THE RETAIL MOTOR INDUSTRY FEDERATION LIMITED

Company No. 00133095

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2021

The Retail Motor Industry Federation Limited
Company Information
For the year ended 31st December 2021

Directors

P. Johnson (Chairman)
G. Balmer
R. M. Collison
K. A. Finn
S. G. James
C.B. Madderson
D. Newman
S. Pearson
S. Robinson
A. Russell
K. Savage
C. Thomas
R. Thorogood
C. Weeks

Secretary

C. Thomas

Company number

00133095

Registered Office

201 Great Portland Street
London
W1W 5AB

Auditor

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

The Retail Motor Industry Federation Limited
Report and Financial Statements
For the year ended 31st December 2021

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Chairman's Report
For the year ended 31 December 2021

2021 proved to be another year of lockdowns and challenges for both our Industry and our members. The unwarranted invasion of the Ukraine caused even further real issues for our members and business alike.

Despite such challenges, I am, however, very pleased to report that we had a further solid year financially. We achieved an operating profit of £916k all be it that this was heavily influenced by the sale of our Remit training subsidiary. This sale was also the main reason for our turnover being down to £13.1m for the year as we lost Remit's contribution to that figure. However, taking investment gains into account, we were able to retain a surplus of £1.52m, further strengthening our balance sheet. One of our key financial priorities throughout 2021 was to protect our cash flow position; we ended the year with almost £1.1m in the bank. This was an excellent result and only down on last year's figure of £3.3m because of the Remit sale, the proceeds of which were added to our investments pot rather than being kept in cash.

Remit was sold in May 2021 as part of a management buyout. Remit has made a significant contribution to the Federation's financial success. However, over that time, Remit had slowly diversified away from the motor industry, a necessary step for Remit, but one which made it far less of a core activity for the Federation. It was therefore the right strategic decision to sell our share of the business. We wish all the team at Remit every success for the future.

Our associations had a remarkably solid year with the overall number of members remaining solid at 10,193, Core subscription income increased by £35k over the year.

The associations continued to achieve much on behalf of their members. The NFDA's Drive My Career initiative and Electric Vehicle Accreditation (EVA) continued to grow, and in the case of EVA further funding from the Government's office for Zero Emission Vehicles was secured. The IGA was the winner of the "Best Crisis Support Award" at the Trade Association Forum in recognition of its work in support of members during the pandemic, worthy of considerable note, but managed to combine this with much other good work such as HEV level 3 training for members to allow them to provide local solutions to customers who became EV adopters. The PRA faced many crises with fuel shortages and rapid price increases, alongside the ever-increasing pressures from the Green lobby on Oil usage. In every case our PRA members' interests were well represented. The NBRA members faced serious cost issues and skilled labour shortages. Much was achieved to improve communication and many representations were made to the Insurance industry to recognise the difficulties members were facing.

I have taken the decision to step down as Chairman of the Federation at our AGM this year after 7 years in the role. I am confident that I will be leaving the Federation in a very strong position enabling it to continue its good work. This is therefore my last Chairman's report, and I would like to thank all my colleagues, Board, and staff, for their efforts, during my time as chairman. I would like to particularly thank three colleagues who all stood down from our board during 2021 but who made significant contributions to the Federation over a considerable period. Brian Madderson served as Chairman and Executive Director for the PRA for many years. Roger Collings chaired the NBRA, and lastly Colin Parlett who was chairman of the IGA and my deputy Chairman of the Federation, stood down in May 2021.

As I write, whilst the recovery from the pandemic continues during 2022, all businesses are being asked to deal with a different set of economic headwinds including higher inflation and rising interest rates. But I am confident that the RMI will continue to provide a fantastic service and level of support to all our members.

Peter Johnson

P Johnson
Chairman
28 June 2022

The Retail Motor Industry Federation Limited
Strategic Report
For the year ended 31 December 2021

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

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.

Our Memorandum and Articles of Association give our associations significant autonomy to determine their own service and growth strategy whilst retaining the benefit of remaining within the Federation. This has allowed the associations to retain and grow their member base while adding valuable new services for members.

Independent Garage Association (IGA)

The Independent Garage Association (IGA) is the largest and most prominent representative body in the independent garage sector, being the voice of the industry in matters arising in the UK Government and in Europe regarding legislative and regulatory issues. The IGA supports and encourages independent garages to thrive in all aspects of their business by offering advice, guidance and services which ensure the independent service and repair sector remains efficient and competitive in an increasingly complex business landscape.

2021 was a year of transition, with the country returning to a level of normality following the lockdowns and restrictions caused by the pandemic. Garages continue to struggle as Government support is reigned back and the now annual dip in MOT numbers causes ongoing challenges.

The IGA continues to develop support solutions relevant to the sector in order that member garages are best placed to overcome the challenges many still face, not least in overcoming the severe lack of skilled technicians.

The main objectives for the IGA, upon announcement of the UK's first national lockdown were based on three basic priorities, pick up the phone and listen to members, provide clear understandable and timely communications and Lobby the Government on all legislation that impacts on independent garage businesses.

During 2021, the IGA:

- Lobbied the Chancellor requesting that the furlough scheme be extended from April to June for the next five years, to support garages through the dip in business caused by the MOT exemption.
- Continued development on a contingency solution to address access to manufacturers technical information as the end of Motor Vehicle Block Exemption looms.
- Shared experiences and best practice with a number of Trade Associations nationally and internationally.
- Provided support to independent garage businesses in line with the increase in demand for business, legal and HR related issues.
- Delivered a national program of member engagement events in association with the DVSA.
- Shortlisted for four awards in recognition of the support IGA provided to the independent garage sector throughout the pandemic.
- Winner of the Trade Association Forum 'Best Crisis Support Award' for its wider support of COVID across the sector.
- Began development of a 'No Skim' work provision solution to drive consumers to member businesses and raise the profile of the independent sector without eroding profits.
- Maintained excellent relations with Government and remained abreast of important industry issues.
- Provided subsidised HEV level 3 training for its members to enable them to provide local solutions for their customers that become EV adopters.
- Continues to support loyal members via Payment Holidays in times of hardship.

The National Franchised Dealers Association (NFDA)

NFDA represents the interests of franchised car and commercial vehicle retailers to UK Government, European Commission, and Parliament, vehicle manufacturers, the media and a variety of industry stakeholders.

- The NFDA continues to engage regularly with key Government departments, secure media coverage and maintain its high profile in trade and national media outlets.
- Following the impressive engagement levels seen during the pandemic, NFDA has continued to engage with members frequently and constructively to offer support and guidance.
- The topic of 'agency models' and the effect on the future of the relationship between franchised dealers and manufacturers has been one of the main focuses of the NFDA over the past months. The NFDA has been working closely with franchised dealer members and its retained specialist legal advisers to best represent the view of the dealer. The association is also liaising directly with a number of manufacturers.
- The NFDA is also working closely with the Australian Automotive Dealer Association (AADA), the Canadian Automobile Dealers Association (CADA) and the National Automobile Dealers Association (NADA)
- To outline franchised dealers' views regarding the Block Exemption Regulations, the NFDA has been engaging with the European Commission and, in the UK, the Competition and Markets Authority (CMA). To coordinate responses at a European level, the NFDA continues to collaborate with a number of European counterparts via the Alliance of European Car Dealers and Repairers (AECDR).
- The NFDA Working Groups continue to address key industry issues affecting franchised dealers. In particular, these include HR and employment, the electrification of the sector, finance and insurance, and marketing.
- Following a period of realignment for NFDA's employment initiative Drive My Career, when only a few dealers were recruiting, the support behind the initiative is again experiencing record levels. Drive My Career has been running highly successful campaigns sending thousands of potential candidates to its dealer members' career pages.
- NFDA's Electric Vehicle Approved (EVA) division continued to grow with over 350 accredited dealers and many more currently waiting to be audited. The scheme can count on the recently renewed support from the Government's Office for Zero Emission Vehicles (OZEV) and the Energy Saving Trust.
- In 2021, NFDA has continued to run a number of surveys to obtain direct, invaluable feedback from dealers and provide useful insights into the retail side of the automotive sector. These included the monthly 'State of the Market and the quarterly HR Survey. The NFDA Dealer Attitude Survey continues to be well received by dealers and manufacturers, with record response levels.
- The NFDA Commercial Vehicle Division continues to engage with Government departments, with a focus on Driver and Vehicle Licensing Agency (DVLA) and Driver and Vehicle Standards Agency (DVSA). Significant progress has been made with the Department for Transport (DfT) on the introduction of privatisation of truck testing at ATFs.
- Overall NFDA membership continues to grow, with the association retaining a strong profile in a consolidating market.

The NFDA is The Voice of Automotive Retailers

THE National Association of Motor Auctions (NAMA)

The National Association of Motor Auctions (NAMA) represents vehicle auctions in the UK. The UK motor auction sector sells over 2 million vehicles per annum and NAMA represents 90% of these sales. NAMA members not only auction vehicles but offer a range of complementary remarketing services such as transportation, valeting and reconditioning.

- NAMA continues to represent the interests of its members with Government and industry stakeholders lobbying on key industry issues.
- During the COVID-19 pandemic vehicle auctions operated effectively online and vehicle auctions' online services remained strong throughout 2021.
- NAMA's Vehicle Grading Scheme continues to expand and has been key to the ability of auctions to operate effectively as they came out of the pandemic.
- The NAMA Appraiser course continues to drive up standards of vehicle appraising across the industry giving consistency and confidence to buyers when they purchase online or at an auction.
- Following the appointment of its new Chairman, NAMA announced its strategy for 2022/23 which will focus on alternative fuels and on developing closer relations with the association international counterparts including the National Auto Auction Association's (NAAA) in the USA, the Car Remarketing Association Europe (CARA) and the Auctioneers and Valuers Association of Australia (AVAA).

The National Motorcycle Dealers Association (NMDA)

The NMDA saw membership increase slightly in 2021. Despite the challenges facing the sector, sales of Power Two Wheelers (PTWs) continued to increase with more consumers exploring economic means to commute.

The association's engagement levels with members grew significantly thanks to more frequent communications and a renewed focus on regular updates to assist motorcycle dealers.

The NMDA continued to liaise with Government departments on a number of issues affecting Power-Two-Wheelers dealers, in particular the role of e-scooters.

The NMDA Dealer Attitude Survey has been experiencing a rising response rate with British Dealer News remaining engaged as the key trade press outlet for the motorcycle sector.

The Petrol Retailers Association (PRA) and Car Wash Association (CWA)

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

The Car Wash Association (CWA) represents the interests of automated car wash operators, equipment manufacturers and suppliers to Government and Local Assemblies across the UK.

- In 2021 the net reduction in UK forecourts was the lowest for many years with only 2 forecourts closing.
- PRA serves 72% of the "Top 50" Independent fuel retailers (65% of all forecourts) and 80% of the motorway service area network.
- New ways of financing the association have been successfully introduced including corporate and associate memberships and commercial activities.
- PRA works alongside the Government and is a member of the Downstream Oil Industries Forum hosted by BEIS (Business Energy and Industrial Strategy).
- During 2021 there were fuel shortages due to a reduction in the number of HGV drivers which was fanned by the media.
- The PRA were active in the media reporting information as provided by members.
- We were successful in lobbying for the de-prioritisation of Motorway Service Areas and Oil Company owned sites thus enabling the re-supply of fuel to our members.
- We also argued for an extension to the assistance provided by military drivers until stock levels at forecourts returned to normal.

- We have also represented our members' interests in the media concerning record fuel prices, issues, reductions in fuel duty to Her Majesty's Treasury and the activities of "Just Stop Oil".
- We have been recognised by the Government as a particularly good source of information establishing direct communications with Grant Shapps Secretary of State for Transport and Kwarsi Kwarteng Secretary of State for Business, Energy, and Industrial Strategy.
- The Government has issued a substantial number of consultation documents and PRA continues to work on the Decarbonisation of Transport, Access to cash, Forecourt crime, Reform of Business rates, Fuel duty and National Energy Resilience.
- PRA is affiliated to the Car Wash Association (CWA) .
- CWA has been successful in recruiting most of the companies in the automated car wash sector including multiple forecourt operators, equipment manufacturers and suppliers and also compliant hand car washing companies.
- The CWA published its authoritative survey entitled 'Car Wash Market Report 2021' that was launched at a reception in the House of Commons on 30th November 2021.
- Alongside this a two-page summary highlighting the issue of Modern Slavery on hand car washes was handed to MPs and guests at the launch.
- Lobbying activities continue to address the issues of non-compliant hand car washes with the Home Office, DEFRA, Environment Agency, HSE, OLME, GLAA, IASA and via the Church of England's Clewer Initiative.

The National Body Repair Association (NBRA)

The National Body Repair Association (NBRA) is the UK's leading representative body for the automotive body repair sector. Bodyshop membership ranges from larger groups including the UK's leading body repair centres, to small independent repairers. The association provides a range of valuable services to members and lobbies on issues affecting the sector by engaging with professional industry organisations, legislative bodies and Government to ensure our members and sector's views are represented.

After an absolutely awful start to 2021 for the repair industry, that had still been lagging at just over half of pre-pandemic levels of accident claims we began to see a proper recovery with claims and revenues approaching 85% of the norm by June 2021. However, it was still a very damaged industry and this was compounded by insurers and accident management companies taking advantage of bodyshop desperation by, in some cases, renegotiating contracts downwards further.

NBRA had received countless complaints from members who were asked to reduce their terms by big insurers that actually made bumper profits in 2020. NBRA held emergency talks with key members to work on a strategy to fight back, but in general trading conditions for the industry were extremely tough.

Members were struggling with repaying deferred VAT, bounce back loans and mounting debts and as a consequence more repairers than ever had been required to factor invoices for cashflow. Growing and maintaining our member base under these conditions was very hard but we managed to keep them level.

However, without the planned growth NBRA had to look hard at its cost base and as such made a further redundancy which improved our profit and loss. We also implemented a strategy to offset further significant costs which was the provision of methods. This was replaced by a new service with a new supplier Alldata which was successfully implemented in the year.

NBRA held its second Greener Bodyshop Awards in September which generated a lot of interest from Members and Suppliers alike and was considered a huge success. This initiative has caught the imagination of suppliers and insurers keen to jump on.

NBRA made progress with the Government's Small Business Commissioner discussing the problem of big corporates taking advantage of small business post pandemic and gained support to put some additional pressure on insurers to treat repair businesses fairly.

Strategically we continued to play a significant part in the formation of updated standards for the repair industry and have been heavily involved in standards for recycled parts both in terms of provenance and quality.
Our website continued to improve with more functionality including a "Profitability Calculator" free to members as a benefit as well as a new Members Area.

NBRA also featured in the press including Modern Insurance magazine with a piece written to highlight the profitability squeeze our members felt as inbound inflation hit them with no apparent upward movement on revenues.

VBRA has seen a reasonable amount of activity in 2021 with a further NMC Council meeting and more communication of the new VBRA Guide to Commercial Repair Charges which we are lobbying for our Members to adhere to in their dealings with insurers.

Post-Covid, the repair industry shrunk approximately by 15% as bodyshops have closed or elected to not return to pre-covid production capability. Interestingly accident claims recovered to less than 10% below where they originally were in early 2020. That has created a supply and demand imbalance leaving the remaining bodyshops very busy and in many cases had customers waiting for repairs into the following year. In January 2020 NBRA wrote to all the work providers predicting this is exactly what would happen and urged them to improve their contract terms in return for guaranteed capacity and customer service. Unsurprisingly they didn't take the recommended action.

In October NBRA wrote to the market again to explain the consequences of their inaction urging company Execs to meet, listen and collaborate over ways to save the industry and support their own customers with a better, safer repair journey. This time we had some responses including at least two insurer CEOs who met with us.

Our earlier work with the UK's largest motor insurer earlier in the year has resulted in some of our members ultimately receiving a £5/hour rate increase which we estimate has benefitted these repairers to the tune of c. £50k each to the bottom line which was a real win for us.

NBRA has also been highlighting the considerable investment necessary to be ready for EV repairs. EV presents a huge risk to repairers in terms of staff and customer safety and the issue this time is that they need to be fully ready for the first job that crosses the doors. NBRA is concerned that repairers will go out of the frying pan and into the fryer if they simply accept a change to EV without the requisite compensation and have started a group to fully surface the situation with Cogent Hire.

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 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. However, the manner in which the UK economy continues to recover from the Covid-19 pandemic adds to the risk in the short and medium terms. The sale of our investment in Remit, which was completed in May 2021, has removed what the Board considered to be a further significant area of risk.

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.

Section 172 statement

Section 172 of the Companies Act 2006 sets out a number of general duties that directors owe to the company.

These include a general duty requiring directors to act in a way in which they consider, in good faith, will promote the success of the company for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct;
- desirability of the company's operations on the community and environment; and
- need to act fairly as between members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are the people who work for us, our members and those in the supply chain with whom we engage, Government and regulatory bodies. The Directors recognise that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way. We are committed to doing business responsibly and thinking for the long term.

The Directors regularly receive reports from management on issues concerning members, the environment, suppliers, employees and other stakeholders which it takes into account in its discussion and in its decision making process under section 172.

Covid-19 and its impact

The directors have considered the impact of the ongoing Covid-19 pandemic and the various measures taken to contain it, on the operations of the company. While these risks have lessened as restrictions have been lifted in the UK, it is clear that the effects of the pandemic will continue to impact on the economy for some time yet.

Risks continue primarily in terms of income and in particular the loss of members, either due to businesses closing or being unable to afford their membership fees due to the impact of the pandemic on their own businesses. These impacts are likely to continue as we move through 2022 and on in to 2023. Given the level of reserves and balance sheet strength which the Federation has, this is not considered to be something that would put the Federation at risk in the short term or medium term, but the Federation continues to monitor the need to use some of its reserves, if necessary, to continue to provide the full range of services to its members. The Federation also remains vigilant on the need to ensure that it remains right-sized for the future.

In determining the appropriate basis of preparation of these financial statements, the directors are required to consider whether the federation can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of these financial statements. Management has considered the Federaton's financial performance since the balance sheet date, and the likely impact on reserves as a result. Management has prepared forecasts and cash flow projections up to 30 June 2023 and is confident that the Federation will have sufficient resources to operate for at least the next 12 months.

On behalf of the board

K Finn
Director
28 June 2022

The Retail Motor Industry Federation Limited
Report of the Directors
For the year ended 31 December 2021

The directors present their report and financial statements for the year ended 31st December 2021.

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

The RMI owned 51% of the issued share capital of Remit Group Limited ('Remit') which provides national multi-sector apprenticeships and adult learning training until 12 May 2021 when the investment was sold. The sale included RMI's indirect holdings in Remit Food Limited which provides training to the catering and hospitality industry and Assessed Education Limited which provides delivery of end point assessment of apprenticeship standards. It also owns 100% of RMI SC Limited, which provides certification and commercial services to the motor industry. The RMI is also the only, and therefore controlling, member of VBRA Limited which continues to manage the property investment of the VBRA trade association.

The financial statements have been consolidated to include the subsidiaries.

Results and Dividend

The results for the year are set out on page 16. 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 and up to the date of signature of the financial statements are listed below.

Board of Directors

P. Johnson	Chairman
G. Balmer	(Appointed 4 May 2021)
R. Collings	(Resigned 31 December 2021)
R. M. Collison	(Appointed 4 May 2021)
S. Field	(Resigned 4 May 2021)
K. A. Finn	
S. G. James	Executive Director
C. B. Madderson	Executive Director
D. Newman	
C. B. Parlett	(Resigned 4 May 2021)
S. Pearson	
S. Robinson	Executive Director
A. Russell	(Appointed 25 April 2022)
K. Savage	
C. Thomas	Finance Director and Company Secretary
R. Thorogood	(Appointed 4 May 2021)
C. Weeks	Executive Director

Future Developments

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

Employee Involvement

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

Engagement with suppliers and members

We value our members and aim to provide support and benefit to the members. More details can be found in the strategic report. We maintain good supplier relationships and continue to develop this.

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.

Auditor

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

Corporate Governance

The Board of Directors meets five 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 seven other Directors. Directors are drawn from different associations and 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 in the retail motor industry 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 board is very aware of the continuing potential impact of the ongoing Covid-19 pandemic both on its members, and on its own operations and people, and has sought to ensure that the appropriate governance is in place and actions taken in order to mitigate the risks arising from this.

Remuneration Committee

The Remuneration Committee reviews and sets the remuneration levels for executive and non-executive directors. The committee comprised of the following directors: Mr R Collings (until 31 December 2021), Mr P Johnson, Mr K Finn, Mr K Savage and Mr R Collison. 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 R Collings (until 31 December 2021) and Mr K. Finn. 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 was comprised of Mr P Johnson and Mr K Finn.

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 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 or 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 group and 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 group and of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 auditor is 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 auditor is aware of that information.

On behalf of the Board

201 Great Portland Street
London W1W 5AB

K Finn
Director
28 June 2022

The Retail Motor Industry Federation Limited
Energy and Carbon Report
For the year ended 31 December 2021

The information and data results provided below have been produced in a format which meet the mandatory requirements for Streamlined Energy and Carbon Reporting (SECR).

Under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 we are required to disclose our UK energy use and associated greenhouse gas (GHG) emissions. Specifically, we are required to report these GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensification ratio under the regulations.

Methodology

This report has been compiled in accordance with the requirements set out in the HM Government document - Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 and utilising the UK Government GHG convers

The above was in conjunction to the ESOS methodology (Energy Savings Opportunity Scheme version 6, October 2019).

To assure that we achieve and deliver effective emissions control and management, we are utilising recognised and robust methods. Accordingly whilst no prescribed methodology is detailed in the regulations, we collect our data sets annually, and measure and calculate our carbon footprint using the relevant conversion factors issued by DEFRA (Department for Environment, Food, and Rural Affairs) / BEIS (Department for Business, Energy and Industrial Strategy) in June 2019.

The Streamlined Energy and Carbon reporting included in this report covers the period of 1 January to 31 December 2021.

2021 Results

	2021		2020	
Scope	Usage (KwH)	Emissions (Kg Co_2e)	Usage (KwH)	Emissions (Kg Co_2e)
Scope 1 - natural gas	42,857	8,715	22,403	4,556
Scope 2 - electricity (location based)	37,202	7,687	33,272	7,687
Scope 3 - road transport (partner and staff related)	684,770	175,369	635,897	155,073
Total	**764,829**	**191,771**	**691,572**	**167,316**

Intensity ratio	Emissions (tCo_2e) 2021	Emissions (tCo_2e) 2020
Tonnes of Co_2e per £m revenue	27.12	22.56
Tonnes of CO_2e per full time headcount	2.49	2.29

Energy efficiency measures

We are committed to lowering our energy usage and focus on energy efficiency throughout the Federation, wherever it is feasible to do so. We recognise that climate change is a threat that affects us all, and that we have a role to play in lowering the greenhouse gas emissions in our operations and within our community.

We are committed to work towards a carbon zero position over the coming years in line with our commitment to be a socially conscious business, and are conscious that given the industry we operate in, it is all the more important for us to do so and set an example for our members, and for society more widely.

As part of this commitment, we are in the process of converting our fleet of company vehicles from diesel to hybrid/electric vehicles as they come up for renewal. We also work closely with the industry as a whole on green energy issues such as Electric Vehicle Accreditation for dealerships and garages, and upskilling technicians on electric vehicle maintenance.

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

Opinion

We have audited the financial statements of The Retail Motor Industry Federation Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group 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 FRS 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 of the parent company's affairs as at 31 December 2021 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 and of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 company 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. 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.

Opinions 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 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.

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 material misstatements in the Strategic Report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and parent company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the group and parent company comply with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Use of our report

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 auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

22 September 2022

6th Floor
9 Appold Street
London
EC2A 2AP

The Retail Motor Industry Federation Limited
Group Profit and Loss Account
For the year ended 31 December 2021

	Note	Continuing Operations £ '000	Discontinued Operations £ '000	31 December 2021 £ '000	Continuing Operations £ '000	Discontinued Operations £ '000	31 December 2020 £ '000
Turnover	3	7,071	6,070	13,141	6,547	15,644	22,191
Cost of sales		(493)	(3,046)	(3,539)	(415)	(9,174)	(9,589)
Gross profit		6,578	3,024	9,602	6,132	6,470	12,602
Operating expenses		(6,870)	(3,103)	(9,973)	(6,500)	(7,855)	(14,355)
Other operating Income		29	189	218	233	1,556	1,789
Profit on disposal of subsidiary		-	1,069	1,069	-	-	-
Operating Profit / (Loss)	4	(263)	1,179	916	(135)	171	36
Investment income	5	1,435	-	1,435	746	-	746
Other finance income	18(b)	1	-	1	1	-	1
Gain on revaluation of investment property	11	35	-	35	(915)	-	(915)
Profit / (Loss) before taxation		1,208	1,179	2,387	(303)	171	(132)
Taxation	8	(783)	(21)	(804)	(26)	(55)	(81)
Profit/(Loss) for the financial year		425	1,158	1,583	(329)	116	(213)
Profit attributable to non-controlling interest		-	(67)	(67)	1	(64)	(63)
Profit/(Loss) attributable to owners of the parent		425	1,091	1,516	(328)	52	(276)

The Retail Motor Industry Federation Limited
Group Statement of Comprehensive Income
For the year ended 31 December 2021

	Note	2021 £ '000	2020 £ '000
Profit/(Loss) for the financial year		1,583	(213)
Other Comprehensive Income:			
Remeasurements of net defined benefit obligations	18(b)	254	9
(Loss) on revaluation of property net of related deferred tax	10, 17	(217)	(403)
Total comprehensive income/(expenditure) for the financial year		1,620	(607)
Attributable to non-controlling interest		(67)	(63)
Attributable to members of the parent		1,553	(670)

The Retail Motor Industry Federation Limited
Group and Company Balance Sheet
as at 31 December 2021

	Note	Group 2021 £ '000	Group 2020 £ '000	Company 2021 £ '000	Company 2020 £ '000
Fixed Assets					
Intangible assets					
Software	9	71	107	71	107
Course Materials	9	-	361	-	-
		71	468	71	107
Tangible assets	10	3,475	4,118	3,475	3,515
Investment property	11	7,965	7,930	7,780	7,780
Investments	12	19,656	16,349	19,656	16,355
		31,167	28,865	30,982	27,757
Current Assets					
Debtors	13	1,103	2,950	1,018	823
Cash at bank and in hand		1,088	3,321	220	5
		2,191	6,271	1,238	828
Creditors: Amounts falling due within one year	14	(2,884)	(5,321)	(3,893)	(3,314)
Net Current (Liabilities) / Assets		(693)	950	(2,655)	(2,486)
Total Assets less Current Liabilities		30,474	29,815	28,327	25,271
Creditors: amounts falling due after more than one year	15	-	(398)	-	-
Provision for Other Liabilities	17	(3,142)	(2,258)	(3,142)	(2,142)
Net Assets excluding pension liability		27,332	27,159	25,185	23,129
Pension retirement obligations	18 (b)	-	-	-	-
Net Assets including pension liability		27,332	27,159	25,185	23,129
Capital and Reserves					
Revaluation reserve		2,904	3,121	2,904	3,121
Profit and loss reserve		24,334	22,564	22,281	20,008
Members' funds		27,238	25,685	25,185	23,129
Non-controlling interests		94	1,474	-	-
		27,332	27,159	25,185	23,129

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 £2,019,441 (2020: loss of £711,108).

The financial statements were approved by the board of directors and authorised for issue on 28 June 2022 and are signed on its behalf by:

Peter Johnson

P. Johnson
Chairman

K. Finn
Director

Company Registration Number: 00133095

The Retail Motor Industry Federation Limited
Group and Company Statement of Changes in Equity
For the year ended 31 December 2021

Group	Revaluation Reserve £'000	General Reserve £'000	Total £'000	Non controlling interest £'000	Total £'000
Balance at 1 January 2020	3,524	22,831	26,355	1,411	27,766
Year ended 31 December 2020					
(Deficit) /Surplus for the year	-	(276)	(276)	63	(213)
Other comprehensive (expenditure)/income for the year	(403)	9	(394)	-	(394)
Total comprehensive (expenditure) / income for the year	(403)	(267)	(670)	63	(607)
Balance at 31 December 2020	3,121	22,564	25,685	1,474	27,159
Year ended 31 December 2021					
Surplus for the year	-	1,516	1,516	67	1,583
Other comprehensive (expenditure)/income for the year	(217)	254	37	-	37
Disposal of subsidiary	-	-	-	(1,447)	(1,447)
Total comprehensive (expenditure)/income for the year	(217)	1,770	1,553	(1,380)	173
Balance at 31 December 2021	2,904	24,334	27,238	94	27,332

Company	Revaluation Reserve £'000	General Reserve £'000	Total £'000
Balance at 1 January 2020	3,524	20,710	24,234
Year ended 31 December 2020			
(Deficit) for the year	-	(711)	(711)
Other comprehensive income for the year	(403)	9	(394)
Total comprehensive (expenditure)/ income for the year	(403)	(702)	(1,105)
Balance at 31 December 2020	3,121	20,008	23,129
Year ended 31 December 2021			
Surplus for the year	-	2,019	2,019
Other comprehensive (expenditure)/ income for the year	(217)	254	37
Total comprehensive (expenditure)/income for the year	(217)	2,273	2,056
Balance at 31 December 2021	2,904	22,281	25,185

The Retail Motor Industry Federation Limited
Group Statement of Cash Flows
For the year ended 31 December 2021

	Note	Group 2021 £ '000	Group 2020 £ '000
Cashflows from operating activities	**19**		
Cash generated from operations		936	2,211
Income taxes (paid)		(2)	(64)
Net cash inflow from operating activities		934	2,147
Cashflow from investing activities			
Purchase of intangible assets		(61)	(248)
Purchase of tangible fixed assets		(47)	(433)
Interest received		311	288
Receipts from sales of investments		1,652	3,153
Payments to acquire investment securities		(3,835)	(3,175)
Proceeds on disposal of shares in subsidiary (net of cash held in subsidiary)		(3,171)	-
Net cash (used in) investing activities		(5,151)	(415)
Cashflow from financing activities			
Payment of finance lease obligations		(16)	(54)
Proceeds from bank borrowings		2,000	-
Net cash from /(used in) financing activities		1,984	(54)
Net (decrease)/ increase in cash and cash equivalents		(2,233)	1,678
Cash and cash equivalents at beginning of year		3,321	1,643
Cash and cash equivalents at end of year		1,088	3,321
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,088	3,321

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 in 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.

1.3 Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following exemptions:

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

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

1.4 Going Concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group and company can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements. Management has considered the group and the company's financial performance since the balance sheet date and has prepared forecasts and cash flow projections up to 31 December 2023.

Based on these forecast cash flows, the Directors consider that the group and the company have adequate cash resources to continue to operate and meet their liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and consequently the financial statements have been prepared on a going concern basis.

1.5 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 and VAT. 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.

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.

Other commercial activities

The other services are recognised as income when the services are provided.

1.6 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.

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.

1.7 Intangible Fixed Assets other than Goodwill

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

Staff costs relating to time spent developing new course content including the instructional design required to deliver the apprenticeship training courses are recognised as intangible assets- course materials.

1.8 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
- Course Materials 3 years straight line or over the period for which the content is expected to be used if shorter.

Amortisation of course materials is charged to cost of sales in the Profit and Loss account.

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

1.9 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

1 Accounting Policies (continued)

1.9 Tangible Assets (continued)

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.

1.10 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.

1.11 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.

1.12 Investments

Investments comprise investments in listed 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.

1.13 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.

1 Accounting Policies (continued)

1.13 Investment in Subsidiaries (continued)

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.

1.14 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.

1.15 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 and company's balance sheet when the group and company 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 or company 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 group and /or company after deducting all of its liabilities.

1 Accounting Policies (continued)

1.15 Financial instruments (continued)

Basic financial 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.

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 group's and company's obligations are discharged, cancelled, or they expire.

1.16 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.

1.17 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.

1 Accounting Policies (continued)

1.17 Taxation (continued)

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 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.

1.18 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 and company are demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 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 Balance Sheet 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 Accounting Policies (continued)

1.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.21 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.

1.22 Government grants

Grants relating to revenue are recognised in income on a systematic basis over the period in which the entity recognises the related costs for which the grant is intended to compensate. This includes £218k (2020 - £1,789k) of government assistance under the Coronavirus Jobs retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

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 profits 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.

2 Significant judgements and estimates (continued)

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 1.8 for the useful economic lives for each class of assets.

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. Estimates have also been made of the additional liabilities that arise for the requirement to equalise guaranteed minimum pension benefits (GMP) following the court judgements on 26 October 2018 and 20 November 2020. This was included in the 2018 liabilities for the first time and was estimated at £320,000 and included as a past service cost. See note 18 for the disclosures relating to the defined benefit scheme.

Intangible assets- capitalisation and amortisation of course materials
The group employs staff to develop new course content including the instructional design required to deliver apprenticeship training courses. The cost of time spent by these employees, based on time records maintained, is recognised as an intangible asset described as course materials.

The total amount capitalised in the year was £61k as shown in note 9.

The course material is amortised over the shorter of the time that the content is expected to remain relevant and used in course delivery without significant enhancement or three years. The amortisation of course materials in the year was £97k as shown in note 9.

Estimation of fair value of investment properties
The group uses the valuation performed by its independent valuers as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties.

3 Turnover

	2021 £ '000	2020 £ '000
Subscriptions	4,081	4,046
Membership activities	-	7
Rental income	290	276
Commission	52	53
Other income	2,648	2,165
Training - discontinued operations	6,070	15,644
	13,141	22,191

4 Operating Profit

	2021 £ '000	2020 £ '000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration in respect of audit services - current year	35	33
Auditors' remuneration in respect of audit services - prior year	-	23
Auditors' remuneration in respect of:		
–audit of subsidiaries	16	46
–taxation	13	20
–other	15	27
Depreciation of owned tangible fixed assets	118	296
Depreciation of tangible fixed assets held under finance leases	20	57
Amortisation of intangible assets	134	276
Operating lease rentals	313	611
Government grants - Furlough grants	(218)	(1,789)

5 Investment Income

	2021 £ '000	2020 £ '000
Profit on sale of investments	1,125	562
(Loss)/ Profit on revaluation of investments	(1)	(104)
Investment interest receivable	172	162
Dividends receivable	139	126
	1,435	746

6 Staff Costs including Executive Directors

	2021 £ '000	2020 £ '000
Wages and salaries	6,395	13,244
Social security costs	716	1,381
Pension costs	621	671
Redundancy costs	8	119
	7,740	15,415

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

	2021	2020
Members services	60	65
Training	131	339
Administration	15	15
	206	419

The information for 2021 reflects the sale of the subsidiary, Remit Group Limited on 12 May 2021.

7 Directors' Emoluments

	2021 £ '000	2020 £ '000
Emoluments	943	752
Company contributions to money purchase pension scheme	55	50
	998	802

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

	2021 £ '000	2020 £ '000
Highest paid director		
Emoluments	205	168
Aggregate contributions to money purchase pension scheme	16	14
	221	182

Two Directors (2020 - two) were members of the defined contribution scheme.

8 Taxation

Domestic current year tax	2021 £ '000	2020 £ '000
UK Corporation tax	21	44
Adjustments for prior years	-	7
Total current tax charge	21	51
Deferred Tax:		
Deferred tax charge for the current year (note 17)	783	30
Group deferred tax charge	783	30
Total tax charge	804	81

Factors that may affect future tax charges
The group has estimated tax losses of £11,757,000 (2020: £11,770,000) available to carry forward.

8 Taxation (continued)

Factors affecting the tax charge for the year

	2021 £ '000	2020 £ '000
Profit /(Loss) before tax	2,387	(132)
Profit/(Loss) before tax multiplied by the standard rate of UK Corporation tax of 19% (2020 - 19%)	454	(25)
Effects of:		
Non deductible expenses	5	8
Capital allowances for year lower than depreciation/ (in excess of)	(10)	(30)
Profit on disposal of subsidiary exempt from tax	(203)	-
Tax losses utilised	-	(22)
Unutilised tax losses carried forward	-	(23)
Effect of change in corporation tax rate on deferred tax	536	145
Dividends not taxable	(26)	(24)
Unrelieved losses and other adjustments	-	20
FRS102 pension adjustments not deductible/ chargeable for tax	48	(2)
Change in unrecognised deferred tax assets	-	27
Adjustments in respect of prior years	-	7
	350	106
Tax expense for the year	804	81

9 Intangible Fixed Assets

Group

	Goodwill £'000	Software £'000	Course Materials £'000	Total £'000
Cost				
At 1st January 2021	727	111	1,173	2,011
Additions- internally developed	-	-	61	61
Disposal of subsidiary	(120)	-	(1,234)	(1,354)
Transfer from tangible fixed assets	-	50	-	50
At 31st December 2021	607	161	-	768
Amortisation				
At 1st January 2021	727	4	812	1,543
Amortisation charge for the year	-	37	97	134
Disposal of subsidiary	(120)	-	(909)	(1,029)
Transfer from tangible fixed assets	-	49	-	49
At 31st December 2021	607	90	-	697
Net book value				
At 31st December 2021	-	71	-	71
At 31st December 2020	-	107	361	468

9 **Intangible Fixed Assets (continued)**

Company

	Goodwill	Software	Total
	£'000	**£'000**	**£'000**
Cost			
At 1st January 2021	607	111	718
Transfer from tangible fixed assets	-	50	50
At 31st December 2021	607	161	768
Amortisation			
At 1st January 2021	607	4	611
Amortisation charge for the year	-	37	37
Transfer from tangible fixed assets	-	49	49
At 31st December 2021	607	90	697
Net book value			
At 31st December 2021	-	71	71
At 31st December 2020	-	107	107

Negative Goodwill	**Group**
	£'000
Cost	
At 1st January 2021 and 31st December 2021	822
Amortisation	
At 1st January 2021	822
Amortisation for the year	-
At 31st December 2021	822
Net book value	
At 31st December 2021	-
At 31st December 2020	-

Group intangible asset- Course Materials

Course materials includes group course materials required to deliver apprenticeship training courses. This content was created by staff specifically employed for the purpose. These belonged to the subsidiary, Remit Group Limited, which was sold in May 2021.

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.

10 Fixed Assets - Tangible

Group	Long Leasehold Property	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Total
Cost or Valuation	**£ '000**	**£ '000**	**£ '000**	**£ '000**	**£ '000**
At 1st January 2021	3,340	411	1,568	900	6,219
Additions	-	-	9	38	47
Disposals	-	(213)	-	-	(213)
Disposal of subsidiary	-	(4)	(960)	(603)	(1,567)
Transfer to Intangible fixed assets	-	-	-	(50)	(50)
At 31st December 2021	3,340	194	617	285	4,436
Depreciation					
At 1st January 2021	-	331	956	814	2,101
Charge for the year	-	21	82	35	138
Eliminated on disposals	-	(213)	-	-	(213)
Disposal of subsidiary	-	(12)	(466)	(538)	(1,016)
Transfer to Intangible fixed assets	-	-	-	(49)	(49)
At 31st December 2021	-	127	572	262	961
Net Book Value					
At 31st December 2021	3,340	67	45	23	3,475
At 31st December 2020	3,340	80	612	86	4,118

Long Leasehold Property (Group and Company)

The long leasehold property was professionally valued as at 31 December 2021 on the basis of fair value by HB Surveyors and Valuers, independent valuers, in accordance with RICS Red Book - Global. 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 £250k (2020- £250k).

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.

10 Fixed Assets - Tangible (continued)

Company	Long Leasehold Property	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Total
Cost or Valuation	**£ '000**	**£ '000**	**£ '000**	**£ '000**	**£ '000**
At 1st January 2021	3,340	407	608	317	4,672
Additions	-	-	9	18	27
Disposals	-	(213)	-	-	(213)
Transfer to Intangible assets	-	-	-	(50)	(50)
At 31st December 2021	3,340	194	617	285	4,436
Depreciation					
At 1st January 2021	-	321	542	294	1,157
Charge for the year	-	19	30	17	66
Eliminated in respect of disposals	-	(213)	-	-	(213)
Transfer to Intangible assets	-	-	-	(49)	(49)
At 31st December 2021	-	127	572	262	961
Net Book Value					
At 31st December 2021	3,340	67	45	23	3,475
At 31st December 2020	3,340	86	66	23	3,515

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Furniture and equipment	-	95	-	-

11 Fixed Assets - Investment Property

Investment property (Group)

	2021
Fair value	**£ '000**
At 1st January 2021	7,930
Revaluation	35
At 31st December 2021	7,965

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.

11 Fixed Assets - Investment Property (continued)

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 is based on an offer received for the property in January 2022 of £185,000. The property was subsequently sold on 20 May 2022 for its offer price.

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been £480k (2020-£480k) (Group).

Investment property (Company)

	2021
Fair value	**£'000**
At 1st January	7,780
Revaluation	-
At 31st December	7,780

Investment Property (Company)

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been £265k (2020-£265k).

12 Fixed Assets - Investments

	Cash Deposits	Listed Investments	Total
Group	**£'000**	**£'000**	**£'000**
Cost or valuation			
At 1st January 2021	967	15,382	16,349
Additions	-	3,835	3,835
Disposals	(333)	(1,319)	(1,652)
Revaluations	-	1,124	1,124
At 31st December 2021	634	19,022	19,656

12 Fixed Assets - Investments (continued)

Company	**Shares in Group Undertakings £'000**	**Cash Deposits £'000**	**Listed Investments £'000**	**Total £'000**
Cost or valuation				
At 1st January 2021	6	967	15,382	16,355
Additions	-	-	3,835	3,835
Disposals	(6)	(333)	(1,319)	(1,658)
Revaluations	-	-	1,124	1,124
At 31st December 2021	-	634	19,022	19,656

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2021 was £16,111,339 (2020 - £13,572,701).

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	Disposed of in year	Training Provider	51
RMI SC Limited		Certification and Commercial Services	100
Remit Food Limited	Disposed of in year	Training Provider	42*
Assessed Education Limited	Disposed of in year	End Point Assessor	51*
Trading Company limited by guarantee:			
The Vehicle Builders and Repairers Association		Investment company	n/a***
Non Trading Companies:			
The Petrol Retailers Association Limited		Dormant	100
Motor Industry Pension Plan Trustees Limited		Dormant	100
Remit Training Limited		Dormant	51*
Big Oil Limited		Dormant	100
Non Trading Companies limited by guarantee:			
Trusted Dealers Limited		Dormant	n/a**
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
Car Wash Association		Dormant	n/a

12 Fixed Assets - Investments (continued)

The registered office of Remit Group Limited, Remit Food Limited, Assessed Education Limited and Remit Training Limited is 4 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX and the registered office of all the other subsidiaries is 201 Great Portland Street, London, W1W 5AB.

The financial statements for the trading subsidiaries for the year ended 31 December 2021 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

Sale of Subsidiary Undertaking

On 12 May 2021, Retail Motor Industry Federation Limited sold its 51% shareholding in Remit Group Limited for £2,221k (net of costs). The sale included RMI's indirect holdings in Remit Food Limited and Assessed Education Limited. RMI's share of the profit of Remit Group Limited up to the date of disposal was £22k. RMI's share of net assets at the time of disposal was £1,152k, giving a profit on sale of £1,069k in the consolidated accounts. The profit on sale is included in the results of discontinued operations.

13 Debtors

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£ '000	**£ '000**	**£ '000**	**£ '000**
Trade debtors	292	480	229	167
Amounts owed by subsidiary undertakings	-	-	-	55
Other debtors	505	282	505	207
Prepayments and accrued income	306	2,188	284	394
	1,103	2,950	1,018	823

Included in Other debtors is deferred consideration of £125k (2020- £nil) on the sale of Remit Group which is receivable over one year from the balance sheet date.

14 Creditors: Amounts falling due within one year

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£ '000	**£ '000**	**£ '000**	**£ '000**
Obligations under finance leases	-	49	-	-
Trade creditors	314	606	312	268
Amounts owed to subsidiary undertaking	-	-	1,262	962
Social security and other taxes	258	1,455	257	379
Other creditors	626	718	626	561
Accruals and deferred income	1,686	2,493	1,436	1,144
	2,884	5,321	3,893	3,314

15 Creditors: amounts falling due after one than more year

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		£ '000	**£ '000**	**£ '000**	**£ '000**
Obligations under finance lease	**16**	-	41	-	-
Social security and other taxes		-	357	-	-
		-	398	-	-

16 Finance lease obligations

	Group 2021 £ '000	Group 2020 £ '000	Company 2021 £ '000	Company 2020 £ '000
Future minimum lease payments due under finance leases:				
Within one year	-	60	-	-
In two to five years	-	50	-	-
	-	110	-	-
Less: future finance charges	-	(20)	-	-
			-	-
	-	90	-	-

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 liability	Group 2021	Group 2020	Company 2021	Company 2020
Revaluation gains on listed investments and investment and own-use property	3,142	2,258	3,142	2,142

Deferred tax movements in the year	Group 2021 £ '000	Company 2021 £ '000
Liability at 1st January 2021	(2,258)	(2,142)
Asset at 1st January 2021	-	-
Released on disposal of Subsidiary	116	-
Charge to profit and loss account	(783)	(783)
Charge to other comprehensive income	(217)	(217)
(Liability) at 31st December 2021	(3,142)	(3,142)
Analysed as:		
Liability at 31st December 2021	(3,142)	(3,142)
Asset at 31st December 2021	-	-
The charge to other comprehensive income comprises:		
Effect of change in tax rates	(217)	(217)
	(217)	(217)
The charge to profit and loss comprises:		
Effect of change in tax rates	(460)	(460)
Effect of fair value revaluation gain on own-use property	(323)	(323)
	(783)	(783)

17 Provision for Other Liabilities (continued)

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.

	2021 £ '000	2020 £ '000
Amounts potentially available to credit the Profit and Loss account:		
Accelerated depreciation	103	89
Other short term timing differences	-	2
Losses carried forward	2,939	2,315
Total potential deferred tax asset	3,042	2,406

18 Future Financial Commitments

(a) Operating Leases

Lessee

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 2021 £ '000	Group 2020 £ '000
within one year	125	688
between two and five years	377	1,234
in over five years	168	161
	670	2,083

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

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments, which fall due as follows:

	Group 2021 £ '000	Group 2020 £ '000
within one year	298	291
between two and five years	727	597
over five years	836	956
	1,861	1,844

The leases are for land and buildings and are subject to rent reviews.

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 was carried out at 5 April 2019. Using the 5 April 2019 valuation as a basis, the actuarial valuation of the scheme has been updated to 31st December 2021 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 31st December 2021 amounted to £95,000 (2020 - £95,000). Payments for future years under the current schedule of contributions will be £95,000 for 2022 to cover 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	
	2021	**2020**
	£' 000	**£' 000**
Scheme liabilities at 1st January	23,724	21,848
Interest cost	326	428
Actuarial (gains) / losses on scheme liabilities	(732)	2,338
Net benefits paid from scheme assets	(916)	(890)
Scheme liabilities at 31st December	22,402	23,724

Total actuarial gain of £732,000 (2020-loss of £2,338,000) on the liabilities is analysed as follows:

	2021	**2020**
	£ '000	**£ '000**
Gain/(Loss) on change in actuarial assumptions	732	(2,338)
	732	(2,338)

18 Future Financial Commitments (Continued)

(b) Pension Costs (Continued)

Changes in fair value of scheme assets	**Group and Company 2021 £ '000**	**2020 £ '000**
Fair value of scheme assets at 1st January	29,802	27,522
Return on scheme assets (excluding amounts in net interest)	(469)	2,638
Employer contributions	95	95
Net benefits paid from scheme assets	(916)	(890)
Expenses paid	(350)	(105)
Interest income	411	542
Fair value of scheme assets at 31st December	28,573	29,802

Amounts recognised in income are as follows:	**2021 £ '000**	**2020 £ '000**
Expenses paid - operating expenses	350	105
Interest on net defined benefit asset - other finance income	(1)	(1)
Pension expense recognised in profit and loss	349	104

The actual return on scheme assets for the year was a loss of £58,000 (2020 - £3,180,000 gain).

Amounts recognised in other comprehensive income	**2021 £ '000**	**2020 £ '000**
Actuarial gains/(losses) on liabilities	732	(2,338)
Actuarial gains/(losses) on scheme assets in excess of interest	(469)	2,638
	263	300
Change in the effect of the asset ceiling	(9)	(291)
Total gain recognised in other comprehensive income during the period	254	9

Assumptions

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

	%	%
RPI Inflation	3.60%	3.15%
CPI Inflation	3.20%	2.65%
Revaluations in deferment	3.20%	2.65%
Pension increases- 5% LPI	3.45%	3.05%
Pension increases- 2.5% LPI	2.30%	2.15%
Pension increases- Post 88 GMP benefits	2.50%	2.20%
Discount rate for scheme liabilities	1.95%	1.40%

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% S2PxA tables, improvements in line with the CMI 2018 projections with a value of 7.0 for the smoothing parameter, 0.5 for the adjustment parameter A and a long term rate of improvement of 1.5% (2020: 100% S2PxA tables, improvements in line with the CMI 2018 projections and a long term rate of improvement of 1.5%). Under these assumptions the average life expectancy of males aged 65 is 22.3 years (2020: 22.3 years) and of females aged 65 of 24.2 years (2020: 24.2 years). Longevity at age 65 for future pensioners currently aged 45 is 24.0 years for males (2020: 24.0 years) and 26.0 for females (2020: 26.0 years).
No allowance has been made for cash commutations.

Inflation rates are based on the actuarial assumption for these rates over a long term period.

18 **Future Financial Commitments (Continued)**

(b) **Pension costs (Continued)**

Amounts included in the statement of financial position	**2021**	**2020**
	£ '000	**£ '000**
Fair value of scheme assets	28,573	29,802
Present value of funded defined benefit obligations	(22,402)	(23,724)
Unrecognised asset	(6,171)	(6,078)
Net retirement benefit obligations	-	-

The surplus has not been recognised in the balance sheet as the recovery is uncertain due to the recoverability of the surplus in the form of a refund or a reduction in future contributions depends on the future decisions of the trustees of the scheme.

Analysis of fair value of scheme assets

	2021		**2020**	
	£ '000	%	**£ '000**	%
Diversified (Nominal)	12,001	42%	12,517	42%
Diversified (Real)	16,572	58%	17,285	58%
Fair value of assets	28,573	100%	29,802	100%

19 **Cash generated from operations**

	Group	
	2021	**2020**
	£ '000	**£ '000**
Profit/(loss) for the financial year	1,583	(213)
Adjustments for:		
Income tax recognised in profit or loss	804	81
Fair value (gains) /losses on investment property	(35)	915
Investment income recognised in profit or loss	(1,435)	(746)
Amortisation and impairment of intangible assets	134	276
Depreciation and impairment of tangible fixed assets	138	353
Post employment benefits less payments	254	9
Profit on disposal of subsidiary	(1,069)	-
Movements in working capital:		
(Increase)/Decrease in debtors	(89)	850
Increase in creditors	651	686
Cashflow generated from operating activities	936	2,211

Net Debt Reconciliation	**1 January**	**Cashflows**	**Disposal of subsidiary**	**31 December**
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	3,321	2,909	(5,142)	1,088
Bank loans	-	(2,000)	2,000	-
Finance Leases	(90)	16	74	-
Net debt	3,231	925	(3,068)	1,088

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31 December 2021

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 group undertakings
As described in note 12, RMIF sold its shares of Remit Group and its subsidiaries on 12 May 2021. During the period it was a subsidiary, Remit Group Limited was charged salary and administration costs of £16,667 (2020 - £45,750) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2020, Remit Group Limited owed £54,202 to the Retail Motor Industry Federation Limited.

During the period, Remit Group Limited recharged £740,696 (2020 - £1,465,858) of staff costs on normal commercial terms to Remit Food Limited, its 82% subsidiary. At 31 December 2020, Remit Group Limited owed £1,808,802 to Remit Food Limited.

At 31 December 2020, the Retail Motor Industry Federation Limited owed £11,319 to Remit Food Limited and £303 to Assessed Education for VAT received on its behalf.

At 31 December 2021, the Retail Motor Industry Federation Limited owed £218,182 (2020- £221,508) to Trusted Dealers Limited, its 58% subsidiary.

21 Capital Commitments
At 31 December 2021, the group had capital commitments of £nil (2020-£nil).

22 Contingent Liability

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. Historically, there was an inequality of benefits between male and female members who have GMP. A High Court case concluded on 26 October 2018 which confirmed that GMPs need to be equalised. This was included in the 2018 pension liabilities for the first time. A further court ruling in 2020 confirmed that all transfers with GMPs built up between 17 May 1990 and 5 April 1997 need to be equalised. Based on the available data on historic transfers, the 2020 ruling is not expected to result in a material additional liability.