of one year. Revenue is recognised evenly over the annual membership period with amounts received in the current financial year that relate to the following financial year treated as deferred income at the balance sheet date.

Advertising revenue

Advertising income comprises revenue earned from advertising of vehicles on the website. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer, i.e. over the period to which the advertising relates.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

Training

Training revenue is recognised at the point at which the training takes place and has been evidenced. Any amounts received in the current financial year that relate to the following year are treated as deferred income at the balance sheet date.

Management development and consultancy

Management development and consultancy revenue is recognised when the service takes place.

1.4 Intangible Fixed Assets - goodwill

Purchased goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is capitalised and written off on a straight line basis over its estimated useful economic life of five years and is subject to impairment reviews.

1.5 Intangible Fixed Assets other than Goodwill

Intangible assets acquired separately from a business are recognised at cost less accumulated amortisation and accumulated impairment losses.

Negative goodwill arises when the fair value of the net assets acquired is greater than the consideration paid. Negative goodwill is released to profit or loss over the period over which the group is expected to benefit from the net assets acquired. This is estimated to be five years.

1.6 Amortisation of Intangible Assets

Amortisation is recognised so as to write off the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised on the following bases:

- Goodwill 5 years straight line
- Software 3 years straight line

Amortisation is charged to operating expenses in the Profit and Loss account.

1.7 Tangible Assets

Tangible fixed assets other than long leasehold property are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Computer equipment	3 years
Furniture and equipment	7 years
Motor vehicles	4 years
Plant and Machinery	5 years
Short Leasehold Property	Over the term of the lease
Leasehold improvements	10 years

It is the company's practice to maintain its long leasehold property in a continual state of sound repair and to make improvements thereto from time to time. The directors review the valuation of the building annually for impairment in its value and as they consider that the residual value at the end of its useful economic life will not be less than its present carrying value, no depreciation is chargeable. The company's long leasehold property used in the business is included in the financial statements at its fair value.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

1.8 Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.9 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash - generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Investments

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

1.11 Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises amounts invoiced for paper, origination, printing and binding of books.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

1.14 Financial instruments (continued)

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.15 Provisions for Other Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event; it is probable that the group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

1.16 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves. Deferred tax assets and liabilities are offset when the group and company have a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

The company participates in the Motor Industry Pension Plan, which operates both a defined contribution and a defined benefit scheme.

The group also operates another defined contribution plan for new employees. The assets of the scheme are held separately from the group in independently administered funds. Payments to the defined contribution schemes are charged as an expense as they fall due.

Defined benefit pension plan

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. Annually the company engages independent actuaries to calculate the obligation.

The balance recognised in the Statement of Financial Position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This is recognised in profit or loss as 'Finance income/expenditure'.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented within provisions.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

1 Accounting Policies (continued)

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Significant judgements and estimates

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, and economic utilisation. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the group to estimate the future cashflows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 9 for the carrying amount of intangible assets and note 1.6 for the useful economic lives for each class of assets.

Release of negative goodwill to profit or loss

The annual amount of negative goodwill credited to profit or loss is sensitive to the directors' estimate of the period over which the group is expected to benefit from the net assets acquired.

The period of benefit is assessed annually. See note 9 for the carrying amount of negative goodwill and note 1.5 for the period over which the negative goodwill is released.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016

2 Significant judgements and estimates (continued)

Defined benefit pension scheme

The group and company have obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit scheme.

3 Turnover

	2016 £ '000	2015 £ '000
Subscriptions	4,863	4,581
Membership activities	628	551
Rental income	291	320
Commission	206	269
Other income	1,057	944
Training	20,311	15,193
	<u>27,356</u>	<u>21,858</u>

4 Operating Profit

	2016 £ '000	2015 £ '000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration in respect of audit services	26	26
Auditors' remuneration in respect of non-audit services		
–audit of subsidiaries	43	43
–taxation	21	18
–other	23	14
Depreciation of owned tangible fixed assets	182	178
Loss on disposal of tangible fixed assets	(1)	40
Amortisation of goodwill	(60)	(87)
Amortisation of intangible assets	31	63
Operating lease rentals - land and buildings	782	782
Foreign exchange differences	2	(6)
	<u></u>	<u></u>

5 Investment Income

	2016 £ '000	2015 £ '000
Profit/(loss) on sale of investments	(21)	(68)
Profit/(loss) on revaluation of investments	300	(181)
Investment interest receivable	275	257
Dividends receivable	158	109
	<u>712</u>	<u>117</u>

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016

6 Staff Costs including Executive Directors	2016	2015
	£ '000	£ '000
Wages and salaries	10,911	8,630
Social security costs	1,181	941
Pension costs	381	278
	<u>12,473</u>	<u>9,849</u>

The average number of persons employed by the group during the year was :

	2016	2015
Members services	64	60
Training	289	231
Administration	15	15
	<u>368</u>	<u>306</u>

7 Directors' Emoluments	2016	2015
	£ '000	£ '000
Emoluments	612	580
Company contributions to money purchase pension scheme	24	20
	<u>636</u>	<u>600</u>

Key management personnel comprises directors only whose compensation is set out above.

	2016	2015
	£ '000	£ '000
<i>Highest paid director</i>		
Emoluments	145	145
Aggregate contributions to money purchase pension scheme	12	10
	<u>157</u>	<u>155</u>

Two directors (2015 - three) were members of the defined contribution scheme.

8 Taxation	2016	2015
	£ '000	£ '000
Domestic current year tax		
UK Corporation tax	105	158
	<u>105</u>	<u>158</u>
Deferred Tax:		
Deferred tax charge/(credit) for the current year (note 17)	211	(11)
	<u>211</u>	<u>(11)</u>
Group deferred tax charge/ (credit)	316	147

Factors that may affect future tax charges

The group has estimated tax losses of £10,872,000 (2015: £10,883,000) available to carry forward against future trading profits of the same trade.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

8 Taxation (continued)

Factors affecting the tax charge for the year	2016 £ '000	2015 £ '000
Profit on ordinary activities before tax.	2,101	1,480
Profit on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 20% (2015 - 20.25%)	420	300
Effects of:		
Non deductible expenses	15	18
Capital allowances for year (in excess of) / lower than depreciation	(6)	14
Amortisation of intangible assets	(30)	(35)
Tax losses utilised	-	(43)
Change in unrecognised deferred tax assets	-	(49)
Effect of change in corporation tax rate on deferred tax	(80)	-
Dividends not taxable	(32)	(22)
Revaluation gains treated as non-taxable	(16)	(43)
Unrelieved losses and other deductions	40	-
FRS102 pension adjustments not deductible/ chargeable for tax	5	7
	(104)	(153)
Tax expense for the year	316	147

9 Intangible Fixed Assets

	Group Goodwill	Software	Total	Company Goodwill
	£'000	£'000	£'000	£'000
Cost				
At 1st January 2016	1,153	205	1,358	607
Additions	-	-	-	-
At 31st December 2016	1,153	205	1,358	607
Amortisation				
At 1st January 2016	789	174	963	255
Amortisation charge for the year	101	31	132	88
At 31st December 2016	890	205	1,095	343
Net book value				
At 31st December 2016	263	-	263	264
At 31st December 2015	364	31	395	352

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

9 Intangible Fixed Assets (continued)

Negative Goodwill	Group £'000
Cost	
At 1st January 2016 and 31st December 2016	<u>822</u>
Amortisation	
At 1st January 2016	179
Amortisation for the year	<u>161</u>
At 31st December 2016	<u>340</u>
Net book value	
At 31st December 2016	<u><u>482</u></u>
At 31st December 2015	<u><u>643</u></u>

Further acquisition of Remit Food Limited

In January 2016, Remit Group Limited acquired a further 14% of Remit Food Limited in addition to the 51% purchased in 2015 to give a shareholding of 65%. The consideration was £93,324 for 140 Ordinary A £1 Shares. The net assets at the time of purchase were £40,169 resulting in goodwill of £53,155. The estimated useful life of goodwill is 5 years.

Group intangible asset - Software

Software includes group bespoke Virtual Learning Environment software for managing and delivering e-learning solutions to learners. These systems were created by a mixture of external development firms and staff specifically employed for the purpose.

Group and company intangible asset - Goodwill

The company and group goodwill includes that arising from the acquisition of the trade and assets of the Motor Vehicle Repairers Association in June 2009.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

10a) Fixed Assets - Tangible

Group	Long Leasehold Property £ '000	Short Leasehold Property £ '000	Leasehold Improvements £ '000	Furniture and Equipment £ '000	Computer Hardware £ '000	Motor Vehicles £ '000	Total £ '000
Cost or Valuation							
At 1st January 2016	3,900	127	221	725	716	55	5,744
Additions	-	-	120	185	154	-	459
Disposals	-	-	-	(60)	(99)	(20)	(179)
Revaluation	600	-	-	-	-	-	600
At 31st December 2016	4,500	127	341	850	771	35	6,624
Depreciation							
At 1st January 2016	-	127	143	663	599	31	1,563
Charge for the year	-	-	32	42	95	13	182
Eliminated on disposals	-	-	-	(57)	(99)	(18)	(174)
At 31st December 2016	-	127	175	648	595	26	1,571
Net Book Value							
At 31st December 2016	4,500	-	166	202	176	9	5,053
At 31st December 2015	3,900	-	78	62	117	24	4,181

Long Leasehold Property (Group and Company)

The long leasehold property was professionally valued in February 2017 on the basis of fair value by hb Surveyors and Valuers, independent valuers, in line with the requirements of Financial Reporting Standard 102. The valuation was made on an existing use value which is the amount a willing buyer would pay a willing seller in an arm's length transaction, assuming vacant possession and by reference to market evidence of recent transaction prices. The historical cost of the fixed asset portion was £86,500.

A charge was created over the long leasehold property at the company's head office, 201 Great Portland Street, London on 29 November 2011 in favour of Motor Industry Pension Plan Scheme.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

10 Fixed Assets - Tangible (continued)

Company	Long Leasehold Property £ '000	Leasehold Improvements £ '000	Furniture and Equipment £ '000	Computer Hardware £ '000	Total £ '000
Cost or Valuation					
At 1st January 2016	3,900	221	582	186	4,889
Additions	-	120	69	32	221
Disposals	-	-	-	(2)	(2)
Revaluation	600	-	-	-	600
At 31st December 2016	4,500	341	651	216	5,708
Depreciation					
At 1st January 2016	-	143	535	155	833
Charge for the year	-	32	23	19	74
Eliminated in respect of disposals	-	-	-	(2)	(2)
At 31st December 2016	-	175	558	172	905
Net Book Value					
At 31st December 2016	4,500	166	93	44	4,803
At 31st December 2015	3,900	78	47	31	4,056

11 Fixed Assets - Investment Property

Investment property (Group)

	2016 £ '000
Fair value	
At 1st January 2016	7,625
Revaluation	1,100
At 31st December 2016	8,725

Investment property - Group and Company

The long leasehold property described in Note 10 is mixed-use, with an investment property portion. The independent professional valuation by hb Surveyors and Valuers provides a separate value of the own-use and investment property elements. The valuation is based on rental value and yields for the location and similar properties.

Investment property - Group only

In addition to the company's investment property, one of the subsidiaries owns a property located in Leeds. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 28 January 2015 by Sanderson Weatherall LLP Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

11 Fixed Assets - Investment Property (continued)

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been included as follows:

Group	2016 £ '000	2015 £ '000
Cost at 1st January	379	164
Acquisitions from business combinations	-	27
Reclassification on change of use	-	188
Cost at 31st December	<u>379</u>	<u>379</u>

Investment property (Company)

Fair value	2016 £'000	2015 £'000
At 1st January	7,400	6,750
Revaluation	1,100	650
At 31st December	<u>8,500</u>	<u>7,400</u>

Investment Property (Company)

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £ '000	2015 £ '000
Cost at 1st January and 31st December 2016	<u>164</u>	<u>164</u>

12 Fixed Assets - Investments

	Cash Deposits	Listed Investments	Total
Group	£'000	£'000	£'000
Cost or valuation			
At 1st January 2016	1,018	12,502	13,520
Additions	414	1,598	2,012
Disposals	-	(1,699)	(1,699)
Revaluations	-	279	279
At 31st December 2016	<u>1,432</u>	<u>12,680</u>	<u>14,112</u>

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

12 Fixed Assets - Investments (continued)

	Shares in Group Undertakings £'000	Cash Deposits £'000	Listed Investments £'000	Total £'000
Company				
Cost or valuation				
At 1st January 2016	6	1,018	12,502	13,526
Additions	-	414	1,598	2,012
Disposals	-	-	(1,699)	(1,699)
Revaluations	-	-	279	279
At 31st December 2016	6	1,432	12,680	14,118

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2016 was £12,194,250 (2015 - £12,391,315).

Shares in Group Undertakings

Shares in group undertakings are shown at cost, less any provisions for material continuing losses and impaired carrying value. Details of the company's subsidiary undertakings are set out below. All the subsidiary undertakings are incorporated in England and Wales and operate in the United Kingdom.

Trading Company:	Principal Activity	Proportion of ordinary shares held
		%
Remit Group Limited	Training Provider	51
Big Oil Limited	Online Information Portal	100
Remit Resourcing Limited	Outsource servicer	26*
RMI SC Limited	Certification services	100
Remit Food Limited	Training Provider	33*
Trading Company limited by guarantee:		
Trusted Dealers Limited	Online marketing	n/a**
The Vehicle Builders and Repairers Association	Repairs	n/a***
Non Trading Companies:		
The Petrol Retailers Association Limited	Dormant	100
Motor Industry Pension Plan Trustees Limited	Dormant	100
Remit IT Academy Limited	Dormant	51*
Remit Showroom Limited	Dormant	34*
Non Trading Companies limited by guarantee:		
The National Franchised Dealers Association Limited	Dormant	n/a
The National Association of Radiator Specialists Limited	Dormant	n/a
Motorcycle Rider Training Association Limited	Dormant	n/a
Motorcycle Retailers Association Limited	Dormant	n/a
Society of Motor Auctions Limited	Dormant	n/a
Independent Garage Association Limited	Dormant	n/a
Cherished Numbers Dealers Association Limited	Dormant	n/a
National Conciliation Service Limited	Dormant	n/a

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

12 Fixed Assets - Investments (continued)

The financial statements for the trading subsidiaries for the year ended 31 December 2016 have been consolidated with those of the parent company. The non-trading subsidiaries have not been included in the consolidation as they are immaterial.

* Indirectly held voting shares.

** 58.7% of the voting shares are held.

*** 100% of the voting shares are held

13 Financial Instruments

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,713	2,597	351	442
Carrying amount of financial liabilities				
Measured at amortised cost	4,318	3,957	492	430

14 Stocks

	Group		Company	
	2016	2015	2016	2015
	£ '000	£ '000	£ '000	£ '000
Finished goods and goods for resale	1	2	-	-

15 Debtors

	Group		Company	
	2016	2015	2016	2015
	£ '000	£ '000	£ '000	£ '000
Trade debtors	1,083	899	174	175
Amounts owed by subsidiary undertakings	-	-	26	28
Other debtors	292	281	151	239
Prepayments and accrued income	1,895	1,795	288	193
Deferred tax asset (see note 17)	38	61	-	-
	3,308	3,036	639	635

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

16 Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£ '000	£ '000	£ '000	£ '000
Trade creditors	1,026	482	396	124
Amounts owed to subsidiary undertaking	-	-	9	-
Social security and other taxes	563	599	210	172
Other creditors	493	664	273	258
Accruals and deferred income	4,000	3,824	1,430	1,222
	<u>6,082</u>	<u>5,569</u>	<u>2,318</u>	<u>1,776</u>

17 Provision for Other Liabilities

Deferred Taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

Deferred tax asset

	Group		Company	
	2016	2015	2016	2015
	£ '000	£ '000	£ '000	£ '000
Tax losses available against future profits	36	40	-	-
(Accelerated) / decelerated capital allowances	(1)	19	-	-
Other timing differences	3	2	-	-
	<u>38</u>	<u>61</u>	<u>-</u>	<u>-</u>

Deferred tax liability

	Group		Company	
	2016	2015	2016	2015
Revaluation gains on listed investments and investment and own-use property	2,360	2,095	2,360	2,095
	<u>2,360</u>	<u>2,095</u>	<u>2,360</u>	<u>2,095</u>

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

17 Provision for Liabilities and Charges (continued)

Deferred tax movements in the year	Group 2016 £ '000	Company 2016 £ '000
Liability at 1 January 2016	(2,095)	(2,095)
Asset at 1 January 2016	61	-
Charge to profit and loss account	(211)	(188)
Charge to other comprehensive income	(77)	(77)
Liability / (asset) at 31 December 2016	<u>(2,322)</u>	<u>(2,360)</u>
Analysed as:		
Liability at 31 December 2016	(2,360)	(2,360)
Asset at 31 December 2016	<u>38</u>	<u>-</u>

A further deferred taxation asset arises due to tax losses being carried forward by entities where they do not anticipate taxable profits to arise in the immediate future. No provision for these deferred taxation assets, comprised as follows, has been made in these financial statements.

	2016 £ '000	2015 £ '000
Amounts potentially available to credit the Profit and Loss account:		
Accelerated depreciation	185	186
Other short term timing differences	3	3
Losses carried forward	<u>2,066</u>	<u>2,177</u>
Total potential deferred tax asset	<u>2,254</u>	<u>2,366</u>

18 Future Financial Commitments

(a) Operating Leases

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £ '000	2015 £ '000
within one year	543	385
between two and five years	1,702	604
in over five years	1,347	536
	<u>3,592</u>	<u>1,525</u>

The majority of leases of land and buildings are subject to rent reviews.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016 (Continued)

18 Future Financial Commitments (Continued)

(b) Pension Costs

The group operates three pension schemes for its employees: two as participating employer in the Motor Industry Pension Plan (MIPP), and a Group Personal Pension Plan for new entrants.

The majority of MIPP scheme members belong to a defined benefit scheme which provides defined benefits based on service in the scheme and final pensionable salary. A minority belong to a scheme which provides benefits based on defined contributions. Both MIPP schemes are now closed to new members.

The Group Personal Pension Plan provides benefits based on defined contributions paid to the plan. The group also contributes to the personal pension plan of its employees.

MIPP schemes' assets are held separately from those of the group companies in separate trustee administered funds. Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' future working lives. The contributions are determined with the advice of an independent qualified actuary on the basis of regular valuations.

The most recent actuarial valuation upon which the amounts included in the accounts are based, was carried out at 5 April 2013. Using this as a basis, the actuarial valuation of the scheme has been updated to 31st December 2016 by an independent qualified actuary in accordance with section 28 of FRS 102.

As required by section 28 of FRS 102, the defined benefit liabilities have been measured using the projected unit method.

Contributions for the year ended 31 December 2016 amounted to £99,000 (2015 - £99,000). Payments for future years under the current schedule of contributions will be £111,000 for 2017 for the expenses of the scheme, which will vary in amount from year to year.

Changes in present value of defined benefit obligations

	Group and Company	
	2016	2015
	£' 000	£' 000
Scheme liabilities at 1st January	20,950	21,729
Interest cost	758	745
Actuarial (gains) / losses on scheme liabilities	4,242	(646)
Net benefits paid from scheme assets	(947)	(878)
	<u>25,003</u>	<u>20,950</u>
Scheme liabilities at 31st December		

Total actuarial loss of £4,242,000 on the liabilities is analysed as follows:

	2016	2015
	£' 000	£' 000
(Loss)/gain on change in actuarial assumptions	(4,242)	646
	<u>(4,242)</u>	<u>646</u>

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

18 Future Financial Commitments (Continued)

(b) Pension Costs (Continued)

Changes in fair value of scheme assets	Group and Company	
	2016 £ '000	2015 £ '000
Fair value of scheme assets at 1st January	22,526	23,158
Return on scheme assets (excluding amounts in net interest)	3,929	(463)
Employer contributions	99	99
Net benefits paid from scheme assets	(947)	(878)
Expenses paid	(127)	(135)
Interest income	818	745
	<u>26,298</u>	<u>22,526</u>

Amounts recognised in income are as follows:

	2016 £ '000	2015 £ '000
Expenses paid - operating expenses	127	135
Interest on net defined benefit asset - other finance income	(2)	-
Pension expense recognised in profit and loss	<u>125</u>	<u>135</u>

The actual return on scheme assets for the year was a gain of £4,747,000 (2015 - £282,000).

Amounts recognised in other comprehensive income

	2016 £ '000	2015 £ '000
Actuarial (loss)/ gain on liabilities	(4,242)	646
Actuarial gain/(loss) on scheme assets in excess of interest	3,929	(463)
	<u>(313)</u>	<u>183</u>
Change in the effect of the asset ceiling	339	(147)
	<u>26</u>	<u>36</u>

Assumptions

The principal assumptions for the defined benefit scheme used by the actuary were:

	%	%
RPI Inflation	3.50%	3.30%
CPI Inflation	2.40%	2.20%
Revaluations in deferment	2.40%	2.20%
Pension increases- 5% LPI	3.30%	3.20%
Pension increases- 2.5% LPI	2.30%	2.20%
Pension increases- Post 88 GMP benefits	2.00%	2.00%
Discount rate for scheme liabilities	2.70%	3.70%

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% of the SIPxA tables, improvements in line with the CMI 2012 projections and a long term rate of improvement of 1.5%. Under this assumption the average life expectancy of males aged 65 is 23.1 years (2015: 23.0 years) and of females aged 65 of 25.4 years (2015: 25.3 years). Longevity at age 65 for future pensioners currently aged 45 is 25.3 years for males (2015: 25.2 years) and 27.8 for females (2015: 27.6 years).

No allowance has been made for cash commutations.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31st December 2016 (Continued)

18 Future Financial Commitments (Continued)

(b) Pension costs (Continued)

Amounts included in the statement of financial position	2016 £ '000	2015 £ '000
Fair value of scheme assets	26,298	22,526
Present value of funded defined benefit obligations	(25,003)	(20,950)
Unrecognised asset	<u>(1,295)</u>	<u>(1,576)</u>
Net retirement benefit obligations	<u><u>-</u></u>	<u><u>-</u></u>

Analysis of fair value of scheme assets

	2016		2015	
	£ '000	%	£ '000	%
Equities	13,675	52%	11,713	52%
Fixed interest gilts	3,682	14%	3,154	14%
Index-linked gilts	6,574	25%	5,406	24%
Corporate bonds	<u>2,367</u>	<u>9%</u>	<u>2,253</u>	<u>10%</u>
Fair value of assets	<u><u>26,298</u></u>	<u><u>100%</u></u>	<u><u>22,526</u></u>	<u><u>100%</u></u>

19 Cash generated from operations

	Group	
	2016 £ '000	2015 £ '000
Profit for the financial year	1,785	1,333
Adjustments for:		
Income tax recognised in profit or loss	316	147
Fair value gains on investment property	(1,100)	(669)
Investment income recognised in profit or loss	(712)	(117)
Loss on disposal of tangible fixed assets	(1)	40
Amortisation and impairment of intangible assets	(29)	(24)
Depreciation and impairment of tangible fixed assets	182	178
Post employment benefits less payments	26	36
Movements in working capital:		
(Increase) / Decrease in stocks	1	2
(Increase) / Decrease in debtors	(262)	(804)
Increase / (decrease) in creditors	570	(81)
Cashflow from operating activities	<u><u>776</u></u>	<u><u>41</u></u>

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016 (Continued)

20 Related Party Transactions

See note 7 for disclosure of the directors' remuneration and key management personnel compensation.

The company has taken the exemption available in FRS 102 and has chosen not to disclose related party transactions with wholly owned members of the group.

Transactions with key management personnel

During the year, the group entered into the following transactions on normal commercial terms:

	2016 £ '000	2015 £ '000
Education & Media Services Limited- commission receivable on book sales	2	4
RJ Foulston & Co Limited - consultancy purchases	-	18
K. Briggs - professional services	-	110
	<u> </u>	<u> </u>

Mr R Foulston, director and minority shareholder of Remit Group Limited, had a controlling interest in Education & Media Services Limited until November 2016. There were no balances owing at the year end (2015 - £nil).

He also has a controlling interest in RJ Foulston & Co Limited. At the year end, the company's subsidiary, Remit Group Limited, owed £nil (2015 - £17,325) to RJ Foulston & Co Limited.

K. Briggs, former director of The Retail Motor Industry Federation Limited, invoiced The Retail Motor Industry Federation Limited £nil (2015 - £110,400) for professional services and £nil (2015 - £9,408) for reimbursement of expenses. At 31 December 2016, £nil was owed to K. Briggs (2015 - £nil). The amounts for professional services are included within Directors' emoluments in note 7.

Transactions with group undertakings

During the year, Remit Group Limited was charged salary and administration costs of £59,489 (2015 - £60,932) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2016, the Remit Group Limited owed £nil (2015 - £4,167) to the Retail Motor Industry Federation Limited.

During the year, Remit Group Limited recharged £nil of administration costs (2015 - £36,007) on normal commercial terms to Remit Resourcing Limited, a 51% subsidiary. At 31 December 2016, Remit Group Limited owed £nil (2015 - was owed £32,389) to Remit Resourcing Limited.

During the year, Remit Group Limited recharged £362,858 (2015 - £51,824) of staff costs on normal commercial terms to Remit Food Limited, its 65% subsidiary. At 31 December 2016, Remit Group Limited owed £28,194 (2015 - £76,639) to Remit Food Limited.

A 58% subsidiary company, Trusted Dealers Limited, had transactions during the year totalling £232,781 (2015 - £224,047) with its ultimate controlling party, the Retail Motor Industry Federation Limited (RMIF), relating to salaries paid by RMIF and recharged to Trusted Dealers Limited.

Trusted Dealers Limited has entered into relationships, on an arms length basis, with Judgeservice Research Limited to reimburse a portion of its costs (at cost or less) in providing office space and administration to the company. The total amount paid during the period in respect of these services amounted to £26,867 (2015 - £20,820). N Addley, the owner of Neil Addley Sales and Marketing, is a director of Judgeservice Research Limited.

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31st December 2016 (Continued)

20 Related Party Transactions (continued)

Included in trade and other payables at the year end is £5,169 (2015 - £2,955) owed to Judgeservice Research Limited. There is no security on this balance and it is monies owed for allocation of office space and administration reimbursement as described above.

The following directors of Trusted Dealers Limited are also directors of companies which have during the period advertised vehicles on the Trusted Dealers website. These transactions were made on an arms length basis and the value of sales made by Trusted Dealers Limited are shown in the table below. There are no outstanding balances arising from these transactions at 31 December 2016 (2015: £Nil).

Director of Trusted Dealers Limited	Other Relevant Directorship	Sales by Trusted Dealers	
		2016	2015
R T Forrester	Vertu plc	60,000	60,000
P Jones & A Bruce	Lookers plc	172,899	172,899
K Savage	Perrys Motor Sales Limited	96,329	96,329
		<u>329,228</u>	<u>329,228</u>

21 Guarantees and other Financial Commitments

During the year, Remit Group Limited entered into a lease agreement for rent of £102,500 per annum for 10 years ending 24 April 2026. Retail Motor Industry Federation Limited is a guarantor for the lease.